

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

Northland School Division No. 61

Legal Name of School Jurisdiction

Bag 1400, 9809 - 77 Avenue, Peace River, AB, T8S 1V2

Mailing Address

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Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Northland School Division No. 61 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

Colin Kelly

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Pier DePaola

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Dennis Walsh

Name

"ORIGINAL SIGNED"

Signature

10-Mar-10

Board-approved Release Date

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Auditor's Report

To the Official Trustee of Northland School Division No. 61

I have audited the statement of financial position of Northland School Division No. 61 (the Division) as at August 31, 2009 and 2008 and the statements of revenues and expenses, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Division's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the Division as at August 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

“Original signed by Merwan Saher, CA”

Acting Auditor General

Edmonton, Alberta
February 18, 2010

STATEMENT OF FINANCIAL POSITION
as at August 31, 2009

(in dollars)

	2009	2008 (Note)
ASSETS		
Current assets		
Cash and temporary investments (Note 3)	\$20,020,676	\$13,617,843
Accounts receivable (net after allowances) (Note 8)	\$4,299,441	\$3,894,568
Prepaid expenses (Note 2)	\$291,009	\$278,258
Other current assets (Note 5)	\$110,636	\$119,303
Total current assets	\$24,721,762	\$17,909,972
School generated assets	\$502,508	\$526,424
Trust assets	\$0	\$0
Long term accounts receivable (Note 8)	\$202,307	\$659,757
Long term investments	\$0	\$0
Capital assets (Note 2)		
Land	\$577,347	\$577,347
Construction in Progress	\$0	\$0
Buildings	\$114,569,879	
Less: accumulated amortization	(\$56,877,155)	\$51,450,218
Equipment	\$11,960,072	
Less: accumulated amortization	(\$9,280,154)	\$2,589,092
Vehicles	\$6,982,722	
Less: accumulated amortization	(\$4,191,791)	\$2,790,931
Total capital assets	\$63,740,920	\$57,321,145
TOTAL ASSETS	\$89,167,497	\$76,417,298
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities (Note 9)	\$3,920,637	\$5,418,843
Deferred revenue (Note 10)	\$2,172,138	\$1,887,094
Deferred capital allocations (Note 14)	\$10,111,063	\$1,157,488
Current portion of long term debt	\$1,080,838	\$1,577,826
Total current liabilities	\$17,284,676	\$10,041,251
School generated liabilities	\$502,508	\$526,424
Trust liabilities	\$0	\$0
Employee future benefit liabilities (Note 6)	\$17,908	\$28,212
Long term debt (Note 13)		
Supported: Debentures and other supported debt	\$2,206,233	\$3,782,133
Less: Current portion	(\$1,078,913)	(\$1,575,901)
Unsupported: Debentures and Capital Loans	\$9,623	\$11,548
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion	(\$1,925)	(\$1,925)
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 15)	\$54,823,521	\$46,726,144
Total long term liabilities	\$56,478,955	\$49,496,635
TOTAL LIABILITIES	\$73,763,631	\$59,537,886
NET ASSETS		
Unrestricted net assets	\$1,875,977	\$2,149,186
Operating Reserves	\$2,622,210	\$2,721,318
Accumulated Operating Surplus (Deficit)	\$4,498,187	\$4,870,504
Investment in capital assets	\$6,703,219	\$6,802,995
Capital Reserves	\$4,202,460	\$5,205,913
Total Capital Funds	\$10,905,679	\$12,008,908
Total net assets	\$15,403,866	\$16,879,412
TOTAL LIABILITIES AND NET ASSETS	\$89,167,497	\$76,417,298

