

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

WOLF CREEK SCHOOL DIVISION No.72

Legal Name of School Jurisdiction

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of ^{WOLF CREEK SCHOOL DIVISION No.72} 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

Trudy Bratland
Name

"Original Signed"
Signature

SUPERINTENDENT

Joseph Henderson, CGA, CSBO
Name

"Original Signed"
Signature

SECRETARY TREASURER OR TREASURER

Dr, Larry Jacobs
Name

"Original Signed"
Signature

November 26, 2010

Board-approved Release Date

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Rowland, Parker
& Associates LLP
CHARTERED ACCOUNTANTS

P.O. Box 4008 • Ponoka, Alberta • T4J 1R5

AUDITORS' REPORT

To the Board of Trustees of
Wolf Creek School Division No. 72

We have audited the statement of financial position of the Wolf Creek School Division No. 72 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 the 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 result 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.

Ponoka, Alberta
November 17, 2010

Signed *Rowland, Parker & Associates*
Chartered Accountants

STATEMENT OF FINANCIAL POSITION
as at August 31, 2010

(in dollars)

	2010	2009 (Note)
ASSETS		
Current assets		
Cash and temporary investments (Note 3)	\$18,214,628	\$18,422,952
Accounts receivable (net after allowances) (Note 4)	\$896,186	\$3,522,708
Prepaid expenses	\$568,310	\$689,097
Other current assets	\$6,485	\$6,580
Total current assets	\$19,685,609	\$22,641,337
School generated assets	\$635,029	\$633,887
Trust assets (Note 8)	\$853,426	\$719,785
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 5)		
Land	\$657,693	\$657,693
Construction in Progress	\$2,043,160	\$19,924,057
Buildings	\$84,501,548	
Less: accumulated amortization	(\$37,516,540)	\$46,985,008
Equipment	\$2,058,278	
Less: accumulated amortization	(\$1,666,305)	\$391,973
Vehicles	\$10,569,452	
Less: accumulated amortization	(\$6,230,419)	\$4,339,033
Total capital assets	\$54,416,867	\$53,330,413
TOTAL ASSETS	\$75,590,931	\$77,325,422
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities (Note 6)	\$1,580,642	\$4,333,615
Deferred revenue (Note 7)	\$1,700,836	\$1,508,060
Deferred capital allocations (Note 10)	\$9,310,480	\$8,272,022
Current portion of long term debt	\$329,945	\$329,945
Total current liabilities	\$12,921,903	\$14,443,642
School generated liabilities	\$635,029	\$633,887
Trust liabilities (Note 8)	\$853,426	\$719,785
Employee future benefit liabilities	\$0	\$0
Long term debt (Note 9)		
Supported: Debentures and other supported debt	\$1,863,536	\$2,193,481
Less: Current portion	(\$329,945)	(\$329,945)
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 11)	\$44,589,864	\$43,710,872
Total long term liabilities	\$47,611,910	\$46,928,080
TOTAL LIABILITIES	\$60,533,813	\$61,371,722
NET ASSETS		
Unrestricted net assets	\$308,967	\$1,092,464
Operating Reserves	\$5,319,924	\$5,693,087
Accumulated Operating Surplus (Deficit)	\$5,628,891	\$6,785,551
Investment in capital assets	\$7,963,467	\$7,426,059
Capital Reserves	\$1,464,760	\$1,742,090
Total Capital Funds	\$9,428,227	\$9,168,149
Total net assets	\$15,057,118	\$15,953,700
TOTAL LIABILITIES AND NET ASSETS	\$75,590,931	\$77,325,422

