

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

Lethbridge School District No. 51

Legal Name of School Jurisdiction

433 15th Street South, Lethbridge AB T1J 2Z5

Mailing Address

ph: 403-380-5303 fax: 403-320-9117

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Lethbridge School District No. 51 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

Gary Bartlett

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Barry Litun

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Don Lussier

Name

"ORIGINAL SIGNED"

Signature

30-Nov-10

Board-approved Release Date

TABLE OF CONTENTS

	Page
AUDITORS' REPORT INSERT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF REVENUES AND EXPENSES	5
STATEMENT OF CASH FLOWS	6
STATEMENT OF CHANGES IN NET ASSETS	7
STATEMENT OF CAPITAL ALLOCATIONS	8
NOTES TO THE FINANCIAL STATEMENTS INSERT	9



Tel: 403 328 5292
Fax: 403 328 9534
www.bdo.ca

BDO Canada LLP
200 Commerce Court
220 - 3rd Avenue S
Lethbridge AB T1J 0G9 Canada

Auditor's Report

To the Board of Trustees
Lethbridge School District No. 51

We have audited the statement of financial position of the Lethbridge School District No. 51 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 which are presented in the format prescribed by Alberta Education are the responsibility of the school jurisdiction'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 as to 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 jurisdiction 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 and the presentation requirements of Alberta Education.

BDO Canada LLP

Chartered Accountants

Lethbridge, Alberta
October 29, 2010

STATEMENT OF FINANCIAL POSITION
as at August 31, 2010

(in dollars)

	2010	2009 (Note)
ASSETS		
Current assets		
Cash and temporary investments (Note 3)	\$9,551,380	\$19,054,835
Accounts receivable (net after allowances) (Note 4)	\$5,313,503	\$2,732,387
Prepaid expenses	\$275,583	\$198,535
Other current assets	\$132,804	\$140,390
Total current assets	\$15,273,270	\$22,126,147
School generated assets		
Trust assets (Note 9)	\$498,533	\$572,198
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 5)		
Land	\$1,715,118	\$1,715,118
Construction in Progress	\$0	\$33,625,562
Buildings	\$120,363,551	
Less: accumulated amortization	(\$32,847,338)	\$87,516,213
Equipment	\$4,268,317	
Less: accumulated amortization	(\$1,590,717)	\$2,677,600
Vehicles	\$432,949	
Less: accumulated amortization	(\$216,685)	\$216,264
Total capital assets	\$92,125,195	\$74,766,636
TOTAL ASSETS	\$109,322,350	\$99,003,550
LIABILITIES		
Current liabilities		
Bank indebtedness (Note 6)	\$0	\$0
Accounts payable and accrued liabilities (Note 7)	\$7,799,036	\$8,356,015
Deferred revenue (Note 8)	\$1,690,603	\$2,795,245
Deferred capital allocations (Note 11)	\$2,473,153	\$6,596,882
Current portion of long term debt	\$1,237,043	\$991,932
Total current liabilities	\$13,199,835	\$18,740,074
School generated liabilities		
Trust liabilities (Note 9)	\$498,533	\$572,198
Employee future benefit liabilities	\$0	\$0
Long term debt (Note 10)		
Supported: Debentures and other supported debt	\$2,909,480	\$3,742,171
Less: Current portion	(\$829,690)	(\$869,433)
Unsupported: Debentures and Capital Loans	\$407,353	\$528,514
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion	(\$407,353)	(\$122,499)
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 12)	\$84,866,636	\$66,735,649
Total long term liabilities	\$88,870,311	\$72,125,169
TOTAL LIABILITIES	\$102,070,146	\$90,865,243
NET ASSETS		
Unrestricted net assets	\$668,120	\$716,692
Operating Reserves	\$1,612,061	\$2,623,139
Accumulated Operating Surplus (Deficit)	\$2,280,181	\$3,339,831
Investment in capital assets	\$3,941,724	\$3,760,301
Capital Reserves	\$1,030,299	\$1,038,175
Total Capital Funds	\$4,972,023	\$4,798,476
Total net assets	\$7,252,204	\$8,138,307
TOTAL LIABILITIES AND NET ASSETS	\$109,322,350	\$99,003,550

