

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

High Prairie School Division #48

Legal Name of School Jurisdiction

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Mailing Address

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of High Prairie School Division #48 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong system of budgetary control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors were given full access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements prescribed by Alberta Education.

BOARD CHAIR

Mr. Lenny Richer

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Mrs. Laura Poloz

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Mr. Paul Burrows

Name

"ORIGINAL SIGNED"

Signature

November 17, 2010

Board-approved Release Date

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MEYERS NORRIS PENNY LLP

Auditors' Report

To the Board of Trustees
High Prairie School Division No. 48

We have audited the statement of financial position of High Prairie School Division No. 48 as at August 31, 2010 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the School Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School Division as at August 31, 2010 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

Chartered Accountants

Peace River, Alberta
October 21, 2010



STATEMENT OF FINANCIAL POSITION
as at August 31, 2010

(in dollars)

	2010	2009 (Note) Restated
ASSETS		
Current assets		
Cash and temporary investments (Note 3)	\$16,547,702	\$21,657,811
Accounts receivable (net after allowances) (Note 4)	\$897,018	\$471,042
Prepaid expenses (Note 2 G)	\$359,911	\$404,501
Other current assets	\$0	\$0
Total current assets	\$17,804,631	\$22,533,354
School generated assets	\$538,815	\$484,632
Trust assets (Note 8)	\$111,779	\$727,707
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 5)		
Land	\$280,481	\$280,481
Construction in Progress	\$9,256,208	\$3,823,386
Buildings	\$36,688,698	
Less: accumulated amortization	-\$20,110,884	\$17,563,750
Equipment	\$741,698	
Less: accumulated amortization	-\$302,456	\$490,199
Vehicles	\$8,018,328	
Less: accumulated amortization	-\$4,910,398	\$2,941,378
Total capital assets	\$29,661,675	\$25,099,194
TOTAL ASSETS	\$48,116,901	\$48,844,887
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities (Note 6)	\$2,140,181	\$2,218,923
Deferred revenue (Note 7)	\$697,896	\$728,766
Deferred capital allocations (Note 12)	\$1,290,676	\$5,830,028
Current portion of long term debt	\$102,241	\$140,549
Total current liabilities	\$4,230,994	\$8,918,266
School generated liabilities	\$538,815	\$484,632
Trust liabilities (Note 8)	\$111,779	\$727,707
Employee future benefit liabilities	\$0	\$0
Long term debt (Note 9)		
Supported: Debentures and other supported debt	\$111,963	\$252,512
Less: Current portion	-\$102,241	-\$140,549
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 13)	\$25,047,807	\$20,400,754
Total long term liabilities	\$25,708,123	\$21,725,056
TOTAL LIABILITIES	\$29,939,117	\$30,643,322
NET ASSETS		
Unrestricted net assets	-\$0	\$0
Operating Reserves	\$9,181,559	\$9,335,485
Accumulated Operating Surplus (Deficit)	\$9,181,559	\$9,335,485
Investment in capital assets	\$4,501,903	\$4,445,923
Capital Reserves	\$4,494,322	\$4,420,157
Total Capital Funds	\$8,996,225	\$8,866,080
Total net assets	\$18,177,784	\$18,201,565
TOTAL LIABILITIES AND NET ASSETS	\$48,116,901	\$48,844,887

Note: Please input "(Restated)" in 2009 column heading where comparatives are not taken from the finalized 2008-2009 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2010
(in dollars)

