

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

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

Legal Name of School Jurisdiction

6005 - 50TH AVENUE, BONNYVILLE, AB T9N 2G9

Mailing Address

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Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of NORTHERN LIGHTS SCHOOL DIVISION NO. 69
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

Walter Hrycauk
Name

"ORIGINAL SIGNED"
Signature

SUPERINTENDENT

Roger Nippard
Name

"ORIGINAL SIGNED"
Signature

SECRETARY TREASURER OR TREASURER

Beverley Topylki
Name

"ORIGINAL SIGNED"
Signature

26-Nov-09

Board-approved Release Date

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Hawkings Epp Dumont LLP

Chartered Accountants

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AUDITORS' REPORT

To the Board of Trustees
Northern Lights School Division No. 69
Bonnyville, Alberta

We have audited the statement of financial position of the Northern Lights School Division No. 69 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 audit 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, 2009 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 principles.

Edmonton, Alberta
October 30, 2009

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Chartered Accountants

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STATEMENT OF FINANCIAL POSITION
as at August 31, 2009

(in dollars)

	2009	2008 (Note)
ASSETS		
Current assets		
Cash and temporary investments	\$13,082,085	\$31,634,240
Accounts receivable (net after allowances) (Note 3)	\$2,412,721	\$2,149,745
Prepaid expenses	\$786,744	\$1,204,152
Other current assets	\$0	\$0
Total current assets	\$16,281,550	\$34,988,137
School generated assets		
Trust assets (Note 7)	\$1,305,487	\$1,088,030
Long term accounts receivable	\$56,509	\$54,937
Long term investments	\$30,293	\$38,540
Capital assets (Note 2 (b))	\$0	\$0
Land	\$961,729	\$961,729
Construction in Progress	\$0	\$11,847,117
Buildings	\$94,233,800	
Less: accumulated amortization	(\$34,033,856)	\$60,199,944
Equipment	\$8,159,797	
Less: accumulated amortization	(\$3,549,387)	\$4,610,410
Vehicles	\$2,775,476	
Less: accumulated amortization	(\$1,164,363)	\$1,611,113
Total capital assets	\$67,383,196	\$45,247,594
TOTAL ASSETS	\$85,057,035	\$81,417,238
LIABILITIES		
Current liabilities		
Bank indebtedness (Note 4)	\$0	\$0
Accounts payable and accrued liabilities (Note 5)	\$6,237,747	\$7,612,587
Deferred revenue (Note 6)	\$2,557,725	\$2,915,498
Deferred capital allocations (Note 9)	\$292,967	\$16,925,217
Current portion of long term debt	\$761,185	\$819,075
Total current liabilities	\$9,849,624	\$28,272,377
School generated liabilities		
Trust liabilities (Note 7)	\$1,305,487	\$1,088,030
Employee future benefit liabilities (Note 2 (e))	\$56,509	\$54,937
Long term debt (Note 8)	\$21,400	\$9,800
Supported: Debentures and other supported debt	\$4,790,291	\$5,609,367
Less: Current portion	(\$761,185)	(\$819,075)
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 10)	\$54,866,322	\$33,568,121
Total long term liabilities	\$60,278,824	\$39,511,180
TOTAL LIABILITIES	\$70,128,448	\$67,783,557
NET ASSETS		
Unrestricted net assets	\$1,830	\$1,034,773
Operating Reserves	\$6,600,178	\$6,528,807
Accumulated Operating Surplus (Deficit)	\$6,602,008	\$7,563,580
Investment in capital assets	\$7,726,579	\$6,070,101
Capital Reserves	\$600,000	\$0
Total Capital Funds	\$8,326,579	\$6,070,101
Total net assets	\$14,928,587	\$13,633,681
TOTAL LIABILITIES AND NET ASSETS	\$85,057,035	\$81,417,238

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	\$61,141,976	\$62,714,569	\$57,618,419
Federal Government and First Nations	\$2,538,812	\$2,456,485	\$1,778,890
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	\$44,251	\$55,505	\$55,505
Transportation fees	\$131,047	\$120,000	\$113,938
Other sales and services	\$214,434	\$200,000	\$211,267
Investment income	\$118,691	\$250,000	\$385,686
Gifts and donations	\$127,944	\$120,520	\$101,867
Rental of facilities	\$10,550	\$22,547	\$17,664
Net school generated funds	\$906,754	\$755,177	\$755,177
Gains on disposal of capital assets	\$20,522	\$0	\$134,825
Amortization of capital allocations	\$1,671,887	\$1,666,579	\$1,683,387
Other revenue	\$0	\$0	\$0
Total Revenues	\$66,926,868	\$68,361,382	\$62,856,625
EXPENSES			
Certificated salaries (Note 16)	\$27,078,795	\$27,949,737	\$27,132,415
Certificated benefits (Note 16)	\$3,133,504	\$3,122,207	\$3,278,004
Non-certificated salaries and wages (Note 16)	\$11,093,130	\$11,210,757	\$9,629,697
Non-certificated benefits (Note 16)	\$2,722,197	\$2,810,368	\$2,504,406
Services, contracts and supplies	\$17,696,689	\$19,697,353	\$16,724,962
Net school generated funds	\$906,754	\$755,177	\$755,177
Capital and debt services			
Amortization of capital assets			
Supported	\$1,671,887	\$1,724,094	\$1,683,387
Unsupported	\$755,964	\$525,212	\$529,117
Total Amortization of capital assets	\$2,427,851	\$2,249,306	\$2,212,504
Interest on capital debt			
Supported	\$565,477	\$565,477	\$660,008
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$565,477	\$565,477	\$660,008
Other interest and charges	\$2,862	\$1,000	\$933
Losses on disposal of capital assets	\$4,703	\$0	\$0
Other expense	\$0	\$0	\$0
Total Expenses	\$65,631,962	\$68,361,382	\$62,898,106
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	\$1,294,906	\$0	(\$41,481)
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$1,294,906	\$0	(\$41,481)

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	\$1,294,906	(\$41,481)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,671,887)	(\$1,683,387)
Total amortization expense	\$2,427,851	\$2,212,504
Gains on disposal of capital assets	(\$20,522)	(\$134,825)
Losses on disposal of capital assets	\$4,703	\$0
Changes in:		
Accounts receivable	(\$262,976)	(\$440,354)
Prepays and other current assets	\$417,408	(\$217,744)
Long term accounts receivable	\$8,247	\$2,650
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$1,374,840)	\$4,876,565
Deferred revenue	(\$357,773)	\$874,492
Employee future benefit liabilities	\$11,600	\$3,700
Other (describe)	\$0	\$0
Total cash flows from Operations	\$476,717	\$5,452,120
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	(\$5,080)	\$0
Buildings	(\$20,717,614)	(\$12,165,700)
Equipment	(\$3,677,020)	(\$780,801)
Vehicles	(\$220,099)	(\$1,208,748)
Net proceeds from disposal of capital assets	\$72,179	\$169,192
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$24,547,634)	(\$13,986,057)
C. FINANCING ACTIVITIES		
Capital allocations	\$5,518,763	\$27,960,902
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$819,076)	(\$892,765)
Add back: supported portion	\$819,075	\$892,765
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$5,518,762	\$27,960,902
Net cash flows from during the year	(\$18,552,155)	\$19,426,965
Cash and temporary investments, net of bank indebtedness, at Aug. 31/08	\$31,634,240	\$12,207,275
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$13,082,085	\$31,634,240

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: 1245

(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	(5) TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	INTERNALLY RESTRICTED NET ASSETS											
						(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	\$13,633,661	\$6,070,101	\$1,034,773	\$6,528,807	\$0	\$2,283,860	\$0	\$3,336,508	\$0	\$515,318	\$0	\$393,121	\$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	\$13,633,661	\$6,070,101	\$1,034,773	\$6,528,807	\$0	\$2,283,860	\$0	\$3,336,508	\$0	\$515,318	\$0	\$393,121	\$0	\$0			
Excess (deficiency) of revenue over expenses	\$1,294,906		\$1,294,906														
Board funded capital additions		\$2,468,802	(\$1,233,066)	(\$1,163,557)	(\$72,179)	(\$406,135)	(\$7,394)	(\$581,772)	(\$60,685)	(\$175,650)	(\$4,100)	\$0	\$0	\$0			
Disposal of unsupported capital assets	\$0	(\$56,360)	(\$15,819)		\$72,179		\$7,394		\$60,685		\$4,100		\$0	\$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															
Amortization of capital assets		(\$2,427,851)	\$2,427,851														
Amortization of capital allocations		\$1,671,887	(\$1,671,887)														
Debt principal repayments (unsupported)		\$0	\$0														
Net transfers to operating reserves			(\$1,377,350)	\$1,377,350		\$841,013		\$99,334		\$237,638		\$199,365	\$0	\$0			
Net transfers from operating reserves			\$142,422	(\$142,422)		\$57,578		\$0		(\$200,000)		\$0	\$0	\$0			
Net transfers to capital reserves			(\$600,000)		\$600,000				\$600,000				\$0	\$0			
Net transfers from capital reserves			\$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			
Balance at August 31, 2009	\$14,928,567	\$7,726,579	\$1,830	\$6,600,178	\$600,000	\$2,776,316	\$0	\$2,854,070	\$600,000	\$377,306	\$0	\$592,486	\$0	\$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	\$16,925,217	\$33,568,121
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2008	\$16,925,217	\$33,568,121
Add:		
Restricted capital allocations from: Alberta Education including school and modular projects	\$4,763,201	
Other Government of Alberta	\$335,796	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$207,766	
Other capital grants and donations	\$212,000	
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		\$819,075
Expended capital allocations - current year	(\$22,151,013)	\$22,151,013
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,671,887
Balance at August 31, 2009	\$292,967	\$54,866,322

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

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2009

1. AUTHORITY AND PURPOSE

Northern Lights School Division No. 69 (the "Division") delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

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

2. 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 judgement. 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) Property and Equipment

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

Buildings	2.5% and 4%
Other Equipment and Furnishings	10% and 20%
Vehicles	10% and 20%
Computer Hardware and Software	20%

Property and equipment 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.

Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) School Generated Funds

These are funds which come under the control and responsibility of a school principal and are 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 benefit is earned by the employee.

(e) Pensions

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

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the *Teachers Pension Plan Act*, the Division does not make pension contributions for certificated staff.

The Division participates in the multi-employer pension plan, the Local Authorities Pension Plan and does not report any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$633,776 (2008 - \$236,341) for the year ended August 31, 2009. At December 31, 2008, the Local Authorities Pension Plan reported an actuarial deficiency of \$4.4 billion (2007 - deficiency of \$1.2 billion).

The Division participates in the Supplemental Executive Retirement Program (SERP) (formerly Supplemental Integrated Pension Plan or SIPP for certain members of senior administration). The plan provides a supplement to the Local Authorities Pension Plan or Teacher's Retirement Fund (as appropriate) to provide an annual retirement benefit of 2% of final average earnings. A portion of this SERP constitutes a multi-employer pension plan that is accounted for in the same manner as the Local Authorities Pension Plan. The Division's expense for this plan is \$10,819 (2008 - \$23,620) for the year ended August 31, 2009, including the unfunded liability of \$21,400 (2008 - \$9,800). The unfunded defined benefit plan, the cost of which is sponsored by the Division, is actuarially determined using the projected accrued benefit cost method with proration on service and managements' best estimate of expected salary and benefit escalation, retirement ages of employees, and plan investment performance.

(f) Prepaid Expenses

Certain expenses incurred and paid for before the close of the fiscal 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.

(g) 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 financial statements.

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Instruments

The Division's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the Division 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 Division has invested surplus funds in accordance with Section 60 of the *School Act*.

(i) Operating and Capital Reserves

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

3. ACCOUNTS RECEIVABLE

	<u>2009</u>	<u>2008</u>
First Nations	\$ 1,192,343	\$ 593,376
Federal Government	692,635	640,591
Alberta Education	282,885	615,667
Alberta Finance	191,888	227,706
Other	<u>52,969</u>	<u>72,405</u>
	<u>\$ 2,412,720</u>	<u>\$ 2,149,745</u>

4. BANK INDEBTEDNESS

The Division has negotiated a line of credit in the amount of \$5,000,000 that bears interest at bank prime rate less 0.25%. The line of credit is secured by a borrowing resolution and a general security agreement. At August 31, 2009, there was no balance outstanding on the line of credit.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2009</u>	<u>2008</u>
Trade payables and accrued liabilities	\$ 5,818,269	\$ 7,073,408
Alberta Education	218,853	260,174
Alberta Finance	191,888	227,706
Alberta Municipalities	5,419	10,814
Other Alberta school jurisdictions	<u>3,318</u>	<u>40,484</u>
	<u>\$ 6,237,747</u>	<u>\$ 7,612,586</u>

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2009

6. DEFERRED REVENUE

	<u>Opening</u>	<u>Receipts</u>	<u>Expended</u>	<u>Closing</u>
Infrastructure Maintenance				
Renewal	\$ 1,620,645	\$ 1,074,654	\$ (1,227,869)	\$ 1,467,430
Alberta Initiative for School				
Improvement	214,930	778,251	(952,264)	40,917
Co-operative Transportation	257,354	249,750	(290,159)	216,945
Skills Canada	73,274	-	(73,274)	-
Technology Infrastructure	226,949	-	(148,494)	78,455
Technology in the Classroom	106,060	-	(106,060)	-
Technology Mediated				
Learning	296,578	-	(296,578)	-
Other	<u>119,708</u>	<u>1,099,028</u>	<u>(464,758)</u>	<u>753,978</u>
	<u>\$ 2,915,498</u>	<u>\$ 3,201,683</u>	<u>\$ (3,559,456)</u>	<u>\$ 2,557,725</u>

7. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the Division for the following:

	<u>2009</u>	<u>2008</u>
Scholarship Trusts	<u>\$ 56,509</u>	<u>\$ 54,936</u>

8. LONG-TERM DEBT

The debentures are held with Alberta Capital Finance Authority, bear interest at rates ranging from 7.5% to 12.0% and are 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>
2009 - 2010	\$ 761,185	\$ 479,790	\$ 1,240,975
2010 - 2011	738,193	401,049	1,139,242
2011 - 2012	721,848	325,067	1,046,915
2012 - 2013	721,848	250,679	972,527
2013 - 2014	549,848	176,291	726,139
2014 to maturity	<u>1,297,369</u>	<u>259,561</u>	<u>1,556,930</u>
	<u>\$ 4,790,291</u>	<u>\$ 1,892,437</u>	<u>\$ 6,682,728</u>

9. DEFERRED CAPITAL ALLOCATIONS

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

10. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally restricted supported capital funds that have been spent, but have to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. Unamortized capital allocations are increased by transfers of previously deferred capital allocations which are now spent, as well as fully-supported debenture principle repayments.

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2009

11. COMMITMENTS

(a) Capital Projects

Cold Lake High School

The Division is committed to capital expenditures for the construction of the Cold Lake High School project of approximately \$36,536,701. It is expected that the full amount of the project will be fully funded by capital allocations from Alberta Education. Expenditures to August 31, 2009 are \$21,692,538 (2008 - \$11,847,117).

(b) Electricity Service Agreement

The Division has entered into an agreement with Enmax Energy for the provision of electricity services until December 31, 2013. Under the terms of the agreement the Division pays 7.89 cents per kilowatt for electricity delivered to each Division site up to the threshold amount until December 31, 2013. If the threshold amount is exceeded at any site during any month the price is equal to the Flow-Through Rate.

(c) Natural Gas Agency Agreement

The Division has appointed Gas Alberta Energy as its agent in obtaining favourable natural gas pricing, thereby authorizing Gas Alberta Energy to enter into fixed price gas purchase contracts on the School Division's behalf.

(d) Office Equipment Lease

The Division is committed to minimum annual lease payments of \$488,592 for photocopiers pursuant to a lease expiring August, 2012.

12. CONTINGENCY

(a) Reciprocal Insurance Exchange

The Division is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represent equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset which the Division can liquidate.

(b) Contingent Liability

On July 13, 2009, a claim was filed against the Division for an unspecified amount by the Alberta Teachers Association in regards to the calculation of summer school teacher compensation. The Division believes that the likelihood and the amount of the claim are undeterminable at this time.

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2009

13. RELATED PARTY TRANSACTIONS

The Division is controlled by the Government of Alberta. During the year the Division had the following transactions with government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Expenses</u>
Government of Alberta				
Education	\$ 103,969	\$ 2,907,516	\$59,915,547	\$ -
Infrastructure & Transportation	-	-	-	-
Finance	191,888	4,982,179	545,477	565,477
Health and Wellness	-	-	-	-
Employment & Immigration	6,800	98,431	122,617	-
Youth and Childrens' Services	85,796	-	-	-
Other Government of Alberta departments	-	21,182	168,769	5,040
Other				
Health Authorities	85,826	2,456	362,831	49,965
Post-secondary institutions	197	15	-	228,983
Other Alberta school jurisdictions	111,271	74,733	-	441,647
Other related parties	-	-	-	-
Total 2008-09	<u>\$ 585,747</u>	<u>\$ 8,086,512</u>	<u>\$ 61,115,241</u>	<u>\$ 1,291,112</u>
Total 2007-08	<u>\$ 845,048</u>	<u>\$ 59,511,534</u>	<u>\$ 57,618,420</u>	<u>\$ 1,141,971</u>

The transactions are recorded at their exchange amounts as agreed to by the related parties.

14. ECONOMIC DEPENDENCE

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

15. TARGETED FUNDING FOR PROVINCIAL INITIATIVES EXPENSES

	<u>Certificated Remuneration</u>	<u>Non-Certificated Remuneration</u>	<u>Supplies & Services</u>	<u>Other Expenses</u>
Alberta Initiative for School Improvement	\$ 546,246	\$ 35,533	\$ 350,904	\$ 19,581
Small Class Size Initiative	2,569,496	-	-	-
Supernet Service	-	-	-	228,222

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2009

16. REMUNERATION AND MONETARY INCENTIVES

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

	<u>FTE</u>	<u>Salaries and Wages</u>	<u>Benefits and Allowances</u>	<u>Expenses</u>	<u>ERIP / Other</u>	<u>Negotiated Allowances</u>
Hrycauk (Chair)	1.000	\$ 31,180	\$ 1,092	\$ 9,936	\$ -	\$ -
Kunec	1.000	24,027	199	10,628	-	-
Smaiel	1.000	16,470	552	4,560	-	-
Hrynyk	1.000	28,518	994	10,492	-	-
Welwood	1.000	13,330	432	1,661	-	-
Suhan	1.000	21,618	737	8,982	-	-
Soholt	1.000	22,782	780	4,922	-	-
Kissel	1.000	17,600	584	5,207	-	-
Synder	<u>1.000</u>	<u>22,283</u>	<u>740</u>	<u>9,039</u>	<u>-</u>	<u>-</u>
Subtotal	9.000	197,808	6,110	65,427	-	-
Superintendent	1.000	150,759	15,268	19,598	-	5,500
Secretary - Treasurer	0.083	21,542	1,595	134	55,000	333
	0.019	3,286	840	-	-	-
Salaries - Certificated	335.28	26,713,751	3,094,396	-	238,785	-
Salaries - Uncertificated	<u>333.25</u>	<u>10,770,162</u>	<u>2,707,492</u>	<u>-</u>	<u>45,000</u>	<u>-</u>
	<u>678.632</u>	<u>\$ 37,857,308</u>	<u>\$ 5,825,701</u>	<u>\$ 85,159</u>	<u>\$ 338,785</u>	<u>\$ 5,833</u>

