

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

PRAIRIE ROSE SCHOOL DIVISION NO. 8

Legal Name of School Jurisdiction

918 - 2nd Avenue, Dunmore, AB T1B 0K3

Mailing Address

403-527-5516 (phone) 403-528-2264 (fax)

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of PRAIRIE ROSE SCHOOL DIVISION NO. 8 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

Marian C. Peers
Name

"ORIGINAL SIGNED"
Signature

SUPERINTENDENT

Doug Nicholls
Name

"ORIGINAL SIGNED"
Signature

SECRETARY TREASURER OR TREASURER

Patricia Cocks
Name

"ORIGINAL SIGNED"
Signature

November 30, 2010

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

Young Parkyn McNab LLP

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Board of Trustees
Prairie Rose School Division # 8

We have audited the statement of financial position of the Prairie Rose School Division # 8 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 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 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.

Young Parkyn McNab LLP

Lethbridge, Alberta

November 30, 2010

Chartered Accountants

STATEMENT OF FINANCIAL POSITION
as at August 31, 2010

(in dollars)

	2010	2009 (Note) RESTATED
ASSETS		
Current assets		
Cash and temporary investments (Note 3)	\$4,234,984	\$6,865,903
Accounts receivable (net after allowances) (Note 4)	\$1,455,975	\$1,841,859
Prepaid expenses	\$664,122	\$331,686
Other current assets	\$3,350	\$3,350
Total current assets	\$6,358,430	\$9,042,798
School generated assets		
Trust assets (Note 9)	\$508,107	\$987,035
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 5)		
Land	\$770,078	\$770,078
Construction in Progress	\$2,523,935	\$1,814,328
Buildings	\$38,884,007	
Less: accumulated amortization	(\$23,792,106)	\$15,866,498
Equipment	\$2,390,347	
Less: accumulated amortization	(\$704,679)	\$1,490,419
Vehicles	\$754,370	
Less: accumulated amortization	(\$466,986)	\$362,029
Total capital assets	\$20,358,966	\$20,303,352
TOTAL ASSETS	\$27,942,021	\$31,063,116
LIABILITIES		
Current liabilities		
Bank indebtedness (Note 6)	\$0	\$0
Accounts payable and accrued liabilities (Note 7)	\$1,816,617	\$2,747,648
Deferred revenue (Note 8)	\$1,245,749	\$1,414,189
Deferred capital allocations (Note 11)	\$70,734	\$776,726
Current portion of long term debt	\$162,551	\$182,490
Total current liabilities	\$3,295,652	\$5,121,053
School generated liabilities		
Trust liabilities (Note 9)	\$508,107	\$987,035
Employee future benefit liabilities	\$0	\$0
Long term debt (Note 10)		
Supported: Debentures and other supported debt	\$1,234,737	\$1,417,228
Less: Current portion	(\$162,551)	(\$182,490)
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 12)	\$13,630,692	\$13,319,335
Total long term liabilities	\$15,927,503	\$16,271,039
TOTAL LIABILITIES	\$19,223,154	\$21,392,092
NET ASSETS		
Unrestricted net assets	\$167,735	\$126,106
Operating Reserves	\$1,820,742	\$2,855,064
Accumulated Operating Surplus (Deficit)	\$1,988,476	\$2,981,170
Investment in capital assets	\$5,493,536	\$5,566,788
Capital Reserves	\$1,236,855	\$1,123,065
Total Capital Funds	\$6,730,391	\$6,689,853
Total net assets	\$8,718,867	\$9,671,023
TOTAL LIABILITIES AND NET ASSETS	\$27,942,021	\$31,063,115

