



MEMORANDUM

Date: 29 November 2011

To: Board of Trustees

From: Tim Monds – Superintendent

Originator: Claire Jonsson - Associate Superintendent, Business & Finance

Subject: **PARKLAND SCHOOL DIVISION NO. 70
AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED AUGUST 31, 2011**

Recommendation

That the Board of Trustees approves the Audited Financial Statements for the year ended August 31, 2011 as presented at the regular meeting of 29 November 2011.

Background

The *School Act* (Section 147) specifies that school boards are responsible to prepare financial statements for the fiscal year ending on the previous August 31.

Administration would be pleased to respond to any questions.

CJ:jlf

**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.

BOARD CHAIR	
<u>Richard Gichrist</u> Name	<u>"ORIGINAL SIGNED"</u> Signature

SUPERINTENDENT	
<u>Tim Monds</u> Name	<u>"ORIGINAL SIGNED"</u> Signature

SECRETARY TREASURER OR TREASURER	
<u>Claire Jonsson</u> Name	<u>"ORIGINAL SIGNED"</u> Signature

29-Nov-11
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.

Chartered Accountants

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

STATEMENT OF FINANCIAL POSITION
as at August 31, 2011

(in dollars)

	2011	2010
ASSETS		
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
Total current assets	\$14,197,229	\$13,932,276
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	
Less: accumulated amortization	(\$5,704,990)	\$3,465,977
Vehicles	\$1,233,505	
Less: accumulated amortization	(\$726,405)	\$507,100
Total capital assets	\$94,921,444	\$98,193,319
TOTAL ASSETS	\$110,438,848	\$113,520,492
LIABILITIES		
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
Total current liabilities	\$5,085,989	\$4,515,042
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
Total long term liabilities	\$89,087,142	\$92,413,555
TOTAL LIABILITIES	\$94,173,131	\$96,928,597
NET ASSETS		
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
Total capital funds	\$10,200,933	\$9,576,857
Total net assets	\$16,265,717	\$16,591,895
TOTAL LIABILITIES AND NET ASSETS	\$110,438,848	\$113,520,492

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
REVENUES			
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
Total Revenues	\$99,970,426	\$99,552,437	\$93,855,185
EXPENSES			
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
Capital and debt services			
Amortization of capital assets			
Supported	\$3,839,757	\$3,916,436	\$2,517,708
Unsupported	\$1,002,682	\$1,002,652	\$933,293
Total Amortization of capital assets	\$4,842,439	\$4,919,088	\$3,451,001
Interest on capital debt			
Supported	\$97,146	\$97,146	\$145,321
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$97,146	\$97,146	\$145,321
Other interest and charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$1,725	\$0	\$0
Other expense	\$0	\$0	\$0
Total Expenses	\$100,296,604	\$100,663,354	\$97,458,236
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	(\$326,178)	(\$1,110,917)	(\$3,603,051)
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$326,178)	(\$1,110,917)	(\$3,603,051)

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
CASH FLOWS FROM:		
A. OPERATIONS		
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
Total cash flows from Operations	\$2,341,111	(\$2,907,118)
B. INVESTING ACTIVITIES		
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
Total cash flows from Investing activities	(\$1,541,549)	(\$19,418,932)
C. FINANCING ACTIVITIES		
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
Total cash flows from financing activities	\$433,700	\$18,319,608
Net cash flows from during the year	\$1,233,262	(\$4,006,442)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$12,141,093	\$16,147,535
Cash and temporary investments, net of bank indebtedness, at Aug. 31/11	\$13,374,355	\$12,141,093

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	Operating Reserves	Capital Reserves		
Balance at August 31, 2010	\$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
<u>Prior period adjustments (describe)</u>															
	\$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
Adjusted Balance, Aug. 31, 2010	\$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		\$974,999		\$511,993		\$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		\$955,683		\$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
Balance at August 31, 2011	\$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)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2010	\$1,006,192	\$90,309,186
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2010	\$1,006,192	\$90,309,186
Add:		
Restricted capital allocations from: Alberta Education school building and modular projects	\$424,948	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$8,752	
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
P3, other ASAP and Alberta Infrastructure managed projects		\$0
Transferred in capital assets (amortizable, @ net book value)		
Current year supported debenture principal repayment		\$448,921
Expended capital allocations - current year	(\$505,030)	\$505,030
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	
Capital allocations amortized to revenue		\$3,839,757
Balance at August 31, 2011	\$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
	<u>\$ 599,180</u>	<u>\$ 1,479,786</u>

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
	\$ 270,582	\$ 148,814

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>
<u>Historical cost</u>							
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>
<u>Accumulated amortization</u>							
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>
Net Book Value	<u>\$4,167,683</u>	<u>\$ -</u>	<u>\$86,780,684</u>	<u>\$3,465,977</u>	<u>\$507,100</u>	<u>\$94,921,444</u>	<u>\$98,193,319</u>

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>\$ 3,119,818</u>	<u>\$ 2,604,275</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>
Alberta Education Restricted Operational Funding:				
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
Other Deferred Revenue:				
Instructional and Transportation Fees	174,364	184,867	(174,364)	184,867
Other	3,703	102,576	(3,703)	102,576
	<u>\$455,654</u>	<u>\$3,110,277</u>	<u>(\$2,900,507)</u>	<u>\$665,424</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)
Balance, end of year	<u>\$1,049,593</u>	<u>\$1,246,083</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	(365,885)	(448,921)
	\$ 343,587	\$ 709,472

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	15,370	1,786	17,156
	\$ 709,472	\$ 126,264	\$835,736

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>
Operating Reserves				
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	-	1,725	1,725	-
	\$ 5,778,919	\$ 1,526,468	\$ 2,184,372	\$ 5,121,015
Capital Reserves				
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	327,844	215,963	97,693	446,114
	2,851,121	1,348,547	787,325	3,412,343
TOTAL	\$ 8,630,040	\$ 2,875,015	\$ 2,971,697	\$ 8,533,358

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:

Board Members	Number	Remuneration	Benefits and Allowances	ERIP's/ Other	Expenses
Chair - Richard Gilchrist	1.0	28,438	4,464	-	9,018
Ward 1 - Robert Gillard	0.2	2,657	859	-	913
Ward 1 - Ron Heinrichs	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
Subtotal	7.0	133,577	25,216	-	56,852
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	-	-
	892.0	\$ 61,858,281	9,060,266	29,975	\$ 91,974

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>
Government of Alberta				
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>
Other				
Post-secondary institutions	-	-	-	1,213
Other Alberta school jurisdictions	13,615	-	57,372	303,171
TOTAL 2010-2011	<u>\$ 155,601</u>	<u>\$ 744,530</u>	<u>\$88,731,893</u>	<u>\$ 546,821</u>
TOTAL 2009-2010	<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

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 Expense Details	5

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
EXPENSES							
(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	\$800,895	\$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**

Unexpended SGF - Opening Balance August 31, 2010 (Note 1)			\$1,246,083
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
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
Net Additions to SGF	\$2,676,647	\$2,312,737	\$363,910
Net SGF Available			\$1,609,993
Uses of Net School Generated Funds:			
Extra-curricular activities			\$150,380
Field trips			\$13,330
Other (describe): School beautification, Equipment and Family literacy			\$396,690
Total Uses of Net SGF (Note 2)			\$560,400
Unexpended SGF - Closing Balance August 31, 2011 (Note 3)			\$1,049,593
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p>Notes:</p> <ol style="list-style-type: none"> 1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF. 2 The sum of "total related expenses" and "total uses of net SGF" is reported as "gross school generated funds" in the Statement of Revenues & Expenses. 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position. 			

**SCHEDULE C
OPERATIONS AND MAINTENANCE OF SCHOOLS & MAINTENANCE SHOPS PROGRAM EXPENSE DETAILS - 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
TOTAL EXPENSES	\$2,813,361	\$2,567,545	\$1,872,664	\$156,603	\$545,271	\$156,819	\$8,112,263	\$3,921,265	\$12,033,528
SQUARE METRES									
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.

PARKLAND SCHOOL DIVISION NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2011

Management's discussion and analysis

The following is a discussion of the financial condition and results of operations of Parkland School Division No. 70 for the three month period ended August 31, 2011 and should be read together with Parkland School Division's audited financial statements.

Parkland School Division's interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP)

Section	Contents	Page
1. Significant Changes and Events	Summary of significant changes and events in the twelve months ending August 31, 2011 that impact the financial condition of Parkland School Division.	2
2. Results from operations	A detailed discussion of operating results for the twelve months ending August 31, 2011	3
3. Financial condition	A discussion of significant changes in the Statement of Financial Position as at August 31, 2011.	7
4. Accumulated Operating Surplus	A breakdown of Parkland School Division's available reserves	8
5. IMR Projects 2010-11	Current status of IMR projects for 2010-11	8

1. Significant Changes and Events

1.1 Labour Relations

Parkland School Division and the International Union of Operating Engineers Local 955, which represents the Division's custodial and maintenance staff, signed a collective agreement covering from September 1, 2008 until August 31, 2011. The contract included market increases to certain categories as well as a wage increase to all categories according to the Alberta Average Weekly Earnings (AAWE) index.

Parkland School Division and the Central Alberta Association of Municipal and School Employees Local 1, which represents most of the Division's support staff, signed a collective agreement covering from September 1, 2008 until August 31, 2011. The contract included market increases to certain categories as well as an annual wage increase to all categories according to the Alberta Average Weekly Earnings (AAWE) index.

Parkland School Division currently has an agreement with the Alberta Teachers Association covering from September 1, 2006 until August 31, 2012. This contract includes an annual wage increase to all categories according to the Alberta Average Weekly Earnings (AAWE) index.

For the 2010-11 School Year, the AAWE increase was 2.92%.

1.2 New Memorial Composite High School

Operations and Maintenance funding is only being provided for this new site, additional expenditures of \$120K relating to the old site will continue until the disposition of the building.

1.3 Provincial Funding 2010-11

For the 2010-11 school year, the Division received a 2.92% increase to the basic and class size grants and an increase related to the change in the formula for class size initiative.

The Operations and Maintenance block did not receive sufficient funding to cover the AAWE increase for staff for the second year in a row and as a result, the Division undertook an operations review, which resulted in significant staffing reductions.

The Transportation block also did not receive a grant increase for the 2010-11, but received an increase in its urban funding due to a formula change. This, combined with the elimination of the Transportation Fuel grant, required Parkland School Division to increase transportation fees for students that the Division does not receive funding for in order to maintain current service levels.

1.4 Weather Conditions

In 2010-11, Parkland School Division's region has experienced record snowfall. As a result, snow removal costs were over \$300K higher than budgeted.

1.5 Fuel Costs

Parkland School Division's contracts with bus contractors include a provision to support fuel costs once they are above certain targets. Every 1 cent increase in the average diesel price will cost the transportation department \$1,100 every month. As a result of higher than anticipated fuel prices, the contractor costs were \$117K higher.

1.6 Deficit Repayment

In 2009-10, the Operations and Maintenance and Transportation blocks had deficits that exceeded their available operating reserves. As a result a loan was made from the Instructional operating reserve that was to be repaid in the 2010-11 school year. The Operations and Maintenance block has repaid the loan, however, as a result of higher bus contractor and snow removal costs, the repayment by the Transportation Block has been deferred to the 2011-12 school year.

2. Results from operations

2.1 Revenues

2.1.1 Revenue from Provincial Government

Annual Budget 2010-11	Twelve months ending Aug 31, 2011	% of Target	Twelve months ending Aug 31, 2010	Change %
88,647,634	88,674,521	100.03%	83,940,836	5.64%

The Alberta Government is the key revenue source of the Division as it provides the Division with 93% of its revenues.

Revenue from the Government of Alberta is currently at 100.03% of budget due to additional Program Unit Funding and Transportation grants, offset by lower differential grants than expected.

Revenues have increased 5.64% over the 2009/10 school year due to increases in enrollments, the basic grant rate and class size initiative.

2.1.2 Revenue from Federal Government

Annual Budget 2010-11	Twelve months ending Aug 31, 2011	% of Target	Twelve months ending Aug 31, 2010	Change %
1,720,172	1,747,282	101.58%	1,349,490	29.48%

The Federal Government provides funding for French Language Education and First Nation's students. Revenue from the Federal Government is currently at 101.58% of budget as the division received more French language grant than expected.

Revenues have increased year over year due to an increase in funded enrollments and grant rates.

2.1.3 Other Revenues

Annual Budget 2010-11	Twelve months ending Aug 31, 2011	% of Target	Twelve months ending Aug 31, 2010	Change %
9,184,631	9,548,623	103.96%	8,564,859	11.49%

Other revenues are currently at 103.96% of target due to more miscellaneous revenue and course fees received by the schools than expected.

Other revenues have increased 11.49% over 2009/10 due to additional capital allocation revenue being recognized for the new Memorial High School.

2.2 Expenditures

2.2.1 Salaries, Wages and Benefits

Annual Budget 2010-11	Twelve months ending Aug 31, 2011	% of Target	Twelve months ending Aug 31, 2010	Change %
70,970,366	70,948,522	99.97%	69,213,193	2.51%

There was a 2.51% increase over last year in this category due to the negotiated salary increases of 2.92%, an increase in certificated benefit costs as well as a slight increase in staffing to serve higher enrollments, offset by a reduction of custodial staff and support benefits costs year over year.

2.2.2 Service, contracts and supplies

Annual Budget 2010-11	Twelve months ending Aug 31, 2011	% of Target	Twelve months ending Aug 31, 2010	Change %
21,357,734	21,377,033	100.09%	21,414,555	-0.18%

This category currently is above target due to higher snow removal costs and fuel costs than expected, offset by less spending on supplies and services at the schools.

Expenditures have decreased over last year as many sites had expended their Innovative Technology Funding last year to upgrade their technology in the classroom.

2.2.3 Infrastructure Maintenance Renewal

Annual Budget 2010-11	Twelve months ending Aug 31, 2011	% of Target	Twelve months ending Aug 31, 2010	Change %
319,105	156,603	49.08%	234,251	-33.15%

\$162K of the 2010-11 school year is carried over for projects in the 2011-12 school year. More detail can be found on the IMR program in section 5.

2.2.4 Other Expenses

Annual Budget 2010-11	Twelve months ending Aug 31, 2011	% of Target	Twelve months ending Aug 31, 2010	Change %
8,016,149	7,814,446	97.48%	6,596,237	18.47%

Other expenses are currently at 97.48% of target as School Generated Fund spending was slightly lower than expected.

Other expenses have increased year over year due to higher amortization costs related to the New Memorial Composite High School. These additional costs are fully supported by Alberta Education.

2.3 Excess of Revenues over Expenses

Overall, the Division currently has a deficiency of \$326K, which corresponds to the following blocks:

Block	Budget 2010-11	Actual 2010-11	Actual 2009-10
Instruction	(1,255,436)	(654,019)	(1,217,868)
Administration	-	(103,107)	(195,852)
Operations and Maintenance	9,557	521,550	(598,252)
Transportation	124,942	(100,622)	(459,953)
External Services	10,020	10,020	10,021
Fiscal Correction			(1,141,147)
Total	(1,110,917)	(326,178)	(3,603,051)

The Instructional block deficit was lower expected as schools spent less on supplies and service than budgeted. Carried over funds are expected to be utilized to cover shortfalls in the 2011-12 school year.

The Administration block deficit was higher than expected due to renovations done to the Centre for Education building.

The Operations and Maintenance block currently has a surplus related to projects that were not able to be completed due to staffing departures and increased work done at the schools and the Centre for Education. These projects are to be completed in the 2011-12 school year.

The Transportation block currently has a deficit due to higher contractor fuel and snow removal costs. The Transportation block currently has an accumulated deficit of \$225K, which will be paid back in 2011-12 with the reinstated Fuel Price Contingency grant.

The External Services surplus is restricted to a capital reserve to fund the replacement of the Parkland Village Daycare once it has been used for its useful life.

3. Financial Condition

The following are changes in the Statement of Financial Position for the twelve months ending August 31, 2011.

	<u>Aug 31,</u> <u>2011</u>	<u>August 31,</u> <u>2010</u>	<u>Change</u>	<u>Explanation for Change in Balance</u>
Current Assets				
Cash	13,374,355	12,141,093	1,233,262	Impact of current deficit, offset by receipt of capital project funds and payment of receivables
Accounts receivable	599,180	1,479,786	(880,606)	Decrease in IMR Funding receivable and receipt of funds receivable from schools
Prepaid expenses	223,694	311,397	(87,703)	Expenses prepaid for long term agreements.
Trust Assets	270,582	148,814	121,768	Parkland School Division now the banker board for Student Health Initiative program.
School Generated Assets	1,049,593	1,246,083	(196,490)	Use of funds on designated projects
Property and equipment	94,921,444	98,193,319	(3,271,875)	Amortization of assets
	110,438,848	113,520,412	(3,081,346)	
Current Liabilities				
Accounts payable and accruals	3,119,818	2,604,275	515,543	Expenses and payroll liabilities payable at August 2011.
Deferred revenue	665,424	455,654	209,770	IMR revenue deferred for 2011-12
Deferred Capital Contributions	934,862	1,006,192	(71,330)	Use of capital funds for supported projects
Current portion of long-term debt	442,520	448,921	(6,401)	Payment of debt by Alberta Finance.
Unamortized Capital Allocations	87,423,379	90,309,186	(2,885,807)	Amortization of assets
Trust Liabilities	270,582	148,814	121,768	Parkland School Division now the banker board for Student Health Initiative program.
School Generated Liabilities	1,049,593	1,246,083	(196,490)	Use of funds on designated projects
Long-term Debt	266,951	709,472	(442,521)	Payment of debt by Alberta Finance.
Net Assets				
Investment in property and equipment	6,788,590	6,725,736	62,854	Amortization of unsupported assets
Unrestricted	943,768	1,236,119	(292,351)	Use of Unrestricted to fund modular movements to schools with capacity issues
Restricted - Operating	5,121,015	5,778,919	(657,904)	Deficiency of revenues over expenses allocated to blocks. IT operating reserve moved to capital.
Restricted - Capital	3,412,343	2,851,121	561,222	Amortization of unsupported assets added back to capital reserves. IT operating reserve moved to capital.
	110,438,848	113,520,412	(3,081,346)	

4. Accumulated Operating Surplus

Block	Reserves at Sept 1, 2010	August 31, 2011 Surplus (Deficit)	Impact of Reserve Movements	Reserves at Aug 31, 2010
Instruction - Schools	4,141,634	(811,055)		3,330,579
Instruction - Other	1,365,726	157,036	(533,192)	989,570
Administration	406,058	(103,107)	8,752	311,703
Operations and Maintenance	(9,557)	521,550	(22,830)	489,163
Transportation	(124,942)	(100,622)	225,564	-
External Services	-	10,020	(10,020)	-
Total Operating Reserves	5,778,919	(326,178)	(331,726)	5,121,015
Unrestricted Reserves	1,236,119	-	(292,351)	943,768
Accumulated Operating Surplus	7,015,038	(326,178)	(624,077)	6,064,783

5. IMR projects 2010-11

SCHOOL	JOB DESCRIPTION	TOTAL	TOTAL	REMAINING
High Park	Re-roofing over hallway 104 and E-01	110,000	1,590	108,410
Muir Lake	Re-roof over hallway H104	65,000	18,785	46,215
Total Outstanding IMR Projects 2010-2011		175,000	20,375	154,625

Brookwood	Replace sidewalk at north side of school	10,000	9,469	
Broxton	Reroofing Phase 1	55,000	109,566	
Broxton	Fire suppression system for kitchen	2,400	1,219	
High Park	Install HC door openers at EO1	6,500	5,238	
Meridian	Replace duct smoke detectors in air handling units	6,500	6,648	
Meridian	Replace heating pumps in mech room 144	6,200	7,751	
Millgrove	Replace fire alarm panel	3,000	2,678	
Millgrove	Installation of New HVAC	11,500	11,132	
Muir Lake	Re-roof south side of school	50,000	38,885	
Muir Lake	Install Glycol System to HVAC Coils	52,000	38,093	
Seba Beach	Re-roofing phase 1	72,000	71,167	
SGCHS	Phase 4 third floor centre	135,000	119,308	
SPC	Replace Cement Pad E11	15,000	3,891	
Tomahawk	Install Metering Equipment on Well	7,000	9,475	
Total Completed IMR Projects 2010-2011		432,100	434,521	

Year to Date IMR Expense at Aug 31, 2011	156,603
IMR Deficit at September 1, 2010	1,222,848
IMR Allocation 2010-2011	(1,541,954)
IMR Carryover	162,503
Oustanding Projects	(154,625)
Available for 2011-12 Projects	7,878