

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Parkland School Division No. 70**

Legal Name of School Jurisdiction

**4603 48 Street, Stony Plain, AB, T7Z 2A8**

Mailing Address

**780-963-8402, 780-963-4169**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of Parkland School Division No. 70  
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**

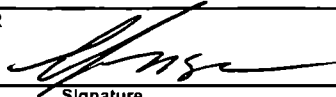
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings.  
The external auditors were given full access to school jurisdiction records.

**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.

<p><b>BOARD CHAIR</b></p> <p>Richard Gichrist</p> <p style="font-size: small;">Name</p>	 <p style="font-size: small;">Signature</p>
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<p><b>SUPERINTENDENT</b></p> <p>Tim Monds</p> <p style="font-size: small;">Name</p>	 <p style="font-size: small;">Signature</p>
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<p><b>SECRETARY TREASURER OR TREASURER</b></p> <p>Claire Jonsson</p> <p style="font-size: small;">Name</p>	 <p style="font-size: small;">Signature</p>
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**29-Nov-11**

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Board-approved Release Date

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November 29, 2011

## **Independent Auditor's Report**

**To the Board of Trustees of  
Parkland School Division No. 70**

We have audited the accompanying financial statements of Parkland School Division No. 70, which comprise the balance sheet as at August 31, 2011 and the statements of revenue and expenses, cash flows, changes in net assets and capital allocations for the year then ended, and the related notes including a summary of significant accounting policies.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Parkland School Division No. 70 as at August 31, 2011 and the results of its operations, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

*PricewaterhouseCoopers LLP*

**Chartered Accountants**

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2011

(in dollars)

	2011	2010
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$13,374,355	\$12,141,093
Accounts receivable (net after allowances) (Note 3)	\$599,180	\$1,479,786
Prepaid expenses	\$223,694	\$311,397
Other current assets	\$0	\$0
<b>Total current assets</b>	<b>\$14,197,229</b>	<b>\$13,932,276</b>
School generated assets (Note 8)	\$1,049,593	\$1,246,083
Trust assets (Note 4)	\$270,582	\$148,814
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 5)		
Land	\$4,167,683	\$4,167,683
Construction in progress	\$0	\$0
Buildings	\$136,476,216	
Less: accumulated amortization	(\$49,695,532)	\$86,780,684
Equipment	\$9,170,967	\$89,722,060
Less: accumulated amortization	(\$5,704,990)	\$3,465,977
Vehicles	\$1,233,505	\$3,707,221
Less: accumulated amortization	(\$726,405)	\$507,100
<b>Total capital assets</b>	<b>\$94,921,444</b>	<b>\$98,193,319</b>
<b>TOTAL ASSETS</b>	<b>\$110,438,848</b>	<b>\$113,520,492</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities (Note 6)	\$3,119,818	\$2,604,275
Deferred revenue (Note 7)	\$665,424	\$455,654
Deferred capital allocations	\$934,862	\$1,006,192
Current portion of long term debt	\$365,885	\$448,921
<b>Total current liabilities</b>	<b>\$5,085,989</b>	<b>\$4,515,042</b>
School generated liabilities (Note 8)	\$1,049,593	\$1,246,083
Trust liabilities (Note 4)	\$270,582	\$148,814
Employee future benefit liabilities	\$0	\$0
Long term debt (Note 9)		
Supported: Debentures and other supported debt	\$709,472	\$1,158,393
Less: Current portion	(\$365,885)	(\$448,921)
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	\$87,423,380	\$90,309,186
<b>Total long term liabilities</b>	<b>\$89,087,142</b>	<b>\$92,413,555</b>
<b>TOTAL LIABILITIES</b>	<b>\$94,173,131</b>	<b>\$96,928,597</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$943,769	\$1,236,119
Operating reserves (Note 10)	\$5,121,015	\$5,778,919
Accumulated operating surplus (deficit)	\$6,064,784	\$7,015,038
Investment in capital assets	\$6,788,590	\$6,725,736
Capital reserves (Note 10)	\$3,412,343	\$2,851,121
<b>Total capital funds</b>	<b>\$10,200,933</b>	<b>\$9,576,857</b>
<b>Total net assets</b>	<b>\$16,265,717</b>	<b>\$16,591,895</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$110,438,848</b>	<b>\$113,520,492</b>