	Actual 2010	Budget 2010 (Note)	Actual 2009 (Note) Restated
REVENUES			
Government of Alberta	\$34,585,004	\$33,475,189	\$34,949,735
Federal Government and First Nations	\$2,720,174	\$2,339,400	\$3,168,586
Other Alberta school authorities	\$352,851	\$270,000	\$331,614
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$230,408	\$179,643	\$194,850
Transportation fees	\$206,889	\$220,000	\$198,921
Other sales and services	\$309,457	\$390,999	\$573,627
Investment income	\$62,665	\$100,000	\$169,809
Gifts and donations	\$0	\$0	\$0
Rental of facilities	\$11,465	\$35,500	\$38,709
Gross school generated funds	\$800,472	\$300,000	\$336,184
Gains on disposal of capital assets	\$49,000	\$0	\$22,421
Amortization of capital allocations	\$926,319	\$926,319	\$950,303
Other revenue	\$132,359	\$0	\$67,501
Total Revenues	\$40,387,063	\$38,237,050	\$41,002,260
EXPENSES			
Certificated salaries (Note 17)	\$18,369,928	\$18,000,000	\$17,488,427
Certificated benefits (Note 17)	\$1,810,271	\$1,807,929	\$1,766,565
Non-certificated salaries and wages (Note 17)	\$8,366,310	\$7,300,000	\$8,162,846
Non-certificated benefits (Note 17)	\$1,677,617	\$1,388,857	\$1,546,226
Services, contracts and supplies	\$7,643,663	\$8,943,656	\$8,156,754
Gross school generated funds	\$800,472	\$300,000	\$336,184
Capital and debt services			
Amortization of capital assets			
Supported	\$926,319	\$926,319	\$950,303
Unsupported	\$798,639	\$798,826	\$719,913
Total Amortization of capital assets	\$1,724,958	\$1,725,145	\$1,670,216
Interest on capital debt			
Supported	\$17,625	\$28,064	\$39,016
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$17,625	\$28,064	\$39,016
Other interest and charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
Total Expenses	\$40,410,844	\$39,493,651	\$39,166,234
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	-\$23,781	-\$1,256,601	\$1,836,026
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	-\$23,781	-\$1,256,601	\$1,836,026

Note: Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statements filed with Alberta Education. Budget 2010 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2010

(in dollars)

	2010	2009 (Note) Restated
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	-\$23,781	\$1,836,026
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	-\$926,319	-\$950,303
Total amortization expense	\$1,724,958	\$1,670,216
Gains on disposal of capital assets	-\$49,000	-\$22,421
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	-\$425,976	-\$25,946
Prepays and other current assets	\$44,590	-\$40,273
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	-\$78,742	\$1,401,315
Deferred revenue	-\$30,870	-\$136,079
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Operations	\$234,860	\$3,732,535
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	\$0	-\$7,288
Equipment	-\$81,145	-\$310,955
Vehicles	-\$773,473	-\$800,165
Net proceeds from disposal of capital assets	\$49,000	\$52,311
Other (describe) Construction in Progress	-\$5,432,822	-\$3,792,404
Total cash flows from Investing activities	-\$6,238,440	-\$4,858,501
C. FINANCING ACTIVITIES		
Capital allocations	\$893,471	\$9,622,429
Issue of long term debt	\$0	\$0
Repayment of long term debt	-\$140,549	-\$246,067
Add back: supported portion	\$140,549	\$246,067
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$893,471	\$9,622,429
Net cash flows from during the year	-\$5,110,109	\$8,496,463
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$21,657,811	\$13,161,348
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$16,547,702	\$21,657,811

Note: Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2010**

School Jurisdiction Code: 1220

(in dollars)

