

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

NORTHERN GATEWAY REGIONAL DIVISION NO.10

Legal Name of School Jurisdiction

BOX 840, 4104 KEPLER STREET, WHITECOURT, AB, T7S 1N8

Mailing Address

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Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of NORTHERN GATEWAY REGIONAL DIVISION NO.10 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

Judy Muir

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Kevin Andrea

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Michael Gramatovich

Name

"ORIGINAL SIGNED"

Signature

December 8, 2009

Board-approved Release Date

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Clews, Shoemaker, Viney & Friesen

CHARTERED ACCOUNTANTS

Graham R. Clews Professional Corporation
John S. Shoemaker Professional Corporation



Tina J. Viney Professional Corporation
Timothy J. Friesen Professional Corporation

AUDITOR'S REPORT

To the Board of Trustees of the Northern Gateway Regional Division No. 10:

We have audited the statement of financial position of Northern Gateway Regional Division No. 10 as at August 31, 2009, and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Northern Gateway Regional Division No. 10 as at August 31, 2009, and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with the Canadian 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.

Westlock, Alberta
December 4, 2009

Clews, Shoemaker, Viney & Friesen

CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
as at August 31, 2009

(in dollars)

	2009	2008 (Note)
ASSETS		
Current assets		
Cash and temporary investments (Note 3)	\$17,331,041	\$8,733,163
Accounts receivable (net after allowances) (Note 4)	\$1,153,548	\$907,385
Prepaid expenses (Note 2(g))	\$100,097	\$434,724
Other current assets	\$0	\$0
Total current assets	\$18,584,686	\$10,075,272
School generated assets	\$892,933	\$1,010,078
Trust assets (Note 9)	\$193,070	\$203,015
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 5)		
Land	\$2,451,263	\$2,069,465
Construction in Progress	\$0	\$0
Buildings	\$74,404,336	
Less: accumulated amortization	(\$23,856,297)	\$51,912,149
Equipment	\$4,414,974	
Less: accumulated amortization	(\$2,744,603)	\$1,543,611
Vehicles	\$3,266,068	
Less: accumulated amortization	(\$2,063,942)	\$1,433,482
Total capital assets	\$55,871,799	\$56,958,707
TOTAL ASSETS	\$75,542,488	\$68,247,072
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities (Note 7)	\$1,608,638	\$568,406
Deferred revenue (Note 8)	\$1,419,530	\$1,503,474
Deferred capital allocations (Note 11)	\$6,889,804	\$695,566
Current portion of long term debt	\$643,880	\$732,989
Total current liabilities	\$10,561,852	\$3,500,435
School generated liabilities	\$892,933	\$1,010,078
Trust liabilities (Note 9)	\$193,070	\$203,015
Employee future benefit liabilities (Note 2(k))	\$0	\$738
Long term debt (Note 10)		
Supported: Debentures and other supported debt	\$3,126,775	\$3,849,668
Less: Current portion	(\$633,783)	(\$722,892)
Unsupported: Debentures and Capital Loans	\$44,193	\$54,290
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion	(\$10,097)	(\$10,097)
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 12)	\$46,403,214	\$46,401,655
Total long term liabilities	\$50,016,305	\$50,786,455
TOTAL LIABILITIES	\$60,578,158	\$54,286,890
NET ASSETS		
Unrestricted net assets	\$489,459	\$489,460
Operating Reserves	\$6,514,803	\$5,590,849
Accumulated Operating Surplus (Deficit)	\$7,004,261	\$6,080,309
Investment in capital assets	\$6,297,595	\$6,653,095
Capital Reserves	\$1,662,474	\$1,226,779
Total Capital Funds	\$7,960,069	\$7,879,874
Total net assets	\$14,964,330	\$13,960,182
TOTAL LIABILITIES AND NET ASSETS	\$75,542,488	\$68,247,072

Note: Please input "(Restated)" in 2008 column heading where comparatives are not taken from the finalized 2007-2008 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2009
(in dollars)