Note: Please input "(Restated)" in 2010 column heading where comparatives are not taken from the finalized 2009/2010 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF REVENUES AND EXPENSES**  
for the Year Ended August 31, 2011  
(in dollars)

	Actual 2011	Budget 2011 Note 16	Actual 2010
<b>REVENUES</b>			
Government of Alberta	\$88,674,521	\$88,647,634	\$83,940,836
Federal Government and First Nations	\$1,747,282	\$1,720,172	\$1,349,490
Other Alberta school authorities	\$57,372	\$54,000	\$85,643
Out of province authorities	\$5,472	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$1,391,873	\$1,139,853	\$1,462,008
Transportation fees	\$424,566	\$540,864	\$264,405
Other sales and services	\$737,057	\$365,863	\$1,080,746
Investment income	\$160,365	\$142,000	\$114,937
Gifts and donations	\$0	\$0	\$0
Rental of facilities	\$28,284	\$25,700	\$31,701
Gross school generated funds	\$2,873,137	\$2,999,915	\$2,999,915
Gains on disposal of capital assets	\$30,740	\$0	\$7,796
Amortization of capital allocations	\$3,839,757	\$3,916,436	\$2,517,708
Other revenue	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$99,970,426</b>	<b>\$99,552,437</b>	<b>\$93,855,185</b>
<b>EXPENSES</b>			
Certificated salaries (Note 11)	\$46,228,859	\$46,638,476	\$44,877,695
Certificated benefits (Note 11)	\$5,218,123	\$4,998,083	\$4,901,744
Non-certificated salaries and wages (Note 11)	\$15,659,397	\$15,613,442	\$15,435,047
Non-certificated benefits (Note 11)	\$3,842,143	\$3,720,365	\$3,998,707
Services, contracts and supplies	\$21,533,635	\$21,676,839	\$21,648,806
Gross school generated funds	\$2,873,137	\$2,999,915	\$2,999,915
<b>Capital and debt services</b>			
<b>Amortization of capital assets</b>			
Supported	\$3,839,757	\$3,916,436	\$2,517,708
Unsupported	\$1,002,682	\$1,002,652	\$933,293
<b>Total Amortization of capital assets</b>	<b>\$4,842,439</b>	<b>\$4,919,088</b>	<b>\$3,451,001</b>
<b>Interest on capital debt</b>			
Supported	\$97,146	\$97,146	\$145,321
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$97,146</b>	<b>\$97,146</b>	<b>\$145,321</b>
Other interest and charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$1,725	\$0	\$0
Other expense	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$100,296,604</b>	<b>\$100,663,354</b>	<b>\$97,458,236</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>(\$326,178)</b>	<b>(\$1,110,917)</b>	<b>(\$3,603,051)</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$326,178)</b>	<b>(\$1,110,917)</b>	<b>(\$3,603,051)</b>

Note: Please input "(Restated)" where Actual 2010 comparatives are not as presented in the finalized 2009/2010 Audited Financial Statements filed with Alberta Education. Budget 2011 comparatives presented are final budget amounts formally approved by the Board.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2011

(in dollars)

	2011	2010
<b>CASH FLOWS FROM</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	(\$326,178)	(\$3,603,051)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$3,839,757)	(\$2,517,708)
Total amortization expense	\$4,842,439	\$3,451,001
Gains on disposal of capital assets	(\$30,740)	(\$7,796)
Losses on disposal of capital assets	\$1,725	\$0
Changes in:		
Accounts receivable	\$880,606	\$729,745
Prepays and other current assets	\$87,703	(\$220,452)
Long term accounts receivable	\$0	\$593,324
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	\$515,543	(\$1,140,426)
Deferred revenue	\$209,770	(\$191,755)
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Operations</b>	<b>\$2,341,111</b>	<b>(\$2,907,118)</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$637,188)	(\$18,159,781)
Equipment	(\$842,516)	(\$1,202,506)
Vehicles	(\$97,693)	(\$64,442)
Net proceeds from disposal of capital assets	\$35,848	\$7,796
Other (describe)	\$0	\$1
<b>Total cash flows from Investing activities</b>	<b>(\$1,541,549)</b>	<b>(\$19,418,932)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$433,700	\$18,319,607
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$448,921)	(\$505,350)
Add back, supported portion	\$448,921	\$505,351
Other (describe)	\$0	\$0
<b>Total cash flows from financing activities</b>	<b>\$433,700</b>	<b>\$18,319,608</b>
<b>Net cash flows from during the year</b>	<b>\$1,233,262</b>	<b>(\$4,006,442)</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/10</b>	<b>\$12,141,093</b>	<b>\$16,147,535</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/11</b>	<b>\$13,374,355</b>	<b>\$12,141,093</b>