	(1) TOTAL NET ASSETS Cols. 2+3+4+5	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL OPERATING RESERVES Cols. 6+8+10+12+14 7+9+11+13+15		(5) TOTAL CAPITAL RESERVES		(6) School & Instruction Related		(7) Operations & Maintenance		(8) Board & System Admin.		(9) Transportation		(10) External Services	
				(4)		(5)		(6)		(7)		(8)		(9)		(10)	
				Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2009	\$18,292,894	\$4,445,923	\$0	\$9,426,814	\$4,420,157	\$316,473	\$475,400	\$664,025	\$674,769	\$306,378	\$467,734	\$3,133,281	\$0				
Prior period adjustments (describe)																	
AISI c/fwd should be unearned revenue	-\$91,329	\$0	\$0	-\$91,329	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Adjusted Balance, Aug. 31, 2009	\$18,201,565	\$4,445,923	\$0	\$9,335,485	\$4,420,157	\$316,473	\$475,400	\$664,025	\$674,769	\$306,378	\$467,734	\$3,133,281	\$0				
Excess (deficiency) of revenues over expenses	-\$23,781		-\$23,781														
Board funded capital additions		\$854,619	\$0	-\$81,145	-\$773,474	\$0	\$0	-\$91,669	\$0	\$0	\$0	-\$681,805	\$0				
Disposal of unsupported capital assets	\$0	\$0	-\$49,000		\$49,000	\$0	\$0	\$0	\$0	\$0	\$0	\$49,000	\$0				
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Direct credits to net assets	\$0	\$0	\$0														
Amortization of capital assets		-\$1,724,958	\$1,724,958														
Amortization of capital allocations		\$926,319	-\$926,319														
Debt principal repayments (unsupported)		\$0	\$0														
Net transfers to operating reserves			-\$225,641	\$225,641		\$0	\$0		\$0		\$225,641		\$0				
Net transfers from operating reserves			\$298,422	-\$298,422		-\$52,860	-\$173,778		-\$71,784				\$0				
Net transfers to capital reserves			-\$798,639		\$798,639	\$182,506		\$118,143		\$6,584		\$491,406	\$0				
Net transfers from capital reserves			\$0		\$0	\$0		\$0		\$0		\$0	\$0				
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Balance at August 31, 2010	\$18,177,784	\$4,501,903	-\$0	\$9,181,559	\$4,494,322	\$498,979	\$301,622	\$690,499	\$602,985	\$312,962	\$693,375	\$2,991,882	\$0				

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2010
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2009	\$5,830,028	\$20,400,754
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2009	\$5,830,028	\$20,400,754
Add:		
Restricted capital allocations from: Alberta Education including school and modular projects	\$881,870	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$11,601	
Other capital grants and donations	\$0	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$140,549
Expended capital allocations - current year	-\$5,432,823	\$5,432,823
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$926,319
Balance at August 31, 2010	\$1,290,676	\$25,047,807

* Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations are excluded from this Statement, since those contributions are not externally restricted to capital.

HIGH PRAIRIE SCHOOL DIVISION NO. 48
Notes to the Financial Statements
Year ended August 31, 2010

1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

- Instruction and support allocations are recognized in the year to which they relate.
- Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.
- Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.
- Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

b) Capital Assets

Capital Assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 4%
Vehicles & Buses	10% to 20%
Equipment & Furnishings	10% to 20%
Computer Hardware & Software	10% to 20%

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

c) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

HIGH PRAIRIE SCHOOL DIVISION NO. 48

Notes to the Financial Statements

Year ended August 31, 2010

d) Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit.

e) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the High Prairie School Division No. 48 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$265,747 (2009 - \$229,649) for the year ended August 31, 2010. At December 31, 2009, the Local Authorities Pension Plan reported a deficiency of \$3,998,614,000 (2008 deficiency of \$4,413,971,000). Effective for the 2009-2010 fiscal year, the Government of Alberta has taken responsibility for the LAPP unfunded liability.

f) Inventories

Inventories are recorded at the lower of cost or net realizable value.

g) Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

h) Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

i) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

j) Employee Future Benefits

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000/2001 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

k) Investments

Short term Investments are valued at the lower of cost or market. Long term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

HIGH PRAIRIE SCHOOL DIVISION NO. 48
Notes to the Financial Statements
Year ended August 31, 2010

l) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on estimated useful lives of capital assets. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

m) Capital Disclosures

The School Division's objectives when managing capital are to safeguard the entity's ability to continue as a going concern and to ensure the appropriate resources are available to continue school operations.

The School Division sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

n) Long-lived Assets

Long-lived assets consist of property, plant and equipment with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The School Division performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in earnings for the year.

o) Financial Instruments

Held for Trading - The School Division has classified the following financial assets and liabilities as held for trading: cash and temporary investments and restricted cash (trust assets). These instruments are initially recognized at their fair value, determined by recent arm's length market transactions for the same instrument. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in income. Fees incurred on an exchange of financial liabilities or a modification of the terms of financial liabilities that is accounted for as an extinguishment are included as part of the gain or loss on extinguishment, while any related other costs incurred are recognized in current year earnings. All fees and costs incurred on the exchange or modification of a financial liability not accounted for as an extinguishment, are recognized in current year earnings.