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 20) Restated
REVENUES			
Government of Alberta	\$77,337,340	\$75,590,866	\$73,126,076
Federal Government and First Nations	\$359,366	\$170,511	\$354,196
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$386,709	\$461,140	\$469,639
Transportation fees	\$0	\$0	\$0
Other sales and services	\$857,298	\$182,359	\$1,002,421
Investment income	\$106,389	\$100,000	\$216,590
Gifts and donations	\$0	\$0	\$0
Rental of facilities	\$6,000	\$6,000	\$6,000
Gross school generated funds	\$3,921,900	\$1,957,429	\$3,255,517
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,842,032	\$1,655,887	\$1,644,982
Other revenue	\$0	\$0	\$0
Total Revenues	\$84,817,034	\$80,124,192	\$80,075,421
EXPENSES			
Certificated salaries (Note 18)	\$41,666,481	\$40,264,931	\$38,248,071
Certificated benefits (Note 18)	\$5,647,999	\$6,320,234	\$5,563,786
Non-certificated salaries and wages (Note 18)	\$15,311,946	\$14,590,275	\$14,340,535
Non-certificated benefits (Note 18)	\$3,981,106	\$4,258,815	\$3,689,429
Services, contracts and supplies	\$12,676,827	\$12,584,067	\$12,289,075
Gross school generated funds	\$3,921,900	\$1,957,429	\$3,255,517
Capital and debt services			
Amortization of capital assets			
Supported	\$1,842,032	\$1,655,887	\$1,644,982
Unsupported	\$255,797	\$229,133	\$257,568
Total Amortization of capital assets	\$2,097,829	\$1,885,020	\$1,902,550
Interest on capital debt			
Supported	\$386,065	\$432,900	\$474,475
Unsupported	\$12,984	\$20,000	\$25,828
Total Interest on capital debt	\$399,049	\$452,900	\$500,303
Other interest and charges	\$0	\$0	\$12,725
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
Total Expenses	\$85,703,137	\$82,313,671	\$79,801,991
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	(\$886,103)	(\$2,189,479)	\$273,430
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$886,103)	(\$2,189,479)	\$273,430

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)
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	(\$886,103)	\$273,430
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,842,032)	(\$1,644,982)
Total amortization expense	\$2,097,829	\$1,902,550
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	(\$2,581,116)	(\$125,191)
Prepays and other current assets	(\$69,462)	(\$57,098)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$556,979)	\$763,562
Deferred revenue	(\$1,104,642)	(\$448,924)
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Operations	(\$4,942,505)	\$663,347
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$17,377,480)	(\$22,832,930)
Equipment	(\$1,967,479)	(\$243,184)
Vehicles	(\$111,429)	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$19,456,388)	(\$23,076,114)
C. FINANCING ACTIVITIES		
Capital allocations	\$15,016,599	\$23,221,202
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$953,852)	(\$1,061,364)
Add back: supported portion	\$832,691	\$865,886
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$14,895,438	\$23,025,724
Net cash flows from during the year	(\$9,503,454)	\$612,957
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$19,054,835	\$18,441,878
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$9,551,380	\$19,054,835

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: 3040

(in dollars)

	(1) TOTAL NET ASSETS Cols. 2+3+4+5	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) INTERNALLY RESTRICTED NET ASSETS											
				TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	School & Instruction Related		Operations & Maintenance		Board & System Admin.		Transportation		External Services	
				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	\$8,138,307	\$3,760,301	\$716,692	\$2,623,139	\$1,038,175	\$299,179	\$232,591	\$353,881	\$188,893	\$506,405	\$260,701	\$0	\$0	\$0	\$0
Prior period adjustments (describe)															
	\$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	\$8,138,307	\$3,760,301	\$716,692	\$2,623,139	\$1,038,175	\$299,179	\$232,591	\$353,881	\$188,893	\$506,405	\$260,701	\$0	\$0	\$0	\$0
Excess (deficiency) of revenues over expenses	(\$886,103)		(\$886,103)												
Board funded capital additions		\$396,059	(\$159,050)	\$0	(\$237,009)	\$0	(\$116,369)			(\$120,640)	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Direct credits to net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amortization of capital assets		(\$2,097,829)	\$2,097,829												
Amortization of capital allocations		\$1,842,032	(\$1,842,032)												
Debt principal repayments (unsupported)		\$41,161	(\$41,161)												
Net transfers to operating reserves			(\$20,043)	\$20,043		\$0		\$0	\$20,043		\$0	\$0	\$0	\$0	\$0
Net transfers from operating reserves			\$1,031,121	(\$1,031,121)		(\$76,732)			\$0		(\$186,901)				
Net transfers to capital reserves			(\$229,133)		\$229,133		\$0			\$119,226			\$0		\$0
Net transfers from capital reserves			\$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	\$0	\$0
Balance at August 31, 2010	\$7,252,204	\$3,941,724	\$668,120	\$1,612,061	\$1,030,299	\$409,086	\$116,222	\$277,149	\$208,936	\$504,991	\$73,800	\$0	\$0	\$0	\$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	\$6,596,882	\$66,735,649
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2009	\$6,596,882	\$66,735,649
Add:		
Restricted capital allocations from:		
Alberta Education including school and modular projects	\$14,796,696	
Other Government of Alberta	\$200,000	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$19,903	
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		\$832,691
Expended capital allocations - current year	(\$19,140,328)	\$19,140,328
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,842,032
Balance at August 31, 2010	\$2,473,153	\$84,866,636