**Note:** Please input "(Restated)" where Actual 2010 comparatives are not as presented in the finalized 2009/2010 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2011**

School Jurisdiction Code: 2305

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	TOTAL NET ASSETS  Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	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 Administration		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
<b>Balance at August 31, 2010</b>	\$16,591,895	\$6,725,736	\$1,236,119	\$5,778,919	\$2,851,121	\$5,372,861	\$1,126,157	\$0	\$413,289	\$406,058	\$1,213,264	\$0	\$88,390	\$0	\$10,021
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
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Balance, Aug. 31, 2010</b>	\$16,591,895	\$6,725,736	\$1,236,119	\$5,778,919	\$2,851,121	\$5,372,861	\$1,126,157	\$0	\$413,289	\$406,058	\$1,213,264	\$0	\$88,390	\$0	\$10,021
Excess (deficiency) of revenues over expenses	(\$326,178)		(\$326,178)												
Board funded capital additions		\$1,072,368	(\$285,041)	\$0	(\$787,327)	\$0	(\$661,674)	\$0	(\$63,130)	\$0	(\$5,834)	\$0	(\$56,689)	\$0	\$0
Disposal of unsupported capital assets	\$0	(\$6,832)	(\$23,908)		\$30,740		\$7,910		\$22,830		\$0		\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$4,842,439)	\$4,842,439												
Amortization of capital allocations		\$3,839,757	(\$3,839,757)												
Debt principal repayments (unsupported)		\$0	\$0												
Net transfers to operating reserves			(\$1,526,468)	\$1,526,468		\$974,989		\$511,893		\$37,751		\$1,725		\$0	
Net transfers from operating reserves			\$2,184,372	(\$2,184,372)		(\$2,027,711)		(\$22,830)		(\$132,106)		(\$1,725)		\$0	
Net transfers to capital reserves			(\$1,317,809)		\$1,317,809		\$855,683		\$156,819		\$136,213		\$59,075		\$10,019
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
<b>Balance at August 31, 2011</b>	\$16,265,717	\$6,788,590	\$943,769	\$5,121,015	\$3,412,343	\$4,320,149	\$1,428,076	\$489,163	\$529,808	\$311,703	\$1,343,643	\$0	\$90,776	\$0	\$20,040

**STATEMENT OF CAPITAL ALLOCATIONS  
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)  
for the Year Ended August 31, 2011  
(in dollars)**

	<b>Deferred Capital Allocations</b>	<b>Unamortized Capital Allocations</b>
<b>Balance at August 31, 2010</b>	\$1,006,192	\$90,309,186
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2010</b>	\$1,006,192	\$90,309,186
<b>Add:</b>		
<b>Restricted capital allocations from:</b>		
Alberta Education school building and modular projects	\$424,948	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$8,752	
<b>Other capital grants and donations</b>	\$0	
<b>Net proceeds on disposal of supported capital assets</b>	\$0	
<b>Insurance proceeds (and related interest)</b>	\$0	
<b>Donated capital assets (amortizable, @ fair market value)</b>		\$0
<b>P3, other ASAP and Alberta Infrastructure managed projects</b>		\$0
<b>Transferred in capital assets (amortizable, @ net book value)</b>		
<b>Current year supported debenture principal repayment</b>		\$448,921
<b>Expended capital allocations - current year</b>	(\$505,030)	\$505,030
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	
<b>Capital allocations amortized to revenue</b>		\$3,839,757
<b>Balance at August 31, 2011</b>	\$934,862	\$87,423,380

\* Infrastructure Maintenance Renewal (IMR) Program allocations are excluded from this Statement, since those allocations are not externally restricted to capital.

**PARKLAND SCHOOL DIVISION NO. 70**  
Notes to the Financial Statements  
Year Ended August 31, 2011

**1. Authority and Purpose**

Parkland School Division No. 70 delivers education programs under the authority of the School Act, Chapter S3, Statutes of Alberta, January 1, 2000

The School Division receives block allocations for Instruction, Support and Capital purposes under Regulation 77/2003. The Regulation limits funding and expenses for administration. It permits the School Division, within specified limits, to reallocate funding between the instruction and support blocks.