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	\$42,646,709	\$42,378,353	\$43,699,723
Federal Government and First Nations	\$219,687	\$198,000	\$219,215
Other Alberta school authorities	\$16,991	\$81,881	\$30,659
Out of province authorities	\$123,324	\$91,140	\$120,324
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$262,290	\$213,000	\$203,157
Transportation fees	\$0	\$0	\$0
Other sales and services	\$180,409	\$342,169	\$22,200
Investment income	\$57,831	\$48,000	\$78,286
Gifts and donations	\$76,085	\$230,000	\$70,864
Rental of facilities	\$55,955	\$62,400	\$92,806
Gross school generated funds	\$809,671	\$160,000	\$935,762
Gains on disposal of capital assets	\$113,284	\$203,000	\$989,689
Amortization of capital allocations	\$947,931	\$942,161	\$968,929
Other revenue	\$375,988	\$0	\$402,005
Total Revenues	\$45,886,155	\$44,950,104	\$47,833,619
EXPENSES			
Certificated salaries	\$21,095,574	\$20,421,166	\$19,955,234
Certificated benefits	\$2,358,485	\$2,283,086	\$2,230,995
Non-certificated salaries and wages	\$7,551,908	\$6,993,218	\$7,154,491
Non-certificated benefits	\$1,421,222	\$1,118,915	\$1,467,764
Services, contracts and supplies	\$11,949,959	\$12,959,539	\$13,755,325
Gross school generated funds	\$809,671	\$160,000	\$935,762
Capital and debt services			
Amortization of capital assets			
Supported	\$947,931	\$942,161	\$968,929
Unsupported	\$581,549	\$517,922	\$488,184
Total Amortization of capital assets	\$1,529,480	\$1,460,083	\$1,457,113
Interest on capital debt			
Supported	\$120,238	\$131,885	\$135,208
Unsupported	\$0	\$0	\$1,133
Total Interest on capital debt	\$120,238	\$131,885	\$136,341
Other interest and charges	\$1,774	\$3,500	\$3,058
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
Total Expenses	\$46,838,310	\$45,531,392	\$47,096,083
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	(\$952,156)	(\$581,288)	\$737,536
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$952,156)	(\$581,288)	\$737,536

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	(\$952,156)	\$655,369
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$947,931)	(\$968,929)
Total amortization expense	\$1,529,480	\$1,457,113
Gains on disposal of capital assets	(\$113,284)	(\$989,689)
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	\$385,884	(\$755,802)
Prepays and other current assets	(\$332,436)	\$172,592
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$931,031)	\$875,948
Deferred revenue	(\$168,440)	(\$850,778)
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Operations	(\$1,529,913)	(\$404,176)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$995,538)	(\$2,522,588)
Equipment	(\$561,099)	(\$1,078,218)
Vehicles	(\$28,459)	(\$77,729)
Net proceeds from disposal of capital assets	\$113,284	\$1,028,600
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$1,471,812)	(\$2,649,935)
C. FINANCING ACTIVITIES		
Capital allocations	\$370,806	\$3,373,942
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$182,491)	(\$207,490)
Add back: supported portion	\$182,490	\$182,490
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$370,806	\$3,348,942
Net cash flows from during the year	(\$2,630,919)	\$294,831
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$6,865,903	\$6,571,072
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$4,234,984	\$6,865,903

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: 0195

(in dollars)