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

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS

August 31, 2010

1. AUTHORITY AND PURPOSE

Lethbridge School District No. 51 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 District is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are 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.

Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

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 funds, which are to be retained as net assets are recorded as direct increases in trust assets and liabilities.

b) Inventory

Inventory is recorded at the lesser of cost and net realizable value.

c) 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.

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS August 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Capital Assets

Capital assets are recorded at cost. No amortization is taken in the year of acquisition. Amortization of the cost is calculated over estimated useful lives on a straight line basis at the following rates:

Buildings	20 - 40 years
Equipment	3 - 5 years
Vehicles	5 - 10 years

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 amortization expense.

e) School Generated Funds

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

f) Vacation Pay

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

g) 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.

h) 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, Lethbridge School District No. 51 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan and the Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$1.072 million for the year ended August 31, 2010 (\$835,660 for 2009). At December 31, 2009, the Local Authorities Pension Plan reported a deficit of \$ 3.998 billion (deficit of \$4.414 billion- 2008).

The school board participates in the Alberta School Boards Association Supplemental Integrated Pension Plan (SIPP) for Senior Management. The expenses for this pension plan is equivalent to the annual contributions of \$42,806 for the year ended August 31, 2010 (\$44,531 for 2009).

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS

August 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial Instruments

The jurisdiction's financial instruments consist of cash and cash equivalents, are classified as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities and long term debt are classified as other financial liabilities, which are measured at amortized cost. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 (2) (d) of the School Act.

j) 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 for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

k) Capital Disclosure

For operating purposes, the School Jurisdiction defines capital as including working capital, unrestricted net assets and restricted net assets restricted for operating purposes. For capital purposes, the School Jurisdiction defines capital as deferred capital allocations, long-term debt, unamortized capital allocations, and investments in capital assets and restricted net assets restricted for capital purposes.

The School Jurisdiction's objectives for managing capital are:

- > In the short term to safeguard the Jurisdiction's ability to continue to provide the appropriate level of service to its stakeholders.
- > In the long term to plan and ensure that it has sufficient capacity to meet future needs of its operations.

The School Jurisdiction has external restrictions on its capital. Alberta Education provides capital funding and requires the funding to be spent on specific projects. When the School Jurisdiction disposes of supported it is required to use the funding for other supported capital projects upon approval of Alberta Education. The School Jurisdiction does have certain internally imposed restrictions to which it adheres to. The School Jurisdiction has processes in place to ensure that restrictions that do exist are met prior to the utilization of the resources.

Management and the Board of Trustees monitor financial performance and the capital of the School Jurisdiction to ensure that it will be able to meet the School Jurisdiction's short-term and long-term objectives.

3. CASH AND TEMPORARY INVESTMENTS

	Effective (market) Yield	2010		2009	
		Cost	Fair Value	Cost	Fair Value
Cash and Cash Equivalents		\$9,551,380	\$9,551,380	\$19,054,835	\$19,054,835
Fixed-Income securities		-	-	-	-
Total cash and temporary investments		\$9,551,380	\$9,551,380	\$19,054,835	\$19,054,835

Cash and cash equivalents are held with the Royal Bank of Canada, Lethbridge, and earn interest at the rate of prime less 1.75%.