**2. Summary of Significant Accounting Policies**

The financial statements are prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Education for Alberta school jurisdictions. 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 prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Revenue Recognition

Revenue from the Provincial and Federal governments for instruction and support is 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 donations are recognized as revenue when received or receivable. Donations 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.

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 property and equipment asset acquired by the grant.

Vacation Pay

Vacation pay is recorded in the period in which it is earned

School Generated Funds

Funds generated from school based activities are included as assets, liabilities, revenues and expenses of the School Division because the accountability and control/ownership of these funds rests with School Division officials or their appointee(s).

**PARKLAND SCHOOL DIVISION NO. 70**  
Notes to the Financial Statements  
Year Ended August 31, 2011

Property and Equipment

Property and equipment are recorded at cost and amortized over their estimated useful lives on a straight line basis at the following rates:

Buildings	2 5% to 4%
Equipment	20% to 25%
Vehicles	10% and 20%

Property and equipment are amortized in the year following the acquisition. Only property and equipment with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

Amortization

Amortization expense is reflected as a period expense on the statement of revenues and expenses and results in a reduction to operating reserves and unrestricted net assets. However, an amount equal to the amortization of supported assets is recorded as revenue. Amortization expense results in a transfer from investment in capital assets to unrestricted net assets on the statement of changes in net assets. The transfer from investment in capital assets to unrestricted net assets offsets the effect of the amortization expense of the period resulting in no change to the accumulated surplus.

Contributed Services

Volunteers assist schools operated by the School Division in carrying out certain activities. Because of the difficulty of determining their fair value and of the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

Pensions

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

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Parkland School Division No. 70 does not make pension contributions for certificated staff.

The School Division participates in the multi-employer pension plan, Local Authorities Pension Plan. At August 31, 2011, the School Division's expense for this pension plan is equivalent to the annual contributions of \$1,105,658 (2010 - \$1,022,441). At December 31, 2010, the Pension Plan reported an actuarial deficiency of \$4,635,250,000 (2009- \$3,998,614,000 deficiency). Effective for the 2008-2009 fiscal year, the Government of Alberta has taken responsibilities of the LAPP unfunded liabilities.

Internally restricted net assets

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

**PARKLAND SCHOOL DIVISION NO. 70**  
Notes to the Financial Statements  
Year Ended August 31, 2011

Capital Debt

Capital debt interest is recorded as an expenditure in the financial statements. Grants are receivable from Alberta Treasury for the interest expense and principal payments made on supported debt. The grant amounts received or receivable for the interest expense have been recorded as revenue in the financial statements. The total principal repayments on supported debt have been recorded to the debenture debt liability and equity in capital assets.

Financial Instruments

The Division's financial instruments consist of cash, trust assets, account receivable, accounts payable and accrued liabilities, trust 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.

**Held-to-maturity:** Financial instruments that are initially recognized at their fair values and subsequently measured at amortized cost using the effective interest method. Impairment losses are charged in the period which they arise

**Held-for-trading:** Financial instruments that are carried at fair value with changes in fair value charged or credited to expenses in the period in which they arise.

**Loans and receivables:** Items that are initially recognized at fair value, with any resulting premium or discount from the face value being amortized to income or expense using the effective interest method. Impairment losses are charged in the period which they arise

**Available-for-sale:** Financial instruments that are carried at fair value with changes in the fair value charged or credited to net assets. Impairment losses are charged in the period which they arise

**Other financial liabilities.** Items that are initially measured at cost or amortized cost, depending upon the nature of the instrument, with any resulting premium or discount from the face value being amortized to revenues or expenses using the effective interest method.

CICA Handbook Section 3861 – "Financial Instruments – Disclosure and Presentation" establishes standards for presentation of financial instruments and non-financial derivatives, and identifies information that should be disclosed regarding the significance of financial instruments to an entity's financial position, performance and cash flows. The Division adopted this section in its 2008 financial statements. CICA handbook Sections 3862 and 3863 expand on the disclosure requirements of section 3861, including quantitative and qualitative analysis of each type of risk arising from financial instruments. Not-for-profit organizations are permitted to apply Section 3861 in place of Sections 3862 and 3863, which the Division has elected to do

