

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2012 and AUGUST 31, 2013**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Northland School Division No. 61

Legal Name of School Jurisdiction

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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 Canadian Public Sector Accounting Standards 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, results of operations and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

BOARD CHAIR

<u>Dr Colln J. Kelly</u> Name	<u>"Original Signed"</u> Signature
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SUPERINTENDENT

<u>Dr. Donna S. Barrett</u> Name	<u>"Original Signed"</u> Signature
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SECRETARY-TREASURER OR TREASURER

<u>Dennis M. Walsh, C.M.A.</u> Name	<u>"Original Signed"</u> Signature
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November 25, 2013

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3
STATEMENTS OF FINANCIAL POSITION	4
STATEMENTS OF OPERATIONS	5
STATEMENTS OF CASH FLOWS	6
STATEMENTS OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)	7
STATEMENT OF REMEASUREMENT GAINS AND LOSSES	8
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS (2012 - 2013)	9
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS (2011 - 2012)	11
SCHEDULE OF CAPITAL REVENUE (2012 - 2013)	13
SCHEDULE OF CAPITAL REVENUE (2011 - 2012)	14
SCHEDULE OF PROGRAM OPERATIONS	15
NOTES TO THE FINANCIAL STATEMENTS	16

STATEMENTS OF FINANCIAL POSITION
As at (in dollars)

	August 31		September 1
	2013	2012 (Restated)	2011 (Restated)
FINANCIAL ASSETS			
Cash and cash equivalents (Note 3, part 12)	\$2,338,657	\$1,766,756	\$2,015,856
Accounts receivable (net after allowances) (Note 4)	\$4,314,487	\$5,537,168	\$6,903,882
Portfolio investments	\$0	\$0	\$0
Other financial assets (Note 5)	\$68,250	\$68,750	\$70,504
Total financial assets	\$6,721,394	\$7,372,674	\$8,990,242
LIABILITIES			
Bank indebtedness (Note 7)	\$0	\$0	\$0
Accounts payable and accrued liabilities (Note 6)	\$2,195,918	\$2,493,282	\$2,261,270
Deferred revenue (Note 10)	\$61,323,425	\$63,062,697	\$65,731,986
Employee future benefit liabilities (Note 11)	\$411,641	\$355,952	\$348,463
Other liabilities	\$0	\$0	\$0
Debt (Note 13)			
Supported: Debentures and other supported debt	\$127,422	\$254,843	\$491,140
Unsupported: Debentures and capital loans	\$1,925	\$3,849	\$5,775
Capital leases	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Total liabilities	\$64,060,331	\$66,170,623	\$68,838,634
Net financial assets (debt)	(\$57,338,937)	(\$58,797,949)	(\$59,848,392)
NON-FINANCIAL ASSETS			
Tangible capital assets (Note 8)			
Land	\$524,977	\$539,323	\$539,323
Construction in progress	\$0	\$0	\$0
Buildings	\$127,951,372		
Less: Accumulated amortization	(\$66,570,517)	\$61,380,855	\$64,455,673
Equipment	\$8,752,172		
Less: Accumulated amortization	(\$8,055,439)	\$696,733	\$725,216
Vehicles	\$7,504,317		
Less: Accumulated amortization	(\$5,437,051)	\$2,067,266	\$2,213,737
Computer Equipment	\$6,464,155		
Less: Accumulated amortization	(\$4,187,875)	\$2,276,280	(\$3,286,113)
Total tangible capital assets	\$66,946,111	\$68,385,330	\$70,128,012
Prepaid expenses	\$405,686	\$378,087	\$317,506
Other non-financial assets	\$39,267	\$39,267	\$37,019
Total non-financial assets	\$67,391,064	\$68,802,684	\$70,482,537
Accumulated surplus (Note 16)	\$10,052,128	\$10,004,736	\$10,634,145
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	\$10,052,128	\$10,004,736	\$10,634,145
Accumulated remeasurement gains (losses)	\$0	\$0	\$0
	\$10,052,128	\$10,004,736	\$10,634,145
Contractual obligations (Note 14)			
Contingent liabilities (Note 21)			

The accompanying notes and schedules are part of these financial statements.

STATEMENTS OF OPERATIONS
For the Years Ended August 31 (in dollars)

	Budget 2013	Actual 2013	Actual 2012 (Restated)
REVENUES			
Alberta Education	\$37,383,472	\$37,200,087	\$37,455,386
Other - Government of Alberta	\$28,901	\$966,929	\$1,095,583
Federal Government and First Nations	\$20,801,054	\$20,862,392	\$20,845,936
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees	\$0	\$0	\$0
Other sales and services	\$1,016,926	\$656,887	\$565,572
Investment income	\$15,000	\$10,292	\$39,891
Gifts and donations	\$180,800	\$665,555	\$693,754
Rental of facilities	\$1,052,648	\$973,522	\$1,000,651
Fundraising	\$450,000	\$251,134	\$347,164
Gains (losses) on disposal of capital assets	\$0	\$156,458	\$1,260
Other revenue	\$0	\$0	\$0
Total revenues	\$60,928,801	\$61,743,256	\$62,045,197
EXPENSES			
Instruction	\$38,800,179	\$39,872,808	\$40,504,149
Plant operations and maintenance	\$8,854,121	\$9,696,288	\$9,968,293
Transportation	\$3,894,477	\$3,721,237	\$3,753,651
Administration	\$3,773,351	\$3,233,159	\$3,173,874
External services	\$5,537,394	\$5,172,372	\$5,274,639
Total expenses	\$60,859,522	\$61,695,864	\$62,674,606
Operating surplus (deficit)	\$69,279	\$47,392	(\$629,409)

The accompanying notes and schedules are part of these financial statements.