	Actual 2009	Budget 2009 (Note)	Actual 2008 (Note)
REVENUES			
Government of Alberta	\$51,721,910	\$52,421,268	\$51,357,936
Federal Government and First Nations	\$1,889,571	\$1,536,295	\$1,713,128
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$543,753	\$0	\$316,845
Instruction resource fees	\$352,261	\$275,333	\$351,600
Transportation fees	\$45,826	\$125,000	\$47,750
Other sales and services	\$92,693	\$191,627	\$91,470
Investment income	\$116,022	\$254,314	\$284,457
Gifts and donations	\$0	\$0	\$15,340
Rental of facilities	\$62,352	\$0	\$62,938
Net school generated funds	\$720,322	\$1,375,577	\$792,421
Gains on disposal of capital assets	\$38,351	\$0	\$23,133
Amortization of capital allocations	\$1,882,954	\$1,875,366	\$1,875,367
Other revenue	\$8,920	\$0	\$0
Total Revenues	\$57,474,935	\$58,054,780	\$56,932,385
EXPENSES			
Certificated salaries	\$25,874,780	\$26,151,643	\$25,368,528
Certificated benefits	\$2,718,883	\$3,048,173	\$2,671,132
Non-certificated salaries and wages	\$8,553,425	\$8,049,862	\$7,857,177
Non-certificated benefits	\$1,912,386	\$2,558,674	\$1,922,735
Services, contracts and supplies	\$13,537,017	\$16,119,334	\$14,375,269
Net school generated funds	\$720,322	\$1,375,577	\$792,421
Capital and debt services			
Amortization of capital assets			
Supported	\$1,882,954	\$1,875,366	\$1,875,368
Unsupported	\$906,074	\$679,632	\$690,933
Total Amortization of capital assets	\$2,789,028	\$2,554,998	\$2,566,301
Interest on capital debt			
Supported	\$359,310	\$359,216	\$441,910
Unsupported	\$4,719	\$4,719	\$5,604
Total Interest on capital debt	\$364,029	\$363,935	\$447,514
Other interest and charges	\$916	\$2,533	\$641
Losses on disposal of capital assets	\$0	\$0	\$901
Other expense	\$0	\$0	\$0
Total Expenses	\$56,470,786	\$60,224,729	\$56,002,619
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$1,004,149	(\$2,169,949)	\$929,766
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$1,004,149	(\$2,169,949)	\$929,766

Note: Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statements filed with Alberta Education. Budget 2009 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2009

(in dollars)

	2009	2008 (Note)
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	\$1,004,149	\$929,766
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,882,954)	(\$1,875,367)
Total amortization expense	\$2,789,028	\$2,566,301
Gains on disposal of capital assets	(\$38,351)	(\$23,133)
Losses on disposal of capital assets	\$0	\$901
Changes in:		
Accounts receivable	(\$246,163)	\$167,362
Prepays and other current assets	\$334,627	(\$132,727)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	\$1,040,232	(\$195,733)
Deferred revenue	(\$83,944)	\$295,307
Employee future benefit liabilities	(\$738)	(\$9,291)
Other (describe)	\$0	\$0
Total cash flows from Operations	\$2,915,886	\$1,723,386
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	(\$448,552)	\$0
Buildings	(\$1,098,916)	(\$281,129)
Equipment	(\$474,256)	(\$738,185)
Vehicles	(\$85,870)	(\$771,835)
Net proceeds from disposal of capital assets	\$443,825	\$29,635
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$1,663,769)	(\$1,761,514)
C. FINANCING ACTIVITIES		
Capital allocations	\$7,355,858	\$389,440
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$732,990)	(\$807,309)
Add back: supported portion	\$722,893	\$797,210
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$7,345,761	\$379,341
Net cash flows from during the year	\$8,597,878	\$341,213
Cash and temporary investments, net of bank indebtedness, at Aug. 31/08	\$8,733,163	\$8,391,950
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$17,331,041	\$8,733,163