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	\$33,302,564	\$32,509,773	\$31,822,709
Federal Government and First Nations	\$17,348,956	\$19,330,255	\$17,035,578
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	\$0	\$0	\$0
Transportation fees	\$0	\$0	\$1,060
Other sales and services	\$1,216,473	\$171,070	\$536,560
Investment income	\$235,233	\$278,936	\$423,434
Gifts and donations	\$160,183	\$70,000	\$258,185
Rental of facilities	\$842,649	\$859,233	\$813,695
Net school generated funds	\$544,033	\$450,000	\$559,538
Gains on disposal of capital assets	\$6,922	\$0	\$2,856
Amortization of capital allocations	\$2,375,287	\$3,047,367	\$2,280,293
Other revenue	\$0	\$0	\$0
Total Revenues	\$56,032,300	\$56,716,634	\$53,733,908
EXPENSES			
Certificated salaries (Note 20)	\$18,805,439	\$18,827,495	\$17,660,998
Certificated benefits (Note 20)	\$5,478,870	\$5,253,852	\$4,795,962
Non-certificated salaries and wages (Note 20)	\$12,098,113	\$11,851,417	\$10,686,350
Non-certificated benefits (Note 20)	\$2,550,827	\$2,672,858	\$2,266,424
Services, contracts and supplies	\$13,993,884	\$14,662,495	\$13,486,938
Net school generated funds	\$544,033	\$450,000	\$559,538
Capital and debt services			
Amortization of capital assets			
Supported	\$2,375,287	\$3,047,367	\$2,280,293
Unsupported	\$1,296,237	\$1,211,150	\$1,231,394
Total Amortization of capital assets	\$3,671,524	\$4,258,517	\$3,511,687
Interest on capital debt			
Supported	\$334,626	\$332,090	\$524,278
Unsupported	\$1,300	\$1,217	\$1,434
Total Interest on capital debt	\$335,926	\$333,307	\$525,712
Other interest and charges	\$13,776	\$7,330	\$7,968
Losses on disposal of capital assets	\$15,455	\$1,000	\$16,393
Other expense	\$0	\$0	\$0
Total Expenses	\$57,507,847	\$58,318,271	\$53,517,970
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	(\$1,475,547)	(\$1,601,637)	\$215,938
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$1,475,547)	(\$1,601,637)	\$215,938

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	(\$1,475,547)	\$215,938
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,375,287)	(\$2,280,293)
Total amortization expense	\$3,671,524	\$3,511,687
Gains on disposal of capital assets	(\$6,922)	(\$2,856)
Losses on disposal of capital assets	\$15,455	\$16,393
Changes in:		
Accounts receivable	(\$404,873)	(\$330,501)
Prepays and other current assets	(\$4,084)	(\$22,789)
Long term accounts receivable	\$457,450	\$508,385
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$1,498,206)	(\$13,952)
Deferred revenue	\$285,044	\$496,341
Employee future benefit liabilities	(\$10,304)	(\$18,263)
Other (describe)	\$0	\$0
Total cash flows from Operations	(\$1,345,750)	\$2,080,090
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$8,700,283)	(\$11,367,691)
Equipment	(\$790,910)	(\$1,627,363)
Vehicles	(\$626,847)	(\$1,895,275)
Net proceeds from disposal of capital assets	\$18,208	\$42,881
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$10,099,832)	(\$14,847,448)
C. FINANCING ACTIVITIES		
Capital allocations	\$17,850,338	\$2,671,731
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,577,825)	(\$1,735,424)
Add back: supported portion	\$1,575,901	\$1,733,498
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$17,848,414	\$2,669,805
Net cash flows from during the year	\$6,402,832	(\$10,097,553)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/08	\$13,617,843	\$23,715,397
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$20,020,676	\$13,617,843