	(1)	(2)	(3)	(4)	(5)	INTERNALLY RESTRICTED NET ASSETS						(12)	(13)	(14)	(15)
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED 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
Balance at August 31, 2009	\$9,894,948	\$5,566,788	\$311,120	\$2,855,064	\$1,161,976	\$1,187,058	\$0	\$984,287	\$1,161,976	\$0	\$314,407	\$0	\$192,110	\$0	\$0
Prior period adjustments (describe)	(\$141,758)		(\$141,758)												
Prior Year IMR to Deferred Revenue															
Adjust Opening Balance to Actual	\$0		\$38,911	\$0	(\$38,911)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Careers / Skills Aug 31, 2009	(\$82,167)		(\$82,167)						(\$38,911)						
Adjusted Balance, Aug 31, 2009	\$9,671,023	\$5,566,788	\$126,106	\$2,855,064	\$1,123,065	\$1,187,058	\$0	\$984,287	\$1,123,065	\$177,202	\$314,407	\$0	\$192,110	\$0	\$0
Excess (deficiency) of revenues over expenses	(\$952,156)		(\$952,156)												
Board funded capital additions		\$508,297	(\$508,297)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0		\$0												
Disposal of supported capital assets (board funded portion)	\$0		\$0												
Direct credits to net assets	\$0		\$0												
Amortization of capital assets		(\$1,529,480)	\$1,529,480												
Amortization of capital allocations		\$947,931	(\$947,931)												
Debt principal repayments (unsupported)		\$0	\$0												
Net transfers to operating reserves			\$0	\$0		\$0		\$0			\$0		\$0		
Net transfers from operating reserves			\$1,034,322	(\$1,034,322)		(\$245,551)		(\$291,652)		(\$69,971)	(\$294,601)		(\$132,547)		
Net transfers to capital reserves			(\$113,790)		\$113,790		\$0		\$113,790				\$0		
Net transfers from capital reserves			\$0		\$0		\$0		\$0				\$0		
Assumption/transfer of other operations' net assets	\$0		\$0		\$0	\$0		\$0		\$0			\$0		
Balance at August 31, 2010	\$8,718,867	\$5,493,536	\$167,735	\$1,820,742	\$1,236,855	\$941,507	\$0	\$692,635	\$1,236,855	\$107,231	\$19,806	\$0	\$59,563	\$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	\$776,726	\$13,319,335
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2009	\$776,726	\$13,319,335
Add:		
Restricted capital allocations from: Alberta Education including school and modular projects	\$285,930	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$2,000	
Interest earned on provincial government capital allocations	\$1,615	
Other capital grants and donations	\$81,261	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$182,490
Expended capital allocations - current year	(\$1,076,798)	\$1,076,798
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$947,931
Balance at August 31, 2010	\$70,734	\$13,630,692

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

PRAIRIE ROSE SCHOOL DIVISION NO. 8

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2010

1. AUTHORITY AND PURPOSE

Prairie Rose School Division No. 8 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%
Computer Hardware & Software	20%
Other Equipment & Furnishings	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.)

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 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 Prairie Rose School Division does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$ 246,526 the year ended August 31, 2010 (2009 - \$262,483). At December 31, 2009, the Local Authorities Pension Plan reported a deficiency of \$3,998,614,000 (2008, a deficiency of \$4,413,971,000). In 2010, the Province recorded a liability of \$314,000,000 (2009 - \$186,000,000) for its portion of the unfunded pension obligation related to organizations controlled by the Province.

- 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) Financial Instruments
These consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. 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 capital purposes. Such reserves are appropriations of unrestricted net assets.
- k) Employee Future Benefits
The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2010 the recorded obligation is \$nil (2009 \$nil). The total expense recorded in the financial statements is \$nil (2009 \$nil).
- l) Investments
Held for trading investments are recognized in the balance sheet at fair value. The fair values of the recognized investments are determined based on the available market information. Realized investment income and unrealized gains and losses are reported in the Statement of Revenues and Expenses.

3. CASH AND TEMPORARY INVESTMENTS

	2010			2009		
	Average Effective (Market) Yield	Cost	Fair Value	Average Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	-	\$3,430,570	\$3,430,570	-	\$6,865,903	\$6,865,903
Fixed-income securities						
Government of Canada, direct and guaranteed	1.33%	539,878	539,878	%	0	0
Provincial, direct and guaranteed	2.4%	41,096	41,096	%	0	0
Corporate	2.4%	135,160	135,160	%	0	0
Municipal	2.4%	50,228	50,228	%	0	0
Pooled investment funds	2.4%	38,052	38,052	%	0	0
Total fixed-income securities	<u>1.68%</u>	<u>804,414</u>	<u>804,414</u>	<u>%</u>	<u>0</u>	<u>0</u>
Total cash and temporary investments	<u>%</u>	<u>\$4,234,983</u>	<u>\$4,234,983</u>	<u>%</u>	<u>\$6,865,903</u>	<u>\$6,865,903</u>

Please refer to Note 2 (i).

