

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010**
[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

11-Jan-11

Board-approved Release Date

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Shoemaker, Viney & Friesen

CHARTERED ACCOUNTANTS

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:

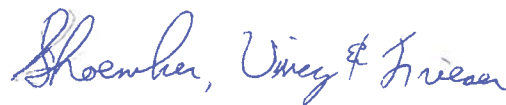
We have audited the statement of financial position of Northern Gateway Regional Division No. 10 as at August 31, 2010, and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of 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, 2010, 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
January 6, 2011



CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
as at August 31, 2010

(in dollars)

		2010	2009 (Note)
ASSETS			
Current assets			
Cash and temporary investments	(Note 3)	\$16,085,894	\$17,331,091
Accounts receivable (net after allowances)	(Note 4)	\$1,340,484	\$1,153,548
Prepaid expenses	(Note 2(g))	\$12,740	\$100,097
Other current assets		\$0	\$0
Total current assets		\$17,439,119	\$18,584,736
School generated assets			
Trust assets	(Note 9)	\$173,549	\$193,070
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets (Note 5)			
Land		\$2,362,357	\$2,451,263
Construction in Progress		\$0	\$0
Buildings	\$84,083,065		
Less: accumulated amortization	(\$25,755,341)	\$58,327,724	\$50,548,039
Equipment	\$4,642,090		
Less: accumulated amortization	(\$3,096,239)	\$1,545,850	\$1,670,371
Vehicles	\$3,562,609		
Less: accumulated amortization	(\$2,299,948)	\$1,262,661	\$1,202,126
Total capital assets		\$63,498,592	\$55,871,799
TOTAL ASSETS		\$82,102,930	\$75,542,538
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities	(Note 7)	\$1,573,734	\$1,608,638
Deferred revenue	(Note 8)	\$1,703,580	\$1,419,530
Deferred capital allocations	(Note 11)	\$3,773,593	\$6,889,804
Current portion of long term debt		\$538,915	\$643,880
Total current liabilities		\$7,589,822	\$10,561,852
School generated liabilities			
Trust liabilities	(Note 9)	\$173,549	\$193,070
Employee future benefit liabilities		\$0	\$0
Long term debt (Note 10)			
Supported: Debentures and other supported debt		\$2,492,992	\$3,126,775
Less: Current portion		(\$528,818)	(\$633,783)
Unsupported: Debentures and Capital Loans		\$2,586,664	\$44,193
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)	\$54,043,099	\$46,403,214
Total long term liabilities		\$59,749,059	\$50,016,305
TOTAL LIABILITIES		\$67,338,881	\$60,578,157
NET ASSETS			
Unrestricted net assets		\$489,460	\$489,459
Operating Reserves		\$6,319,592	\$6,514,803
Accumulated Operating Surplus (Deficit)		\$6,809,052	\$7,004,262
Investment in capital assets		\$6,928,433	\$6,297,595
Capital Reserves		\$1,026,564	\$1,662,474
Total Capital Funds		\$7,954,997	\$7,960,069
Total net assets		\$14,764,049	\$14,964,331
TOTAL LIABILITIES AND NET ASSETS		\$82,102,930	\$75,542,488

Note: Please input "(Restated)" in 2009 column heading where comparatives are not taken from the finalized 2008-2009 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2010
(in dollars)