STATEMENTS OF CASH FLOWS
For the Years Ended August 31 (in dollars)

	2013	2012 (Restated)
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$47,392	(\$629,409)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$4,802,415	\$4,134,589
Gains on disposal of tangible capital assets	(\$156,458)	(\$1,260)
Losses on disposal of tangible capital assets	\$67,735	\$33,167
Changes in:		
Accounts receivable	\$1,222,681	\$1,366,714
Prepays	(\$27,599)	(\$60,581)
Other financial assets	\$500	\$1,754
Non-financial assets	\$0	(\$2,248)
Accounts payable and accrued liabilities	(\$297,364)	\$232,012
Deferred revenue (Excluding EDCR)	(\$1,679,976)	(\$2,669,290)
Employee future benefit liabilities	\$55,689	\$7,489
Other (describe)	\$0	\$0
Total cash flows from operating transactions	\$4,035,015	\$2,412,937
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$0	\$0
Buildings	(\$2,348,644)	(\$825,216)
Equipment	(\$500,938)	(\$199,287)
Vehicles	(\$418,118)	(\$603,220)
Computer equipment	(\$242,411)	(\$810,254)
Net proceeds from disposal of unsupported capital assets	\$176,342	\$14,163
Other (describe)	\$0	\$0
Total cash flows from capital transactions	(\$3,333,769)	(\$2,423,814)
C. INVESTING TRANSACTIONS		
Changes in portfolio investments	\$0	\$0
Remeasurement gains (losses) reclassified to the statement of operations	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from investing transactions	\$0	\$0
D. FINANCING TRANSACTIONS		
Issue of debt	\$0	\$0
Repayment of debt	(\$129,345)	(\$238,223)
Other (describe)	\$0	\$0
Total cash flows from financing transactions	(\$129,345)	(\$238,223)
Increase (decrease) in cash and cash equivalents	\$571,901	(\$249,100)
Cash and cash equivalents, at beginning of year	\$1,766,756	\$2,015,856
Cash and cash equivalents, at end of year	\$2,338,657	\$1,766,756

The accompanying notes and schedules are part of these financial statements.

STATEMENTS OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
For the Years Ended August 31 (in dollars)

	2013	2012
<u>Operating surplus (deficit)</u>	\$47,392	(\$629,409)
<u>Effect of changes in tangible capital assets</u>		
<u>Aquisition of tangible capital assets</u>	(\$3,510,111)	(\$2,437,977)
<u>Amortization of tangible capital assets</u>	\$4,802,415	\$4,134,589
<u>Net carrying value of tangible capital assets disposed of</u>	\$146,915	\$46,071
<u>Write-down carrying value of tangible capital assets</u>	\$0	\$0
Total effect of changes in tangible capital assets	\$1,439,219	\$1,742,683
<u>Changes in:</u>		
<u>Prepaid expenses</u>	(\$27,599)	(\$60,581)
<u>Other non-financial assets</u>	\$0	(\$2,250)
<u>Net remeasurement gains and (losses)</u>	\$0	\$0
<u>Endowments</u>	\$0	\$0
Increase (decrease) in net financial assets (net debt)	\$1,459,012	\$1,050,443
Net financial assets (net debt) at beginning of year	(\$58,797,949)	(\$59,848,392)
Net financial assets (net debt) at end of year	(\$57,338,937)	(\$58,797,949)

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2013 (in dollars)

	2013
Opening accumulated remeasurement gains and (losses) upon adoption on September 1, 2012	\$0
Unrealized gains (losses) attributable to:	
Portfolio investments	\$0
Other	\$0
Amounts reclassified to the statement of operations:	
Portfolio investments	\$0
Other	\$0
Net remeasurement gains (losses) for the year	\$0
Accumulated remeasurement gains (losses) at end of year	\$0

The accompanying notes and schedules are part of these financial statements.

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2013 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED RE MEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2012	\$9,543,793	\$0	\$9,543,793	\$8,912,348	\$0	(\$685,901)	\$0	\$1,297,348
Prior period adjustments:								
Employee Future Benefits	(\$10,215)	\$0	(\$10,215)	\$0	\$0	(\$10,215)	\$0	\$0
Deferred Revenues	\$802,079	\$0	\$802,079	\$0	\$0	\$802,079	\$0	\$0
Expended Deferred Capital Revenue	(\$330,921)	\$0	(\$330,921)	(\$330,921)	\$0	\$0	\$0	\$0
Allocation of Prior Year Capital Additions	\$0	\$0	\$0	\$35,081	\$0	(\$35,081)	\$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, 2012	\$10,004,736	\$0	\$10,004,736	\$8,616,508	\$0	\$90,882	\$0	\$1,297,348
Operating surplus (deficit)	\$47,392		\$47,392			\$47,392		
Board funded tangible capital asset additions				\$1,544,560		(\$1,410,296)	\$0	(\$134,264)
Disposal of unsupported tangible capital assets	\$0		\$0	(\$87,619)		(\$88,722)		\$176,341
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Net remeasurement gains (losses) for the year	\$0	\$0						
Endowment expenses	\$0		\$0		\$0			
Direct credits to accumulated surplus	\$0		\$0		\$0	\$0		
Amortization of tangible capital assets	\$0			(\$4,802,415)		\$4,802,415		
Capital revenue recognized	\$0			\$3,192,543		(\$3,192,543)		
Debt principal repayments (unsupported)	\$0			\$1,924		(\$1,924)		
Externally imposed endowment restrictions	\$0				\$0	\$0	\$0	
Net transfers to operating reserves	\$0					\$0	\$0	
Net transfers from operating reserves	\$0					\$0	\$0	
Net transfers to capital reserves	\$0					\$0		\$0
Net transfers from capital reserves	\$0					\$0		\$0
Assumption/transfer of other operations' surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2013	\$10,052,128	\$0	\$10,052,128	\$8,465,499	\$0	\$247,204	\$0	\$1,339,425

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2013 (in dollars)