4. ACCOUNTS RECEIVABLE

	2010	2009
Alberta Education	\$198,320	\$820,799
Alberta Finance	87,632	101,342
Federal Government	469,868	558,034
First Nations	0	0
Other Alberta School Jurisdictions	0	0
Foundations	0	0
Other	700,156	361,685
Total	<u>\$1,455,976</u>	<u>\$1,841,860</u>

5. TANGIBLE CAPITAL ASSETS

	Land	Construction In Progress - Buildings	Buildings 25-40 Years	Equipment - Computer Hardware & Software 3-5 Years	Other Equipment 5-10 Years	Vehicles 5-10 Years	Total Aug. 31, 2010	Total Aug. 31, 2009
Estimated Useful life								
Historical cost								
September 1, 2009	\$770,078	\$1,814,328	\$38,604,672	\$1,348,654	\$1,279,892	\$725,911	\$44,543,535	\$41,864,402
Additions	-	709,607	285,930	255,241	305,858	28,459	1,585,095	3,678,535
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	(6,595)	(563,996)	(235,303)	-	(805,894)	(999,402)
August 31, 2010	\$770,078	\$2,523,935	\$38,884,007	\$1,039,899	\$1,350,447	\$754,370	\$45,322,736	\$44,543,535
Accumulated amortization								
September 1, 2009	-	-	\$22,738,175	\$653,203	\$484,925	\$363,882	\$24,240,185	\$23,743,565
Amortization expense	-	-	1,060,526	156,932	208,918	103,104	1,529,479	1,477,778
Transfers in (out)	-	-	-	-	-	-	-	-
Effect of disposals	-	-	(6,595)	(563,996)	(235,303)	-	(805,894)	(981,158)
August 31, 2010	-	-	\$23,792,106	\$246,139	\$458,540	\$466,986	\$24,963,770	\$24,240,185
Net Book Value at August 31, 2010	<u>\$770,078</u>	<u>\$2,523,935</u>	<u>\$15,091,901</u>	<u>\$793,760</u>	<u>\$891,907</u>	<u>\$287,384</u>	<u>\$20,358,966</u>	<u>\$20,303,350</u>

Note: The guidelines for estimated useful life of capital assets are shown above. If any of the useful lives of these assets differs from those noted, please change to reflect your amortization policy.

Prairie Rose School Division No.8
Notes to the Financial Statements
For the year ended August 31, 2010

6. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$750,000 that bears interest at 0.25% below the bank prime lending rate. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2010.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2010	2009
Alberta Education	\$0	\$42,898
Alberta Finance	87,342	101,342
Federal Government	467,461	0
First Nations	0	0
Other Alberta School Jurisdictions	0	0
Other Trade Payables and Accrued Liabilities	1,261,814	2,603,408
Total	\$1,816,617	\$2,747,648

8. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2009	ADD: 2009/2010 Restricted Funds Received/ Receivable	DEDUCT: 2009/2010 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2009/2010 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2010
Alberta Education Restricted Operational Funding:	\$0	\$0	\$0	\$0	\$0
Alberta Initiative for School Improvement	\$198,629	\$485,624	(\$559,104)	(\$2,641)	\$122,507
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francoophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal	\$799,993	\$678,284	(\$766,263)	\$0	\$712,015
Institutional Education Programs	\$0	\$0	\$0	\$0	\$0
Portable/Modular Unit Relocation	\$0	\$0	\$0	\$0	\$0
Regional Consortium	\$0	\$0	\$0	\$0	\$0
Regional Educational Consulting Services	\$0	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$0	\$0	\$0	\$0	\$0
Student Health Initiative (School Authorities)	\$0	\$0	\$0	\$0	\$0
SuperNet Service	\$0	\$0	\$0	\$0	\$0
Other Alberta Education deferred revenue	\$0	\$0	\$0	\$0	\$0
Other Government of Alberta Restricted Funding:	\$0	\$0	\$0	\$0	\$0
Supporting Innovative Technologies	\$300,000	\$0	\$0	\$0	\$300,000
School Bus Safety Grant	\$89,330	\$0	(\$19,770)	\$0	\$69,561
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Other Deferred Revenue:	\$0	\$0	\$0	\$0	\$0
Moving & Choosing	\$4,822	\$51,249	(\$56,071)	\$0	\$0
Play Therapy	\$0	\$57,932	(\$39,891)	\$0	\$18,041
Margaret Wooding Playground Project	\$21,415	\$66,107	(\$81,261)	\$0	\$6,261
2010-11 International Student Tuition	\$0	\$472	\$0	\$0	\$472
Town of Bow Island 2010-11 FSLW	\$0	\$16,892	\$0	\$0	\$16,892
Total	\$1,414,189	\$1,356,561	(\$1,522,360)	(\$2,641)	\$1,245,749

(Note: "Other Government of Alberta" specifically refers to the organizations listed in Appendix B of the Guidelines.)

9. TRUST ASSETS AND LIABILITIES

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

	2010	2009
CAREERS and Youth Skills	\$124,605	\$82,167
Scholarship Trusts	377,718	362,299
Student Health Initiative Trust (SHI Banker Board)	0	-7,216
Children and Youth with Complex Needs (Banker Board)	0	544,114
Other foundations (D.A.R.E.)	5,783	5,671
Total	\$508,106	\$987,035

10. LONG TERM DEBT

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 8% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are:

	Principal	Interest	Total
2010-2011	\$162,551	\$114,499	\$277,050
2011-2012	162,551	99,148	261,699
2012-2013	162,551	83,796	246,347
2013-2014	159,000	68,445	227,445
2014-2015	159,000	53,405	212,405
2015 to maturity	429,085	76,959	506,044
Total	\$1,234,738	\$496,252	\$1,730,990

Unsupported Debentures and Capital Loans, Capital Leases, and Mortgages

The School Jurisdiction previously entered into a capital loan (or debenture, capital lease, or mortgage) in the amount of \$nil.

11. 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.

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. COMMITMENTS

- a) Building Projects: The jurisdiction is committed to further capital expenditures for the addition at Isabel F. Cox School of approximately \$355,879 and \$89,585 for the modernization project at Oyen Public School. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.

14. CONTINGENCIES

- a) The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

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	\$198,320	\$0	\$42,193,294	\$129,322
Infrastructure & Transportation	0	0	0	0
Finance	87,632	87,632	120,238	302,728
Health & Wellness	289,274	0	278,377	67,891
Human Resources/Employment	0	0	4,800	0
Other Gov't of Alberta departments	0	0	0	0
Other:				
Health authorities	0	0	0	0
Post-secondary institutions	0	0	50,000	21,416
Other Alberta school jurisdictions	0	32,025	16,991	39,836
Other related parties	0	0	0	0
TOTAL 2009-2010	<u>\$575,226</u>	<u>\$119,657</u>	<u>\$42,716,700</u>	<u>\$561,193</u>
TOTAL 2008-2009	<u>\$922,141</u>	<u>\$144,240</u>	<u>\$42,663,700</u>	<u>\$508,323</u>

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

16. 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.

17. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on December 1, 2009. It is presented for information purposes only and has not been audited.