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)
REVENUES			
Government of Alberta	\$67,020,695	\$65,862,205	\$66,461,612
Federal Government and First Nations	\$2,325,524	\$2,411,970	\$2,380,165
Other Alberta school authorities	\$12,000	\$12,000	\$12,000
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$1,044,656	\$943,206	\$972,392
Transportation fees	\$233,930	\$224,800	\$252,244
Other sales and services	\$795,395	\$601,323	\$941,074
Investment income	\$89,978	\$106,699	\$343,669
Gifts and donations	\$133,094	\$3,200	\$91,420
Rental of facilities	\$26,755	\$16,140	\$29,172
Gross school generated funds	\$1,603,827	\$1,000,000	\$1,545,764
Gains on disposal of capital assets	\$45,566	\$0	\$8,484
Amortization of capital allocations	\$1,671,235	\$1,671,234	\$1,760,000
Other revenue	\$0	\$0	\$0
Total Revenues	\$75,002,655	\$72,852,777	\$74,797,996
EXPENSES			
Certificated salaries (Note 17)	\$35,790,374	\$35,348,451	\$34,349,286
Certificated benefits (Note 17)	\$3,491,254	\$3,906,247	\$3,510,605
Non-certificated salaries and wages (Note 17)	\$15,428,362	\$15,473,884	\$15,267,243
Non-certificated benefits (Note 17)	\$3,688,732	\$3,749,670	\$3,534,955
Services, contracts and supplies	\$13,146,581	\$14,265,244	\$15,531,062
Gross school generated funds	\$1,603,827	\$1,000,000	\$1,545,764
Capital and debt services			
Amortization of capital assets			
Supported	\$1,671,235	\$1,671,234	\$1,759,999
Unsupported	\$855,792	\$865,679	\$788,960
Total Amortization of capital assets	\$2,527,027	\$2,536,913	\$2,548,959
Interest on capital debt			
Supported	\$204,621	\$218,264	\$237,906
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$204,621	\$218,264	\$237,906
Other interest and charges	\$46	\$1,000	\$636
Losses on disposal of capital assets	\$18,413	\$0	\$4,874
Other expense	\$0	\$0	\$0
Total Expenses	\$75,899,237	\$76,499,673	\$76,531,290
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	(\$896,582)	(\$3,646,896)	(\$1,733,294)
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$896,582)	(\$3,646,896)	(\$1,733,294)

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	(\$896,582)	(\$1,733,294)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,671,235)	(\$1,760,000)
Total amortization expense	\$2,527,027	\$2,548,959
Gains on disposal of capital assets	(\$45,566)	(\$8,484)
Losses on disposal of capital assets	\$18,413	\$4,874
Changes in:		
Accounts receivable	\$2,626,522	(\$1,593,803)
Prepays and other current assets	\$120,882	(\$232,159)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$2,752,973)	(\$596,763)
Deferred revenue	\$192,776	\$408,757
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Operations	\$119,264	(\$2,961,913)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$2,187,798)	(\$4,575,905)
Equipment	(\$14,630)	(\$237,453)
Vehicles	(\$1,506,223)	(\$903,193)
Net proceeds from disposal of capital assets	\$122,323	\$90,797
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$3,586,328)	(\$5,625,754)
C. FINANCING ACTIVITIES		
Capital allocations	\$3,258,740	\$2,726,017
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$329,945)	(\$332,596)
Add back: supported portion	\$329,945	\$332,596
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$3,258,740	\$2,726,017
Net cash flows from during the year	(\$208,324)	(\$5,861,650)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$18,422,952	\$24,284,602
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$18,214,628	\$18,422,952

