

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2005**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Lethbridge School District No. 51

Legal Name of School Jurisdiction

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules _____ Lethbridge School District No. 51
(Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

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 budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board 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 have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules 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 Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN	
Maureen Calder Name	"ORIGINAL SIGNED" Signature

SUPERINTENDENT	
Mal Clewes Name	"ORIGINAL SIGNED" Signature

SECRETARY TREASURER OR TREASURER	
Don Lussier Name	"ORIGINAL SIGNED" Signature

23-Nov-05
Board-approved Release Date

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AUDITORS' REPORT

To the Board of Trustees
Lethbridge School District No. 51

We have audited the statement of financial position of the Lethbridge School District No. 51 as at August 31, 2005 and the statements of revenues and expenses, cash flows, changes in net assets and deferred capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2005 and the results of its operations, changes in cash flows, net assets and deferred capital allocations for the year then ended in accordance with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lethbridge, Alberta
November 4, 2005

'Original Signed'
BDO Dunwoody LLP

Chartered Accountants

STATEMENT OF FINANCIAL POSITION
as at August 31, 2005

(in dollars)

	2005	2004
ASSETS		
Current assets		
Cash and temporary investments	\$5,674,988	\$7,490,098
Accounts receivable (net after allowances)	\$2,851,591	\$3,613,210
Prepaid expenses	\$190,957	\$196,314
Other current assets	\$113,111	\$89,941
Total current assets	\$8,830,647	\$11,389,563
School generated assets	\$1,042,695	\$844,123
Trust assets	\$488,816	\$479,238
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$1,715,118	\$1,715,118
Buildings	\$62,383,801	
Less: accumulated amortization	(\$25,016,424)	\$37,367,377
Equipment	\$2,240,792	
Less: accumulated amortization	(\$887,794)	\$1,352,998
Vehicles	\$150,070	
Less: accumulated amortization	(\$114,985)	\$35,085
Total capital assets	\$40,470,578	\$39,517,289
TOTAL ASSETS	\$50,832,736	\$52,230,213
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$3,675,704	\$3,387,331
Deferred revenue	\$1,154,298	\$984,171
Deferred capital allocations	\$826,583	\$2,821,147
Current portion of all long term debt	\$1,072,645	\$1,164,085
Total current liabilities	\$6,729,230	\$8,356,734
School generated liabilities	\$1,042,695	\$844,123
Trust liabilities	\$488,816	\$479,238
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$7,651,017	\$8,815,673
Less: Current portion of supported debt	(\$1,072,645)	(\$1,164,085)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$29,831,220	\$27,939,437
Total long term liabilities	\$37,941,103	\$36,914,386
TOTAL LIABILITIES	\$44,670,333	\$45,271,120
NET ASSETS		
Unrestricted net assets	\$760,647	\$429,823
Operating Reserves	\$1,911,174	\$3,440,918
Accumulated Operating Surplus (Deficit)	\$2,671,821	\$3,870,741
Investment in capital assets	\$2,988,346	\$2,762,184
Capital Reserves	\$502,236	\$326,168
Total Capital Funds	\$3,490,582	\$3,088,352
Total net assets	\$6,162,403	\$6,959,093
TOTAL LIABILITIES AND NET ASSETS	\$50,832,736	\$52,230,213

Note: Input "(Restated)" in 2004 column heading where comparatives are not taken from the finalized 2003-2004 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2005

(in dollars)