18. COMPARATIVE FIGURES

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

Prairie Rose School Division No.8
Notes to the Financial Statements
For the year ended August 31, 2010

19. PRIOR PERIOD ADJUSTMENTS

Unrestricted Net Assets (2009 \$311,120) has been restated to \$126,106 to reclassify IMR 2006-07 funding (\$141,758) as Deferred Revenue, to adjust the opening balance for a 2008-09 adjustment to Unrestricted Net Assets / Capital Reserves for the Net Book Value of assets sold in 2008-09 and to clear third-party (Regional Skills and Careers) net revenues and expenditures from Net Assets.

20. REMUNERATION AND MONETARY INCENTIVES

Prairie Rose School Division No. 8 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 - Marian Peers	1.0	\$20,357	\$1,260	\$0			\$12,978
Trustee- Stuart Angle	1.0	\$19,755	\$1,968	\$0			\$6,549
Trustee - Kathy Cooper	1.0	\$22,989	\$2,188	\$0			\$15,918
Trustee - Graeme Dennis	1.0	\$16,202	\$1,868	\$0			\$4,332
Trustee - Arnold Frank	1.0	\$21,787	\$1,272	\$0			\$10,470
Trustee - Paulette Heller	1.0	\$17,600	\$1,937	\$0			\$5,737
Trustee - Georgine Westgard	1.0	\$17,542	\$1,930	\$0			\$7,639
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
Subtotal	7.0	\$136,230	\$12,423	\$0			\$63,623
Superintendent - Doug Nicholls	1.0	\$150,137	\$11,628	\$0	\$0	\$0	\$13,299
Secretary/Treasurer - Patricia Cocks	1.0	\$127,451	\$27,887	\$0	\$0	\$0	\$10,366
Certificated Teachers	232.7	\$20,945,437	\$2,346,857	\$0	\$0	\$0	
Non-certificated - Other	230.0	\$7,288,227	\$1,383,950	\$0	\$0	\$0	
TOTALS		\$28,647,482	\$3,782,745	\$0	\$0	\$0	

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

PRAIRIE ROSE SCHOOL DIVISION NO. 8

Legal Name of School Jurisdiction

918 - 2nd AVENUE, DUNMORE, AB T1B 0K3

Mailing Address

403-527-5516 (phone) 403-528-2261 (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

PATRICIA COCKS

Name

"ORIGINAL SIGNED"

Signature

November 30, 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

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: 0195

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	\$1,590,545	\$28,673,192	\$4,848,798	\$5,185,559	\$1,895,200	\$0	\$42,193,294
(2) Other - Government of Alberta	\$0	\$328,377	\$125,038	\$0	\$0	\$0	\$453,415
(3) Federal Government and First Nations	\$0	\$219,687	\$0	\$0	\$0	\$0	\$219,687
(4) Other Alberta school authorities	\$0	\$0	\$0	\$16,991	\$0	\$0	\$16,991
(5) Out of province authorities	\$0	\$90,000	\$0	\$33,324	\$0	\$0	\$123,324
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Instruction resource fees	\$33,845	\$228,445					\$262,290
(8) Transportation fees-ECS							\$0
(9) Transportation fees-Grades 1-12							\$0
(10) Other sales and services	\$0	\$163,024	\$0	\$8,832	\$1,461	\$0	\$173,317
(11) Investment income	\$0	\$57,831	\$0	\$0	\$0	\$0	\$57,831
(12) Gifts and donations	\$0	\$82,627	\$0	\$0	\$550	\$0	\$83,177
(13) Rental of facilities	\$0	\$0	\$5,100	\$0	\$0	\$50,855	\$55,955
(14) Gross school generated funds	\$0	\$809,671	\$0	\$0	\$0	\$0	\$809,671
(15) Gains on disposal of capital assets	\$0	\$0	\$5,510	\$0	\$0	\$107,774	\$113,284
(16) Amortization of capital allocations	\$0	\$94,614	\$853,318	\$0	\$0	\$0	\$947,931
(17) Other revenue	\$0	\$287,827	\$88,161	\$0	\$0	\$0	\$375,988
(18) TOTAL REVENUES	\$1,624,390	\$31,035,293	\$5,925,925	\$5,244,706	\$1,897,211	\$158,629	\$45,886,155
EXPENSES							
(19) Certificated salaries	\$739,299	\$19,952,280			\$403,995	\$0	\$21,095,574
(20) Certificated benefits	\$82,654	\$2,230,665			\$45,167	\$0	\$2,358,485
(21) Non-certificated salaries and wages	\$514,404	\$4,428,970	\$1,688,972	\$112,773	\$806,789	\$0	\$7,551,908
(22) Non-certificated benefits	\$82,422	\$817,733	\$358,849	\$25,528	\$136,690	\$0	\$1,421,222
(23) SUB - TOTAL	\$1,418,778	\$27,429,648	\$2,047,821	\$138,301	\$1,392,640	\$0	\$32,427,188
(24) Services, contracts and supplies	\$161,901	\$3,550,863	\$2,193,144	\$5,394,581	\$553,918	\$95,552	\$11,949,959
(25) Gross school generated funds	\$0	\$809,671					\$809,671
(26) Amortization of capital assets	\$0	\$379,079	\$1,119,444	\$6,425	\$19,144	\$5,388	\$1,529,480
(27) Interest and charges	\$0	\$0	\$120,238	\$0	\$1,480	\$295	\$122,013
(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	\$1,580,679	\$32,169,260	\$5,480,647	\$5,539,307	\$1,967,181	\$101,235	\$46,838,311
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$43,711	(\$1,133,967)	\$445,278	(\$294,601)	(\$69,971)	\$57,394	(\$952,156)