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: 54

(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	(5) TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	INTERNALLY RESTRICTED NET ASSETS												(15)
						(6) School & Instruction Related		(8) Operations & Maintenance		(10) Board & System Admin.		(12) Transportation		(14) External Services		(13)		
						(6) Operating Reserves	(7) Capital Reserves	(8) Operating Reserves	(9) Capital Reserves	(10) Operating Reserves	(11) Capital Reserves	(12) Operating Reserves	(13) Capital Reserves	(14) Operating Reserves	(15) Capital Reserves			
Balance at August 31, 2009	\$15,953,700	\$7,426,059	\$1,092,464	\$5,693,087	\$1,742,090	\$3,631,539	\$17,722	\$1,263,586	\$465,299	\$400,274	\$126,093	\$397,688	\$1,132,976	\$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	\$15,953,700	\$7,426,059	\$1,092,464	\$5,693,087	\$1,742,090	\$3,631,539	\$17,722	\$1,263,586	\$465,299	\$400,274	\$126,093	\$397,688	\$1,132,976	\$0	\$0			
Excess (deficiency) of revenues over expenses	(\$896,582)		(\$896,582)															
Board funded capital additions		\$1,488,370	\$0	(\$156,500)	(\$1,331,870)	(\$32,974)	\$0	(\$94,888)	\$0	\$0	\$0	(\$28,638)	(\$1,331,870)	\$0	\$0			
Disposal of unsupported capital assets	\$0	(\$95,170)	(\$27,153)		\$122,323		\$0		\$88,042		\$25,140		\$9,141		\$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															
Amortization of capital assets		(\$2,527,027)	\$2,527,027															
Amortization of capital allocations		\$1,671,235	(\$1,671,235)															
Debt principal repayments (unsupported)		\$0	\$0															
Net transfers to operating reserves			(\$95,372)	\$95,372		\$7,392		\$0		\$87,980		\$0		\$0	\$0			
Net transfers from operating reserves			\$312,035	(\$312,035)		\$0		(\$134,541)		\$0		(\$177,494)		\$0	\$0			
Net transfers to capital reserves			(\$932,217)		\$932,217		\$0		\$0		\$78,467		\$853,750		\$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	\$0	\$0			
Balance at August 31, 2010	\$15,057,118	\$7,963,467	\$308,967	\$5,319,924	\$1,464,760	\$3,605,957	\$17,722	\$1,034,157	\$553,341	\$488,254	\$229,700	\$191,556	\$663,997	\$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	\$8,272,022	\$43,710,872
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2009	\$8,272,022	\$43,710,872
Add:		
Restricted capital allocations from:		
Alberta Education including school and modular projects	\$3,113,803	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$44,122	
Interest earned on provincial government capital allocations	\$100,815	
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		\$329,945
Expended capital allocations - current year	(\$2,220,282)	\$2,220,282
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,671,235
Balance at August 31, 2010	\$9,310,480	\$44,589,864

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

Wolf Creek School Division No. 72
Notes to Financial Statements
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, and 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. The use of estimates is relied upon significantly when determining the useful lives of capital assets. Actual results could differ from those estimates and approximations. The financial statements have, in managements opinion, been properly prepared within reasonable limits of materiality and within the framework of 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:

Building	25-40 years
Equipment and Furnishings	5-10 years
Vehicles and buses	5-10 years
Computer Hardware & Software	3-5 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 the amortization expense.

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2010

c. School Generated Funds

These are funds, which come under the control and responsibility of the 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 of 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 of active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Wolf Creek School Division does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, 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 \$1,185,652 for the year ended August 31, 2010 (2009 - \$1,028,589). 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.

f. 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.

g. Contributed Services

Volunteers contribute a considerable number of hours per year to various 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.

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2010

h. 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 of the School Act and Section 5 of the Trustees Act.

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. As a result of the adoption of this accounting policy, there was no financial impact on the jurisdiction.

k. Investments

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

l. Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Significant areas requiring the use of estimates include: allowance for doubtful accounts, impairment of long-lived assets, estimated useful lives of tangible capital assets and contingent liabilities. Actual results may differ from management's best estimates as additional information becomes available in the future.

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2010

3. Restricted Funds

Cash and temporary investments include unexpended capital funding grant receipts of \$9,310,480 (2009 - \$8,272,020) and capital reserve funding in the amount of \$1,464,760 (2009 - \$1,742,090). These funds are not available to fund current operations, as they must be expended on capital projects.

4. Accounts Receivable

	<u>2010</u>	<u>2009</u>
Alberta Education	\$ 299,343	2,624,534
Federal Government	186,551	167,851
First Nations	174,837	594,670
Alberta Municipalities	166,910	-
Other Province of Alberta	8,800	8,800
Other School Jurisdictions	7,265	3,220
Other	<u>52,480</u>	<u>123,633</u>
	<u>\$ 896,186</u>	<u>3,522,708</u>

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2010

6. Accounts Payable and Liabilities

	<u>2010</u>	<u>2009</u>
Alberta Finance	\$ 80,730	244,522
Alberta Municipalities	58,856	174,829
Federal Government	12,998	12,495
Other Alberta School Jurisdictions	4,486	9,582
Other Trade payables and accrued liabilities	<u>1,423,572</u>	<u>3,892,187</u>
Total	<u>\$ 1,580,642</u>	<u>4,333,615</u>