4. ACCOUNTS RECEIVABLE

	2010	2008
Alberta Education	\$ 4,094,377	\$ 1,229,033
Alberta Finance	167,890	214,346
Federal Government	559,756	703,059
Other	491,480	585,949
Total	\$ 5,313,503	\$ 2,732,387

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS August 31, 2010

5. CAPITAL ASSETS

	Land	Construction in Progress - New Building	Buildings 20-40 Years	Equipment - Computer Hardware & Software 3-5 Years	Other Equipments 5 Years	Vehicles 5-10 Years	Total Aug. 31, 2010	Total Aug. 31, 2009
Estimated Useful life								
Historical cost								
September 1, 2009	\$1,715,118	\$33,625,562	\$69,360,507	\$350,160	\$1,950,680	\$321,520	\$107,323,547	\$84,247,433
Additions	-	\$12,214,271	5,163,211	\$40,640	\$1,926,837	111,429	\$19,456,388	\$23,076,114
Transfers in (out)	-	(45,839,833)	45,839,833	-	-	-	-	-
Less disposals	-	-	-	-	-	-	-	-
August 31, 2010	\$1,715,118	\$0	\$120,363,551	\$390,800	\$3,877,517	\$432,949	\$126,779,935	\$107,323,547
Accumulated amortization								
September 1, 2009	-	-	\$31,033,670	\$261,574	\$1,079,458	\$182,209	\$32,556,911	\$30,654,361
Amortization expense	-	-	\$1,813,668	\$49,111	\$200,574	\$34,476	\$2,097,829	\$1,902,550
Transfers in (out)	-	-	-	-	-	-	-	-
Effect of disposals	-	-	-	-	-	-	-	-
August 31, 2010	-	-	\$32,847,338	\$310,685	\$1,280,032	\$216,685	\$34,654,740	\$32,556,911
Net Book Value at August 31, 2010	\$1,715,118	\$0	\$87,516,213	\$80,115	\$2,597,485	\$216,264	\$92,125,195	\$74,766,636

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS August 31, 2010

6. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit with the Royal Bank of Canada, Lethbridge, in the amount of \$500,000 that bears interest at the bank prime rate. This line of credit, which is secured by a borrowing resolution and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2010.

7. ACCOUNTS PAYABLE AND LIABILITIES

	2010	2009
Alberta Education	\$ 10,000	\$ 153,907
Alberta Finance	167,890	214,346
Federal Government	842,051	796,014
Other Trade Payables and Accrued Liabilities	6,779,095	7,191,748
	\$ 7,799,036	\$ 8,356,015

8. DEFERRED REVENUE

	DEFERRED REVENUE as at Aug. 31, 2009	ADD: 2009/2010 Restricted Funds Received/ Receivable	DEDUCT: 2009/2010 Restricted Funds Expended (Paid / Payable)	DEFERRED REVENUE as at Aug. 31, 2010
Alberta Education Restricted Operational Funding:				
Alberta Initiative for School Improvement	\$ 0	\$ 1,098,056	1,021,242	\$ 76,814
Infrastructure Maintenance Renewal	2,094,189	1,500,140	2,417,464	1,176,865
Other Alberta Education deferred revenue	512,699	185,229	298,783	399,145
Other Government of Alberta Restricted Funding:				
Alberta Infrastructure	-			-
Other Deferred Revenue	188,357	171,518	322,096	37,779
Total	\$ 2,795,245	\$ 2,954,943	\$ 4,059,585	\$ 1,690,603

9. TRUST ASSETS AND LIABILITIES

	2010	2009
Scholarship and Program Trusts	\$ 498,533	\$ 572,198

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

Trust Assets are held with the Royal Bank of Canada, Lethbridge, and earn interest at the rate of prime less 2%.

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS August 31, 2010

10. LONG TERM DEBT

a) Debenture Debt -Supported

	<u>2010</u>	<u>2009</u>
Alberta Capital Finance Authority debenture debt, at interest rates from 8% to 11.62%, with various due dates. Security is represented by school buildings held by the jurisdiction.	\$ 2,909,480	\$ 3,742,171
Due within one year	<u>(829,690)</u>	<u>(869,433)</u>
	<u>\$ 2,079,790</u>	<u>\$ 2,872,738</u>

Debenture payments due over the next five years are as follows:

2011	829,690
2012	755,245
2013	424,885
2014	254,327
2015	204,933
Thereafter	<u>440,400</u>
	<u>\$ 2,909,480</u>

b) Capital Loan - Unsupported

	<u>2010</u>	<u>2009</u>
Royal Bank of Canada, five year term, renewable demand loan at fixed rate of interest at 4.61% over 5 year term, with principal and interest payment of \$5,109 per month.	\$ 407,353	\$ 528,514
Due within one year	<u>(407,353)</u>	<u>(122,499)</u>
	<u>\$ -</u>	<u>\$ 406,015</u>

The Loan was paid in full October 2010.