Held for trading financial instruments are subsequently measured at their fair value, without any deduction for transactions costs incurred on sale or other disposal. Gains and losses arising from changes in fair value are recognized immediately in income.

HIGH PRAIRIE SCHOOL DIVISION NO. 48

Notes to the Financial Statements

Year ended August 31, 2010

Loans and Receivables - The School Division has classified the following financial assets as loans and receivables: accounts receivable. These assets are initially recognized at their fair value, approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in income.

Total interest income, calculated using the effective interest rate method, is recognized in net income.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.

Other Financial Liabilities - The School Division has classified the following financial liabilities as other financial liabilities: accounts payable and accrued liabilities, trust liabilities, and term debt. These liabilities are initially recognized at their fair value, determined by the discounted cash flow method. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in income. Total interest expense, calculated using the effective interest rate method, is recognized in net income.

Fees incurred on an exchange of financial liabilities or a modification of the terms of financial liabilities that is accounted for as an extinguishment are included as part of the gain or loss on extinguishment, while any related other costs incurred are recognized in current earnings. All fees and costs incurred on the exchange or modification of a financial liability not accounted for as an extinguishment are included in the carrying amount of the modified financial liability and amortized over its remaining expected life. Any related other costs incurred are recognized in current year earnings.

HIGH PRAIRIE SCHOOL DIVISION NO. 48
Notes to the Financial Statements
Year ended August 31, 2010

3. CASH AND TEMPORARY INVESTMENTS

	2010			2009		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	-	\$16,547,702	\$16,547,702	-	\$21,657,811	\$21,657,811
Fixed-income securities						
Government of Canada, direct and guaranteed	%	0	0	%	0	0
Provincial, direct and guaranteed	%	0	0	%	0	0
Corporate	%	0	0	%	0	0
Municipal	%	0	0	%	0	0
Pooled investment funds	%	0	0	%	0	0
Total fixed-income securities	<u>%</u>	<u>0</u>	<u>0</u>	<u>%</u>	<u>0</u>	<u>0</u>
Total cash and temporary investments	<u>%</u>	<u>\$16,547,702</u>	<u>\$16,547,702</u>	<u>%</u>	<u>\$21,657,811</u>	<u>\$21,657,811</u>

4. ACCOUNTS RECEIVABLE

Accounts Receivable	2010	2009
Provincial Government	\$ 648,062	\$ 18,520
Federal Government	115,342	141,177
Other	133,614	311,345
Total	\$ 897,018	\$ 471,042

HIGH PRAIRIE SCHOOL DIVISION NO. 48
Notes to the Financial Statements
Year ended August 31, 2010

5. TANGIBLE CAPITAL ASSETS

	Land	Construction In Progress - New Building	Buildings 25-40 Years	Equipment - Computer Hardware & Software 5-10 Years	Other Equipments 5-10 Years	Vehicles 5-10 Years	Total Aug. 31, 2010	Total Aug. 31, 2009
Historical cost								
September 1, 2009	280,481	3,823,386	36,688,698	497,876	162,678	7,685,470	49,138,589	44,346,112
Additions	-	5,432,822	-	-	81,144	773,474	6,287,440	4,910,812
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	(440,616)	(440,616)	(118,333)
August 31, 2010	280,481	9,256,208	36,688,698	497,876	243,822	8,018,328	54,985,413	49,138,591
Accumulated amortization								
September 1, 2009	-	-	19,124,948	166,638	3,717	4,744,094	24,039,397	22,457,624
Amortization expense	-	-	985,936	99,565	32,536	606,920	1,724,957	1,670,217
Transfers in (out)	-	-	-	-	-	-	-	-
Effect of disposals	-	-	-	-	-	(440,616)	(440,616)	(88,444)
August 31, 2010	-	-	20,110,884	266,203	36,253	4,910,398	25,323,738	24,039,397
Net Book Value at August 31, 2010	280,481	9,256,208	16,577,814	231,673	207,569	3,107,930	29,661,675	25,099,194