7. 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:					
Infrastructure Maintenance Renewal	\$ 881,280	1,339,927	986,638	-	1,234,569
Technology Innovation Grant	217,534	-	104,610	-	112,926
Alberta Initiative for School Improvement	-	59,840	-	-	59,840
Other Government of Alberta Restricted Funding:					
Alberta Health Services	21,325	-	21,325	-	-
A Shared Response to Bullying in our Schools	34,016	-	25,350	-	8,666
Skills Canada	-	-	-	-	-
Health In Action	10,404	50,000	60,404	-	-
Alberta Lottery Fund	830	-	830	-	-
Indian and Northern Affairs	-	191,820	-	-	191,820
Other Deferred Revenue:					
RCMP Liaison Board	42,125	-	42,125	-	-
Instructional fees	219,488	18,104	219,488	-	18,104
Bussing fees	81,058	74,911	81,058	-	74,911
	<u>\$ 1,508,060</u>	<u>1,734,602</u>	<u>1,541,828</u>	<u>-</u>	<u>1,700,836</u>

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2010

8. Trust Assets and Liabilities

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

	<u>2010</u>	<u>2009</u>
Deferred Salary Leave Plan	\$ 387,840	243,272
Scholarship Trusts	346,774	353,639
Other Trust Accounts	<u>118,812</u>	<u>122,874</u>
Total	\$ <u>853,426</u>	<u>719,785</u>

9. Long Term Debt

Debenture Debt - Supported

The debenture debt bears interest at rates varying between 7.63% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture principal payments due over the next five years and beyond are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010 to 2011	\$ 329,945	184,824	514,769
2011 to 2012	329,945	151,383	481,328
2012 to 2013	309,161	117,943	427,104
2013 to 2014	294,870	86,607	381,477
2014 to 2015	214,870	56,808	271,678
2015 to Maturity	<u>384,745</u>	<u>64,009</u>	<u>448,754</u>
Total	\$ <u>1,863,536</u>	<u>661,574</u>	<u>2,525,110</u>

10. Deferred Capital Allocations

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

11. 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 and fully supported debenture principal repayments.

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2010

12. Asset Retirement Obligations

Asset retirement obligations represent legal obligations associated with the retirement of a tangible long-lived asset that result from its acquisition, construction, development or normal operation. The jurisdiction has a legal obligation to remove hazardous material located within some of its school buildings. A liability, however, has not been recognized because the fair value cannot be reasonably estimated due to there being no records at these sites.

13. Commitments and Contractual Obligations

A. Leases:

The school jurisdiction has entered into various operating leases for certain equipment and real estate. Annual rentals payable under long-term lease agreements are as follows for the year ending in:

<u>Fiscal Year</u>	<u>Amount of Obligation</u>
2010/2011	\$ 281,146
2011/2012	281,142
2012/2013	281,142
2013/2014	281,142
2014/2015	<u>103,698</u>
	\$ <u><u>1,228,270</u></u>

B. Contractual Obligations:

(a) The school division has entered into contracts with various companies to provide janitorial and building climate control services. The annual cost of the contracts over their remaining terms is as follows:

<u>Fiscal Year</u>	<u>Amount of Obligation</u>
2010/2011	\$ 415,524
2011/2012	423,836
2012/2013	432,312
2013/2014	440,956
2014/2015	<u>147,952</u>
	\$ <u><u>1,860,580</u></u>

(b) The school division has also entered into contracts with various contractors to provide busing services for students. The annual cost of the busing contracts over the remaining terms of the contracts is as follows:

<u>Fiscal Year</u>	<u>Amount of Obligation</u>
2010/2011	\$ 951,702
2011/2012	<u>456,476</u>
	\$ <u><u>1,408,178</u></u>

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2010

Commitments and Contractual Obligations (continued....)

- (c) In the 2007/2008 year, the Wolf Creek School Division renegotiated a collective agreement with the Alberta Teachers Association. This contract requires annual increases of teachers salaries equal to the Alberta Average Weekly Earnings Index. This collective agreement expires August 31, 2012.

14. Contingencies

The jurisdiction is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements, as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

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. The Wolf Creek School Division had related party transactions for the year ended August 31, 2010 on the Statement of Revenues and Expenses and Statement of Financial Position, at amount of consideration agreed upon between the related parties.