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS

August 31, 2010

11. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been 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.

12. 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.

13. ASSET RETIREMENT OBLIGATION

Asset retirement obligations represent legal obligations associated with the retirement of tangible long-lived assets that result from its acquisition, construction, development or normal operation. The jurisdiction has a legal obligation to remove hazardous material from facilities upon renovation or disposal. A liability, however, has not been recognized because the fair value cannot be reasonably estimated.

14. COMMITMENTS

Building Projects

- a) The jurisdiction is committed to further Capital Expenditures for the building of a new West Lethbridge High School, in conjunction with the West Lethbridge Multi Use Facility project, of approximately \$3.9 million. Funding for this project will be provided by capital allocations from Alberta Education.
- b) The jurisdiction is committed to further Capital Expenditures for the modernization of Gilbert Paterson Middle School of approximately \$650,000. Funding for this project will be provided by capital allocations from Alberta Education.

15. CONTINGENCIES

- a) The jurisdiction is a member of the Urban Schools Insurance Consortium. Under the terms of membership, the jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by exchange. The jurisdiction's share of the pool at year end is \$203,598. (2009 - \$239,921).

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS

August 31, 2010

16. 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	\$ 4,094,377	\$ 1,662,824	\$ 76,390,002	\$ 308,755
Finance	167,890	3,077,370	386,065	0
Human Resources/Employment			246,900	
Other Government of Alberta departments	224,141		314,373	
Other:				
Health authorities				
Post-secondary institutions	18,334		388,377	32,468
Other Alberta School Jurisdictions			86,690	39,135
Other related parties				386,065
Total 2009-2010	\$ 4,504,742	\$ 4,740,194	\$ 77,812,407	\$ 766,423
Total 2008-2009	\$ 1,552,612	\$ 6,717,312	\$ 73,488,581	\$ 883,089

17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

18. REMUNERATION AND MONETARY INCENTIVES

Lethbridge School District No. 51 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	Allowances	Total	Expenses
Gary Bartlett - Chair	1.00	\$ 17,519	963	\$ -	\$ 18,482	\$ 3,187
Tyler Demers	1.00	14,345	1,237	-	15,582	3,954
Mitch Forster	1.00	13,295	1,192	-	14,487	588
Jan Foster	1.00	14,120	932	-	15,052	1,026
Keith Fowler	1.00	15,753	1,296	-	17,049	2,988
Lola Majors	1.00	14,795	939	-	15,734	9,338
Lea Switzer	1.00	14,645	1,248	-	15,893	2,896
Subtotal	7.00	104,472	7,807	-	112,279	23,977
Barry Litun - Superintendent	1.00	172,945	11,902	5,000	189,847	10,927
Don Lussier - Secretary Treasurer	1.00	152,549	26,783	5,000	184,332	7,304
Certificated Teachers		41,493,536	5,585,529	45,568	47,124,633	-
Non-certificated - Other		15,054,925	3,872,165	69,351	18,996,441	-
TOTALS	9.00	\$ 56,978,427	\$ 9,504,186	\$ 124,919	\$ 66,607,532	\$ 42,208

19. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction management with Board of Trustees approval given on June 15th, 2009, and revised and approved on November 30th, 2009. It is presented for information purposes only.

20. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2010 financial statement presentation.

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

Lethbridge School District No. 51

Legal Name of School Jurisdiction

433 15th Street South, Lethbridge AB T1J 2Z5

Mailing Address

ph: 403-380-5303 fax: 403-320-9117

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

Don Lussier
Name

"SIGNED AND DATED ELECTRONICALLY"
Signature

30-Nov-10

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

TABLE OF CONTENTS

		Page
SCHEDULE A	Allocation of Revenues and Expenses to Programs	3
SCHEDULE B	School Generated Funds (SGF)	4
SCHEDULE C	Operations and Maintenance Program Expenses	5