Note: Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2009**

School Jurisdiction Code: 2275

(in dollars)

	(1) TOTAL NET ASSETS Cols. 2+3+4+5	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL OPERATING RESERVES Cols. 6+8+10+12+14 7+9+11+13+15	(5) INTERNALLY RESTRICTED NET ASSETS												(15)
					(6) School & Instruction Related		(7) Operations & Maintenance		(8) Board & System Admin.		(9) Transportation		(10) External Services				
					(11) Operating Reserves	(12) Capital Reserves	(13) Operating Reserves	(14) Capital Reserves	(15) Operating Reserves	(16) Capital Reserves	(17) Operating Reserves	(18) Capital Reserves	(19) Operating Reserves	(20) Capital Reserves			
Balance at August 31, 2008	\$13,960,182	\$6,653,095	\$489,460	\$5,590,849	\$1,226,779	\$4,139,300	\$25,797	\$1,044,944	\$952,567	\$0	\$336,333	\$156,039	\$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			
Adjusted Balance, Aug. 31, 2008	\$13,960,182	\$6,653,095	\$489,460	\$5,590,849	\$1,226,779	\$4,139,300	\$25,797	\$1,044,944	\$952,567	\$0	\$336,333	\$156,039	\$0	\$0			
Excess (deficiency) of revenue over expenses	\$1,004,149		\$1,004,149														
Board funded capital additions		\$945,948	\$0	(\$945,948)	\$0	(\$1,920)	\$0	(\$178,702)	(\$712,484)	\$0	(\$52,832)	\$0	\$0	\$0			
Disposal of unsupported capital assets	\$0	(\$405,471)	(\$38,355)		\$443,826		\$21,051	\$7,783		\$407,992		\$7,000		\$0			
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0	\$0		\$0	\$0		\$0		\$0		\$0			
Direct credits to net assets	\$0	\$0	\$0														
Amortization of capital assets		(\$2,789,028)	\$2,789,028														
Amortization of capital allocations		\$1,882,954	(\$1,882,954)														
Debt principal repayments (unsupported)		\$10,097	(\$10,097)														
Net transfers to operating reserves			(\$1,869,902)	\$1,869,902		\$1,385,845		(\$4,454)	\$513,888		(\$28,793)		\$3,416				
Net transfers from operating reserves			\$0	\$0		\$0		\$0	\$0		\$0		\$0				
Net transfers to capital reserves			(\$14,165)		\$14,165					\$0		\$0		\$0			
Net transfers from capital reserves					(\$22,295)			(\$22,295)		\$0		\$0		\$0			
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Balance at August 31, 2009	\$14,964,331	\$6,297,595	\$489,459	\$6,514,803	\$1,662,474	\$5,523,225	\$46,847	\$1,044,597	\$753,961	\$407,992	\$254,708	\$163,039	\$3,416	\$0			

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2009
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2008	\$47,364	\$46,401,655
Prior period adjustments	\$648,202	\$0
Adjusted balance, August 31, 2008	\$695,566	\$46,401,655
Add:		
Restricted capital allocations from:		
Alberta Education including school and modular projects	\$7,333,442	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$22,416	
Other capital grants and donations	\$0	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$722,893
Expended capital allocations - current year	(\$1,161,620)	\$1,161,620
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,882,954
Balance at August 31, 2009	\$6,889,804	\$46,403,214

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

NOTES TO THE FINANCIAL STATEMENT

1. **AUTHORITY AND PURPOSE**

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

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. 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.