	<u>Balances</u>		<u>Transactions</u>	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
2009 - 2010 Government of Alberta				
Education	\$ 299,343	1,564,648	66,816,074	143,401
Finance	-	1,863,536	204,621	204,621
Human Resources/ Employment	8,800	-	8,800	-
Other Alberta School Jurisdictions	-	-	12,000	79,121
Total 2009/2010	<u>308,143</u>	<u>3,428,184</u>	<u>67,041,495</u>	<u>427,143</u>
Total 2008/2009	<u>\$ 367,762</u>	<u>3,620,337</u>	<u>66,473,612</u>	<u>719,004</u>

16. Economic Dependence on Related Third Party

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

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2010

17. Remuneration and Monetary Incentives

The Wolf Creek School Division has 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:

<u>Board Members</u>	<u>FTE</u>	<u>Remuneration</u>	<u>Benefits</u>	<u>Allowances</u>	<u>TRIP's Other</u>	<u>Expenses</u>
<u>Chairperson:</u>						
Jess, Lorrie	1.0	\$ 22,400	4,106	-	-	6,977
<u>Other Members:</u>						
Bratland, Trudy	1.0	18,500	3,977	-	-	9,937
Engen, Karin	1.0	16,400	3,907	-	-	7,007
Huff, Robert	1.0	16,900	3,924	-	-	6,041
Lamoureux, Paula	1.0	18,600	3,980	-	-	8,408
Peterson, Donna	1.0	19,000	76	-	-	11,469
Subtotal		<u>111,800</u>	<u>19,970</u>	<u>-</u>	<u>-</u>	<u>49,839</u>
<u>Superintendent:</u>						
Jacobs, Larry	1.0	171,727	11,170	-	-	9,265
<u>Secretary/Treasurer:</u>						
Henderson, Joseph	1.0	145,136	25,875	-	-	6,733
Certified Salaries	431.6	35,618,647	3,480,084	-	-	-
Non-certificated-other	383.7	15,171,426	3,642,887	-	-	-
		\$ <u>51,218,736</u>	<u>7,179,986</u>	<u>-</u>	<u>-</u>	<u>65,837</u>

18. Budget Amounts

The School jurisdiction management prepared the budget with approval granted by the Board of Trustees November 17, 2009. It is presented for information purposes only and has not been audited.

19. Subsequent Event

On September 27, 2010 a fire occurred at Ecole Secondaire Lacombe Composite High School. Wolf Creek School Division had insurance on the building and its contents up to 150% of the building's value. Total damages to the building and its contents has not been determined as at date of reporting, but damages are expected to be fully insured.

20. Comparative Figures

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

UNAUDITED SCHEDULES

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

WOLF CREEK SCHOOL DIVISION No.72

Legal Name of School Jurisdiction

6000 Highway 2A, Ponoka, Alberta T4J 1P6

Mailing Address

Phone: (403)-783-3473 Fax: (403)-783-3483 email: finance@wolfcreek.ab.ca

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

Joseph Henderson, CGA, CSBO
Name

" ORIGINAL SIGNED"
Signature

November 26, 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 B	School Generated Funds (SGF)	4
SCHEDULE C	Operations and Maintenance Program Expenses	5