HIGH PRAIRIE SCHOOL DIVISION NO. 48
Notes to the Financial Statements
Year ended August 31, 2010

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2010	2009
Alberta Education	\$ -	\$ -
Alberta Finance	14,500	-
Federal Government	-	-
First Nations	-	-
Other Trade Payables and Accrued Liabilities	2,125,681	2,218,923
Other Alberta School Jurisdictions	-	-
Total	\$ 2,140,181	\$ 2,218,923

7. DEFERRED REVENUE

	2010	2009
Class Size Initiative	-	-
Infrastructure Maintenance Renewal (IMR)	242,739	267,805
CTS Grant	-	112,098
AISI	231,121	91,329
Skills Canada	73,088	146,177
One Time Grant	-	61,020
Student Engagement Project	-	50,337
Bussing	1,500	-
GST	149,448	-
Totals	\$ 697,896	\$ 728,766

8. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	2010	2009
Deferred Salary Leave Plan	\$ -	\$ -
Scholarship Trusts	-	-
Student Health Initiative Trust (SHI Banker Board)	111,779	727,707
Children and Youth with Complex Needs (Banker Board)	-	-
Total	\$ 111,779	\$ 727,707

HIGH PRAIRIE SCHOOL DIVISION NO. 48
Notes to the Financial Statements
Year ended August 31, 2010

9. LONG TERM DEBT

Debentures mature at various dates through November 15, 2013, bearing rates of interest from 6.875 percent to 12 percent. All debentures are supported as to principal and interest.

	2010	2009
Debentures	\$ 111,963	\$ 252,512
Mortgage	-	-
Due within one year	(102,241)	(140,549)
Total	\$ 9,722	\$ 111,963

Principal repayments required in each of the next four fiscal years are as follows:

	Principal	Interest	Total
2011	102,241	12,250	114,491
2012	3,241	1,033	4,274
2013	3,241	689	3,930
2014	3,240	-	3,240
Total	\$ 111,963	\$ 13,972	\$ 125,935

10. COMMITMENTS

Payments under operating equipment leases in each of the next five years are as follows:

2011	\$ 76,159
2012	\$ 34,692
2013	\$ 34,692
2014	\$ 18,392
2015	\$ 6,000

HIGH PRAIRIE SCHOOL DIVISION NO. 48

Notes to the Financial Statements

Year ended August 31, 2010

11. RESERVES

Reserves created by authorization of the Board of Trustees represent funds allocated for future capital expenditures and future operating expenses. The reserves are established and expended in accordance with terms and conditions established by the Board.

	Balance Beginning of Year	Appropriated During the Year	Utilized During the Year	Balance End of Year
Operating *	\$ 9,335,485	\$ 1,208,556	\$ (1,362,482)	\$ 9,181,559
Capital				
Land	\$ 34,752	\$ -	\$ -	\$ 34,752
Buildings	1,795,483	59,618	-	1,855,101
Equipment	206,394	132,102	-	338,496
Vehicles	2,383,528	655,920	(773,475)	2,265,973
	<u>\$ 4,420,157</u>	<u>\$ 847,640</u>	<u>\$ (773,475)</u>	<u>\$ 4,494,322</u>
	<u>\$ 13,755,642</u>	<u>\$ 2,056,196</u>	<u>\$ (2,135,957)</u>	<u>\$ 13,675,881</u>

Restated \$91,329 was AISI funds and should be deferred Revenue

The operating reserve balance is comprised of the following:

	2010	2009
Specific school surplus (deficit)		
C. J. Schurter	\$ 350,757	\$ 436,249
Prairie River	(46,168)	(73,231)
Kinuso	426,429	457,898
Roland Michener	1,774	96,679
Lakeside	647,934	653,308
E. W. Pratt	164,948	275,438
H. P. Elementary	7,845	177,513
Joussard	126,688	277,027
Routhier	130,838	241,389
E. G. Wahlstrom	135,758	174,514
Joint fund	21,964	5,250
Prairie View Outreach	76,028	30,988
G. P. Vanier	113,669	49,370
	<u>2,158,465</u>	<u>2,802,392</u>
Administration	602,985	674,769
Technology	700,951	434,785
Maintenance	301,622	475,400
Transportation	693,375	467,733
General instruction	4,724,161	4,480,406
	<u>\$ 9,181,559</u>	<u>\$ 9,335,485</u>

HIGH PRAIRIE SCHOOL DIVISION NO. 48
Notes to the Financial Statements
Year ended August 31, 2010

12. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

13. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

14. CAPITAL RECONCILIATION

TOTAL CAPITAL ASSETS		\$	29,661,675	
Deduct: Long term debt				
	Supported		(111,963)	
	Unsupported		-	
NET TOTAL				\$ 29,549,712
UNAMORTIZED CAPITAL ALLOCATIONS		\$	25,047,809	
	Add: Investment in Capital Assets		4,501,903	
NET TOTAL				\$ 29,549,712
VARIANCE				\$ -

15. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
2009-2010				
Government of Alberta:				
Education	331,679	\$0	33,646,339	-
Infrastructure & Transportation	-	0	-	-
Finance	4,587	0	-	-
Health & Wellness	-	0	-	-
Human Resources/Employment	-	0	-	-
Other Gov't of Alberta departments	303,714	0	606,986	-
Other:				
Health authorities	-	0	-	-
Post-secondary institutions	-	0	-	7,054
Other Alberta school jurisdictions	22,081	0	352,851	95,858
Other related parties	-	0	-	-
TOTAL 2009-2010	<u>662,061</u>	<u>\$0</u>	<u>34,606,176</u>	<u>102,911</u>
TOTAL 2008-2009	<u>131,294</u>	<u>\$0</u>	<u>35,362,615</u>	<u>\$129,986</u>

Contingencies or Contractual Obligations with related parties are under separate disclosure.

HIGH PRAIRIE SCHOOL DIVISION NO. 48
Notes to the Financial Statements
Year ended August 31, 2010

16. TARGETED FUNDING FOR PROVINCIAL INITIATIVES EXPENSES

TARGETED FUNDING FOR PROVINCIAL INITIATIVES	Certificated Remuneration	Non-Certificated Remuneration	Supplies & Services	Other Expenses
Alberta Initiative for School Improvement	\$131,030	\$12,500	\$177,604	\$0
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$1,079,733	\$0	\$0	\$0
Student Health Initiative	\$0	\$429,516	\$335,840	\$0
SuperNet Service	\$0	\$0	\$84,588	\$0

17. REMUNERATION AND MONETARY INCENTIVES

The High Prairie School Division had paid or accrued expenses for the year ended August 31, 2010 to or on behalf of the following positions and persons in groups as follows.

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair							
Joyce Dvornek	1.0	\$20,378	\$3,519	\$0			\$7,654
Other members							
Gary Doran	1.0	\$9,652	\$3,167	\$0			\$4,558
Karin Scholl	1.0	\$12,968	\$3,275	\$0			\$5,734
Rick Neidig	1.0	\$3,607	\$141	\$0			\$881
Rudy Willier	1.0	\$4,388	\$152	\$0			\$1,948
Marilyn Willier	1.0	\$0	\$73	\$0			\$0
Monica Edwards	1.0	\$10,043	\$3,177	\$0			\$4,534
Lenny Richer	1.0	\$15,502	\$3,594	\$0			\$6,253
Subtotal	8.0	\$76,538	\$17,098	\$0			\$31,562
Superintendent (Laura Poloz)	1.0	\$159,078	\$11,014	\$0	\$0	\$0	\$20,075
Board Secretary (Raymonde Lussier)	1.0	\$114,195	\$22,276	\$0	\$0	\$0	\$5,992
Board Treasurer (Paul Burrows)	1.0	\$114,195	\$22,276	\$0	\$0	\$0	\$8,822
Certificated Teachers	214.7	\$18,210,850	\$1,799,257	\$0	\$0	\$0	
Non-certificated - Other	209.7	\$8,061,382	\$1,615,967	\$0	\$0	\$0	
TOTALS		\$26,736,238	\$3,487,888	\$0	\$0	\$0	

HIGH PRAIRIE SCHOOL DIVISION NO. 48

Notes to the Financial Statements

Year ended August 31, 2010

18. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The jurisdiction's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

19. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on November 18, 2009. It is presented for information purposes only and has not been audited.