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: 1280

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	School & Instruction Related	Operations & Maintenance	Board & System Admin.	Transportation	External Services					
						Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2008	\$16,879,412	\$6,802,995	\$2,149,186	\$2,721,318	\$5,205,913	\$332,165	\$1,388,091	\$0	\$1,128,306	\$127,980	\$455,767	\$0	\$772,285	\$2,261,173	\$1,461,464
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
Adjusted Balance, Aug. 31, 2008	\$16,879,412	\$6,802,995	\$2,149,186	\$2,721,318	\$5,205,913	\$332,165	\$1,388,091	\$0	\$1,128,306	\$127,980	\$455,767	\$0	\$772,285	\$2,261,173	\$1,461,464
Excess (deficiency) of revenue over expenses	(\$1,475,547)		(\$1,475,547)												
Board funded capital additions		\$1,221,277	(\$33,944)	(\$120,952)	(\$1,066,381)	(\$5,816)	(\$198,527)	\$0	(\$321,630)	\$0	(\$140,490)	\$0	(\$322,466)	(\$115,136)	(\$83,268)
Disposal of unsupported capital assets	\$1	(\$26,741)	\$8,534		\$18,208		\$0		\$17,307		\$0		\$0		\$901
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		(\$3,671,524)	\$3,671,524												
Amortization of capital allocations		\$2,375,287	(\$2,375,287)												
Debt principal repayments (unsupported)		\$1,925	(\$1,925)												
Net transfers to operating reserves			(\$21,844)	\$21,844		\$0			\$16,838			\$0	\$5,006		
Net transfers from operating reserves			\$0	\$0		\$0			\$0			\$0	\$0		
Net transfers to capital reserves			(\$44,720)		\$44,720				\$29,672		\$0		\$0		\$15,048
Net transfers from capital reserves			\$0		\$0				\$0		\$0		\$0		\$0
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0
Balance at August 31, 2009	\$15,403,866	\$6,703,219	\$1,875,977	\$2,622,210	\$4,202,460	\$326,349	\$1,189,564	\$0	\$853,655	\$144,818	\$315,277	\$0	\$449,819	\$2,151,043	\$1,394,145

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	\$1,157,488	\$46,726,144
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2008	\$1,157,488	\$46,726,144
Add:		
Restricted capital allocations from: Alberta Education including school and modular project	\$17,600,754	
Other Government of Alberta	\$208,655	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$7,181	
Other capital grants and donations	\$33,748	
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		\$1,575,901
Expended capital allocations - current year	(\$8,896,763)	\$8,896,763
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$2,375,287
Balance at August 31, 2009	\$10,111,063	\$54,823,521

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

**NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

Note 1 Authority

Northland School Division No. 61 delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3 and also operates under the authority of the *Northland School Division Act*, Chapter N-5, Revised Statutes of Alberta, 2000.

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 School Division is limited on certain funding allocations and administration expenses.

Note 2 Significant Accounting Policies and Reporting Practices

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependant 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.

Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

Fees for service 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 allocations 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 with the grant.

Unrestricted donations are recognized as revenue when they are received.

(b) Capital Assets

Capital assets are recorded at cost. The cost less an estimated residual value is amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	5 to 40 years
Computers	5 years
Equipment	5 to 10 years
Vehicles	3 to 6 years

**NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

Note 2 Significant Accounting Policies and Reporting Practices continued

(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) Prepaid Expenses

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

(e) Vacation Pay

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

(f) Contributed Services

Volunteers assist schools operated by the Division in carrying out certain activities. Because of the difficulty of determining their fair value and of the fact such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

(g) Pension Obligation:

The Division participates in the Local Authorities Pension Plan. In addition, the Division's certificated employees are required to contribute to the Teachers' Retirement Fund. These pension plans are multi-employer defined benefit pension plans that provide pensions for the Division's participating employees, based on years of service and earnings.

Pension costs are disclosed as part of salaries and wages and are comprised of the amount of employer contributions required for its employees during the year, based on rates which are expected to provide for benefits payable under the Local Authorities Pension Plan, and the Province's contributions to the Teachers' Retirement Fund for the Division's certificated employees. The Division's portion of the pension plans deficits or surpluses are not recorded by the Division.

(h) 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 for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

Note 3 Cash and temporary investments

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

**NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

Note 4 Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, temporary investments, long term accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, or currency risk 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*. The Division has elected to exclude from the scope of Section 3855, "Financial Instruments, Recognition and Measurement", non-financial contracts or derivatives embedded in non-financial contracts, leases and insurance contracts.

Note 5 Other Current Assets

Other current assets consist of advances to various hot lunch programs throughout the division.

Note 6 Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. The future benefits are medical and health care benefits to be paid to employees. As at August 31, 2009, the recorded obligation is \$17,908 (2008 - \$28,212). The total expense (recovery) recorded in the financial statements is \$nil (2008 - \$319).

Note 7 Tuition Fees

Pursuant to agreements, the Minister of Indian and Northern Affairs and certain Indian Bands have agreed to pay to the Board of the Division a per capita share of the annual net operating costs of the Board for each Indian Student enrolled. The calculation of the amount recoverable from the Minister and the Bands is subject to possible future adjustments since all components of the net operating costs must be mutually agreed upon by the Minister or Bands and the Board, as required under the agreements.