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		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, 2012	\$0	\$0	\$0	\$0	\$0	\$16,684	\$0	\$0	\$0	\$1,280,664
Prior period adjustments:										
Employee Future Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expended Deferred Capital Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocation of Prior Year Capital Additions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2012	\$0	\$0	\$0	\$0	\$0	\$16,684	\$0	\$0	\$0	\$1,280,664
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$134,264)
Disposal of unsupported tangible capital assets		\$0		\$120,531		\$0		\$55,810		\$0
Disposal of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Write-down of unsupported tangible capital assets		\$0		\$0		\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus										
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$0		\$0		\$0		\$0		\$0	
Net transfers to operating reserves	\$0		\$0		\$0		\$0		\$0	
Net transfers from operating reserves	\$0		\$0		\$0		\$0		\$0	
Net transfers to capital reserves		\$0		\$0		\$0		\$0		\$0
Net transfers from capital reserves		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2013	\$0	\$0	\$0	\$120,531	\$0	\$16,684	\$0	\$55,810	\$0	\$1,146,400

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED RE MEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2011	\$10,137,239	\$0	\$10,137,239	\$7,806,108	\$0	(\$2,138,752)	\$2,773,856	\$1,806,027
Prior period adjustments:								
Employee Future Benefits	(\$12,045)	\$0	(\$12,045)	\$0	\$0	(\$12,045)	\$0	\$0
Deferred Revenues	\$818,747	\$0	\$818,747	\$0	\$0	\$818,747	\$0	\$0
Expended Deferred Capital Revenue	(\$309,798)	\$0	(\$309,798)	(\$309,798)	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2011	\$10,634,145	\$0	\$10,634,145	\$7,586,312	\$0	(\$1,332,050)	\$2,773,856	\$1,806,027
Operating surplus (deficit)	(\$829,409)		(\$829,409)			(\$829,409)		
Board funded tangible capital asset additions				\$2,035,895		(\$1,239,037)	(\$123,400)	(\$673,258)
Disposal of unsupported tangible capital assets	\$0		\$0	(\$46,071)		\$31,907		\$14,164
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Net remeasurement gains (losses) for the year	\$0	\$0						
Endowment expenses	\$0		\$0		\$0			
Direct credits to accumulated surplus	\$0		\$0		\$0	\$0		
Amortization of tangible capital assets	\$0			(\$4,134,589)		\$4,134,589		
Capital revenue recognized	\$0			\$3,173,233		(\$3,173,233)		
Debt principal repayments (unsupported)	\$0			\$1,926		(\$1,926)		
Externally imposed endowment restrictions	\$0				\$0	\$0	\$0	
Net transfers to operating reserves	\$0					\$0	\$0	
Net transfers from operating reserves	\$0					\$2,650,456	(\$2,650,456)	
Net transfers to capital reserves	\$0					(\$350,415)		\$350,415
Net transfers from capital reserves	\$0					\$0		\$0
Assumption/transfer of other operations' surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2012	\$10,004,736	\$0	\$10,004,736	\$8,616,506	\$0	\$90,882	\$0	\$1,297,348

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012 (in dollars)**

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		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, 2011	\$677,351	\$458,248	\$0	(\$360,351)	\$221,748	\$80,744	\$11,913	\$148,918	\$1,862,844	\$1,278,468
Prior period adjustments:										
Employee Future Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expended Deferred Capital Revenue	\$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
Adjusted Balance, Aug. 31, 2011	\$677,351	\$458,248	\$0	(\$360,351)	\$221,748	\$80,744	\$11,913	\$148,918	\$1,862,844	\$1,278,468
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$0	(\$458,248)	\$0	\$0	\$0	(\$84,080)	\$0	(\$150,868)	(\$123,400)	(\$84)
Disposal of unsupported tangible capital assets		\$0		\$9,938		\$0		\$1,948		\$2,280
Disposal of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Write-down of unsupported tangible capital assets		\$0		\$0		\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus										
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$0		\$0		\$0		\$0		\$0	
Net transfers to operating reserves	\$0		\$0		\$0		\$0		\$0	
Net transfers from operating reserves	(\$677,351)		\$0		(\$221,748)		(\$11,913)		(\$1,739,444)	
Net transfers to capital reserves		\$0		\$350,416		\$0		\$0		\$0
Net transfers from capital reserves		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2012	\$0	\$0	\$0	\$0	\$0	\$16,884	\$0	\$0	\$0	\$1,280,684

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2013 (in dollars)

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2012	\$253,784	\$0	\$135,374	\$43,755	\$59,169,439
Prior period adjustments	\$0	\$0	\$0	\$0	\$585,764
Adjusted balance, August 31, 2012	\$253,784	\$0	\$135,374	\$43,755	\$59,755,203
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$161,095				
Infrastructure Maintenance & Renewal capital related to school facilities	\$312,752				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$298,250	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$837,891				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$0	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$7,720	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$0
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$0
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$1,548,734)		(\$118,567)	(\$298,250)	\$1,965,551
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$59,296
Capital revenue recognized					\$3,192,543
Balance at August 31, 2013	\$16,788	\$0	\$24,527	\$43,755	\$58,468,915
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2013 (A) + (B) + (C) + (D)				\$85,070	

Unexpended Deferred Capital Revenue

(A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only.

(B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.

(C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved tangible capital assets per 10 (2) (a) of Disposition of Property Reg. 181/2010.

(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

**SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2012 (in dollars)**

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2011	\$64,623	\$0	\$135,374	\$43,755	\$61,725,218
Prior period adjustments	\$0	\$0	\$0	\$0	\$800,936
Adjusted balance, August 31, 2011	\$64,623	\$0	\$135,374	\$43,755	\$62,526,154
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$255,775				
Infrastructure Maintenance & Renewal capital related to school facilities	\$0				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$130,117	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$205,551				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$0	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$0
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$0
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$272,165)	\$0	\$0	(\$130,117)	\$402,282
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognition					\$3,173,233
Balance at August 31, 2012	\$253,784	\$0	\$135,374	\$43,755	\$59,755,203
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2012 (A) + (B) + (C) + (D)				\$432,913	

Unexpended Deferred Capital Revenue

(A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only.

(B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.

(C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved tangible capital assets per 10 (2) (a) of Disposition of Property Reg. 181/2010.