20. PRIOR PERIOD ADJUSTMENT

During the year, the School Division determined that revenue of \$91,329 was recorded in the 2008/09 fiscal year that related to the 2009/10 school year. The retroactive application of this correction of an error did not have a material impact on the results of operations and financial statements of the School Division. The following changes were made to the prior year financial statements: revenue was decreased by \$91,329, deferred revenue increased by \$91,329 and net operating reserves decreased by \$91,329.

21. REVENUES

During August 2009, the Government of Alberta announced a reduction in funding to school divisions for the 2009-10 school year. The Relative Cost of Purchasing Adjustment and Fuel Contingency grants were reduced or eliminated which will result in approximately \$337,000 less funding for operations. There was also a reduction in funding for 2009-10 of approximately \$863,000 based on the balance in the reserves from 2007-08.

The total reduction in funding for the 2010 school year is anticipated to be approximately \$1.2 million or an estimated 3.5% of the school division's grant funding from the province.

UNAUDITED SCHEDULES
TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010
[School Act, Section 276]

High Prairie School Division #48

Legal Name of School Jurisdiction

Box 870, High Prairie, Ab. T0G 1E0

Mailing Address

780-523-3337 (voice) 780-523-4639 (fax)

Telephone and Fax Numbers

Declaration of Secretary-Treasurer / Chief Financial Officer

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions. These schedules were submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

Mr. Paul Burrows
Name

"SIGNED AND DATED ELECTRONICALLY"
Signature

Nov.17,2010

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Wang@gov.ab.ca
PHONE: (780) 644-5672 FAX: (780) 422-6996

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SCHEDULE A

School Jurisdiction Code: 1220

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2009-2010

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$1,205,420	\$24,862,868	\$3,596,686	\$2,755,319	\$1,540,725	\$17,000	\$33,978,018
(2) Other - Government of Alberta	\$0	\$79,089	\$23,141	\$0	\$0	\$504,756	\$606,986
(3) Federal Government and First Nations	\$72,551	\$2,243,124	\$283,651	\$0	\$120,848	\$0	\$2,720,174
(4) Other Alberta school authorities	\$0	\$0	\$0	\$233,376	\$0	\$119,475	\$352,851
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Instruction resource fees	\$9,900	\$220,508					\$230,408
(8) Transportation fees-ECS				\$8,985			\$8,985
(9) Transportation fees-Grades 1-12				\$197,903			\$197,903
(10) Other sales and services	\$0	\$5,535	\$0	\$138,943	\$0	\$164,979	\$309,457
(11) Investment income	\$0	\$32,586	\$7,520	\$16,919	\$5,640	\$0	\$62,665
(12) Gifts and donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(13) Rental of facilities	\$0	\$5,880	\$5,585	\$0	\$0	\$0	\$11,465
(14) Gross school generated funds	\$0	\$800,472	\$0	\$0	\$0	\$0	\$800,472
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$49,000	\$0	\$0	\$49,000
(16) Amortization of capital allocations	\$0	\$0	\$926,319	\$0	\$0	\$0	\$926,319
(17) Other revenue	\$0	\$51,099	\$26,402	\$12,500	\$33,934	\$8,424	\$132,359
(18) TOTAL REVENUES	\$1,287,871	\$28,301,161	\$4,869,304	\$3,412,945	\$1,701,147	\$814,634	\$40,387,063
EXPENSES							
(19) Certificated salaries	\$633,431	\$17,218,282			\$518,215	\$0	\$18,369,928
(20) Certificated benefits	\$62,368	\$1,707,162			\$40,741	\$0	\$1,810,271
(21) Non-certificated salaries and wages	\$369,429	\$4,384,763	\$1,077,890	\$1,651,170	\$624,008	\$259,050	\$8,366,310
(22) Non-certificated benefits	\$81,037	\$890,205	\$212,264	\$319,261	\$133,426	\$41,424	\$1,677,617
(23) SUB - TOTAL	\$1,146,265	\$24,200,412	\$1,290,154	\$1,970,431	\$1,316,390	\$300,474	\$30,224,126
(24) Services, contracts and supplies	\$147,009	\$3,119,945	\$2,687,124	\$725,468	\$449,957	\$514,160	\$7,643,663
(25) Gross school generated funds	\$0	\$800,472					\$800,472
(26) Amortization of capital assets	\$0	\$178,789	\$1,048,179	\$491,406	\$6,584	\$0	\$1,724,958
(27) Interest and charges	\$0	\$0	\$17,625	\$0	\$0	\$0	\$17,625
(28) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$1,293,274	\$28,299,618	\$5,043,062	\$3,187,305	\$1,772,931	\$814,634	\$40,410,844
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	-\$5,403	\$1,543	-\$173,778	\$225,640	-\$71,784	\$0	-\$23,781