SCHEDULE A

School Jurisdiction Code: 54

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	\$2,394,152	\$49,359,356	\$7,225,691	\$4,951,796	\$2,755,210	\$0	\$66,686,205
(2) Other - Government of Alberta	\$0	\$325,690	\$8,800	\$0	\$0	\$0	\$334,490
(3) Federal Government and First Nations	\$0	\$2,081,367	\$244,157	\$0	\$0	\$0	\$2,325,524
(4) Other Alberta school authorities	\$0	\$12,000	\$0	\$0	\$0	\$0	\$12,000
(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	\$18,068	\$1,026,588					\$1,044,656
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$233,930			\$233,930
(10) Other sales and services	(\$60)	\$770,032	\$20,325	\$260	\$4,837	\$0	\$795,394
(11) Investment income	\$0	\$75,746	\$12,989	\$28	\$1,215	\$0	\$89,978
(12) Gifts and donations	\$0	\$133,094	\$0	\$0	\$0	\$0	\$133,094
(13) Rental of facilities	\$0	\$23,432	\$3,323	\$0	\$0	\$0	\$26,755
(14) Gross school generated funds	\$0	\$1,603,827	\$0	\$0	\$0	\$0	\$1,603,827
(15) Gains on disposal of capital assets	\$0	\$0	\$11,282	\$9,144	\$25,141	\$0	\$45,567
(16) Amortization of capital allocations	\$0	\$9,111	\$1,662,124	\$0	\$0	\$0	\$1,671,235
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$2,412,160	\$55,420,243	\$9,188,691	\$5,195,158	\$2,786,403	\$0	\$75,002,655
EXPENSES							
(19) Certificated salaries	\$439,419	\$34,715,479			\$635,476	\$0	\$35,790,374
(20) Certificated benefits	\$5,618	\$3,444,006			\$41,630	\$0	\$3,491,254
(21) Non-certificated salaries and wages	\$541,290	\$8,913,093	\$2,781,920	\$2,206,893	\$985,166	\$0	\$15,428,362
(22) Non-certificated benefits	\$131,029	\$2,311,288	\$676,400	\$335,730	\$234,285	\$0	\$3,688,732
(23) SUB - TOTAL	\$1,117,356	\$49,383,866	\$3,458,320	\$2,542,623	\$1,896,557	\$0	\$58,398,722
(24) Services, contracts and supplies	\$198,441	\$6,435,199	\$3,847,594	\$1,967,134	\$698,213	\$0	\$13,146,581
(25) Gross school generated funds	\$0	\$1,603,827					\$1,603,827
(26) Amortization of capital assets	\$0	\$82,741	\$1,751,614	\$614,205	\$78,467	\$0	\$2,527,027
(27) Interest and charges	\$0	\$0	\$204,621	\$0	\$46	\$0	\$204,667
(28) Losses on disposal of capital assets	\$0	\$0	\$18,413	\$0	\$0	\$0	\$18,413
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$1,315,797	\$57,505,633	\$9,280,562	\$5,123,962	\$2,673,283	\$0	\$75,899,237
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$1,096,363	(\$2,085,390)	(\$91,871)	\$71,196	\$113,120	\$0	(\$896,582)

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

Unexpended SGF - Opening Balance August 31, 2009 (Note 1)			\$633,887
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$758,044	\$471,752	\$286,292
Student fees (Non-Instructional) (Note 1)	\$701,329	\$936	\$700,393
Donations and grants to schools	\$124,722	(\$300)	\$125,022
Other (describe):	\$19,732	\$12,010	\$7,722
Net Additions to SGF	\$1,603,827	\$484,398	\$1,119,429
Net SGF Available			\$1,753,316
Uses of Net School Generated Funds:			
Extra-curricular activities			\$861,842
Field Trips			\$187,247
Other (describe):			\$69,138
Total Uses of Net SGF (Note 2)			\$1,118,227
Unexpended SGF - Closing Balance August 31, 2010 (Note 3)			\$635,089

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	\$1,654,464	\$596,500	\$0	\$93,141	\$437,815		\$2,781,920		\$2,781,920
Uncertificated benefits	\$426,342	\$136,484	\$0	\$20,520	\$93,054		\$676,400		\$676,400
Sub-total Remuneration	\$2,080,806	\$732,984	\$0	\$113,661	\$530,869		\$3,458,320		\$3,458,320
Supplies and services	\$449,124	\$732,662	\$745	\$872,977	\$301,084		\$2,356,592		\$2,356,592
Electricity			\$627,828				\$627,828		\$627,828
Natural Gas/Heating Fuel			\$541,172				\$541,172		\$541,172
Sewer and Water			\$194,650				\$194,650		\$194,650
Telecommunications			\$0				\$0		\$0
Insurance					\$127,352		\$127,352		\$127,352
Amortization of capital assets									
Supported								\$1,662,123	\$1,662,123
Unsupported								\$89,491	\$89,491
Total Amortization								\$89,491	\$89,491
Interest on capital debt									
Supported								\$204,621	\$204,621
Unsupported								\$0	\$0
Other interest charges								\$0	\$0
Losses on disposal of capital assets									
TOTAL EXPENSES	\$2,529,930	\$1,465,646	\$1,364,395	\$986,638	\$959,305	\$107,904	\$7,413,818	\$1,866,744	\$9,280,562
SQUARE METRES									
School Buildings									93,068.0
Non School Buildings									13,868.0

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.