(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2013 (in dollars)

REVENUES	2013						2012
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	(Restated) TOTAL
(1) Alberta Education	\$25,897,038	\$5,005,843	\$2,563,123	\$470,253	\$3,224,830	\$37,200,067	\$37,455,386
(2) Other - Government of Alberta	\$0	\$140,786	\$0	\$0	\$826,143	\$966,929	\$1,095,583
(3) Federal Government and First Nations	\$12,626,009	\$4,400,211	\$1,079,473	\$2,756,099	\$0	\$20,862,392	\$20,845,936
(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) Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8) Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9) Other sales and services	\$475,011	\$18,847	\$15,700	\$6,379	\$141,141	\$656,887	\$565,572
(10) Investment income	\$9,449	\$0	\$0	\$0	\$843	\$10,292	\$39,891
(11) Gifts and donations	\$827,825	\$37,730	\$0	\$0	\$0	\$865,555	\$893,754
(12) Rental of facilities	\$0	\$0	\$0	\$0	\$973,522	\$973,522	\$1,000,651
(13) Fundraising	\$251,134	\$0	\$0	\$0	\$0	\$251,134	\$347,104
(14) Gains on disposal of tangible capital assets	\$1	\$103,847	\$52,810	\$0	\$0	\$156,458	\$1,280
(15) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) TOTAL REVENUES	\$39,887,067	\$9,706,884	\$3,741,115	\$3,241,731	\$5,186,479	\$61,743,256	\$62,045,197
EXPENSES							
(17) Certificated salaries	\$20,583,514			\$447,553	\$0	\$21,031,067	\$21,542,953
(18) Certificated benefits	\$4,064,061			\$26,408	\$0	\$4,092,469	\$4,218,562
(19) Non-certificated salaries and wages	\$6,604,708	\$2,836,826	\$1,047,717	\$974,060	\$1,730,830	\$13,282,741	\$13,536,225
(20) Non-certificated benefits	\$1,440,691	\$636,836	\$197,774	\$259,830	\$381,513	\$2,916,643	\$2,959,078
(21) SUB - TOTAL	\$32,782,974	\$3,472,461	\$1,245,491	\$1,709,851	\$2,112,143	\$41,322,920	\$42,256,808
(22) Services, contracts and supplies	\$6,417,165	\$2,825,091	\$2,230,733	\$1,297,066	\$2,680,085	\$15,450,160	\$16,204,273
(23) Amortization of supported tangible capital assets	\$255,314	\$2,773,791	\$0	\$12,727	\$150,711	\$3,192,543	\$3,173,233
(24) Amortization of unsupported tangible capital assets	\$417,335	\$544,992	\$245,013	\$184,507	\$218,025	\$1,609,872	\$961,356
(25) Supported interest on capital debt	\$0	\$21,748	\$0	\$0	\$1,445	\$23,193	\$40,426
(26) Unsupported interest on capital debt	\$0	\$0	\$0	\$0	\$433	\$433	\$650
(27) Other interest and finance charges	\$0	\$0	\$0	\$29,008	\$0	\$29,008	\$4,690
(28) Losses on disposal of tangible capital assets	\$0	\$58,205	\$0	\$0	\$9,530	\$67,735	\$33,167
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$39,872,808	\$6,696,288	\$3,721,237	\$3,239,150	\$5,172,372	\$61,695,864	\$62,074,606
(31) OPERATING SURPLUS (DEFICIT)	\$14,259	\$10,576	\$19,878	\$6,572	(\$5,893)	\$47,392	(\$829,409)

1280 Northland School Division No. 61 BOARD AND SYSTEM ADMINISTRATION (FOR INFORMATION ONLY - NOT PART OF FINANCIAL STATEMENTS) 2012/2013 EXPENSES UNDER (OVER) MAXIMUM LIMIT	
TOTAL EXPENSES (From "Total" column of Line 30 of Schedule of Program Operations)	\$61,695,864
Enter Number of Net Enrolled Students:	2,739
Enter "C" If Charter School	
STEP 1	
Calculation of maximum expense limit percentage for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 6%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
STEP 2	
A. Calculate maximum expense limit amounts for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$3,473,786
B. Considerations for Charter Schools and Small School Boards:	
If charter schools and small school boards, The amount of Small Board Administration funding (Funding Manual Section 1.13)	\$122,883
2012/2013 MAXIMUM EXPENSE LIMIT (the greater of A or B above)	\$3,473,786
Actual Board & System Administration from Line 30 of "Schedule of Program Operations" (Board & System Administration Column)	\$3,233,159
Amount Overspent	\$0

Note 1 Authority

Northland School Division No. 61 (the Division) 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 Education Grants Regulation AR120/2008. 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 Conversion to Public Sector Accounting Standards

Commencing with the 2012/13 fiscal year, the Division has adopted Canadian Public Sector Accounting ("PSA") standards without not-for-profit provisions. These financial statements are the first financial statements for which the Division has applied PSA standards with retroactive application.

The Division has elected to use the following exemptions in accordance with CICA PSA Handbook Section 2125:

Retirement and post-employment benefits:

- a) The Division has elected to delay application of the discount rate equal to the cost of borrowing as required under Sections PS 3250.044 and 3255. The appropriate discount rate will be applied prior to September 1, 2014 in accordance with Section PS 2125.09;
- b) The Division has elected to recognize all cumulative gains and losses at September 1, 2011 (the date of transition to PSA standards) directly in accumulated surplus (deficit) per Section PS 2125.10.

Tangible capital asset impairment:

- a) The Division has elected to apply Section PS 3150.31 on a prospective basis from the date of transition per Section PS 2125.14.

Summary of significant adjustments:

Significant adjustments to the Division's financial statements resulting from the adoption of these accounting standards are as follows:

- a) Previously, the Division was not required to record an accrued benefit obligation related to sick leave benefits as the benefits do not vest. PSA standards require that a liability and an expense be recognized for post-employment benefits and compensated absences that vest or accumulate in the period in which employees render services to the Division. An adjustment was made to recognize a liability and an expense related to accumulated sick leave entitlement. The resulting increase to the liability for employee future benefits at September 1, 2011 was \$12,046. A decrease in expense of \$1,830 was recognized in the 2012 fiscal year. The liability for employee future benefits recorded at August 31, 2012 was increased by \$10,216 related to the accrual for accumulated sick leave entitlement, determined by an internal calculation.

- b) Previously, School Generated Funds were recorded as deferred revenues until the funds were expended. PSA standards require that only the portion of School Generated Funds with externally imposed restrictions are to be deferred and the School Generated Funds without externally imposed restrictions are to be recorded as revenue during the period the funds were raised. At September 1, 2011, deferred revenues were decreased by \$805,576 and accumulated surplus was increased by \$805,576 as a result of this adjustment. For the year ended August 31, 2012, revenues were increased by \$16,668, deferred revenues were decreased by \$795,049, accounts payable were increased by \$6,141 and accumulated surplus was increased by \$788,908.

- c) Under PSA standards, the future debenture payments that are to be paid by Alberta Finance and Treasury must be recorded in accounts receivable. The increase to accounts receivable and expended deferred capital revenue was \$491,140 as at September 1, 2011 and \$254,843 as at August 31, 2012.

- d) Previously, grants received for operations were recorded as revenue during the year the corresponding expenditure occurred. Under PSA standards, when assets are acquired with external funding and when there are obligations as to the use or disposal of the assets, the funding must be recognized over the life of the asset. This resulted in an increase in the expended deferred capital revenue balance and a decrease in the accumulated surplus in the amount of \$309,796 as at September 1, 2011. For the year ended August 31, 2012, revenues were decreased by \$21,125. As of August 31, 2012, the expended deferred capital revenue balance was increased by \$330,921 and the accumulated surplus was decreased by \$330,921.

- e) Under PSA standards, revenues may only be deferred when external restrictions exist as to the use of the funds. This resulted in a decrease in deferred revenues in the amount of \$13,171 as of September 1, 2011 and August 31, 2012.

NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2013

RECONCILIATION OF OPENING STATEMENT OF FINANCIAL POSITION

	September 1, 2011 Not-for-Profit	Adjustment	September 1, 2011 PSAS
FINANCIAL ASSETS			
Cash and cash equivalents / Cash and temporary investments	\$2,015,856	\$0	\$2,015,856
Accounts receivable (net after allowances)	6,412,742	491,140	6,903,882
Other financial assets	0	70,504	70,504
Other current assets	107,523	(107,523)	0
Total financial assets	\$8,536,121	\$454,121	\$8,990,242
LIABILITIES			
Bank indebtedness	\$0	\$0	\$0
Accounts payable and accrued liabilities	2,529,773	(268,503)	2,261,270
Deferred revenue	3,780,827	61,951,159	65,731,986
Deferred capital allocations	243,752	(243,752)	0
Employee future benefit liabilities	67,915	280,548	348,463
Other liabilities	0	0	0
Long term debt:			
Supported: Debentures and other supported debt	491,140	0	491,140
Unsupported: Debentures and capital loans	5,775	0	5,775
Unamortized capital allocations	61,725,218	(61,725,218)	0
Total liabilities	\$68,844,400	(\$5,766)	\$68,838,634
Net Debt	(\$60,308,279)	\$459,887	(\$59,848,392)
NON-FINANCIAL ASSETS			
Tangible capital assets:			
Land	\$539,323	\$0	\$539,323
Construction in progress	0	0	0
Buildings	125,550,516	0	125,550,516
Less: Accumulated amortization	(61,094,843)	0	(61,094,843)
Equipment	13,525,726	(5,480,176)	8,045,550
Less: Accumulated amortization	(10,606,447)	3,286,113	(7,320,334)
Vehicles	7,419,147	0	7,419,147
Less: Accumulated amortization	(5,205,410)	0	(5,205,410)
Computer Equipment	0	5,480,176	5,480,176
Less: Accumulated amortization	0	(3,286,113)	(3,286,113)
Total tangible capital assets:	70,128,012	0	70,128,012
Prepaid expenses	317,506	0	317,506
Other non-financial assets	0	37,019	37,019
Total non-financial assets	\$70,445,518	\$37,019	\$70,482,537
Total accumulated surplus	\$10,137,239	\$496,906	\$10,634,145
Accumulated surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	10,137,239	496,906	10,634,145
Accumulated re-measurement gains (losses)	0	0	0
	10,137,239	496,906	10,634,145

NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2013

RECONCILIATION OF STATEMENT OF FINANCIAL POSITION

	August 31, 2012 Not-for-Profit	Adjustment	August 31, 2012 PSAS
FINANCIAL ASSETS			
Cash and cash equivalents / Cash and temporary investments	\$1,766,755	\$0	\$1,766,755
Accounts receivable (net after allowances)	5,282,325	254,843	5,537,168
Other financial assets	0	68,750	68,750
Other current assets	108,017	(108,017)	0
Total financial assets	\$7,157,097	\$215,576	\$7,372,673
LIABILITIES			
Bank indebtedness	\$0	\$0	\$0
Accounts payable and accrued liabilities	2,765,915	(272,633)	2,493,282
Deferred revenue	3,682,800	59,379,896	63,062,696
Deferred capital allocations	432,913	(432,913)	0
Employee future benefit liabilities	66,962	288,990	355,952
Long term debt:			
Supported: Debentures and other supported debt	254,843	0	254,843
Unsupported: Debentures and capital loans	3,849	0	3,849
Other long-term liabilities	0	0	0
Unamortized capital allocations	59,169,439	(59,169,439)	0
Total liabilities	\$66,376,721	(\$206,099)	\$66,170,622
Net Debt	(\$59,219,624)	\$421,675	(\$58,797,949)
NON-FINANCIAL ASSETS			
Tangible capital assets:			
Land	\$539,323	\$0	\$539,323
Construction in progress	0	0	0
Buildings	126,375,732	0	126,375,732
Less: Accumulated amortization	(63,913,936)	0	(63,913,936)
Equipment	14,535,267	(6,221,744)	8,313,523
Less: Accumulated amortization	(11,384,516)	3,665,015	7,428,205
Vehicles	7,428,205	0	7,428,205
Less: Accumulated amortization	(5,194,745)	0	(5,194,745)
Computer Equipment	0	6,221,744	6,221,744
Less: Accumulated amortization	0	(3,665,015)	(3,665,015)
Total tangible capital assets	68,385,330	0	68,385,330
Prepaid expenses	378,087	0	378,087
Other non-financial assets	0	39,267	39,267
Total non-financial assets	\$68,763,417	\$39,267	\$68,802,684
Total accumulated surplus	\$9,543,793	\$460,942	\$10,004,735
Accumulated surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	\$9,543,793	\$460,942	\$10,004,735
Accumulated re-measurement gains (losses)	0	0	0
Total accumulated surplus	\$9,543,793	\$460,942	\$10,004,735

NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2013

RECONCILIATION OF STATEMENT OF OPERATIONS

	August 31, 2012 Not-for-Profit	Adjustment	August 31, 2012 PSAS
REVENUES			
Alberta Education	\$34,725,282	\$2,730,104	\$37,455,386
Other - Government of Alberta	0	1,095,583	1,095,583
Federal Government and First Nations	20,845,936	0	20,845,936
Other sales and services	1,748,178	(1,182,606)	565,572
Investment income	39,891	0	39,891
Gifts and donations	585,858	107,896	693,754
Rental of facilities	1,000,651	0	1,000,651
Fundraising	0	347,164	347,164
Gains (losses) on disposal of capital assets	1,260	0	1,260
Amortization of capital contributions	3,135,934	(3,135,934)	0
Other revenue	0	0	0
Total Revenues	\$62,082,990	(\$37,793)	\$62,045,197
EXPENSES			
Instruction	40,505,979	(1,830)	40,504,149
Plant operations and maintenance	9,968,293	0	9,968,293
Transportation	3,753,651	0	3,753,651
Administration	3,173,874	0	3,173,874
External services	5,274,639	0	5,274,639
Total Expenses	\$62,676,436	(\$18,307)	\$62,674,606
Operating surplus (deficit)	(\$593,446)	(\$35,963)	(\$629,409)

RECONCILIATION OF THE SCHEDULE OF EXPENSES BY OBJECT

	August 31, 2012 Not-for-Profit	Adjustment	August 31, 2012 PSAS
Certificated salaries	\$21,544,783	(1,830)	\$21,542,953
Certificated benefits	4,218,552	0	4,218,552
Non-certificated salaries and wages	13,536,225	0	13,536,225
Non-certificated benefits	2,959,078	0	2,959,078
SUB - TOTAL	\$42,258,638	(\$1,830)	\$42,256,808
Services, contracts and supplies	16,204,273	0	16,204,273
Amortization of supported tangible capital assets	3,138,632	34,601	3,173,233
Amortization of unsupported tangible capital assets	995,957	(34,601)	961,356
Supported interest on capital debt	40,429	0	40,429
Unsupported interest on capital debt	650	0	650
Other interest and finance charges	4,690	0	4,690
Losses on disposal of tangible capital assets	33,167	0	33,167
Other expense	0	0	0
TOTAL EXPENSES	\$62,676,436	(\$1,830)	\$62,674,606

Note 3 Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with the CICA Canadian Public Sector Accounting Standards (PSAS). These 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:

1. Measurement Uncertainty

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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Other significant areas requiring the use of management estimates relate to the potential impairment of assets and estimated employee future benefits.

2. Tangible Capital Assets

The following criteria applies:

- a) Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- b) Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- c) Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- d) Sites and buildings are written down to residual value when conditions indicated they no longer contribute to the ability of the Division to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue.
- e) Buildings that are demolished or destroyed are written-off.
- f) Tangible capital assets with costs in excess of \$5,000 are capitalized.

NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2013

- g) Tangible assets are amortized over their estimated useful lives on a straight line basis, at the following rates:

Buildings (masonry)	40 years
Buildings (frame)	25 years
Buildings (major modernization)	25 years
Buildings Retrofit (BQRP)	10 years
Mobile Homes	15 years
Vehicles (light duty and maintenance vans)	7 years
Vehicles (buses and 1 ton +)	12 years
Equipment	5 years
Computer Hardware and Software	5 years
Land Improvements (paving/playgrounds)	20 years

3. *Asset Retirement Obligations*

The Division has determined that it has a conditional asset retirement obligation relating to certain school sites. These obligations will be discharged in the future by funding through the Alberta Government. The Division believes that there is insufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates has not been determined and information is not available to apply an expected present value technique.

4. *Operating and Capital Reserves*

Certain amounts are internally or externally restricted for future operating or capital purposes. Transfers to and from reserves are recorded when approved by the Trustee. Capital reserves are restricted to capital purposes and may only be used for operating purposes with approval by the Minister of Education. Reserves are disclosed in the Schedule of Changes in Accumulated Surplus.

5. *Revenue Recognition*

Revenues are recorded on an accrual basis. 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.

Eligibility criteria are criteria that the Division has to meet in order to receive certain contributions. Stipulations describe what the Division must perform in order to keep the contributions. Contributions without eligibility criteria or stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity. Contributions with eligibility criteria but without stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity and all eligibility criteria have been met.

Contributions with stipulations are recognized as revenue in the period the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with Section PS 3200. Such liabilities are recorded as deferred revenue. The following items fall under this category:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year the stipulated related expenses are incurred;
- Unexpended Deferred Capital Revenue; or
- Expended Deferred Capital Revenue.

6. *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.

7. *Pensions*

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. Pension costs include the Province's direct 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.

8. *Deferred Revenue*

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per Public Sector Accounting Standard (PSAS) PS 3200. These contributions are recognized by the Division once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

Deferred revenue also includes contributions for capital expenditures, unexpended and expended:

a) *Unexpended Deferred Capital Revenue*

Unexpended Deferred Capital Revenue represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the Division, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per PS 3200 when expended.

b) *Expended Deferred Capital Revenue*

Expended Deferred Capital Revenue 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. Amortization over the useful life of the related capital asset is due

NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2013

to certain stipulations related to the contributions that require that the Division to use the asset in a prescribed manner over the life of the associated asset.

9. Employee Future Benefits

The Division provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The Division accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include accumulating sick leave, post-employment benefit continuation, and vacation. The future benefits cost is determined using management's best estimate of expected cost rates and benefit usage.

10. Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Allocation of Costs

- a) Actual salaries of personnel assigned to two or more programs are allocated based on the time spent in each program.
- b) Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- c) Supplies and services are allocated based on actual program identification.

11. Program Reporting

The Division's operations have been segmented as follows:

- a) **ECS-Grade 12 Instruction:** The provision of Early Childhood Services education and grades 1 - 12 instructional services that fall under the basic public education mandate.
- b) **Plant Operations and Maintenance:** The operation and maintenance of all school buildings and maintenance shop facilities.
- c) **Transportation:** The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facilities.
- d) **Board & System Administration:** The provision of board governance and system-based /central office administration.
- e) **External Services:** All projects, activities, and services offered outside the public education mandate for ECS children and students in grades 1-12. Services offered beyond the mandate for public education are to be self-supporting, and Alberta Education funding may not be utilized to support these programs.

The allocation of revenues and expenses are reported by program, source, and object on the Schedule of Program Operations.

12. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with maturities of three months or less from the date of acquisition. Included in this balance are the School Generated Fund bank balances totaling \$669,468 (2012 - \$784,174).

13. Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Division recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and debt. Unless otherwise noted, it is management's opinion that the Division is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

Financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of items in the cost or amortized cost upon initial recognition. The gain or loss arising from de-recognition of a financial instrument is recognized in the Statement of Operations. Impairment losses, such as write-downs or write-offs, are reported in the Statement of Operations.

Recognition, de-recognition and measurement policies followed in the financial statements for periods prior to the effective date of September 1, 2012 specified are not reversed and, therefore, the financial statements of prior periods, including the comparative information, have not been restated.

NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2013

Note 4 Accounts Receivable (Net after Allowance)

	2013			2012
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value (restated)
Alberta Education – Grants	\$54,627		\$54,627	\$104,522
Alberta Education – Capital	2,323,443		2,323,443	2,299,289
Alberta Education – Supported debentures	127,421		127,421	254,843
Other Alberta school jurisdictions	13,044		13,044	22,200
Treasury Board and Finance	5,271		5,271	10,376
Alberta Health Services	67,072		67,072	78,394
Post-secondary institutions	17,124		17,124	26,108
Federal Government	283,878	(61,333)	222,545	319,355
First nations	1,307,891	(42,893)	1,264,998	2,302,315
Other	218,942		218,942	119,766
Total	\$4,418,713	(\$104,226)	\$4,314,487	\$5,537,168

Note 5 Other Financial Assets

Other financial assets consist of advances to Hot Lunch Programs totaling \$68,250 (2012 – 68,750).

Note 6 Accounts Payable and Accrued Liabilities

	2013	2012 (restated)
Alberta Education	\$220,965	\$579,302
Alberta Capital Finance Authority (Interest on long-term debt)	5,271	10,541
Federal Government	3,989	3,989
First Nations	416,230	
Salaries & Benefit Costs	75,985	28,466
Other Trade Payables and Accrued Liabilities	1,473,478	1,870,984
Total	\$2,195,918	\$2,493,282

Note 7 Bank Indebtedness

The Division has negotiated a line of credit in the amount of \$3,000,000 (2012 - \$1,500,000) that bears interest at the bank prime rate (2012 – bears interest at the bank prime rate minus 0.25%). The line of credit is secured by a security agreement, covering all revenue of the Division. There was no balance outstanding on the line of credit at August 31, 2013.

NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2013

Note 8 Tangible Capital Assets

August 31, 2013							
	Land	Construction In Progress (Buildings)	Buildings	Equipment	Computer Hardware & Software	Vehicles	Total
Estimated useful life			10 - 40 Years	5 Years	5 Years	7 - 12 Years	
Historical cost:							
Beginning of year	\$539,323	\$0	\$126,375,732	\$8,313,523	\$6,221,744	\$7,428,205	\$148,878,527
Additions			2,348,644	500,938	242,411	418,118	3,510,111
Transfers in (out)							
Less disposals including write-offs	(14,346)		(773,004)	(62,289)		(342,006)	(1,191,645)
Total	\$524,977	\$0	\$127,951,372	\$8,752,172	\$6,464,155	\$7,504,317	\$151,196,993
Accumulated Amortization:							
Beginning of year	\$0	\$0	\$63,913,936	\$7,719,501	\$3,665,015	\$5,194,745	\$80,493,197
Additions			3,314,552	382,552	522,860	582,450	4,802,414
Transfers in (out)							
Less disposals including write-offs			(657,971)	(46,614)		(340,144)	(1,044,729)
Total	\$0	\$0	\$66,570,517	\$8,055,439	\$4,187,875	\$5,437,051	\$84,250,882
Net Book Value at End of Year	\$524,977	\$0	\$61,380,855	\$696,733	\$2,276,280	\$2,067,266	\$66,946,111

August 31, 2012 (restated)							
	Land	Construction In Progress (Buildings)	Buildings	Equipment	Computer Hardware & Software	Vehicles	Total
Estimated useful life			10 - 40 Years	5 Years	5 Years	7 - 12 Years	
Historical cost:							
Beginning of year	\$539,323	\$0	\$125,550,516	\$8,114,236	\$5,411,490	\$7,419,147	\$147,034,712
Additions			825,216	199,287	810,254	603,220	2,437,977
Transfers in (out)							
Less disposals including write-offs						(594,162)	(594,162)
Total	\$539,323	\$0	\$126,375,732	\$8,313,523	\$6,221,744	\$7,428,205	\$148,878,527
Accumulated Amortization:							
Beginning of year	\$0	\$0	\$61,094,843	\$7,376,612	\$3,229,835	\$5,205,410	\$76,906,700
Additions			2,819,093	342,889	435,180	537,426	4,134,588
Transfers in (out)							
Less disposals including write-offs						(548,091)	(548,091)
Total	\$0	\$0	\$63,913,936	\$7,719,501	\$3,665,015	\$5,194,745	\$80,493,197
Net Book Value at End of Year	\$539,323	\$0	\$62,461,796	\$594,022	\$2,556,729	\$2,233,460	\$68,385,330

NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2013

Note 9 Change in Estimate

During the year, the Division prospectively adopted new amortization rates on its property located at Gift Lake to reflect the new estimated useful life of the property. The rates were changed from ranging from 25 to 40 years straight-line to 3 years straight-line. The effect in the current year of this change in estimate was to increase accumulated amortization by \$460,300, decrease deferred revenue by \$79,300 and to decrease current year earnings by \$381,000. The effect of this change in estimate on future years is that the remaining \$1,129,449 net book value of the property will be fully amortized within 2 years rather than 25 years.