17. BUDGET FIGURES

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

18. SUBSEQUENT EVENTS

During August of 2009, the Government of Alberta announced a reduction in funding to school divisions. The Relative Cost of Purchasing Adjustment and Fuel Contingency grants were eliminated which will result in approximately \$370,752 less funding for the School Division. There was also a reduction in funding of approximately \$698,121. Both of these events affect the funding for the 2009-2010 year end and do not affect the current year financial statements. The total reduction in funding for the 2009-2010 school year is anticipated to be approximately \$1.07 million.

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

SCHEDULE OF SERVICES, CONTRACTS, AND SUPPLIES EXPENSES

SCHEDULE A

AUGUST 31, 2009

	<u>2009</u> (Actual)	<u>2008</u> (Actual)
Student transportation	\$ 6,163,649	\$ 6,268,347
Supplies and materials	3,264,999	3,102,611
Contracted and professional services	3,081,663	2,736,764
Maintenance and repairs	1,320,932	1,315,276
Utilities	1,362,836	1,155,551
Travel, subsistence and mileage	591,359	453,758
Textbooks	418,132	375,968
Insurance	291,817	292,256
Telephone	283,562	250,724
Professional development	237,111	214,012
Vehicle operating costs	189,507	189,173
Memberships and fees	221,848	154,785
Library	69,703	51,528
Advertising	77,363	43,946
Conference registrations	52,534	41,262
Community Learning	34,913	31,986
Postage fees	24,403	30,460
Property taxes	7,208	13,435
Public relations	3,150	3,121
	<u>\$17,696,689</u>	<u>\$16,724,963</u>

UNAUDITED SCHEDULES

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

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

Legal Name of School Jurisdiction

6005 - 50TH AVENUE, BONNYVILLE, AB T9N 2G9

Mailing Address

PHONE: 780-826-3145 FAX: 780-826-4600

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

Beverley Topylki
Name

"DATED AND SIGNED ELECTRONICALLY"
Signature

26-Nov-09

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Wang@gov.ab.ca
PHONE: (780) 644-5672 FAX: (780) 422-6996

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SCHEDULE B	School Generated Funds (SGF)	4
SCHEDULE C	Operations and Maintenance Program Expenses	5