Note 8 Accounts Receivable (Net after allowances)

	2009	2008
Short Term		
Province of Alberta	\$ 1,168,253	\$ 752,760
First Nations (net of allowance)	1,997,617	2,310,057
Other Federal Government	705,205	463,930
Other	428,365	367,821
Total Short Term	<u>\$ 4,299,441</u>	<u>\$ 3,894,568</u>
Long Term		
First Nations	202,307	659,757
Total Accounts Receivable	<u>\$ 4,501,748</u>	<u>\$ 4,554,325</u>

The long term portion of accounts receivable consists of outstanding tuitions owing from a First Nations band. The amount is to be repaid in instalments of \$500,000 per year for four years with the final payment due on April 15, 2011. Interest at 4.5% per annum is applied to the outstanding Amount receivable. In 2008-2009 a tuition adjustment of \$94,695 was applied.

Repayment terms were entered into in which payments on outstanding tuitions with a First Nation band are to be paid directly from Indian and Northern Affairs Canada.

**NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

Note 9 Accounts Payable and Accrued Liabilities

	2009	2008
Trade payables	\$ 2,925,641	\$ 3,389,527
Vacation payable	146,264	250,621
Holdbacks payable	808,657	1,740,593
Security deposits payable	40,075	38,102
	<u>\$ 3,920,637</u>	<u>\$ 5,418,843</u>

Note 10 Deferred Revenue

	2009	2008
Infrastructure Maintenance Renewal (Education)	\$ 1,247,221	\$ 850,469
Alberta Initiative for School Improvement	128,200	138,507
Small Class Size Funding	338,884	429,539
Other Provincial Revenue	401,801	334,619
Donations & other deferred	56,032	133,660
	<u>\$ 2,172,138</u>	<u>\$ 1,887,094</u>

Note 11 Commitments

Building Projects

The jurisdiction is committed to further capital expenditures for the addition of the following schools (in millions):

Anzac School	\$11.6
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It is anticipated that the costs for the Anzac School will be fully funded by the capital allocations from Alberta Education.

Lease Obligations

The Division leases certain buildings and office equipment under operating leases. The future minimum lease payments under operating leases are as follows:

2010	\$226,718
2011	178,147
2012	118,304
2013	66,641
2014	46,699
	<u>\$636,509</u>

Note 12 Bank Indebtedness

The jurisdiction has negotiated a line of credit in the amount of \$1,500,000 that bears interest at the bank prime rate minus ¼ percent. The line of credit is secured by a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2009.

**NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

Note 13 Long-term Debt

The school division has issued the following debentures to the Alberta Capital Finance Authority (A.C.F.A.) to finance purchase of land, school buildings and some residences having a carrying value of \$15,993,593. The interest rates on these debentures range from 7^{3/4}% to 12%.

	2009	2008
Total debentures owing to A.C.F.A - Supported	\$ 2,206,233	\$ 3,782,133
- Unsupported	9,623	11,548
	<u>\$ 2,215,856</u>	<u>\$ 3,793,681</u>
Less due within one year - Supported	\$ 1,078,913	\$ 1,575,901
- Unsupported	1,925	1,925
	<u>1,080,838</u>	<u>1,577,826</u>
Long term portion	1,135,018	2,215,855
	<u>\$ 2,215,856</u>	<u>\$ 3,793,681</u>

Principal & interest repayments required during each of the next five fiscal years are as follows:

Year	Principal	Interest	Total
2009-2010	1,080,838	173,988	1,254,826
2010-2011	638,103	79,874	717,977
2011-2012	238,222	41,079	279,301
2012-2013	129,347	23,626	152,973
2013-2014 - maturity	129,346	9,178	138,524

Principal repayments and interest on the above debentures, with the exception of 5 debentures totaling \$9,623 as at August 31, 2009, (2008 - \$11,548) are funded by Alberta Finance.

The fair value of these debentures made under the authority of the *Alberta Capital Finance Authority Act* are not reported due to there being no organized financial market for the instruments and it is not practicable within the constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Note 14 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.

Note 15 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.

**NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

Note 16 Pension Costs

The pension expense recorded in these financial statements is equivalent to the Division's annual contributions payable of \$501,436 for the year ended August 31, 2009 (2008 - \$441,699).