	Actual 2010	Budget 2010 (Note)	Actual 2009 (Note)
REVENUES			
Government of Alberta	\$52,124,270	\$52,132,107	\$51,721,910
Federal Government and First Nations	\$1,800,916	\$1,554,516	\$1,889,571
Other Alberta school authorities	\$10,500	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$543,753
Instruction resource fees	\$257,825	\$303,902	\$352,261
Transportation fees	\$45,342	\$110,000	\$45,826
Other sales and services	\$131,581	\$227,501	\$92,693
Investment income	\$37,716	\$75,000	\$116,022
Gifts and donations	\$0	\$0	\$0
Rental of facilities	\$0	\$0	\$62,352
Gross school generated funds	\$2,192,662	\$1,068,466	\$720,322
Gains on disposal of capital assets	\$18,453	\$0	\$38,351
Amortization of capital allocations	\$1,908,804	\$1,892,326	\$1,882,954
Other revenue	\$0	\$0	\$8,920
Total Revenues	\$58,528,069	\$57,363,818	\$57,474,935
EXPENSES			
Certificated salaries	\$26,614,580	\$26,677,200	\$25,874,780
Certificated benefits	\$2,772,235	\$2,760,287	\$2,718,883
Non-certificated salaries and wages	\$8,229,303	\$7,954,934	\$8,553,425
Non-certificated benefits	\$1,965,291	\$1,932,104	\$1,912,386
Services, contracts and supplies	\$13,778,536	\$16,526,565	\$13,537,017
Gross school generated funds	\$2,192,665	\$1,068,466	\$720,322
Capital and debt services			
Amortization of capital assets			
Supported	\$1,908,804	\$1,892,326	\$1,882,954
Unsupported	\$748,397	\$739,632	\$906,074
Total Amortization of capital assets	\$2,657,201	\$2,631,958	\$2,789,028
Interest on capital debt			
Supported	\$289,731	\$287,391	\$359,310
Unsupported	\$3,834	\$3,834	\$4,719
Total Interest on capital debt	\$293,565	\$291,225	\$364,029
Other interest and charges	\$699	\$0	\$916
Losses on disposal of capital assets	\$4,984	\$0	\$0
Other expense	\$0	\$0	\$0
Total Expenses	\$58,509,059	\$59,842,739	\$56,470,786
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$19,010	(\$2,478,921)	\$1,004,149
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$19,010	(\$2,478,921)	\$1,004,149

Note: Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statements filed with Alberta Education. Budget 2010 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2010

(in dollars)

	2010	2009 (Note)
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	\$19,010	\$1,004,149
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,908,804)	(\$1,882,954)
Total amortization expense	\$2,657,201	\$2,789,028
Gains on disposal of capital assets	(\$18,453)	(\$38,351)
Losses on disposal of capital assets	\$4,984	\$0
Changes in:		
Accounts receivable	(\$186,936)	(\$246,113)
Prepays and other current assets	\$87,357	\$334,627
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$34,904)	\$1,040,232
Deferred revenue	\$284,050	(\$83,944)
Employee future benefit liabilities	\$0	(\$738)
Other (describe)	\$0	\$0
Total cash flows from Operations	\$903,504	\$2,915,936
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	(\$448,552)
Buildings	(\$9,909,997)	(\$1,098,916)
Equipment	(\$322,369)	(\$474,256)
Vehicles	(\$326,547)	(\$85,870)
Net proceeds from disposal of capital assets	\$69,046	\$443,825
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$10,489,867)	(\$1,663,769)
C. FINANCING ACTIVITIES		
Capital allocations	\$5,798,694	\$7,355,858
Issue of long term debt	\$2,552,573	\$0
Repayment of long term debt	(\$643,885)	(\$732,990)
Add back: supported portion	\$633,784	\$722,893
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$8,341,166	\$7,345,761
Net cash flows from during the year	(\$1,245,197)	\$8,597,928
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$17,331,091	\$8,733,163
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$16,085,894	\$17,331,091

Note: Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2010**

School Jurisdiction Code: 2275

(in dollars)

	(1)	(2)	(3)	(4)	(5)	INTERNALLY RESTRICTED NET ASSETS						(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, 2009	\$14,964,331	\$6,297,595	\$489,459	\$6,514,803	\$1,662,474	\$5,523,225	\$46,847	(\$20,507)	\$1,044,597	\$753,961	\$407,992	\$254,708	\$163,039	\$3,416	\$0
Prior period adjustments (describe)															
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2009	\$14,964,331	\$6,297,595	\$489,459	\$6,514,803	\$1,662,474	\$5,523,225	\$46,847	(\$20,507)	\$1,044,597	\$753,961	\$407,992	\$254,708	\$163,039	\$3,416	\$0
Excess (deficiency) of revenues over expenses	\$19,010		\$19,010												
Board funded capital additions		\$1,644,007	\$0	(\$1,644,007)	\$0	(\$124,487)	\$0	(\$317,767)	\$0	(\$1,013,136)	\$0	(\$188,617)	\$0	\$0	\$0
Disposal of unsupported capital assets	(\$219,292)	(\$274,869)	(\$13,469)		\$69,046		\$0		\$69,046		\$0		\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$2,657,201)	\$2,657,201												
Amortization of capital allocations		\$1,908,804	(\$1,908,804)												
Debt principal repayments (unsupported)		\$10,097	(\$10,097)												
Net transfers to operating reserves			(\$1,742,955)	\$1,742,955		\$0		\$1,037,979		\$704,977		\$0		\$0	
Net transfers from operating reserves			\$294,159	(\$294,159)		(\$110,562)		\$0		\$0		(\$180,181)		(\$3,416)	
Net transfers to capital reserves			(\$17)		\$17		\$0		\$17		\$0		\$0		\$0
Net transfers from capital reserves			\$704,973		(\$704,973)		\$0		(\$541,934)		\$0		(\$163,039)		\$0
Assumption/transfer of other operations' net assets	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Balance at August 31, 2010	\$14,764,049	\$6,928,433	\$489,460	\$6,319,592	\$1,026,564	\$5,288,176	\$46,847	\$699,705	\$571,726	\$445,802	\$407,992	(\$114,090)	\$0	\$0	\$0