**3. Accounts Receivable**

	<u>2011</u>	<u>2010</u>
Provincial government	\$ 141,986	\$ 791,078
Federal government	62,784	82,867
First Nations	27,370	25,902
Municipalities	5,701	6,774
Other school divisions	13,615	6,407
Other	347,724	566,758
	<b>\$ 599,180</b>	<b>\$ 1,479,786</b>

**PARKLAND SCHOOL DIVISION NO. 70**  
Notes to the Financial Statements  
Year Ended August 31, 2011

**4. Trust Assets and Liabilities**

	<u>2011</u>	<u>2010</u>
Endowment funds for scholarships	\$ 59,926	\$ 71,901
Student Health Initiative	210,656	-
Deferred salaries	-	76,913
	<u>\$ 270,582</u>	<u>\$ 148,814</u>

**5. Capital Assets**

	<u>Land</u>	<u>Construction In Progress- Building</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>2011</u>	<u>2010</u>
<b><u>Historical cost</u></b>							
Balance, beginning of year	\$4,167,683	\$ -	\$136,050,448	\$8,507,949	\$1,325,393	\$150,051,473	\$130,338,396
Additions	-	-	637,188	842,516	97,693	1,577,397	19,773,440
Transfers In (Out)	-	-	-	-	-	-	-
Disposals	-	-	(211,420)	(179,498)	(189,581)	(580,499)	(60,363)
Balance, end of year	<u>\$4,167,683</u>	<u>\$ -</u>	<u>\$136,476,216</u>	<u>\$9,170,967</u>	<u>\$1,233,505</u>	<u>\$151,048,371</u>	<u>\$150,051,473</u>
<b><u>Accumulated amortization</u></b>							
Balance, beginning of year	\$ -	\$ -	\$46,328,388	\$4,800,728	\$729,038	\$51,858,154	\$48,467,515
Amortization expense	-	-	3,578,564	1,083,760	180,115	4,842,439	3,451,002
Effect of disposals	-	-	(211,420)	(179,498)	(182,748)	(573,666)	(60,363)
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$49,695,532</u>	<u>\$5,704,990</u>	<u>\$726,405</u>	<u>\$56,126,927</u>	<u>\$51,858,154</u>
<b>Net Book Value</b>	<b><u>\$4,167,683</u></b>	<b><u>\$ -</u></b>	<b><u>\$86,780,684</u></b>	<b><u>\$3,465,977</u></b>	<b><u>\$507,100</u></b>	<b><u>\$94,921,444</u></b>	<b><u>\$98,193,319</u></b>

**PARKLAND SCHOOL DIVISION NO. 70**

Notes to the Financial Statements

Year Ended August 31, 2011

**6. Accounts Payable and Accruals**

	<u>2011</u>	<u>2010</u>
Provincial government	\$ 35,058	\$ 97,088
Federal government	778,509	766,710
Other	2,306,251	1,740,477
	<u><u>\$ 3,119,818</u></u>	<u><u>\$ 2,604,275</u></u>

**7. Deferred Revenue**

	<u>Balance, beginning of year</u>	<u>Received/ Receivable during the year</u>	<u>Expended/ Payable during the year</u>	<u>Balance, end of year</u>
<b>Alberta Education Restricted Operational Funding:</b>				
Alberta Initiative for School Improvement	\$157,516	\$1,268,401	(\$1,225,437)	\$200,480
Children and Youth with Complex Needs	-	201,402	(201,402)	-
Infrastructure Maintenance Renewal	-	948,630	(786,129)	162,501
Institutional Education Programs	-	238,351	(238,351)	-
SuperNet Service	-	151,050	(151,050)	-
Other Alberta Education Deferred Revenue	120,071	15,000	(120,071)	15,000
<b>Other Deferred Revenue:</b>				
Instructional and Transportation Fees	174,364	184,867	(174,364)	184,867
Other	3,703	102,576	(3,703)	102,576
	<u><u>\$455,654</u></u>	<u><u>\$3,110,277</u></u>	<u><u>(\$2,900,507)</u></u>	<u><u>\$665,424</u></u>

**8. School Generated Funds**

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$1,246,083	\$1,480,363
Source of Gross School Generated Funds (SGF)	2,676,647	2,765,635
SGF available for spending	3,922,730	4,245,998
Less: gross SGF expended for the year	(2,873,137)	(2,999,915)
<b>Balance, end of year</b>	<u><u>\$1,049,593</u></u>	<u><u>\$1,246,083</u></u>

**PARKLAND SCHOOL DIVISION NO. 70**  
Notes to the Financial Statements  
Year Ended August 31, 2011

**9. Long-term Debt**

The debentures outstanding at August 31, 2011 have interest rates which vary between 6% and 12%. Terms of the debentures are 20-25 years with payments of principal and interest made annually. The debenture debt is fully supported by Alberta Finance.