	Actual 2005	Budget 2005	Actual 2004
REVENUES			
Government of Alberta	\$57,765,926	\$56,753,826	\$57,226,187
Federal Government and/or First Nations	\$191,873	\$238,000	\$253,971
Other Alberta school authorities	\$0	\$0	
Out of province authorities	\$0	\$0	
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	
Instruction resource fees	\$414,361	\$377,800	\$444,948
Transportation fees	\$0	\$0	\$0
Other sales and services	\$325,502	\$245,066	\$501,081
Investment income	\$184,056	\$125,000	\$212,305
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$18,701	\$20,800	\$22,100
Net school generated funds	\$1,261,522	\$407,720	\$1,097,646
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,445,831	\$1,359,924	\$1,628,260
Total Revenues	\$61,607,772	\$59,528,136	\$61,386,498
EXPENSES			
Certificated salaries	\$32,427,294	\$30,313,247	\$30,161,006
Certificated benefits	\$4,196,747	\$4,330,464	\$3,703,468
Uncertificated salaries and wages	\$10,893,874	\$10,054,925	\$11,276,273
Uncertificated benefits	\$2,712,198	\$3,003,419	\$2,698,474
Services, contracts and supplies	\$8,416,869	\$9,774,928	\$9,232,986
Net school generated funds	\$1,261,522	\$407,720	\$1,097,646
Capital and debt services			
Amortization of capital assets			
Supported	\$1,445,831	\$1,359,924	\$1,628,260
Unsupported	\$137,896	\$111,323	\$146,065
Total Amortization of capital assets	\$1,583,727	\$1,471,247	\$1,774,325
Interest on capital debt			
Supported	\$912,231	\$1,165,000	\$1,036,917
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$912,231	\$1,165,000	\$1,036,917
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$62,404,462	\$60,520,950	\$60,981,095
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	(\$796,690)	(\$992,814)	\$405,403
Extraordinary Item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$796,690)	(\$992,814)	\$405,403

Note: Input "(Restated)" in Budget 2005 and/or Actuals 2004 column headings where comparatives are not taken from the respective finalized 2004-2005 Budget Report and/or finalized 2003-2004 Audited Financial Statements.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2005
(in dollars)

	2005	2004
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$796,690)	\$405,403
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$1,445,831)	(\$1,628,260)
Total amortization expense	\$1,583,727	\$1,774,325
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$761,619	\$1,893,935
Prepays and other current assets	(\$17,813)	\$94,782
Long term accounts receivable	\$0	\$27,006
Long term investments	\$0	\$0
Payables and accrued liabilities	\$288,373	(\$2,136,800)
Deferred revenue	\$170,127	(\$169,956)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$543,512	\$260,435
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$2,185,887)	(\$1,360,400)
Equipment	(\$351,129)	(\$388,668)
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$2,537,016)	(\$1,749,068)
C. FINANCING ACTIVITIES		
Capital allocations	\$178,395	\$208,171
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,164,656)	(\$1,197,372)
Add back: supported portion	\$1,164,655	\$1,197,372
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$178,394	\$208,171
Net sources (uses) of cash during year	(\$1,815,110)	(\$1,280,462)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/04	\$7,490,098	\$8,770,560
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	\$5,674,988	\$7,490,098

Note: 1 Input "(Restated)" in 2004 column heading where not taken from the finalized 2003-2004 Audited Financial Statements.
2 Cash and temporary investments are net of cash obligations.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2005**

School Jurisdiction 3040

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O & M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2004	\$6,959,093	\$2,762,184	\$429,823	\$3,767,086	\$2,358,255	\$170,270	\$515,845	\$79,525	\$341,330	\$76,373	\$225,488	\$0	\$0	\$0
Prior period adjustments (describe)														
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2004	\$6,959,093	\$2,762,184	\$429,823	\$3,767,086	\$2,358,255	\$170,270	\$515,845	\$79,525	\$341,330	\$76,373	\$225,488	\$0	\$0	\$0
Surplus(def) of revenue over expenses	(\$796,690)		(\$796,690)											
Board funded capital transactions		\$364,058		(\$364,058)	(\$40,451)	(\$50,000)	(\$59,107)	\$0	(\$149,134)	(\$50,000)	(\$15,366)	\$0	\$0	\$0
Direct credits to net assets	\$0													
Amortization of capital assets		(\$1,583,727)	\$1,583,727											
Amortization of capital allocations		\$1,445,831	(\$1,445,831)											
Disposal of unsupported capital assets	\$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
Debt principal payments (unsupported)		\$0	\$0											
Net transfers to operating reserves			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers from operating reserves			\$1,265,686	(\$1,265,686)	(\$1,277,614)		(\$271,912)		\$250,781		\$33,059		\$0	
Net transfers to capital reserves			(\$276,068)	\$276,068		\$96,377		\$165,943		\$13,748		\$0		\$0
Net transfers from capital reserves			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2005	\$6,162,403	\$2,988,346	\$760,647	\$2,413,410	\$1,040,190	\$216,647	\$184,826	\$245,468	\$442,977	\$40,121	\$243,181	\$0	\$0	\$0

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)
for the Year Ended August 31, 2005
(in dollars)**

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 20	\$2,821,147	\$27,939,437
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2004	\$2,821,147	\$27,939,437
Add:		
Capital allocations from: Infrastructure and Transportation-New/Modernization Projects	\$143,269	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources		
Interest earned on provincial government capital allocations	\$35,126	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (amortizable, at Fair Market Value)		\$0
Transferred in capital assets (amortizable, at Net Book Value)		\$0
Current Year Debenture Principal Repayment		\$1,164,655
Expended capital allocations - current year	(\$2,172,959)	\$2,172,959
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		
Capital allocations amortized to revenue		\$1,445,831
Balance at August 31, 2005	\$826,583	\$29,831,220

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS

August 31, 2005

1. AUTHORITY AND PURPOSE

Lethbridge School District No. 51 delivers education programs under the authority of the School Act, Chapter S-3, Statutes of Alberta 2000, January 1, 2002.

Lethbridge School District No. 51 receives instruction and support allocations under Regulation 77/2003. 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning 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 properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

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

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

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 capital asset acquired by the grant.

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, which are to be retained as net assets are recorded as direct increases in trust assets and liabilities.

b) Inventory

Inventory is recorded as the lesser of cost and net realizable value.

c) Prepaid Expenses

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

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS

August 31, 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Capital Assets

Capital assets are recorded at cost. Only assets with an original cost of \$5,000 or over are capitalized. No amortization is taken in the year of acquisition. Amortization of the cost is calculated over estimated useful lives on a straight line basis at the following rates:

Buildings	40 years
Equipment	3 - 5 years
Vehicles	5 - 10 years

Capital allocations received for asset additions are amortized into revenue over the same period as amortization expense.

e) School Generated Funds

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

f) Vacation Pay

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

g) Contributed Services

Volunteers assist schools operated by the School District 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.

h) 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, Lethbridge School District No. 51 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$583,346 for the Year ended August 31, 2005. At December 31, 2004, the Local Authorities Pension Plan reported a deficit of \$ 1.29 billion (deficit of \$1.41billion - 2003).

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS August 31, 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

j) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

k) Employee Future Benefits

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000/2001 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

3. ACCOUNTS RECEIVABLE

	2005	2004
Province of Alberta	\$ 2,012,490	\$ 2,851,266
Federal Government	255,745	250,679
Other	583,356	511,265
Total Current	\$ 2,851,591	\$ 3,613,210

4. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$500,000 that bears interest at the bank prime rate. This line of credit, which is secured by a borrowing resolution and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2005.

5. ACCOUNTS PAYABLE AND LIABILITIES

	2005	2004
Province of Alberta	\$ 446,204	\$ 518,802
Federal Government	724,971	646,079
Other	2,504,529	2,222,450
Total	\$ 3,675,704	\$ 3,387,331

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS August 31, 2005

6 DEFERRED REVENUE

	2005	2004
Modernization and IMP funding	789,375	798,190
Alberta Initiative for School Improvement	159,798	177,769
Classroom Resources Funding	184,000	0
Other	21,126	8,212
	\$ 1,154,299	\$ 984,171

7 LONG TERM DEBT

Debenture Debt -Supported

	2005	2004
Alberta Capital Finance Authority debenture debt, at interest rates from 8% to 12%, with various due dates. Security is represented by School Buildings held by the District	\$ 7,651,017	\$ 8,815,672
Due within one year	(1,072,645)	(1,164,085)
	\$ 6,578,372	\$ 7,651,587

Principal payments required within each of the next five fiscal years are as follows:

2006	\$	1,072,645
2007		982,958
2008		910,630
2009		877,433
2010		869,433
Thereafter		2,937,918
	\$	7,651,017

8 DEFERRED CAPITAL ALLOCATIONS

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

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS

August 31, 2005

9 UNAMORTIZED CAPITAL ALLOCATIONS

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

10 COMMITMENTS

Building Projects

The District is committed to further Capital Expenditures for the renovation of the New Education Centre of approximately \$1.7 million with a total project cost of \$3 million. Remaining project costs will be funded by capital allocations from Alberta Infrastructure and Transportation, Administration and Transportation unrestricted net assets and approved borrowing of \$800,000.

The District is committed to further Capital Expenditures for the building of a new West Lethbridge High School, in conjunction with the West Lethbridge Multi Use Facility project, of approximately \$17 million. Funding for this project will be provided by capital allocations from Alberta Infrastructure and Transportation.

11 CONTINGENCIES

- a) The School District is a member of the Urban Schools Insurance Consortium. Under the terms of membership, the District could become liable for its proportionate share of any claim losses in excess of the funds held by exchange. The District's share of the pool at year end is \$258,029. (2004 - \$271,764).
- b) The School District is named in a legal action regarding the injury of a student. The action is currently being handled by the District's Insurance provider.
- c) The School District has been named in a class action suit with other provincial organizations and the Province of Alberta related to Pension Funding. The amount of the District's share of the claim has not been determined.

12 ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

Lethbridge School District 51's primary source of income is from the Alberta Government. The District's ability to continue viable operations is dependent on this funding.

13 BUDGET AMOUNTS

The budget was prepared by the School jurisdiction management with Board of Trustees approval given on June 1, 2004. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2004-2005

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education Revenues	\$50,383,611	\$46,839,654	\$0	\$1,379,885	\$2,164,072	\$0
Alberta Infrastructure and Transportation						
(2) Infrastructure Maintenance Program & Portable Relocations support	\$686,883	\$0	\$686,883			
(3) Regular Operations & Maintenance support	\$5,320,100		\$5,320,100			
(4) Other support	\$138,172	\$0	\$138,172			
(5) Total Alberta Infrastructure and Transportation Revenues	\$6,145,155	\$0	\$6,145,155			
(6) Alberta Finance	\$912,231		\$912,231			\$0
(7) Other - Government of Alberta	\$324,929	\$324,929	\$0	\$0	\$0	\$0
(8) Federal Government and/or First Nations	\$191,873	\$184,198	\$0	\$0	\$7,675	\$0
(9) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0
(10) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(11) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(12) Instruction resource fees	\$414,361	\$414,361				
(13) Transportation fees	\$0			\$0		
(14) Other sales and services	\$325,502	\$325,502	\$0	\$0	\$0	\$0
(15) Investment income	\$184,056	\$154,056	\$13,750	\$11,250	\$5,000	\$0
(16) Gifts and donations	\$0	\$0	\$0	\$0		\$0
(17) Rentals of facilities	\$18,701	\$7,901	\$10,368	\$0	\$432	\$0
(18) Net school generated funds	\$1,261,522	\$1,261,522			\$0	
(19) Gains on disposal of capital assets	\$0	\$0		\$0	\$0	\$0
(20) Amortization of capital allocations	\$1,445,831	\$0	\$1,445,831	\$0		\$0
(21) TOTAL REVENUES	\$61,607,772	\$49,512,123	\$8,527,335	\$1,391,135	\$2,177,179	\$0
EXPENSES						
(22) Certificated salaries	\$32,427,294	\$32,024,686			\$402,608	\$0
(23) Certificated benefits	\$4,196,747	\$4,148,434			\$48,313	\$0
(24) Uncertificated salaries and wages	\$10,893,874	\$7,453,872	\$2,445,533	\$135,124	\$859,345	\$0
(25) Uncertificated benefits	\$2,712,198	\$1,863,468	\$613,391	\$15,922	\$219,417	\$0
(26) SUB - TOTAL	\$50,230,113	\$45,490,460	\$3,058,924	\$151,046	\$1,529,683	\$0
(27) Services, contracts & supplies	\$8,416,869	\$3,446,144	\$3,454,490	\$1,107,030	\$409,205	\$0
(28) Cost recoveries & charges to programs	\$0	\$26,238	(\$100,000)	\$100,000	(\$26,238)	\$0
(29) Net school generated funds	\$1,261,522	\$1,261,522				
Capital and debt services						
Amortization of capital assets						
(30) Supported	\$1,445,831	\$0	\$1,445,831	\$0	\$0	\$0
(31) Unsupported	\$137,896	\$96,377	\$27,771	\$0	\$13,748	\$0
(32) Total Amortization	\$1,583,727	\$96,377	\$1,473,602	\$0	\$13,748	\$0
Interest on capital debt						
(33) Supported	\$912,231	\$0	\$912,231	\$0	\$0	\$0
(34) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(35) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0
(36) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(37) TOTAL EXPENSES	\$62,404,462	\$50,320,741	\$8,799,247	\$1,358,076	\$1,926,398	\$0
(38) SURPLUS (DEFICIT) BEFORE EXTRAORDINARY ITEM	(\$796,690)	(\$808,618)	(\$271,912)	\$33,059	\$250,781	\$0

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUES 2004-2005

	TOTAL
Base Funding	
Early Childhood Services (ECS)	\$1,427,152
Base Instruction (Gr 1-12)	\$36,678,764
Outreach Programs	\$52,020
Home Education	\$0
Differential Cost Funding *	\$8,541,089
Other Provincial Support	
Institutional Programs	\$438,205
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	\$0
Learning Resources Credit	\$36,042
Federal French Funding	\$49,545
Provincial Priority Targeted Funding	
Class Size Initiative	\$1,646,591
Student Health Initiative (SHI)	\$335,770
Alberta Initiative for School Improvement (AISI)	\$1,003,484
High Speed Networking	\$111,949
Children and Youth with Complex Needs	\$0
Other Alberta Education Revenues (describe): Official Languages Enhancement, Classroom Tech Research Grant	\$63,000
Total Alberta Education Revenues	\$50,383,611

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for students with severe disabilities, English as a second language students, Francisation and support services for immigrant students, aboriginal students, gifted & talented early childhood services children and those with mild or moderate or severe disabilities, the percentage of the student population experiencing low socio-economic status, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and cost differences among school jurisdictions for purchasing goods and services.

SCHEDULE C the AFS
ECS to Grade 12 INSTRUCTION PROGRAMS Expense Details - 2004-2005

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies ¹	Learning Resources	Cost Recoveries & Transfers	Other Expenses ²	TOTAL EXPENSES
School Administration & All Instruction Support	\$2,616,082	\$3,236,839	\$587,317		\$0	\$0	\$6,440,238
Mild & Moderate Disabilities/Gifted & Talented(ECS-12)	\$2,065,121	\$513,052	\$12,824		\$0		\$2,590,997
ECS Program Unit (PUF)	\$0	\$543,108	\$111,481		\$0		\$654,589
Severe Disabilities (Gr 1-12)	\$0	\$3,806,823	\$61,809		\$0		\$3,868,632
English as a Second Language	\$0	\$114,711	\$0		\$0		\$114,711
French Language Program & Francisation (all jurisdictions)	\$80,978	\$0	\$0		\$0		\$80,978
First Nations, Metis and Inuit Education(ECS - Gr 12)	\$0	\$216,452	\$9,409		\$0		\$225,861
Home Education	\$0	\$0	\$0		\$0		\$0
Institutional Programs	\$344,548	\$110,851	\$17,548		\$0		\$472,947
Alberta Initiative for School Improvement	\$639,036	\$289,187	\$75,260	\$0	\$0		\$1,003,483
Student Health Initiative	\$162,751	\$165,797	\$0		\$7,222		\$335,770
High Speed Networking			\$0		\$0		\$0
Class Size	\$1,646,591	\$0	\$0	\$0	\$0		\$1,646,591
Children and Youth with Complex Needs(ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses(ECS - Gr 12)	\$28,618,013	\$320,520	\$2,371,941	\$198,555	\$19,016	\$1,357,899	\$32,885,944
TOTAL EXPENSES	\$36,173,120	\$9,317,340	\$3,247,589	\$198,555	\$26,238	\$1,357,899	\$50,320,741

FULL-TIME-EQUIVALENCIES(Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	26.8	17.5
ECS Program Unit (PUF)	0.0	17.2
Severe Disabilities (Gr 1-12)	0.0	120.0

Note 1 Excludes Learning Resources.

Note 2 Includes Net School Generated Funds, Amortization, Interest, and Losses on Disposal of Instruction Program Capital Assets.

**SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMIT FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION - 2004-2005**

TOTAL EXPENSES		\$62,404,462
STEP 1		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	4.00%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
<p>The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE. EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%. Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.</p>		
STEP 2		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		\$2,496,178
Considerations for Charter Schools and Small School Boards:		
If Charter School , enter \$56,100	\$0	\$0
If School Board , please enter your 04-05 Gr 1- 12 funded enrolment	0	
	\$0	\$0
MAXIMUM EXPENSE LIMIT		\$2,496,178
STEP 3		
Compare maximum expense limit amounts calculated in Step 2 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$1,926,398
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$0
LESS: transfers from Restricted - Operating (Board/System Administration)		\$250,781
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$2,177,179
MAXIMUM EXPENSE LIMIT		\$2,496,178
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		-\$318,999

**SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2004-2005**

Unexpended SGF - Opening Balance August 31, 2004 (Note 1)			\$844,123
Source of Net School Generated Funds:			
	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$1,594,245	\$758,359	\$835,886
Student fees (Non-Instructional) (Note 2)	\$415,534		\$415,534
Donations and grants to schools	\$150,079		\$150,079
Other (describe):	\$83,140	\$24,535	\$58,605
Net Additions to SGF	\$2,242,998	\$782,894	\$1,460,104
Net SGF Available for Discretionary Spending			\$2,304,227
Application of Net School Generated Funds:			
Extra-curricular activities			\$1,024,285
School beautification			\$11,958
Field Trips			\$113,324
Equipment			\$39,075
Family literacy and other community resources			\$19,949
Other (describe):			\$52,941
Net SGF Expended for Discretionary Purposes (Note 3)			\$1,261,532
Unexpended SGF - Closing Balance August 31, 2005 (Note 4)			\$1,042,695
<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 fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the <i>School Act</i>, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)</p>			
<p>Note 1 Input "(Restated)" beside Balance at August 31, 2004 where not taken from the finalized 2003-2004 Audited Financial Statements.</p>			
<p>Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.</p>			
<p>Note 3 Net SGF Expended for Discretionary Purposes is recorded as revenue and expense in the Statement of Revenues & Expenses.</p>			
<p>Note 4 Unexpended SGF is carried forward to the Statement of Financial Position.</p>			

**SCHEDULE F to the AFS
Operations and Maintenance Program Expenses - 2004-2005**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed Mod./I.M.P. & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$2,027,792	\$256,933	\$0	\$0	\$160,808	\$2,445,533		\$2,445,533
Uncertificated benefits	\$511,666	\$64,233	\$0	\$0	\$37,492	\$613,391		\$613,391
Sub-total Remuneration	\$2,539,458	\$321,166	\$0	\$0	\$198,300	\$3,058,924		\$3,058,924
Contracted Services	\$27,243	\$769,918	\$0	\$686,873	\$42,743	\$1,526,777		\$1,526,777
Supplies	\$137,468	\$133,309	\$0	\$0	\$2,237	\$273,014		\$273,014
Electricity			\$882,574			\$882,574		\$882,574
Natural Gas/Heating Fuel			\$474,671			\$474,671		\$474,671
Sewer and Water			\$132,800			\$132,800		\$132,800
Telecommunications			\$29,385			\$29,385		\$29,385
Insurance					\$135,269	\$135,269		\$135,269
Amortization of capital assets								
Supported							\$1,445,831	\$1,445,831
Unsupported						\$27,771		\$27,771
Total Amortization						\$27,771	\$1,445,831	\$1,473,602
Interest on capital debt								
Supported							\$912,231	\$912,231
Unsupported				\$0		\$0		\$0
Other interest charges						\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						(\$100,000)		(\$100,000)
TOTAL EXPENSES	\$2,704,169	\$1,224,393	\$1,519,430	\$686,873	\$378,549	\$6,441,185	\$2,358,062	\$8,799,247
SQUARE METRES								
School Buildings								100,976.6
Non School Buildings								3,247.4
UNCERTIFICATED FTE'S (Board/Contract)	48.8	9.1						

- Notes:**
- Custodial:** All expenses related to activities undertaken to keep the school environment clean and safe.
 - Maintenance:** All expenses associated with the repair, replacement 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.
 - Utilities & Telecommunications:** All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
 - Expensed Block Mod/I.M.P. & Portable Relocations:** All expenses associated with non-capital activities related to Block Modernization, Infrastructure Maintenance Programs (AKA Building Quality Restoration Program) and 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 and contractors, administration of capital projects (including new schools, I.M.P., block modernization and portable relocations), 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.

**SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2004-2005
(SECTION 148.1 OF THE SCHOOL ACT)**

	FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:								
Name Maureen Calder	1.0	\$12,880	\$385	\$0			\$13,265	\$2,344
Name			\$0	\$0			\$0	\$0
Other Board Members:								
Name Mitch Forster	0.2	\$1,298	\$87	\$0			\$1,385	\$0
Name Dianne King	0.2	\$1,818	\$36	\$0			\$1,854	\$1,968
Name Gary Bartlett	0.2	\$2,250	\$22	\$0			\$2,272	\$0
Name Rodney Fong	0.2	\$1,298	\$26	\$0			\$1,324	\$0
Name Terrence Morris	0.8	\$8,329	\$96	\$0			\$8,425	\$1,156
Name Patricia Aitchison	1.0	\$10,472	\$278	\$0			\$10,750	\$616
Name Lea Switzer	0.8	\$10,734	\$326	\$0			\$11,060	\$3,755
Name Keith Fowler	0.8	\$8,524	\$239	\$0			\$8,763	\$1,830
Name Tyler Demers	0.8	\$8,849	\$249	\$0			\$9,098	\$1,224
Name Brian Carlson	0.8	\$9,369	\$271	\$0			\$9,640	\$4,019
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Subtotal	6.8	\$75,821	\$2,015	\$0			\$77,836	\$16,912
Superintendent Mal Clewes	1.0	\$137,171	\$18,133	\$4,500	\$0	\$0	\$159,804	\$7,074
Superintendent	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer Don Lussier	1.0	\$116,835	\$26,239	\$4,500	\$0	\$0	\$147,574	\$4,210
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	466.0	\$32,290,123	\$4,139,221	\$34,893	\$0	\$0	\$36,464,237	
Uncertificated Salaries & Wages	344.9	\$10,701,218	\$2,629,332	\$50,112	\$0	\$0	\$13,380,662	
TOTALS		\$43,321,168	\$6,814,940	\$94,005	\$0	\$0	\$50,230,113	

Note: Please refer to completion information on page 15.

SCHEDULE G1 to the AFS
DISCLOSURE OF SALARIES AND BENEFITS (SECTION 148.1 OF THE SCHOOL ACT)
COMPLETION INFORMATION

(1)	Salary and benefits consist of and agree with the amounts properly recorded in the school jurisdiction's payroll records and related object codes for salaries, wages and benefits.
(2)	Remuneration includes regular base salaries, certificated school-based employee allowances outlined in collective agreements, overtime, honoraria, deferred salary leave accruals, lump sum payments EXCEPTING TERMINATION BENEFITS (See #10A below), any other direct cash remuneration EXCEPTING PERFORMANCE PAY (See #10 below).
(3)	Certificated salaries include the aggregate of all payments for certificated staff regardless of the length, nature or definition of the employment agreement. The number of full time equivalent (FTE) staff should be measured as at September 30.
(4)	Uncertificated salaries and wages should be measured in terms of the number of FTE staff employed as at September 30.
(5)	Salary and benefits information should be the aggregate amount covering the same fiscal period as the audited financial statements.
(6)	Salary must include deferred salary accruals.
(7)	Salary includes only payments for services subject to an employer-employee relationship.
(8)	Benefits include the employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pensions, Canada pension plan (CPP), employment insurance (EI), health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans.
(9)	Allowances include all monies paid to an employee as miscellaneous negotiated allowances. This category will include car or travel allowances, isolation allowances, relocation expenses, sabbaticals, special leave with pay, financial and retirement planning services, and club memberships. CERTIFICATED SCHOOL-BASED EMPLOYEE ALLOWANCES , as outlined in collective agreements, are included in Remuneration - NOT Allowances.
(10)	Performance Bonuses include those monies paid to employees of the school authority that are tied to the achievement of some specified goal or objective.
(10A)	Other includes termination benefits ((severance pay, retiring allowances (ERIP's), sick leave and other settlement costs due to loss of employment).
(11)	Expenses will include the reimbursements of travel, subsistence, moving costs, conference fees, etc., paid by the employee or on his/her behalf in performing the responsibilities of employment.
(12)	The superintendent's position disclosure is in terms of one individual who is the Chief Executive Officer. Benefits for the superintendent do not include Alberta Learning contributions to the Teachers Retirement Fund pension plan.
(13)	The secretary-treasurer's position disclosure is in terms of one individual who is the Chief Financial Officer. If the board has not appointed one person to act as secretary-treasurer, then the disclosure is in terms of separate individuals appointed to the Board Treasurer and Board Secretary positions. Benefits for the secretary-treasurer include the Local Authorities Pension Plan contributions.
(13)	A position should include salary, benefits and allowances earned and expenses accrued by an individual who officially acted in a position while it was vacant or was appointed to the position. If a position was vacant and no one acted in the position, the position should not be disclosed.
(14)	Benefits and allowances need not include an amount for automobile, housing or other benefits for which a value cannot be reasonably estimated.
(15)	If a position is occupied by more than one individual during a year, each of those individual's specific expenses and salary, benefits and allowances earned by each of the individuals in the position need be disclosed separately.