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

Unexpended SGF - Opening Balance August 31, 2009 (Note 1)			\$729,931
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$398,374	\$353,676	\$44,698
Student fees (Non-Instructional) (Note 1)	\$166,581	\$134,651	\$31,930
Donations and grants to schools	\$59,450	\$59,865	(\$415)
Other (describe):	\$171,852	\$161,878	\$9,975
Net Additions to SGF	\$796,257	\$710,070	\$86,188
Net SGF Available			\$816,119
Uses of Net School Generated Funds:			
Extra-curricular activities			\$78,445
Field Trips			\$21,704
Other (describe):			(\$548)
Total Uses of Net SGF (Note 2)			\$99,601
Unexpended SGF - Closing Balance August 31, 2010 (Note 3)			\$716,518

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.)

Notes:

- 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	\$933,895	\$590,120	\$0	\$0	\$164,956		\$1,688,972		\$1,688,972
Uncertificated benefits	\$196,118	\$128,090	\$0	\$0	\$34,641		\$358,849		\$358,849
Sub-total Remuneration	\$1,130,013	\$718,210	\$0	\$0	\$199,597		\$2,047,821		\$2,047,821
Supplies and services	\$377,311	\$227,477	\$0	\$698,557	\$54,522		\$1,357,867		\$1,357,867
Electricity			\$331,129				\$331,129		\$331,129
Natural Gas/Heating Fuel			\$291,912				\$291,912		\$291,912
Sewer and Water			\$95,282				\$95,282		\$95,282
Telecommunications			\$14,159				\$14,159		\$14,159
Insurance					\$102,795		\$102,795		\$102,795
Amortization of capital assets									
Supported								\$947,931	\$947,931
Unsupported						\$171,514	\$171,514		\$171,514
Total Amortization						\$171,514	\$171,514	\$947,931	\$1,119,444
Interest on capital debt									
Supported								\$120,238	\$120,238
Unsupported							\$0	\$0	\$0
Other interest charges							\$0	\$0	\$0
Losses on disposal of capital assets							\$0	\$0	\$0
TOTAL EXPENSES	\$1,507,324	\$945,688	\$732,482	\$698,557	\$356,915	\$171,514	\$4,412,478	\$1,068,169	\$5,480,647
SQUARE METRES									
School Buildings									0.0
Non School Buildings									0.0

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.