SCHEDULE A

School Jurisdiction Code: 3040

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	\$3,461,538	\$58,761,002	\$9,114,702	\$1,973,989	\$3,078,771	\$0	\$76,390,002
(2) Other - Government of Alberta	\$0	\$561,273	\$386,065	\$0	\$0	\$0	\$947,338
(3) Federal Government and First Nations	\$0	\$344,991	\$0	\$0	\$14,375	\$0	\$359,366
(4) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(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	\$0	\$386,709					\$386,709
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$0			\$0
(10) Other sales and services	\$0	\$823,006	\$0	\$0	\$34,292	\$0	\$857,298
(11) Investment income	\$0	\$77,133	\$13,750	\$11,250	\$4,256	\$0	\$106,389
(12) Gifts and donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(13) Rental of facilities	\$0	\$0	\$6,000	\$0	\$0	\$0	\$6,000
(14) Gross school generated funds	\$0	\$3,921,900	\$0	\$0	\$0	\$0	\$3,921,900
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Amortization of capital allocations	\$0	\$102,166	\$1,739,866	\$0	\$0	\$0	\$1,842,032
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$3,461,538	\$64,978,180	\$11,260,383	\$1,985,239	\$3,131,694	\$0	\$84,817,034
EXPENSES							
(19) Certificated salaries	\$1,554,082	\$39,596,600			\$515,799	\$0	\$41,666,481
(20) Certificated benefits	\$187,689	\$5,381,475			\$78,835	\$0	\$5,647,999
(21) Non-certificated salaries and wages	\$1,117,902	\$9,562,344	\$3,251,418	\$166,669	\$1,213,613	\$0	\$15,311,946
(22) Non-certificated benefits	\$312,053	\$2,520,965	\$832,911	\$22,042	\$293,135	\$0	\$3,981,106
(23) SUB - TOTAL	\$3,171,726	\$57,061,384	\$4,084,329	\$188,711	\$2,101,382	\$0	\$66,607,532
(24) Services, contracts and supplies	\$232,588	\$4,861,265	\$5,077,118	\$1,735,085	\$770,771	\$0	\$12,676,827
(25) Gross school generated funds	\$0	\$3,921,900					\$3,921,900
(26) Amortization of capital assets	\$0	\$167,008	\$1,789,603	\$4,559	\$136,659	\$0	\$2,097,829
(27) Interest and charges	\$0	\$0	\$386,065	\$0	\$12,984	\$0	\$399,049
(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	\$3,404,314	\$66,011,557	\$11,337,115	\$1,928,355	\$3,021,796	\$0	\$85,703,137
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$57,224	(\$1,033,377)	(\$76,732)	\$56,884	\$109,898	\$0	(\$886,103)

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

Unexpended SGF - Opening Balance August 31, 2009 (Note 1)			\$1,538,569
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$2,193,617	\$1,565,913	\$627,704
Student fees (Non-Instructional) (Note 1)	\$1,262,595	\$227,281	\$1,035,314
Donations and grants to schools	\$284,617	\$31,645	\$252,972
Other (describe):	\$67,854	\$119,012	(\$51,158)
Net Additions to SGF	\$3,808,683	\$1,943,851	\$1,864,832
Net SGF Available			\$3,403,401
Uses of Net School Generated Funds:			
Extra-curricular activities			\$1,734,626
Field Trips			\$177,706
Other (describe):			\$65,717
Total Uses of Net SGF (Note 2)			\$1,978,049
Unexpended SGF - Closing Balance August 31, 2010 (Note 3)			\$1,425,352
<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	\$2,536,404	\$498,462	\$0	\$0	\$216,552		\$3,251,418		\$3,251,418
Uncertificated benefits	\$646,034	\$126,959	\$0	\$0	\$59,918		\$832,911		\$832,911
Sub-total Remuneration	\$3,182,438	\$625,421	\$0	\$0	\$276,470		\$4,084,329		\$4,084,329
Supplies and services	\$220,428	\$661,209	\$0	\$2,417,464	\$155,739		\$3,454,840		\$3,454,840
Electricity			\$928,332				\$928,332		\$928,332
Natural Gas/Heating Fuel			\$395,319				\$395,319		\$395,319
Sewer and Water			\$133,130				\$133,130		\$133,130
Telecommunications			\$24,767				\$24,767		\$24,767
Insurance					\$140,730		\$140,730		\$140,730
Amortization of capital assets									
Supported								\$1,739,866	\$1,739,866
Unsupported						\$49,737	\$49,737		\$49,737
Total Amortization						\$49,737	\$49,737	\$1,739,866	\$1,789,603
Interest on capital debt									
Supported								\$386,065	\$386,065
Unsupported									
Other interest charges									
Losses on disposal of capital assets									
TOTAL EXPENSES	\$3,402,866	\$1,286,630	\$1,481,548	\$2,417,464	\$572,939	\$49,737	\$9,211,184	\$2,125,931	\$11,337,115
SQUARE METRES									
School Buildings									102,886.0
Non School Buildings									5,525.0

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.