**SCHEDULE B
SCHOOL GENERATED FUNDS (SGF) - 2009-2010**

Unexpended SGF - Opening Balance August 31, 2009 (Note 1)			\$484,632
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$649,538	\$398,635	\$250,903
Student fees (Non-Instructional) (Note 1)	\$179,477	\$76,845	\$102,632
Donations and grants to schools	\$25,640	\$4,803	\$20,837
Other (describe):	\$0	\$0	\$0
Net Additions to SGF	\$854,655	\$480,283	\$374,372
Net SGF Available			\$859,004
Uses of Net School Generated Funds:			
Extra-curricular activities			\$188,911
Field Trips			\$124,874
Other (describe):			\$6,404
Total Uses of Net SGF (Note 2)			\$320,189
Unexpended SGF - Closing Balance August 31, 2010 (Note 3)			\$538,815
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p>Notes:</p> <ol style="list-style-type: none"> 1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF. 2 The sum of "total related expenses" and "total uses of net SGF" is reported as "gross school generated funds" in the Statement of Revenues & Expenses. 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position. 			

**SCHEDULE C
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2009-2010**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$0	\$642,948	\$0	\$251,871	\$183,071		\$1,077,890		\$1,077,890
Uncertificated benefits	\$0	\$128,590	\$0	\$47,060	\$36,614		\$212,264		\$212,264
Sub-total Remuneration	\$0	\$771,538	\$0	\$298,931	\$219,685		\$1,290,154		\$1,290,154
Supplies and services	\$752,772	\$902,234	\$0	\$347,990	\$15,341		\$2,018,337		\$2,018,337
Electricity			\$266,689				\$266,689		\$266,689
Natural Gas/Heating Fuel			\$246,440				\$246,440		\$246,440
Sewer and Water			\$46,893				\$46,893		\$46,893
Telecommunications			\$9,502				\$9,502		\$9,502
Insurance					\$99,263		\$99,263		\$99,263
Amortization of capital assets									
Supported								\$926,319	\$926,319
Unsupported									
Total Amortization									
Interest on capital debt									
Supported									
Unsupported								\$17,625	\$17,625
Other interest charges				\$0			\$0		\$0
Losses on disposal of capital assets							\$0		\$0
TOTAL EXPENSES	\$752,772	\$1,673,772	\$569,524	\$890,641	\$334,289	\$0	\$4,099,138	\$943,944	\$5,043,082
SQUARE METRES									
School Buildings									50,142.3
Non School Buildings									2,795.4

Note:

Custodial: All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.

Maintenance: All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.

Expensed IMR & Modular Unit Relocations: All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.

Facility Planning & Operations Administration: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project administration, administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt.