

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

**Grande Prairie Roman Catholic Separate School District #28**

Legal Name of School Jurisdiction

**9902 - 101 Street, Grande Prairie, AB, T8V 2P4**

Mailing Address

**(p) 780-532-3013 (f) 780-532-3430**

Telephone and Fax Numbers

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

The financial statements of Grande Prairie Roman Catholic Separate School District #28 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**


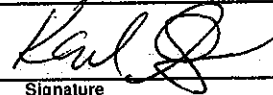
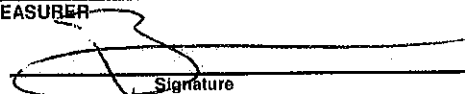
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and approved the financial statements for release.

**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.

<b>BOARD CHAIR</b>	
Name <b>Ralph Wohlgemuth</b>	Signature 
<b>SUPERINTENDENT</b>	
Name <b>Karl Germann</b>	Signature 
<b>SECRETARY TREASURER OR TREASURER</b>	
Name <b>Bryan Turner, CA</b>	Signature 

28-Nov-11  
Board-approved Release Date

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## AUDITORS' REPORT

To the Board of Trustees of **Grande Prairie Roman Catholic Separate School District No. 28**

We have audited the accompanying statement of financial position of **Grande Prairie Roman Catholic Separate School District No. 28** as at August 31, 2011 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *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 standards, 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 auditors' 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 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 presentation of the financial statements.

We believe that the audit evidence we have obtained 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 **Grande Prairie Roman Catholic Separate School District No. 28** as at August 31, 2011 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended, in accordance with Canadian generally accepted accounting standards.

Grande Prairie, Alberta  
November 28, 2011

*Fletcher Mudryk & Co.*  
Chartered Accountants

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2011

(in dollars)

	2011	2010
<b>ASSETS</b>		
Current assets		
Cash and temporary investments (Note 3)	\$4,500,574	\$4,689,198
Accounts receivable (net after allowances) (Note 4)	\$1,052,523	\$988,220
Prepaid expenses	\$108,741	\$215,821
Other current assets (Note 5)	\$94,183	\$87,592
<b>Total current assets</b>	<b>\$5,756,021</b>	<b>\$5,980,831</b>
School generated assets		
Trust assets (Note 6)	\$50,193	\$59,554
Long term accounts receivable (Note 7)	\$143,262	\$295,413
Long term investments	\$0	\$0
Capital assets (Note 8)		
Land	\$174,200	\$174,200
Construction in progress	\$0	\$0
Buildings	\$100,069,190	
Less: accumulated amortization	(\$28,283,079)	\$63,694,418
Equipment	\$1,467,505	
Less: accumulated amortization	(\$576,850)	\$890,655
Vehicles	\$672,161	
Less: accumulated amortization	(\$351,189)	\$320,972
<b>Total capital assets</b>	<b>\$73,161,938</b>	<b>\$65,004,934</b>
<b>TOTAL ASSETS</b>	<b>\$79,906,061</b>	<b>\$71,984,370</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities (Note 9)	\$1,141,770	\$1,354,110
Deferred revenue (Note 10)	\$2,573,372	\$2,502,856
Deferred capital allocations (Note 11)	\$718,710	\$1,070,907
Current portion of long term debt	\$430,885	\$628,748
<b>Total current liabilities</b>	<b>\$4,864,840</b>	<b>\$5,556,619</b>
School generated liabilities		
Trust liabilities (Note 6)	\$794,647	\$643,638
Employee future benefit liabilities	\$50,193	\$59,554
Long term debt (Note 12)	\$0	\$0
Supported: Debentures and other supported debt	\$1,270,778	\$1,899,524
Less: Current portion	(\$430,985)	(\$628,748)
Unsupported: Debentures and capital loans	\$0	\$0
Capital leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 13)	\$67,099,055	\$69,055,907
<b>Total long term liabilities</b>	<b>\$68,783,698</b>	<b>\$61,039,277</b>
<b>TOTAL LIABILITIES</b>	<b>\$73,648,538</b>	<b>\$66,595,896</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$0	\$0
Operating reserves (Note 14)	\$878,502	\$540,445
Accumulated operating surplus (deficit)	\$878,502	\$540,445
Investment in capital assets	\$4,792,089	\$3,040,097
Capital reserves (Note 14)	\$586,932	\$807,932
<b>Total capital funds</b>	<b>\$5,379,021</b>	<b>\$4,848,029</b>
<b>Total net assets</b>	<b>\$6,257,523</b>	<b>\$5,388,474</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$79,906,061</b>	<b>\$71,984,370</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	Actual 2010
<b>REVENUES</b>			
Government of Alberta	\$36,655,713	\$37,120,914	\$36,008,847
Federal Government and First Nations	\$6,000	\$16,290	\$15,121
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$188,565	\$141,580	\$142,315
Transportation fees	\$0	\$0	\$0
Other sales and services	\$363,890	\$544,068	\$360,449
Investment income	\$78,865	\$60,000	\$68,032
Gifts and donations	\$0	\$0	\$0
Rental of facilities	\$180,096	\$150,541	\$87,268
Gross school generated funds	\$1,520,681	\$1,350,000	\$1,336,717
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$2,488,200	\$2,418,726	\$2,408,898
Other revenue	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$41,432,110</b>	<b>\$41,792,119</b>	<b>\$40,422,648</b>
<b>EXPENSES</b>			
Certificated salaries (Note 21)	\$19,960,248	\$19,925,973	\$20,220,798
Certificated benefits (Note 21)	\$2,339,866	\$2,391,853	\$2,273,202
Non-certificated salaries and wages (Note 21)	\$5,563,718	\$5,624,888	\$5,444,008
Non-certificated benefits (Note 21)	\$1,461,070	\$1,380,449	\$1,331,917
Services, contracts and supplies	\$6,812,753	\$8,251,456	\$6,503,517
Gross school generated funds	\$1,520,681	\$1,350,000	\$1,336,717
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$2,488,200	\$2,678,943	\$2,403,900
Unsupported	\$261,347	\$0	\$234,385
<b>Total Amortization of capital assets</b>	<b>\$2,749,547</b>	<b>\$2,678,943</b>	<b>\$2,638,285</b>
Interest on capital debt			
Supported	\$155,178	\$188,557	\$293,270
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$155,178</b>	<b>\$188,557</b>	<b>\$293,270</b>
Other interest and charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$40,563,061</b>	<b>\$41,792,119</b>	<b>\$40,041,724</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$869,049</b>	<b>\$0</b>	<b>\$380,924</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$869,049</b>	<b>\$0</b>	<b>\$380,924</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	\$869,049	\$380,924
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,488,200)	(\$2,403,899)
Total amortization expense	\$2,749,547	\$2,638,296
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	(\$64,303)	\$2,262,129
Prepays and other current assets	\$100,489	\$55,069
Long term accounts receivable	\$152,161	(\$5,701)
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$212,340)	(\$997,192)
Deferred revenue	\$70,516	(\$9,774)
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Operations</b>	<b>\$1,176,909</b>	<b>\$1,919,851</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$10,545,177)	(\$999,202)
Equipment	(\$361,374)	(\$435,388)
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Investing activities</b>	<b>(\$10,906,551)</b>	<b>(\$1,434,590)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$9,541,018	\$660,229
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$628,746)	(\$674,747)
Add back: supported portion	\$628,746	\$674,747
Other (describe)	\$0	\$0
<b>Total cash flows from financing activities</b>	<b>\$9,541,018</b>	<b>\$660,229</b>
<b>Net cash flows from during the year</b>	<b>(\$188,624)</b>	<b>\$1,145,490</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/10</b>	<b>\$4,689,198</b>	<b>\$3,543,708</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/11</b>	<b>\$4,500,574</b>	<b>\$4,689,198</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

(in dollars)

	(1) TOTAL NET ASSETS Cols. 2+3+4+5	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) - (15) INTERNALLY RESTRICTED NET ASSETS											
				(4) TOTAL OPERATING RESERVES Cols. 6+8-10+12+14 7+9-11+13+15	(5) TOTAL CAPITAL RESERVES Cols. 7+9-11+13+15	(6) School & Instruction Related		(7) Operations & Maintenance		(8) Board & System Administration		(9) Transportation		(10) External Services	
						(6a) Operating Reserves	(6b) Capital Reserves	(7a) Operating Reserves	(7b) Capital Reserves	(8a) Operating Reserves	(8b) Capital Reserves	(9a) Operating Reserves	(9b) Capital Reserves	(10a) Operating Reserves	(10b) Capital Reserves
Balance at August 31, 2010	\$5,388,474	\$4,040,097	\$0	\$540,445	\$807,932	\$450,000	\$279,499	\$53,249	\$0	\$25,000	\$100,634	\$12,196	\$427,799	\$0	\$0
Prior period adjustments (describe)															
Adjusted Balance, Aug. 31,	\$5,388,474	\$4,040,097	\$0	\$540,445	\$807,932	\$450,000	\$279,499	\$53,249	\$0	\$25,000	\$100,634	\$12,196	\$427,799	\$0	\$0
Excess (deficiency) of revenues over expenses	\$869,049		\$869,049												
Board funded capital additions		\$1,013,339	(\$566,757)	(\$225,582)	(\$221,000)	(\$225,582)	(\$221,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Direct credits to net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amortization of capital assets		\$5,749,547	(\$749,547)												
Amortization of capital allocations		\$2,468,000	(\$2,468,000)												
Debt principal repayments (unsupported)		\$0	\$0												
Net transfers to operating reserves			(\$567,839)	\$563,639	\$621,744	\$621,744	\$141,835	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers from operating reserves			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers to capital reserves			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers from capital reserves			\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$6,257,523	\$4,792,065	\$0	\$878,502	\$586,932	\$646,162	\$58,499	\$195,144	\$0	\$25,000	\$100,634	\$12,196	\$427,799	\$0	\$0

**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>	\$1,070,907	\$59,065,307
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2010</b>	\$1,070,907	\$59,065,307
<b>Add:</b>		
<b>Restricted capital allocations from:</b>		
Alberta Education school building and modular projects	\$0	
Other Government of Alberta	\$9,541,018	
Federal Government and First Nations	\$0	
Other sources	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$0	
<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>		\$0
<b>Current year supported debenture principal repayment</b>		\$628,746
<b>Expended capital allocations - current year</b>	(\$9,893,212)	\$9,893,212
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	\$0
<b>Capital allocations amortized to revenue</b>		\$2,488,200
<b>Balance at August 31, 2011</b>	\$718,713	\$67,099,065

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

**GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2011**

1. **AUTHORITY AND PURPOSE**

The School District delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta, 2000, Chapter S-3.

The School District receives instruction and support allocations under Education Grants Regulation (AR 120/2008). The regulation allows for the setting of conditions and use of grant monies. The School District is limited on certain funding allocations and administration expenses.

2. **SIGNIFICANT ACCOUNTING POLICIES**

These audited financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of audited financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The audited financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Investments

Short-term investments are recorded at the lower of cost or market.

Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end and are, accordingly, recorded as prepaid expenses. In addition, certain insurance expenses fall into this category.

Capital assets

Capital assets are recorded at cost. Only capital assets with a cost in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset. Rates of amortization applied on a straight-line basis to write off the cost of capital assets over their estimated useful lives are as follows:

Buildings	2.5% to 10%	(10 years to 40 years)
Equipment	10% to 20%	( 5 years to 10 years)
Vehicles	10% to 20%	( 5 years to 10 years)

No amortization is recorded in the year of acquisition. Amortization is not recorded on construction in progress until such time as the project is substantially complete.

When capital assets are sold or scrapped, the cost of the asset and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income. No amortization is recorded in the year of disposition.

**GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2011**

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Impairment of long-lived assets

The School District reviews its long-lived assets for impairment on a regular basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate. No impairment has been identified and, thus, no impairment loss has been recognized in these financial statements.

Revenue recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions-in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds are recognized as direct increases in net assets in the period in which they are received or receivable.

School generated funds

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

Vacation pay

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

Contributed services

Volunteers contribute a considerable number of hours per year to various schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the audited financial statements.

**GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2011**

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Pension obligation

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

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Grande Prairie Roman Catholic Separate School District No. 28 does not make pension contributions for certificated staff.

The School District participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report any unfunded liabilities. The expense for this pension plan is equivalent to the annual employer contributions of \$442,525 (2010 - \$413,358) for the year ended August 31, 2011. At December 31, 2010, the Local Authorities Pension Plan reported an actuarial deficiency of \$4.6 billion (2009 deficiency of \$4.0 billion).

Operating and capital reserves

Reserves are established at the discretion of the Board of Trustees of the School District, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

Financial instruments

The School District's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities and long-term debt. It is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The School District has invested surplus funds in accordance with Section 60(2)(d) of the *School Act*.

The School District has an available operating line of credit in the amount of \$1.25 million, all of which is unused at August 31, 2011.

Measurement uncertainty

The preparation of the audited financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the audited financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the audited financial statements of changes in such estimates in future periods could be significant.

**GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2011**

3. CASH AND TEMPORARY INVESTMENTS

	<u>2011</u>	<u>2010</u>
Cash on hand and in banks	\$ 1,934,150	\$ 2,388,050
Temporary investments	<u>2,566,424</u>	<u>2,301,148</u>
	<u>\$ 4,500,574</u>	<u>\$ 4,689,198</u>

Cash in banks bears interest at a rate of prime less 1.9%.

Temporary investments consist of fixed income investments bearing interest at rates between 2.30% and 8.50% maturing in between December, 2011 and August, 2013.

4. ACCOUNTS RECEIVABLE

	<u>2011</u>	<u>2010</u>
Province of Alberta	\$ 114,786	\$ 137,122
Government of Canada	72,606	58,919
Alberta Municipalities	758,062	694,471
Other accounts receivable	<u>107,069</u>	<u>97,708</u>
	<u>\$ 1,052,523</u>	<u>\$ 988,220</u>

5. OTHER CURRENT ASSETS

	<u>2011</u>	<u>2010</u>
Urban School Insurance Consortium	<u>\$ 94,183</u>	<u>\$ 87,592</u>

6. TRUST ASSETS/TRUST LIABILITIES

	<u>2011</u>	<u>2010</u>
School-based trust accounts	<u>\$ 50,193</u>	<u>\$ 59,554</u>

**GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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7. LONG-TERM ACCOUNTS RECEIVABLE

	<u>2011</u>	<u>2010</u>
Grande Prairie Public School District No. 2357		
- Community Knowledge Campus	\$ <u>143,262</u>	\$ <u>295,413</u>

The loan receivable is due on demand and bears no interest.

8. TANGIBLE CAPITAL ASSETS

	Land	Buildings 25-40 Years	Equipment 5 Years	Vehicles 8-11 Years	Total Aug. 31, 2011	Total Aug 31, 2010
Estimated useful life						
Historical cost						
August 31, 2010	\$ 174,200	\$ 89,514,013	\$ 1,106,131	\$ 672,161	\$ 91,466,505	\$ 90,298,478
Additions	-	10,545,177	361,374	-	10,906,551	1,434,590
Transfers in (out)	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	(266,563)
August 31, 2011	\$ 174,200	\$ 100,059,190	\$ 1,467,505	\$ 672,161	\$ 102,373,056	\$ 91,466,505
Accumulated amortization						
August 31, 2010	\$ -	\$ 25,819,595	\$ 358,003	\$ 283,973	\$ 26,461,571	\$ 24,089,839
Amortization expense	-	2,463,484	218,847	67,216	2,749,547	2,638,295
Transfers in (out)	-	-	-	-	-	-
Effect of disposals	-	-	-	-	-	(266,563)
August 31, 2011	\$ -	\$ 28,283,079	\$ 576,850	\$ 351,189	\$ 29,211,118	\$ 26,461,571
Net book value at August 31, 2011	\$ 174,200	\$ 71,776,111	\$ 890,655	\$ 320,972	\$ 73,161,938	\$ 65,004,934

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9. ACCOUNTS PAYABLE AND LIABILITIES

	<u>2011</u>	<u>2010</u>
Trade payables and accrued liabilities	\$ 319,100	\$ 523,732
Employee future benefits payable	40,802	52,141
Province of Alberta	<u>781,868</u>	<u>778,237</u>
	<u>\$ 1,141,770</u>	<u>\$ 1,354,110</u>

The School District accrues its obligations under employee future benefit plans and expenses the related costs.

10. DEFERRED REVENUE

	DEFERRED REVENUE as at August 31, 2010	ADD: 2010/2011 Restricted Funds Receivable / Received	DEDUCT: 2010/2011 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2010/2011 Adjustments or Returned Funds	DEFERRED REVENUE as at August 31, 2011
<b>Alberta Education:</b>					
Infrastructure Maintenance Renewal	\$ 100,592	\$ 601,630	\$ 552,494	\$ -	\$ 149,728
Small Class Size Initiative	1,144,530	-	404,369	-	740,161
Implementing Technology	87,126	229,470	267,957	-	48,639
Religious Education	204,225	-	-	-	204,225
Utilities Funding	95,000	-	-	-	95,000
Alberta Initiative for School Improvement	100,033	141,365	100,033	-	141,365
Student Health Initiative	68,765	-	-	-	68,765
Other Alberta Education	527,008	609,300	421,576	-	714,732
<b>Total Alberta Education:</b>	<b>2,327,279</b>	<b>1,581,765</b>	<b>1,746,429</b>	<b>-</b>	<b>2,162,615</b>
<b>Other Deferred Revenue:</b>					
Prepaid registrations	13,230	92,258	13,230	-	92,258
Donations	25,000	-	-	-	25,000
Other	137,347	227,074	70,922	-	293,499
<b>Total Other Deferred Revenue:</b>	<b>175,577</b>	<b>319,332</b>	<b>84,152</b>	<b>-</b>	<b>410,757</b>
	<b>\$ 2,502,856</b>	<b>\$ 1,901,097</b>	<b>\$ 1,830,581</b>	<b>\$ -</b>	<b>\$ 2,573,372</b>

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11. DEFERRED CAPITAL ALLOCATIONS

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

	<u>2011</u>	<u>2010</u>
Ste. Marie modernization	\$ 13,578	\$ 13,578
St. Gerard modernization	59,140	59,140
Mother Teresa construction	346,525	601,899
St. Mary's construction	174,300	271,120
Modulars and portables	<u>125,170</u>	<u>125,170</u>
	<u>\$ 718,713</u>	<u>\$ 1,070,907</u>

12. LONG-TERM DEBT

(a) Debenture Debt – Supported

The debenture debt bears interest at rates varying between 8.125% and 11.625% per annum and matures in 2012 through 2016. The debenture debt is fully supported by Alberta Finance.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 430,985	\$ 124,550	\$ 555,535
2013	363,268	82,592	445,860
2014	362,918	47,355	410,273
2015	98,407	12,148	110,555
2016	<u>15,200</u>	<u>1,691</u>	<u>16,891</u>
	<u>\$1,2770,778</u>	<u>\$ 268,336</u>	<u>\$ 1,539,114</u>

(b) Capital Leases – Unsupported

Currently, there are no capital leases held by the School District.

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13. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations now spent, as well as fully-supported debenture principal repayments.

14. INTERNALLY RESTRICTED NET ASSETS

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the Board.

	August 31, <u>2010</u>	<u>Appropriated</u>	<u>Utilized</u>	August 31, <u>2011</u>
<b>Operating Reserves</b>				
School-based	\$ 450,000	\$ 421,744	\$ 225,582	\$ 646,162
Transportation	12,196	-	-	12,196
Operations and maintenance	53,249	141,895	-	195,144
Board and system administration	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
	<u>540,445</u>	<u>563,639</u>	<u>225,582</u>	<u>878,502</u>
<b>Capital Reserves</b>				
Land – unsupported	12,170	-	-	12,170
Buildings – unsupported	100,634	-	-	100,634
Infrastructure – buildings and equipment	267,329	-	221,000	46,329
Transportation – buildings and equipment	297,545	-	-	297,545
Transportation – vehicles	<u>130,254</u>	<u>-</u>	<u>-</u>	<u>130,254</u>
	<u>807,932</u>	<u>-</u>	<u>221,000</u>	<u>586,932</u>
	<u>\$ 1,348,377</u>	<u>\$ 563,639</u>	<u>\$ 446,582</u>	<u>\$ 1,465,434</u>

**GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28**  
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15. CONTINGENCIES

a) Urban Schools Insurance Consortium

The School District is a member of the Urban Schools Insurance Consortium (USIC), which facilitates the placement of property and liability insurance coverage for thirteen School Jurisdictions throughout the province of Alberta. Premium rebates are received from the insurers favorable claims experience and accumulated by the consortium to self-insure a portion of the member's risk exposure. The School District's share of the accumulated consortium funds as at August 31, 2011 was \$94,183 (2010 – \$87,592).

b) Lawsuits

The School District is named as a defendant in various lawsuits filed against it. It is not possible for the School District to predict with any certainty the outcome of such litigation. However, management is of the opinion, based on information available from legal counsel, that it is unlikely that any liability will come of this litigation and, further, that such liability, to the extent not provided for through insurance or otherwise, would not be material in relation to the School District's financial position. As such, no amount has been accrued in these financial statements. The ultimate settlement, if any, will be recognized in the period the details become known.

c) Decommissioning of Asset

The School District is attempting to acquire permission from Alberta Education to demolish a building, with a carrying value of \$NIL, that has been determined to be no longer usable by the School District and not to be sellable due to the condition of the building. Further, it has been determined by management that it is not economically feasible to perform the necessary repairs to the building. At this time, the School District is unable to determine, with any degree of certainty, the costs associated with the demolition, whether those costs will be funded by Alberta Education or whether the demolition will be approved. Any costs, and any related funding received, associated with the demolition of this building will be recognized in the period in which they become known or are incurred.

16. COMMITMENTS

The School District has entered into personnel contracts with its executive management team. In the event that these contracts are cancelled or not renewed by the School District, there could be a liability incurred as per the termination clauses in the executive contracts. No amounts have been accrued as the liability, if any, is not readily determinable. Any obligation with respect to these contracts will be recorded in the period in which they are incurred.

**GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28**  
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17. 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.

During the year, the School District had the following transactions and balances with related parties:

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
<b>Government of Alberta:</b>				
Education	\$ -	\$ 2,881,432	\$ 36,103,189	\$ -
Infrastructure and transport	51,735	-	552,524	-
Finance	63,051	63,051	-	-
Other departments	-	-	-	155,178
<b>Other:</b>				
Alberta School Jurisdictions	143,262	-	-	-
<b>TOTAL 2010 - 2011</b>	<b>\$ 258,048</b>	<b>\$ 2,944,483</b>	<b>\$ 36,655,713</b>	<b>\$ 155,178</b>
<b>TOTAL 2009 - 2010</b>	<b>\$ 432,535</b>	<b>\$ 3,105,516</b>	<b>\$ 36,008,847</b>	<b>\$ 293,270</b>

These transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration agreed upon by the related parties.

18. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations represent legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction, development or normal operation. The School District has a legal obligation to remove hazardous material located under the site of the central office building upon its disposal. A liability, however, has not been recognized because the fair value cannot be reasonably estimated. These costs will be recognized in the period in which they become known or are incurred.

19. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

**GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28**  
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20. BUDGET AMOUNTS

The budget was prepared by the School District and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

21. REMUNERATION AND MONETARY INCENTIVES

The School District 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:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIPs/ Other	Expenses
Chair Wohlgemuth, Ralph	1.0	\$ 22,392	\$ 4,138	\$ -	\$ -	\$ -	\$ 7,153
Vice Chair Dart, Ben	1.0	18,770	4,001	-	-	-	9,123
Lushman, Laureen	0.1	2,981	662	-	-	-	186
Brick, Alice	0.1	3,416	-	-	-	-	747
Schoorlemmer, Jamie	1.0	17,007	3,929	-	-	-	7,248
Golden, DJ	0.9	14,207	3,276	-	-	-	4,126
Wyant, Eldon	1.0	18,251	3,979	-	-	-	4,182
Wrzosek, Jennifer	1.0	16,101	3,884	-	-	-	4,180
Ouellette, Michael	0.9	17,559	3,442	-	-	-	5,358
<b>Subtotal</b>	<b>7.0</b>	<b>\$ 130,684</b>	<b>\$ 27,311</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,303</b>
Superintendent (1) Germann, Karl	1.0	160,392	11,559	6,400	-	-	15,830
Superintendent (2)	-	-	-	-	-	-	-
Secretary-Treasurer (1) Turner, Bryan	1.0	128,502	25,652	2,400	-	-	5,826
Secretary-Treasurer (2)	-	-	-	-	-	-	-
Board Secretary (1)	-	-	-	-	-	-	-
Board Secretary (2)	-	-	-	-	-	-	-
Board Treasurer (1)	-	-	-	-	-	-	-
Board Treasurer (2)	-	-	-	-	-	-	-
Certificated Teachers	223.5	19,799,856	2,328,308	9,620	-	-	-
Non-certificated - other	140.1	5,304,532	1,408,106	30,950	-	-	-
<b>TOTALS</b>		<b>\$ 25,523,966</b>	<b>\$ 3,800,936</b>	<b>\$ 49,370</b>	<b>\$ -</b>	<b>\$ -</b>	