SCHEDULE A

School Jurisdiction Code: _____

1245

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	\$2,393,019	\$41,655,038	\$6,376,184	\$6,510,841	\$2,443,013	\$537,452	\$59,915,547
(2) Other - Government of Alberta	\$0	\$504,856	\$572,277	\$0	\$0	\$149,296	\$1,226,429
(3) Federal Government and First Nations	\$17,889	\$2,148,884	\$255,536	\$0	\$116,503	\$0	\$2,538,812
(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	\$0	\$0	\$0	\$0	\$0	\$0
(7) Instruction resource fees	\$0	\$44,251					\$44,251
(8) Transportation fees-ECS				\$131,047			\$131,047
(9) Transportation fees-Grades 1-12							
(10) Other sales and services	\$0	\$120,292	\$30,382	\$0	\$16,889	\$46,871	\$214,434
(11) Investment income	\$0	\$84,922	\$17,692	\$10,615	\$5,462	\$0	\$118,691
(12) Gifts and donations	\$0	\$127,944	\$0	\$0	\$0	\$0	\$127,944
(13) Rental of facilities	\$0	\$637	\$9,913	\$0	\$0	\$0	\$10,550
(14) Net school generated funds	\$0	\$906,754	\$0	\$0	\$0	\$0	\$906,754
(15) Gains on disposal of capital assets	\$0	\$9,825	\$10,697	\$0	\$0	\$0	\$20,522
(16) Amortization of capital allocations	\$0	\$76,123	\$1,595,764	\$0	\$0	\$0	\$1,671,887
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$2,410,908	\$45,679,526	\$8,868,445	\$6,652,503	\$2,581,867	\$733,619	\$66,926,868
EXPENSES							
(19) Certificated salaries	\$2,110,112	\$24,550,139			\$418,544	\$0	\$27,078,795
(20) Certificated benefits	\$255,757	\$2,821,903			\$55,844	\$0	\$3,133,504
(21) Non-certificated salaries and wages	\$603,158	\$7,533,964	\$1,573,862	\$202,026	\$931,379	\$248,741	\$11,093,130
(22) Non-certificated benefits	\$145,639	\$2,020,746	\$338,225	\$41,783	\$168,001	\$7,803	\$2,722,197
(23) SUB - TOTAL	\$3,114,666	\$36,926,752	\$1,912,087	\$243,809	\$1,573,768	\$256,544	\$44,027,626
(24) Services, contracts and supplies	\$180,977	\$5,599,175	\$4,474,448	\$6,199,187	\$765,827	\$477,075	\$17,696,689
(25) Net school generated funds	\$0	\$906,754					\$906,754
(26) Amortization of capital assets	\$0	\$521,797	\$1,817,099	\$9,782	\$79,173	\$0	\$2,427,851
(27) Interest and charges	\$0	\$0	\$565,477	\$361	\$2,501	\$0	\$566,339
(28) Losses on disposal of capital assets	\$0	\$4,703	\$0	\$0	\$0	\$0	\$4,703
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$3,295,643	\$43,959,181	\$8,769,111	\$6,453,139	\$2,421,269	\$733,619	\$65,631,962
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$884,735)	\$1,720,345	\$99,334	\$199,364	\$160,598	\$0	\$1,294,906

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

Unexpended SGF - Opening Balance August 31, 2008 (Note 1)			\$1,088,030
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$1,641,066	\$925,446	\$715,620
Student fees (Non-Instructional) (Note 1)	\$342,713	\$206,456	\$136,257
Donations and grants to schools	\$266,727	\$0	\$266,727
Other (describe): interest income	\$5,608	\$0	\$5,608
Net Additions to SGF	\$2,256,114	\$1,131,902	\$1,124,212
Net SGF Available			\$2,212,242
Uses of Net School Generated Funds:			
Extra-curricular activities			\$574,562
Field Trips			\$174,662
Other (describe): Admin, School beautification, Family Literacy, Equipment			\$157,530
Total Uses of Net SGF (Note 2)			\$906,754
Unexpended SGF - Closing Balance August 31, 2009 (Note 3)			\$1,305,488

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	\$575,552	\$749,703	\$0	\$0	\$248,608		\$1,573,863		\$1,573,863
Uncertificated benefits	\$121,081	\$164,935	\$0	\$0	\$52,208		\$338,224		\$338,224
Sub-total Remuneration	\$696,633	\$914,638	\$0	\$0	\$300,816		\$1,912,087		\$1,912,087
Supplies and services	\$1,194,952	\$641,305	\$0	\$1,227,869	\$2,735		\$3,066,861		\$3,066,861
Electricity			\$629,907				\$629,907		\$629,907
Natural Gas/Heating Fuel			\$506,153				\$506,153		\$506,153
Sewer and Water			\$71,410				\$71,410		\$71,410
Telecommunications			\$26,544				\$26,544		\$26,544
Insurance					\$173,573		\$173,573		\$173,573
Amortization of capital assets									
Supported								\$1,676,538	\$1,676,538
Unsupported								\$140,561	\$140,561
Total Amortization								\$140,561	\$140,561
Interest on capital debt									
Supported									
Unsupported								\$565,477	\$565,477
Other interest charges									\$0
Losses on disposal of capital assets									\$0
TOTAL EXPENSES	\$1,891,585	\$1,555,943	\$1,234,014	\$1,227,869	\$477,124	\$140,561	\$6,527,096	\$2,242,015	\$8,769,111
SQUARE METRES									
School Buildings									78,662.0
Non School Buildings									3,666.0

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.