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.

b) Capital Assets

Capital Assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 4%
Vehicles & Buses	10% to 20%

Computer Hardware & Software	20%
Other Equipment & Furnishings	10% to 20%

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

c) School Generated Funds

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

d) Vacation Pay

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

e) Pensions

Pension costs included in these statements comprise 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 Northern Gateway School Division does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$544,166 for the year ended August 31, 2009. At December 31, 2008, the Local Authorities Pension Plan reported a deficiency of \$4,413,971,000 (2007 deficiency of \$1,183,334,000). Effective for the 2008 – 2009 fiscal year, the Government of Alberta has taken responsibilities for the LAP unfunded liabilities.

f) Inventories

The Regional Division expenses all items under \$5,000 as current operating expenses and, therefore, does not track inventories of supplies in its financial statements.

g) 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.

h) Contributed Services

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

i) Financial Instruments

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

j) Operating and Capital Reserves

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

k) Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2009, the recorded obligation is \$0.00 (2008 \$738). The total expense recorded in the financial statements is \$0.00.

l) Investments

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

3. CASH AND TEMPORARY INVESTMENTS

	2009			2008		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents		\$17,331,041			\$8,733,163	
Fixed-income securities						
Government of Canada, direct and guaranteed						
Provincial, direct and guaranteed						
Corporate						
Municipal						
Pooled investment funds						
Total fixed-income securities						
Total cash and temporary investments						

Please refer to Note 2 (i).

4. ACCOUNTS RECEIVABLE

	2009	2008
Alberta Education		\$
Alberta Finance	\$547,418	\$422,454
Federal Government	\$206,780	\$257,318
First Nations	\$269,025	\$140,063
Other Alberta School Jurisdictions	\$28,821	\$28,821
Other	\$101,504	\$58,729
Total	\$1,153,548	\$907,385

5. TANGIBLE CAPITAL ASSETS

	Land	Construction In Progress – New Building	Buildings 25-40 Years	Equipment – Computer Hardware & Software 5 Years	Other Equipments 5-10 Years	Vehicles 5-10 Years	Total Aug. 31, 2009	Total Aug. 31 2008
Historical cost								
September 1, 2008	\$2,069,465	\$0	\$73,826,556	\$1,236,983	\$2,718,830	\$3,447,549	\$83,299,383	\$0
Additions	\$448,528	\$0	\$1,098,916	\$249,716	\$224,540	\$85,870	\$2,107,570	\$0
Transfers in (out)	\$0	\$0	-	-	-	-	-	\$0
Less disposals including write-offs	(\$66,730)	\$0	(\$521,136)	-	(\$15,095)	(\$267,351)	(\$870,312)	\$0
August 31, 2009	<u>\$2,451,263</u>	<u>\$0</u>	<u>\$74,404,336</u>	<u>\$1,486,699</u>	<u>\$2,928,275</u>	<u>\$3,266,068</u>	<u>\$84,536,641</u>	<u>\$83,299,384</u>
Accumulated amortization								
September 1, 2008	-	-	\$21,914,401	\$577,608	\$1,834,591	\$2,014,058	\$26,340,658	\$0
Amortization expense	-	-	\$2,124,294	\$80,605	\$266,894	\$317,234	\$2,789,027	\$0
Transfers in (out)	-	-	(\$182,398)	-	(\$15,095)	(\$267,350)	(\$464,843)	\$0
Effect of disposals	-	-	-	-	-	-	-	\$0
August 31, 2009	-	-	<u>\$23,856,297</u>	<u>\$658,213</u>	<u>\$2,086,390</u>	<u>\$2,063,942</u>	<u>\$28,664,842</u>	<u>\$26,340,676</u>
Net Book Value at August 31, 2009	<u>\$2,451,263</u>	<u>\$0</u>	<u>\$50,548,039</u>	<u>\$828,486</u>	<u>\$841,885</u>	<u>\$1,202,126</u>	<u>\$55,871,799</u>	<u>\$56,958,708</u>

Note: The guidelines for estimated useful life of capital assets are shown above. If any of the useful lives of these assets differs from those noted, please change to reflect your amortization policy.

6. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$2,000,000 that bears interest at the bank prime rate. This line of credit is secured by a borrowing bylaw and security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2009.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2009	2008
Alberta Education (PUF)	\$94,954	\$93,763
Alberta Finance		
Federal Government	\$86,278	\$86,278
First Nations		
Other Trade Payables and Accrued Liabilities	\$1,427,406	\$388,365
Other Alberta School Jurisdictions		
Total	\$1,608,638	\$568,406

8. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2008	ADD: 2008/2009 Restricted Funds Received/Receivable	DEDUCT: 2008/2009 Restricted Funds Expended (Paid/Payable)	ADD (DEDUCT): 2008/2009 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2009
Alberta Education Restricted Operational Funding					
Infrastructure Maintenance Renewal	\$808,120	\$979,221	\$1,009,916		\$777,425
AISI	\$213,277	\$732,987	\$818,418		\$127,846
Portable/Modular Unit Relocation	\$33,443	\$43,771	\$29,531		\$47,683
Regional Consortium					
Regional Educational Consulting Services					
Small Class Size Initiative	\$254,197	\$2,012,314	\$1,961,662		\$304,849
Student Health Initiative (School Authorities)		\$241,075	\$228,989		\$12,086
One to One Mobility	\$98,573		\$65,976		\$32,597
SuperNet Service					
Other Alberta Education deferred revenue					
Other Government of Alberta Restricted Funding:					
School Concept Studies	\$79,524				\$79,524
Modification/Demolition	\$648,202			\$648,202	
Other Deferred Revenue:					
Prepaid Transportation Fees	\$10,905		\$10,905		
Central School	\$5,435		\$5,435		
Percy Baxter		\$37,520			\$37,520
Total	\$2,151,674				\$1,419,530

9. TRUST ASSETS AND LIABILITIES

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

	2009	2008
Deferred Salary Leave Plan		
Scholarship Trusts	\$193,070	\$203,015
Student Health Initiative Trust (SHI Banker Board)		
Children and Youth with Complex Needs (Banker Board)		
Other foundations (please specify)		
Total	\$193,070	\$203,015

10. LONG TERM DEBT

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 6.875% and 12%. The debenture debt is fully supported by Alberta Finance. Supported debenture payments due over the next five years and beyond are:

	Principal	Interest	Total
2009-2010	\$633,783	\$325,871	\$959,654
2010-2011	\$528,818	\$259,208	\$788,026
2011-2012	\$483,528	\$203,512	\$687,040
2012-2013	\$431,753	\$152,648	\$584,401
2013-2014	\$350,687	\$106,965	\$457,652
2014-2015	\$261,517	\$70,377	\$331,894
2015 to maturity	\$436,689	\$64,750	\$501,439
Total	\$3,126,775	\$1,183,331	\$4,310,106

11. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose 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.

12. 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.

13. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations represent legal obligations associated with the retirement of a tangible long-lived asset that result from its acquisition, construction, development or normal operation. The jurisdiction has a legal obligation to remove hazardous material located 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 due to there being no records on the site.

14. COMMITMENTS

- a) Building Projects: The jurisdiction is committed to further capital expenditures for the addition at Hilltop High School of approximately \$17,000,000. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.
- b) Service Providers: As at August 31, 2009, the jurisdiction has \$247,402 (2008 \$236,840) in commitments relating to service contracts.

15. CONTINGENCIES

- a) The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

16. 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.

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair Value)	Revenues	Expenses
2008-2009				
Government of Alberta:				
Education	\$362,362	\$477,379	\$51,355,799	-
Infrastructure & Transportation				
Finance	\$185,055		\$359,310	
Health & Wellness				
Human Resources/Employment				
Other Gov't of Alberta Departments	\$0.00	\$0.00	\$6,800	

Other:				
Health authorities				\$
Post –secondary institutions				
Other Alberta school jurisdictions				
Other related parties				
TOTAL 2008-2009		\$547,417	\$477,379	\$51,721,909
TOTAL 2007-2008		\$359,321	\$352,770	\$51,327,935
				\$384,337