The Division has also recorded in these financial statements contributions made by Alberta Education to the Teachers' Retirement Fund in the amount of \$3,269,808 for the year ending August 31, 2009 (2008- \$2,782,412).

As of December 31, 2008 the Local Authorities Pension Plan reported a deficit of \$4,413,971 (2007 deficit of - \$1,183,334). At August 31, 2008 the Teachers' Retirement Fund reported a deficit of \$1,184,511 (2007 - \$7,008,275).

Note 17 Related Party Transactions

The School Division is controlled by the Government of Alberta and is accounted for on a modified equity basis in the Government of Alberta's financial statements. Northland School Division had the following related party transactions with the Government of Alberta.

	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Government of Alberta				
Education	\$1,025,082	\$12,219,004	\$32,894,576	\$ -
Finance	235,413		334,708	-
Other	2,296	9,265	73,278	2,500
Other				
Alberta Health Services			748,439	753,116
Post-Secondary institutions			-	40,836
Other school jurisdictions			-	595,342
Total - 2009	<u>\$ 1,262,791</u>	<u>\$12,228,269</u>	<u>\$34,051,001</u>	<u>\$1,391,794</u>
Total - 2008	<u>\$ 752,760</u>	<u>\$ 2,660,325</u>	<u>\$29,040,334</u>	<u>\$ 556,950</u>

Note 18 Budget Amounts

The budget was prepared by the Division's management with Board of Trustees approval given on June 14, 2008.

Note 19 Economic Dependence on Related Third Party

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

**NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

Note 20 Remuneration and Monetary Incentives

Northland School Division has 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:

	FTEs	Remuneration	Benefits	ERIP's / Other	Expenses
Chairperson:					
Noskey, Steve	1.00	\$40,635	\$2,137		\$46,068
Other Board Members:					
Halabisky, Belinda	0.11	\$0	\$9		\$214
Alook, James	1.00	\$6,645	\$298		\$5,640
Janvier, Gordon	0.11	\$0	\$7		\$604
Nokohoo, Jules	0.56	\$1,245	\$49		\$1,266
Jacobs, Marilyn	0.22	\$615	\$28		\$736
Karakuntie, Joe	0.22	\$450	\$51		\$422
Wogan, Cheryl	1.00	\$8,285	\$367		\$7,607
Peters, Paul	0.22	\$420	\$9		\$408
Cardinal, Julia	0.67	\$4,385	\$194		\$2,315
Bartman, Shelley	0.78	\$2,295	\$85		\$3,225
Cardinal, Jeanne	0.33	\$1,345	\$55		\$1,426
Cardinal, Inier	0.89	\$8,525	\$388		\$9,603
Gullion, Elmer	0.89	\$8,600	\$392		\$9,939
Shaw, Ken	0.11	\$0	\$9		\$116
Guild, Robin	1.00	\$6,155	\$249		\$4,934
Prinz, Victor	0.22	\$1,800	\$78		\$1,453
Boskoyous, Sandra	0.11	\$0	\$9		\$454
Taron, Shayne	0.22	\$1,200	\$52		\$1,101
Alook, Ivan	1.00	\$4,635	\$193		\$5,190
Moberly, Mike	0.11	\$450	\$18		\$215
Tremblay, Wendy	0.11	\$0	\$10		\$609
Cardinal, Clifford	0.66	\$4,050	\$167		\$3,317
Tupper, Ken	0.56	\$3,450	\$147		\$4,236
Finch, Nadine	0.22	\$690	\$32		\$982
Anderson, Wayne	0.00	\$0	\$15		\$671
Grach, Ernie	0.89	\$7,695	\$359		\$6,182
Chalifoux, Jeff	1.00	\$7,385	\$317		\$7,159
Noskey, Chris	0.89	\$12,335	\$608		\$2,312
McGillivray, Lorraine	1.00	\$9,200	\$411		\$12,144
Haggerty, Violet	0.33	\$2,010	\$92		\$1,957
Mcdonald, Rachele	0.67	\$5,065	\$217		\$6,474
Polege-Aulotte, Diahann	0.78	\$5,400	\$228		\$6,279
Klassen, Shirley	0.33	\$3,225	\$149		\$713
Supernault, Harry	0.33	\$1,125	\$33		\$1,053
Lepine, Gwen	0.11	\$0	\$9		\$630
Denney, Virginia	0.11	\$0	\$38		
Subtotal	18.76	\$159,315	\$7,510	\$0	\$157,654
Superintendent:					
Ramrattan, Annette	1.00	\$145,705	\$7,212		\$16480
De Paola Pier	.75	\$103,835	\$4,942		\$30,206
Secretary/Treasurer:					
Guindon, Michel	1.00	\$124,379	\$20,156		\$12,119
Walsh, Dennis	.04	\$4,801	\$567		\$2,141
Certificated Salaries	225.41	\$18,805,439	\$5,478,870	\$0	
Uncertificated Salaries	339.55	\$12,098,113	\$2,550,827	\$0	
TOTALS	564.96	\$30,903,552	\$8,029,697	\$0	\$172,532

**NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

Board members with less than 1 Full Time Equivalent as indicated above had served on the corporate board for part of the fiscal year.

Note 21 Contingency Notes

Residential Schools

A number of claims have been filed against the Government of Canada. The Division has been named as a third party with the Government in these claims in regards to programs offered by the Division from the early 1960's to the early 1970's. In one of the claims the division has been named as a defendant. The Division has entered into an indemnity agreement in which the Province of Alberta has agreed to indemnify Northland School Division for these claims and related costs incurred.

East Prairie and Peavine Schools

The Division operates a school that was built on land within the East Prairie Métis Settlement. The Division and the Settlement Council have not agreed to the terms of a long-term lease for the land. The Settlement Council cannot enter into a lease agreement for more than 10 years without passing a bylaw that must be approved by a majority of members of the Settlement.

The Division has built a school on land currently titled to a member of the Peavine Métis Settlement. The school is complete, but not operational. The Peavine Settlement Council has not obtained title to the property and therefore cannot enter into a long-term lease agreement with the Division. The Settlement Council cannot enter into a lease agreement for more than 10 years without passing a bylaw that must be approved by a majority of members of the Settlement.

The book values of the East Prairie and Peavine schools are \$6.7 million \$12.5 million respectively. It is unlikely that the Division will lose control over, or future use of, the schools.

Note 22 Presentation of Comparative Information

The comparative figures have been reclassified where necessary to conform to the 2008 presentation.

Note 23 Approval of Financial Statements

These financial statements were prepared by management and approved by the Board of Trustees on February 18, 2010.

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

Northland School Division No. 61

Legal Name of School Jurisdiction

Bag 1400, 9809 - 77th Avenue, Peace River, AB T8S 1V2

Mailing Address

Telephone (780) 624-2060 Fax (780) 624-5914

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

Dennis Walsh

Name

"DATED AND SIGNED ELECTRONICALLY"