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2010
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2009	\$6,889,804	\$46,403,214
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2009	\$6,889,804	\$46,403,214
Add:		
Restricted capital allocations from:		
Alberta Education including school and modular projects	\$5,774,872	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$23,823	
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		\$633,784
Expended capital allocations - current year	(\$8,914,905)	\$8,914,905
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,908,804
Balance at August 31, 2010	\$3,773,593	\$54,043,099

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

NORTHERN GATEWAY REGIONAL DIVISION NO. 10

NOTES TO THE FINANCIAL STATEMENT

ENDING AUGUST 31, 2010

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 \$ 581,929 for the year ended August 31, 2010 (2009 - \$544,166). At December 31, 2009, the Local Authorities Pension Plan reported a deficiency of \$3,998,614,000 (2008, a deficiency of \$4,413,971,000). In 2010, the Province recorded a liability of \$314,000,000 (2009 - \$186,000,000) for its portion of the unfunded pension obligation related to organizations controlled by the Province.

f) Inventories

The Regional Division expenses all items under \$5000 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 (2) (d) 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) 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

	2010			2009		
	Average Effective (Market) Yield	Cost	Fair Value	Average Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	-	\$16,085,894	\$0	-	\$17,331,041	\$0
Fixed-income securities						
Government of Canada, direct and guaranteed	%	0	0	%	0	0
Provincial, direct and guaranteed	%	0	0	%	0	0
Corporate	%	0	0	%	0	0
Municipal	%	0	0	%	0	0
Pooled investment funds	%	0	0	%	0	0
Total fixed-income securities	%	<u>0</u>	<u>0</u>	%	<u>0</u>	<u>0</u>
Total cash and temporary investments	%	<u>\$16,085,894</u>	<u>\$0</u>	%	<u>\$17,331,041</u>	<u>\$0</u>

Please refer to Note 2 (i).

4. ACCOUNTS RECEIVABLE

	2010	2009
Alberta Education	\$0	\$0
Alberta Finance	\$147,098	\$547,418
Federal Government	\$391,492	\$206,780
First Nations	\$463,936	\$269,025
Other Alberta School Jurisdictions	\$28,821	\$28,821
Foundations	\$0	
Other	\$309,135	\$101,504
Total	<u>\$1,340,482</u>	<u>\$1,153,548</u>

5. TANGIBLE CAPITAL ASSETS

	Land	In Progress - Buildings	Buildings 25-40 Years	Hardware & Software 5 Years	Other Equipment 5-10 Years	Vehicles 5-10 Years	Total Aug. 31, 2010	Total Aug. 31, 2009
Estimated Useful life								
Historical cost								
September 1, 2009	\$2,451,262	\$0	\$74,404,336	\$1,486,699	\$2,928,275	\$3,266,068	\$84,536,642	\$0
Additions	0	0	9,909,997	\$13,208	309,161	\$326,547	\$10,558,914	\$0
Transfers in (out)	0	0	0	0	0	0	0	\$0
Less disposals including write-offs	(\$88,906)	0	(\$231,268)	0	(\$95,261)	(\$30,000)	(\$445,397)	\$0
August 31, 2010	\$2,362,356	\$0	\$84,083,065	\$1,499,907	\$3,142,175	\$3,562,615	\$94,650,159	\$84,536,642
Accumulated amortization								
September 1, 2009	-	-	\$23,856,297	\$658,213	\$2,086,390	\$2,063,942	\$28,664,842	\$0
Amortization expense	-	-	1,999,866	92,759	310,545	254,006	2,657,176	\$0
Transfers in (out)	-	-	(\$100,822)	0	(\$51,684)	(\$18,000)	(\$170,528)	\$0
Effect of disposals	-	-	0	0	0	0	0	0
August 31, 2010	-	-	\$25,755,341	\$750,972	\$2,345,251	\$2,299,948	\$31,151,490	\$28,664,842
Net Book Value at August 31, 2010	<u>\$2,362,356</u>	<u>\$0</u>	<u>\$58,327,724</u>	<u>\$748,935</u>	<u>\$796,924</u>	<u>\$1,262,667</u>	<u>\$63,498,592</u>	<u>\$55,871,800</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 a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2010.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2010	2009
Alberta Education	\$8,168	\$94,954
Alberta Finance	0	0
Federal Government	\$86,278	\$86,278
First Nations	0	0
Other Alberta School Jurisdictions	0	0
Other Trade Payables and Accrued Liabilities	\$1,479,288	\$1,427,406
Total	\$1,573,734	\$1,608,638

8. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2009	ADD: 2009/2010 Restricted Funds Received/ Receivable	DEDUCT: 2009/2010 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2009/2010 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2010
Alberta Education Restricted Operational Funding:	\$0	\$0	\$0	\$0	\$0
Alberta Initiative for School Improvement	\$127,846	\$731,014	\$766,002	\$0	\$92,857
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal	\$777,425	\$1,230,413	\$849,633	\$0	\$1,158,204
Institutional Education Programs	\$0	\$0	\$0	\$0	\$0
Portable/Modular Unit Relocation	\$47,683	\$0	\$47,683	\$0	\$0
Regional Consortium	\$0	\$0	\$0	\$0	\$0
Regional Educational Consulting Services	\$0	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$304,849	\$2,132,851	\$1,999,701	\$0	\$438,001
Student Health Initiative (School Authorities)	\$12,086	\$0	\$12,086	\$0	\$0
One to One Mobility	\$32,597		\$26,051		\$6,544
SuperNet Service	\$0	\$0	\$0	\$0	\$0
Other Alberta Education deferred revenue	\$0	\$0	\$0	\$0	\$0
Other Government of Alberta Restricted Funding:	\$0	\$0	\$0	\$0	\$0
School Concept Studies	\$79,524	\$0	\$79,524	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Other Deferred Revenue:	\$0	\$0	\$0	\$0	\$0
Percy Baxter	\$37,520	\$0	\$37,520	\$0	\$0
Prepaid Transportation Fees	\$0	\$7,972	\$0	\$0	\$7,972
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Total	\$1,419,530	\$4,102,250	\$3,818,200	\$0	\$1,703,578

9. TRUST ASSETS AND LIABILITIES

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

	2010	2009
Deferred Salary Leave Plan	\$0	
Scholarship Trusts	\$173,549	\$193,070
Student Health Initiative Trust (SHI Banker Board)	0	0
Children and Youth with Complex Needs (Banker Board)	0	0
Other foundations (please specify)	0	0
Total	\$173,549	\$193,070

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

	Principal	Interest	Total
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	\$2,492,992	\$857,460	\$3,350,452

Unsupported Debentures and Capital Loans, Capital Leases, and Mortgages

The School Jurisdiction previously entered into debentures, in the amount of \$2,643,950. The debentures bear interest rates varying between 4.537% per annum and 9.375%. The following is a summary of principal and interest payments on related long term debt outstanding at August 31, 2010:

	Principal	Interest	Total
2010-2011	\$10,097	\$2,949	\$13,046
2011-2012	51,314	118,297	169,611
2012-2013	53,205	115,521	168,726
2013-2014	48,882	112,658	161,540
2014-2015	47,116	109,704	156,820
2015-2016	49,319	107,249	156,565
2016 to maturity	2,326,731	1,583,014	3,909,710
Total	\$2,586,629	\$2,149,389	\$4,736,018

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. COMMITMENTS

- a) Building Projects: The jurisdiction is committed to further capital expenditures for the addition/modernization at Hilltop High School of approximately \$9,079,838. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.
- b) Office Project: The jurisdiction is committed to further capital expenditures for a new division office of approximately \$5,172,422.
- c) Service Providers: As at August 31, 2010, the jurisdiction has \$989,515.20 in commitments relating to service contracts.

14. 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.
- b) The jurisdiction has been named as a defendant in a lawsuit whereby the plaintiff is seeking damages in the amount of \$175,100. As the likelihood of the outcome and potential damages, if any, ensuing from this lawsuit are not determinable at the date of reporting, no provision has been made in the financial statements for any costs associated with this lawsuit.

15. 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
2009-2010				
Government of Alberta:				
Education		\$531,402	\$50,828,100	
Infrastructure & Transportation				
Finance	\$147,098		\$289,731	
Health & Wellness				
Human Resources/Employment				
Other Gov't of Alberta departments			\$6,800	
Other:				
Health authorities				
Post-secondary institutions				
Other Alberta school jurisdictions				
Other related parties				
TOTAL 2009-2010	<u>\$147,098</u>	<u>\$531,402</u>	<u>\$52,124,631</u>	
TOTAL 2008-2009	<u>\$547,417</u>	<u>\$477,379</u>	<u>\$51,721,909</u>	

16. 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.

17. REMUNERATION AND MONETARY INCENTIVES

The Northern Gateway School Division had paid or accrued expenses for the year ended August 31, 2010 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair Muir, Judy	1.0	\$34,502	\$2,723	\$0			\$13,685
Other members	0.0	\$0	\$0	\$0			\$0
Aasland, Sharron	1.0	\$19,657	\$1,480	\$0			\$6,933
Govenlock, Jim	1.0	\$16,616	\$5,571	\$0			\$6,745
Nichol, Anne	1.0	\$28,644	\$927	\$0			\$17,570
Gilchrist, Peter	1.0	\$20,780	\$2,700	\$0			\$11,773
Preist, Kim	1.0	\$16,395	\$4,169	\$0			\$8,188
Maddigan, Barbara	1.0	\$17,519	\$4,119	\$0			\$6,806
Slemko, Terry	1.0	\$18,541	\$3,572	\$0			\$6,116
Wilcox, Maureen	1.0	\$14,756	\$3,914	\$0			\$6,549
	1.0			\$0			
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
Subtotal	10.0	\$187,411	\$29,174	\$0			\$84,365
Superintendent (1)	1.0	\$165,000	\$10,626	\$0	\$0	\$6,176	\$30,297
Superintendent (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer (1)	1.0	\$129,000	\$10,510	\$0	\$0	\$0	\$11,721
Secretary/Treasurer (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary (1)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer (1)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Teachers	303.7	\$26,449,580	\$2,761,609	\$0	\$0	\$0	
Non-certificated - Other	228.8	\$7,912,892	\$1,925,607	\$0	\$0	\$0	
TOTALS		\$34,843,883	\$4,737,527	\$0	\$0	\$6,176	

18. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on October 15, 2009. It is presented for information purposes only and has not been audited.

19. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2010 presentation.

UNAUDITED SCHEDULES

TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010
[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