17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

18. REMUNERATION AND MONETARY INCENTIVES

The Northern Gateway School Division had paid or accrued expenses for the year ended August 31, 2009 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	SIPP ERIP's/Other	Expenses
Chair Muir, Judy	1.00	\$35,346	\$3,630	\$			\$14,281
Other members							
Aasland, Sharron	1.00	\$27,166	\$3,390	\$			\$9,459
Govenlock, Jim	1.00	\$15,758	\$4,324	\$			\$6,822
Nichol, Anne	1.00	\$28,406	\$891	\$			\$18,318
Gilchrist, Peter	1.00	\$26,847	\$1,253	\$			\$14,898
Priest, Kim	1.00	\$17,223	\$4,130	\$			\$7,123
Maddigan, Barb	1.00	\$20,638	\$3,773	\$			\$5,799
Slemko, Terry	1.00	\$19,223	\$3,174	\$			\$6,283
Wilcox, Maureen	1.00	\$14,814	\$3,855	\$			\$6,406
Subtotal	9.00	\$205,421	\$28,420	\$			\$89,393
Superintendent – Kevin Andrea	1.00	\$148,433	\$7,396	\$		\$6,111	\$26,569
Secretary- Treasurer -Michael Gramatovich	1.00	\$121,622	\$12,837	\$		\$6,081	\$14,984
		\$	\$	\$			\$130,946
Certificated Teachers	310	\$25,726,347	\$2,705,376	\$	\$	\$	
Non-certificated - Other	260	\$8,226,382	\$1,865,048	\$	\$	\$	
TOTALS		\$34,428,205	\$4,619,077	\$	\$	\$12,192	

19. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on December 9th, 2008. It is presented for information purposes and has not been audited.

20. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2009 presentation. The cutoff date for services/contracts/supplies was moved in 2008/09 to June 30th. The previous cutoff for 2007/2008 was August 30th. This change mainly effected the plant operations and maintenance area.

21. PRIOR PERIOD ADJUSTMENTS

The amount of \$648,202 was moved from deferred revenue to deferred capital allocations because funding was for a capital project.

UNAUDITED SCHEDULES

TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009
[School Act, Section 276]

NORTHERN GATEWAY REGIONAL DIVISION NO.10

Legal Name of School Jurisdiction

BOX 840, 4104 KEPLER STREET, T7S 1N8

Mailing Address

780-778-2800 780-778-6719

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

Michael Gramatovich
Name

"ORIGINAL SIGNED"
Signature

December 8, 2009

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 A

School Jurisdiction Code: 2275

2275

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2008-2009

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$1,533,386	\$37,121,064	\$5,544,639	\$4,670,264	\$2,486,447	\$0	\$51,355,800
(2) Other - Government of Alberta	\$0	\$0	\$366,110	\$0	\$0	\$0	\$366,110
(3) Federal Government and First Nations	\$0	\$1,701,125	\$144,758	\$0	\$43,688	\$0	\$1,889,571
(4) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$24,396	\$0	\$0	\$0	\$519,357	\$543,753
(7) Instruction resource fees	\$55,577	\$296,684					\$352,261
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$45,826			\$45,826
(10) Other sales and services	\$0	\$17,577	\$0	\$74,306	\$810	\$0	\$92,693
(11) Investment income	\$0	\$114,246	\$1,065	\$266	\$444	\$0	\$116,022
(12) Gifts and donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(13) Rental of facilities	\$0	\$0	\$62,352	\$0	\$0	\$0	\$62,352
(14) Net school generated funds	\$0	\$720,322	\$0	\$0	\$0	\$0	\$720,322
(15) Gains on disposal of capital assets	\$0	\$21,051	\$7,783	\$7,000	\$2,518	\$0	\$38,351
(16) Amortization of capital allocations	\$0	\$0	\$1,882,954	\$0	\$0	\$0	\$1,882,954
(17) Other revenue	\$0	\$0	\$5,503	\$0	\$0	\$3,417	\$8,920
(18) TOTAL REVENUES	\$1,588,964	\$40,016,465	\$8,015,164	\$4,797,662	\$2,533,907	\$522,774	\$57,474,934
EXPENSES							
(19) Certificated salaries	\$663,355	\$24,912,388			\$298,849	\$189	\$25,874,780
(20) Certificated benefits	\$87,298	\$2,599,120			\$32,461	\$3	\$2,718,883
(21) Non-certificated salaries and wages	\$398,474	\$4,793,682	\$1,375,596	\$683,733	\$959,974	\$341,966	\$8,553,425
(22) Non-certificated benefits	\$85,252	\$1,179,382	\$264,661	\$116,621	\$183,082	\$83,387	\$1,912,386
(23) SUB - TOTAL	\$1,234,379	\$33,484,572	\$1,640,257	\$800,353	\$1,474,366	\$425,545	\$39,059,473
(24) Services, contracts and supplies	\$132,675	\$4,626,373	\$4,125,887	\$4,018,399	\$539,871	\$93,813	\$13,537,017
(25) Net school generated funds	\$0	\$720,322					\$720,322
(26) Amortization of capital assets	\$0	\$426,098	\$2,016,622	\$298,065	\$48,243	\$0	\$2,789,028
(27) Interest and charges	\$0	\$213	\$362,991	\$703	\$1,038	\$0	\$364,946
(28) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$1,367,054	\$39,257,579	\$8,145,757	\$5,117,520	\$2,063,518	\$519,358	\$56,470,786
(31) OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$221,909	\$788,886	(\$130,593)	(\$319,858)	\$470,389	\$3,416	\$1,004,149

**SCHEDULE B
SCHOOL GENERATED FUNDS (SGF) - 2008-2009**

Unexpended SGF - Opening Balance August 31, 2008 (Note 1)			\$1,010,078
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$1,324,715	\$732,601	\$592,113
Student fees (Non-Instructional) (Note 1)	\$270,170	\$270,848	(\$678)
Donations and grants to schools	\$192,399	\$0	\$192,399
Other (describe):	\$286,897	\$467,554	(\$180,657)
Net Additions to SGF	\$2,074,181	\$1,471,003	\$603,178
Net SGF Available			\$1,613,255
Uses of Net School Generated Funds:			
Extra-curricular activities			\$683,121
Field Trips			\$37,201
Other (describe):			\$0
Total Uses of Net SGF (Note 2)			\$720,322
Unexpended SGF - Closing Balance August 31, 2009 (Note 3)			\$892,933

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.

Notes:

- 1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for
- 2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.
- 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 - 2008-2009**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$172,221	\$1,005,008	\$0	\$0	\$198,367		\$1,375,596		\$1,375,596
Uncertificated benefits	\$37,888	\$183,132	\$0	\$0	\$43,641		\$264,661		\$264,661
Sub-total Remuneration	\$210,109	\$1,188,140	\$0	\$0	\$242,008		\$1,640,257		\$1,640,257
Supplies and services	\$117,751	\$1,717,485	\$0	\$1,009,916	\$34,476		\$2,879,628		\$2,879,628
Electricity			\$507,757				\$507,757		\$507,757
Natural Gas/Heating Fuel			\$475,294				\$475,294		\$475,294
Sewer and Water			\$109,433				\$109,433		\$109,433
Telecommunications			\$29,320				\$29,320		\$29,320
Insurance					\$124,455		\$124,455		\$124,455
Amortization of capital assets									
Supported								\$1,882,954	\$1,882,954
Unsupported						\$133,668	\$133,668		\$133,668
Total Amortization						\$133,668	\$133,668	\$1,882,954	\$2,016,622
Interest on capital debt									
Supported								\$359,310	\$359,310
Unsupported									
Other interest charges				\$0			\$3,681		\$3,681
Losses on disposal of capital assets							\$0		\$0
TOTAL EXPENSES	\$327,860	\$2,905,625	\$1,121,804	\$1,009,916	\$400,939	\$137,349	\$5,903,493	\$2,242,264	\$8,145,757
SQUARE METRES									
School Buildings									77,004.2
Non School Buildings									3,960.8

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.