Signature

20-Jan-10

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: _____

1280

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	\$1,236,449	\$22,174,269	\$3,263,410	\$2,958,173	\$457,023	\$3,119,963	\$33,229,287
(2) Other - Government of Alberta	\$0	\$73,277	\$0	\$0	\$0	\$0	\$73,277
(3) Federal Government and First Nations	\$770,376	\$11,313,103	\$3,067,568	\$965,863	\$1,149,549	\$82,497	\$17,348,956
(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	\$0	\$0	\$0	\$0	\$0	\$0
(8) Transportation fees-ECS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9) Transportation fees-Grades 1-12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10) Other sales and services	\$0	\$228,109	\$54,536	\$6,873	\$8,687	\$918,268	\$1,216,473
(11) Investment income	\$0	\$209,226	\$12,916	\$0	\$0	\$13,091	\$235,233
(12) Gifts and donations	\$0	\$160,183	\$0	\$0	\$0	\$0	\$160,183
(13) Rental of facilities	\$0	\$0	\$8,800	\$0	\$0	\$833,849	\$842,649
(14) Net school generated funds	\$0	\$544,033	\$0	\$0	\$0	\$0	\$544,033
(15) Gains on disposal of capital assets	\$0	\$6,922	\$0	\$0	\$0	\$0	\$6,922
(16) Amortization of capital allocations	\$0	\$161,545	\$2,105,284	\$0	\$0	\$108,458	\$2,375,287
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$2,006,825	\$34,870,667	\$8,532,514	\$3,930,909	\$1,615,259	\$5,076,126	\$56,032,300
EXPENSES							
(19) Certificated salaries	\$1,079,482	\$17,555,491	\$0	\$0	\$170,466	\$0	\$18,805,439
(20) Certificated benefits	\$126,819	\$5,345,028	\$0	\$0	\$7,023	\$0	\$5,478,870
(21) Non-certificated salaries and wages	\$765,345	\$5,398,882	\$2,434,771	\$804,651	\$1,024,633	\$1,679,831	\$12,098,113
(22) Non-certificated benefits	\$158,871	\$1,163,912	\$518,684	\$153,300	\$201,440	\$354,620	\$2,550,827
(23) SUB - TOTAL	\$2,130,517	\$29,453,313	\$2,953,455	\$957,951	\$1,403,562	\$2,034,451	\$38,933,249
(24) Services, contracts and supplies	\$149,004	\$4,781,053	\$2,602,997	\$2,464,677	\$1,323,332	\$2,672,821	\$13,993,884
(25) Net school generated funds	\$0	\$544,033	\$0	\$0	\$0	\$0	\$544,033
(26) Amortization of capital assets	\$0	\$585,947	\$2,262,717	\$321,072	\$163,250	\$338,538	\$3,671,524
(27) Interest and charges	\$0	\$1,619	\$290,180	\$0	\$12,071	\$45,832	\$349,702
(28) Losses on disposal of capital assets	\$0	\$0	\$0	\$896	\$651	\$13,908	\$15,455
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$2,279,521	\$35,365,965	\$8,109,349	\$3,744,596	\$2,902,866	\$5,105,550	\$57,507,847
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$272,696)	(\$495,298)	\$423,165	\$186,313	(\$1,287,607)	(\$29,424)	(\$1,475,547)

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

Unexpended SGF - Opening Balance August 31, 2008 (Note 1)			\$526,421
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$332,487	\$169,315	\$163,172
Student fees (Non-Instructional) (Note 1)	\$0	\$0	\$0
Donations and grants to schools	\$356,948	\$0	\$356,948
Other (describe):	\$0	\$0	\$0
Net Additions to SGF	\$689,435	\$169,315	\$520,120
Net SGF Available			\$1,046,541
Uses of Net School Generated Funds:			
Extra-curricular activities			\$385,984
Field Trips			\$158,049
Other (describe):			\$0
Total Uses of Net SGF (Note 2)			\$544,033
Unexpended SGF - Closing Balance August 31, 2009 (Note 3)			\$502,508

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	\$1,503,307	\$550,450	\$0	\$0	\$381,014		\$2,434,771		\$2,434,771
Uncertificated benefits	\$337,643	\$181,041	\$0	\$0	\$0		\$518,684		\$518,684
Sub-total Remuneration	\$1,840,950	\$731,491	\$0	\$0	\$381,014		\$2,953,455		\$2,953,455
Supplies and services	\$187,128	\$803,595	\$0	\$287,154	\$116,864		\$1,394,741		\$1,394,741
Electricity			\$493,799				\$493,799		\$493,799
Natural Gas/Heating Fuel			\$558,556				\$558,556		\$558,556
Sewer and Water			\$70,336				\$70,336		\$70,336
Telecommunications			\$29,487				\$29,487		\$29,487
Insurance					\$56,078		\$56,078		\$56,078
Amortization of capital assets									
Supported								\$2,105,284	\$2,105,284
Unsupported						\$157,433	\$157,433		\$157,433
Total Amortization						\$157,433	\$157,433	\$2,105,284	\$2,262,717
Interest on capital debt									
Supported								\$290,180	\$290,180
Unsupported				\$0			\$0		\$0
Other interest charges							\$0		\$0
Losses on disposal of capital assets							\$0		\$0
TOTAL EXPENSES	\$2,028,078	\$1,535,086	\$1,152,178	\$287,154	\$553,956	\$157,433	\$5,713,885	\$2,395,464	\$8,109,349
SQUARE METRES									
School Buildings									0.0
Non School Buildings									0.0

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.