11-Jan-11

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: 2275

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2009-2010

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$1,906,269	\$36,170,615	\$5,644,229	\$4,457,722	\$2,649,265	\$0	\$50,828,100
(2) Other - Government of Alberta	\$0	\$427,675	\$296,531	\$0	\$0	\$571,966	\$1,296,172
(3) Federal Government and First Nations	\$0	\$1,583,454	\$145,793	\$0	\$71,669	\$0	\$1,800,916
(4) Other Alberta school authorities	\$0	\$10,500	\$0	\$0	\$0	\$0	\$10,500
(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	\$70,600	\$187,225					\$257,825
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$45,342			\$45,342
(10) Other sales and services	\$0	\$51,115	\$0	\$78,546	\$1,720	\$200	\$131,581
(11) Investment income	\$0	\$36,325	\$904	\$487	\$0	\$0	\$37,716
(12) Gifts and donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(13) Rental of facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(14) Gross school generated funds	\$0	\$2,192,662	\$0	\$0	\$0	\$0	\$2,192,662
(15) Gains on disposal of capital assets	\$0	\$0	\$18,453	\$0	\$0	\$0	\$18,453
(16) Amortization of capital allocations	\$0	\$0	\$1,908,804	\$0		\$0	\$1,908,804
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$1,976,869	\$40,659,571	\$8,014,714	\$4,582,097	\$2,722,654	\$572,166	\$58,528,071
EXPENSES							
(19) Certificated salaries	\$814,452	\$25,383,227			\$416,525	\$376	\$26,614,580
(20) Certificated benefits	\$105,820	\$2,625,335			\$41,080	\$0	\$2,772,235
(21) Non-certificated salaries and wages	\$427,253	\$4,945,678	\$936,706	\$683,827	\$865,429	\$370,410	\$8,229,303
(22) Non-certificated benefits	\$92,458	\$1,286,789	\$207,782	\$153,794	\$132,039	\$92,429	\$1,965,291
(23) SUB - TOTAL	\$1,439,983	\$34,241,029	\$1,144,488	\$837,621	\$1,455,073	\$463,215	\$39,581,409
(24) Services, contracts and supplies	\$195,635	\$4,677,440	\$4,146,310	\$4,087,246	\$559,539	\$112,366	\$13,778,536
(25) Gross school generated funds	\$0	\$2,192,662					\$2,192,662
(26) Amortization of capital assets	\$0	\$275,173	\$2,051,252	\$230,434	\$100,342	\$0	\$2,657,201
(27) Interest and charges	\$0	\$250	\$292,722	\$449	\$843	\$0	\$294,264
(28) Losses on disposal of capital assets	\$0	\$0	\$4,984	\$0	\$0	\$0	\$4,984
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$1,635,618	\$41,386,554	\$7,639,756	\$5,155,750	\$2,115,797	\$575,581	\$58,509,056
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$341,251	(\$726,983)	\$374,958	(\$573,653)	\$606,857	(\$3,415)	\$19,015

**SCHEDULE B
SCHOOL GENERATED FUNDS (SGF) - 2009-2010**

Unexpended SGF - Opening Balance August 31, 2009 (Note 1)			\$892,933
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$1,212,111	\$705,646	\$506,465
Student fees (Non-Instructional) (Note 1)	\$333,459	\$239,769	\$93,690
Donations and grants to schools	\$224,776	\$0	\$224,776
Other (describe):	\$521,053	\$537,038	(\$15,985)
Net Additions to SGF	\$2,291,399	\$1,482,454	\$808,945
Net SGF Available			\$1,701,878
Uses of Net School Generated Funds:			
Extra-curricular activities			\$455,001
Field Trips			\$32,385
Other (describe):			\$222,822
Total Uses of Net SGF (Note 2)			\$710,208
Unexpended SGF - Closing Balance August 31, 2010 (Note 3)			\$991,670
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p>Notes:</p> <ol style="list-style-type: none"> 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 CEU-related activities are recorded as instruction resource fees, not SGF. 2 The sum of "total related expenses" and "total uses of net SGF" is reported as "gross school generated funds" in the Statement of Revenues & Expenses. 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 - 2009-2010

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	\$0	\$723,574	\$0	\$0	\$213,133		\$936,707		\$936,707
Uncertificated benefits	\$0	\$160,893	\$0	\$0	\$46,889		\$207,782		\$207,782
Sub-total Remuneration	\$0	\$884,467	\$0	\$0	\$260,022		\$1,144,489		\$1,144,489
Supplies and services	\$0	\$2,355,895	\$48,132	\$849,634	\$31,486		\$3,285,147		\$3,285,147
Electricity			\$414,072				\$414,072		\$414,072
Natural Gas/Heating Fuel			\$326,366				\$326,366		\$326,366
Sewer and Water			\$93,563				\$93,563		\$93,563
Telecommunications			\$27,161				\$27,161		\$27,161
Insurance					\$0		\$0		\$0
Amortization of capital assets									
Supported								\$1,908,804	\$1,908,804
Unsupported				\$0		\$142,448	\$142,448		\$142,448
Total Amortization				\$0		\$142,448	\$142,448	\$1,908,804	\$2,051,252
Interest on capital debt									
Supported								\$289,731	\$289,731
Unsupported				\$0		\$2,991	\$2,991		\$2,991
Other interest charges						\$0	\$0		\$0
Losses on disposal of capital assets						\$4,984	\$4,984		\$4,984
TOTAL EXPENSES	\$0	\$3,240,362	\$909,294	\$849,634	\$291,508	\$150,423	\$5,441,221	\$2,198,535	\$7,639,756
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.