	<u>2011</u>	<u>2010</u>
Debentures	\$ 709,472	\$ 1,158,393
Less current portion	<u>(365,885)</u>	<u>(448,921)</u>
	<u><b>\$ 343,587</b></u>	<u><b>\$ 709,472</b></u>

Debenture principal and interest amounts due in each of the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	365,885	69,890	435,775
2013	187,742	34,288	222,030
2014	118,129	16,081	134,210
2015	22,346	4,219	26,565
2016 and thereafter	<u>15,370</u>	<u>1,786</u>	<u>17,156</u>
	<u><b>\$ 709,472</b></u>	<u><b>\$ 126,264</b></u>	<u><b>\$835,736</b></u>

Cash interest paid during the year by the School Division was \$114,517 (2010 - \$165,916).

**10. Restricted Net Assets**

	<u>Balance, beginning of year</u>	<u>Appropriated during the year</u>	<u>Utilized during the year</u>	<u>Balance, end of year</u>
<b>Operating Reserves</b>				
School instructional	\$ 5,372,861	\$ 974,999	\$ 2,027,711	\$ 4,320,149
System administration	406,058	37,751	132,106	311,703
Operation & maintenance	-	511,993	22,830	489,163
Transportation	-	<u>1,725</u>	<u>1,725</u>	-
	<u><b>\$ 5,778,919</b></u>	<u><b>\$ 1,526,468</b></u>	<u><b>\$ 2,184,372</b></u>	<u><b>\$ 5,121,015</b></u>
<b>Capital Reserves</b>				
Land	29,194	-	-	29,194
Buildings	1,112,424	141,068	-	1,253,492
Equipment	1,381,659	991,516	689,632	1,683,543
Vehicles	<u>327,844</u>	<u>215,963</u>	<u>97,693</u>	<u>446,114</u>
	<u><b>2,851,121</b></u>	<u><b>1,348,547</b></u>	<u><b>787,325</b></u>	<u><b>3,412,343</b></u>
<b>TOTAL</b>	<u><b>\$ 8,630,040</b></u>	<u><b>\$ 2,875,015</b></u>	<u><b>\$ 2,971,697</b></u>	<u><b>\$ 8,533,358</b></u>

**PARKLAND SCHOOL DIVISION NO. 70**  
Notes to the Financial Statements  
Year Ended August 31, 2011

**11. Remuneration and Monetary Incentives**

Parkland School Division had paid or accrued expenses for the year ended August 31, 2011 to or on behalf of the following positions and persons in groups as follows:

<b>Board Members</b>	<b>Number</b>	<b>Remuneration</b>	<b>Benefits and Allowances</b>	<b>ERIP's/ Other</b>	<b>Expenses</b>
Chair - Richard Gilchrist	1 0	28,438	4,464	-	9,018
Ward 1 - Robert Gillard	0.2	2,657	859	-	913
Ward 1 - Ron Heinreichs	0 8	16,113	1,277	-	14,559
Ward 2 - Kathleen Linder	1 0	14,995	4,611	-	5,505
Ward 4 - Irene Goebel	1 0	16,367	83	-	6,201
Ward 5 - Dorcas Kilduff	1.0	18,910	5,801	-	7,663
Ward 5 - Darcy Kolodnicki	0.2	2,822	473	-	103
Ward 5 - Eric Cameron	0 8	15,942	2,848	-	8,081
Ward 6 - Elsie Kinsey	1 0	17,333	4,800	-	4,809
<b>Subtotal</b>	<b>7.0</b>	<b>133,577</b>	<b>25,216</b>	<b>-</b>	<b>56,852</b>
Superintendent - Timothy Monds	1.0	190,673	17,573	-	18,735
Secretary Treasurer - Claire Jonsson	1 0	145,720	33,944	-	16,387
Salaries - Certificated	511.7	46,008,211	5,200,550	29,975	-
Salaries - Uncertificated	371.3	15,380,100	3,782,983	-	-
	<b>892.0</b>	<b>\$ 61,858,281</b>	<b>9,060,266</b>	<b>29,975</b>	<b>\$ 91,974</b>

**PARKLAND SCHOOL DIVISION NO. 70**  
Notes to the Financial Statements  
Year Ended August 31, 2011

**12. 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.

	<u>Balances</u>		<u>Transactions</u>	
	<u>Assets (cost or net realizable value)</u>	<u>Liabilities (fair value)</u>	<u>Revenues</u>	<u>Expenses</u>
<b>Government of Alberta</b>				
Education	\$ 106,928	\$ -	\$ 88,337,901	\$ -
Finance	35,058	744,530	97,146	97,146
Other	-	-	239,474	145,291
	<u>141,986</u>	<u>744,530</u>	<u>88,674,521</u>	<u>242,437</u>
<b>Other</b>				
Post-secondary institutions	-	-	-	1,213
Other Alberta school jurisdictions	13,615	-	57,372	303,171
<b>TOTAL 2010-2011</b>	<u>\$ 155,601</u>	<u>\$ 744,530</u>	<u>\$88,731,893</u>	<u>\$ 546,821</u>
<b>TOTAL 2009-2010</b>	<u>\$ 797,484</u>	<u>\$ 1,255,480</u>	<u>\$84,026,478</u>	<u>\$ 635,009</u>

**13. Economic Dependence on Related Third Party**

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

**14. Contingencies**

The School Division is a member of the Alberta School Boards Insurance Exchange. Under the terms of membership, the School Division could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred will be accounted for as a current transaction in the year the losses are determined.

**PARKLAND SCHOOL DIVISION NO. 70**  
Notes to the Financial Statements  
Year Ended August 31, 2011

**15. Asset Retirement Obligations**

The School Division has applied the interpretations of the Canadian Institute of Chartered Accountants Emerging Issues Committee abstract 159 "Conditional Asset Retirement Obligations" (EIC-159) Under EIC-159, a liability should be recognized if the entity has sufficient information to reasonably estimate the fair value of the asset retirement obligation. The School Division has determined that it has a conditional asset retirement obligation relating to certain school sites. These obligations will be covered in the future by funding through the Alberta Government. The School Division believes that there is insufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates has not been specified and information is not available to apply an expected present value technique.

**16. Budget Amounts**

The budget was prepared by the School Division management with the Board of Trustees approval given on November 2, 2010. A revised budget based on student enrolments at September 30, 2010 is presented in these statements for information purposes only and has not been audited.

**UNAUDITED SCHEDULES**  
TO THE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011  
[School Act, Section 276]

**Parkland School Division No. 70**

Legal Name of School Jurisdiction

**4603 48 Street, Stony Plain, AB, T7Z 2A8**

Mailing Address

**780-963-8402, 780-963-4169**

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

Claire Jonsson

Name



Signature

29-Nov-11

Dated

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**SCHEDULE A**

School Jurisdiction Code: 2305

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2010/2011**

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$6,136,456	\$61,908,266	\$8,399,178	\$8,579,666	\$3,287,836	\$26,499	\$88,337,901
(2) Other - Government of Alberta	\$236,474	\$3,000	\$97,146	\$0	\$0	\$0	\$336,620
(3) Federal Government and First Nations	\$0	\$1,502,828	\$179,266	\$0	\$65,188	\$0	\$1,747,282
(4) Other Alberta school authorities	\$0	\$27,340	\$0	\$30,032	\$0	\$0	\$57,372
(5) Out of province authorities	\$0	\$5,472	\$0	\$0	\$0	\$0	\$5,472
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Instruction resource fees	\$29,192	\$1,362,681					\$1,391,873
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$424,566			\$424,566
(10) Other sales and services	\$0	\$434,972	\$27,338	\$226,330	\$18,803	\$29,614	\$737,057
(11) Investment income	\$0	\$0	\$0	\$0	\$160,365	\$0	\$160,365
(12) Gifts and donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(13) Rental of facilities	\$0	\$0	\$5,200	\$0	\$0	\$23,084	\$28,284
(14) Gross school generated funds	\$0	\$2,873,137	\$0	\$0	\$0	\$0	\$2,873,137
(15) Gains on disposal of capital assets	\$0	\$7,910	\$22,830	\$0	\$0	\$0	\$30,740
(16) Amortization of capital allocations	\$0	\$0	\$3,824,119	\$0		\$15,638	\$3,839,757
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$6,402,122	\$68,125,606	\$12,555,077	\$9,260,594	\$3,532,192	\$94,835	\$99,970,426
<b>EXPENSES</b>							
(19) Certificated salaries	\$2,051,586	\$43,561,664			\$615,609	\$0	\$46,228,859
(20) Certificated benefits	\$249,062	\$4,919,861			\$49,200	\$0	\$5,218,123
(21) Non-certificated salaries and wages	\$1,601,776	\$9,249,172	\$3,038,721	\$414,213	\$1,354,574	\$941	\$15,659,397
(22) Non-certificated benefits	\$328,087	\$2,317,859	\$800,885	\$87,535	\$307,532	\$235	\$3,842,143
(23) SUB - TOTAL	\$4,230,511	\$60,048,556	\$3,839,616	\$501,748	\$2,326,915	\$1,176	\$70,948,522
(24) Services, contracts and supplies	\$1,432,160	\$5,941,700	\$4,115,827	\$8,803,776	\$1,172,171	\$68,001	\$21,533,635
(25) Gross school generated funds	\$0	\$2,873,137					\$2,873,137
(26) Amortization of capital assets	\$0	\$655,683	\$3,980,938	\$53,967	\$136,213	\$15,638	\$4,842,439
(27) Interest and charges	\$0	\$0	\$97,146	\$0	\$0	\$0	\$97,146
(28) Losses on disposal of capital assets	\$0	\$0	\$0	\$1,725	\$0	\$0	\$1,725
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$5,662,671	\$69,519,076	\$12,033,527	\$9,361,216	\$3,635,299	\$84,815	\$100,296,604
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$739,451	(\$1,393,470)	\$521,550	(\$100,622)	(\$103,107)	\$10,020	(\$326,178)

**SCHEDULE B  
SCHOOL GENERATED FUNDS (SGF) - 2010/2011**

<b>Unexpended SGF - Opening Balance August 31, 2010</b> (Note 1)			\$1,246,083
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$1,729,776	\$1,525,055	\$204,721
Student fees (non-instructional) (note 1)	\$697,278	\$625,127	\$72,151
Donations and grants to schools	\$117,225	\$73,010	\$44,215
Other (describe):	\$132,368	\$89,545	\$42,823
<b>Net Additions to SGF</b>	\$2,676,647	\$2,312,737	\$363,910
<b>Net SGF Available</b>			\$1,609,993
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$150,380
Field trips			\$13,330
Other (describe): School beautification, Equipment and Family Literacy			\$396,690
<b>Total Uses of Net SGF</b> (Note 2)			\$560,400
<b>Unexpended SGF - Closing Balance August 31, 2011</b> (Note 3)			\$1,049,593

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 - 2010/2011**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR & 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	\$2,086,521	\$669,350	\$0	\$0	\$282,850		\$3,038,721		\$3,038,721
Uncertificated benefits	\$567,546	\$171,384	\$0	\$0	\$61,966		\$800,896		\$800,896
Sub-total Remuneration	\$2,654,067	\$840,734	\$0	\$0	\$344,816		\$3,839,617		\$3,839,617
Supplies and services	\$159,294	\$1,726,811	\$0	\$156,603	\$0		\$2,042,708		\$2,042,708
Electricity			\$865,571				\$865,571		\$865,571
Natural gas/heating fuel			\$917,832				\$917,832		\$917,832
Sewer and water			\$75,248				\$75,248		\$75,248
Telecommunications			\$14,013				\$14,013		\$14,013
Insurance					\$200,455		\$200,455		\$200,455
Amortization of capital assets									
Supported								\$3,824,119	\$3,824,119
Unsupported				\$0		\$156,819	\$156,819		\$156,819
Total Amortization				\$0		\$156,819	\$156,819	\$3,824,119	\$3,980,938
Interest on capital debt									
Supported								\$97,146	\$97,146
Unsupported				\$0		\$0	\$0		\$0
Other interest charges						\$0	\$0		\$0
Losses on disposal of capital assets						\$0	\$0		\$0
<b>TOTAL EXPENSES</b>	<b>\$2,813,361</b>	<b>\$2,567,545</b>	<b>\$1,872,664</b>	<b>\$156,603</b>	<b>\$545,271</b>	<b>\$156,819</b>	<b>\$8,112,263</b>	<b>\$3,921,265</b>	<b>\$12,033,528</b>
<b>SQUARE METRES</b>									
School buildings									118,980.4
Non school buildings									10,873.7

**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.