Note 10 Deferred Revenue

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2012	ADD: 2012/2013 Restricted Funds Received/ Receivable	DEDUCT: 2012/2013 Restricted Funds Expended (Paid/Payable)	ADD (DEDUCT): 2012/2013 Adjustments For Returned Funds	DEFERRED REVENUE as at Aug. 31, 2013
Unexpended deferred operating revenue					
Alberta Education:					
Alberta Initiative for School Improvement	\$285,908	\$113,211	(\$345,831)	\$0	\$53,288
Infrastructure Maintenance Renewal	811,344	428,982	(545,267)		695,059
Student Health Initiative (School Authorities)	14,538	39,055	(53,593)		0
Other Alberta Education deferred revenue	359,444	550,196	(303,193)		606,447
Other Deferred Revenue:					
School Generated Funds	7,696	57,856	(7,696)		57,856
Donations	1,395,651	665,072	(705,133)		1,355,590
Rent		1,200			1,200
Total unexpended deferred operating revenue	\$2,874,581	\$1,855,572	(\$1,960,713)	\$0	\$2,769,440
Unexpended deferred capital revenue	432,913	1,617,708	(1,965,551)		85,070
Expended deferred capital revenue	59,755,203	1,965,551	(3,251,839)		58,468,915
Total	\$63,062,697	\$5,438,831	(\$7,178,103)	\$0	\$61,323,425

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2011 (restated)	ADD: 2011/2012 Restricted Funds Received/ Receivable	DEDUCT: 2011/2012 Restricted Funds Expended (Paid/Payable)	ADD (DEDUCT): 2011/2012 Adjustments For Returned Funds	DEFERRED REVENUE as at Aug. 31, 2012 (restated)
Unexpended deferred operating revenue					
Alberta Education:					
Alberta Initiative for School Improvement	\$400,411	\$254,985	(\$369,488)	\$0	\$285,908
Infrastructure Maintenance Renewal	1,148,131	399,391	(736,178)		811,344
Student Health Initiative (School Authorities)	29,281	43,760	(58,503)		14,538
Other Alberta Education deferred revenue	586,000	1,013,164	(1,239,720)		359,444
Other Deferred Revenue:					
School Generated Funds	14,052	7,696	(14,052)		7,696
Donations	784,205	1,055,056	(443,610)		1,395,651
Total unexpended deferred operating revenue	\$2,962,080	\$2,774,052	(\$2,861,551)	\$0	\$2,874,581
Unexpended deferred capital revenue	243,752	591,443	(402,282)		432,913
Expended deferred capital revenue	62,526,154	402,282	(3,173,233)		59,755,203
Total	\$65,731,986	\$3,767,777	(\$6,437,066)	\$0	\$63,062,697

Note 11 Employee Future Benefit Liabilities

Employee future benefit liabilities consist of the following:

	2013	2012 (restated)
Accumulated sick pay liability	\$10,000	\$10,216
Vacation accrual liability	350,005	278,774
Post-employment benefits	51,636	66,962
Totals	\$411,641	\$355,952

Note 12 Pension Costs

Pension costs included in these financial statements comprise the cost of employer and Provincial contributions for current service of employees during the year. The pension expense recorded for the Local Authorities Pension Plan is equivalent to the Division's annual contributions paid of \$824,091 for the year ended August 31, 2013 (2012 -\$773,505). For the year ended August 31, 2013, the amount contributed to the Teachers' Retirement Fund by the Province was \$2,107,554 (2012 - \$2,113,908).

As of December 31, 2012 the Local Authorities Pension Plan reported an actuarial deficit of \$4,977,303,000 (2011 - \$4,639,390,000). At August 31, 2012 the Teachers' Retirement Fund reported an actuarial deficit of \$1,909,213,000 (2011 - \$1,953,920,000).

Note 13 Debt

The 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 \$9,357,593 (2012 - \$9,965,846). The interest rates on these debentures range from 10.125% to 11.25%.

	2013	2012
Debentures owing to A.C.F.A - Supported	\$127,422	\$254,843
Debentures owing to A.C.F.A - Unsupported	1,925	3,849
Total	\$129,347	\$258,692

Principal and interest repayments required during the next fiscal year are as \$129,347 and \$9,178 respectively.

Principal repayments and interest on the above debentures, with the exception of three debentures totaling \$1,925 as at August 31, 2013, (2012 - \$3,849) are funded by Alberta Treasury Board and Finance. The future principal and interest payments on the unsupported debentures for the 2013-2014 fiscal year will be \$1,925 and \$134 respectively.

NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2013

Note 14 Contractual Obligations

Estimated payment requirements for each of the next five years are as follows:

	Building Leases	Service Providers	Equipment Leases
2013-14	\$55,511	\$32,233	\$111,461
2014-15	11,447	32,233	79,209
2015-16	3,660	32,234	37,473
2016-17			7,485
2017-18			4,051
Total	\$70,618	\$96,700	\$239,679

The Division is committed to the purchase and installation of a new Enterprise Resource Planning Software for approximately \$350,000. The installation is anticipated to occur during May, 2014.

Note 15 School Generated Funds

	2013	2012 (restated)
Unexpended School Generated Funds, Opening Balance August 31	\$802,744	\$819,628
Current Year Activities – Gross Receipts:		
Fundraising	301,293	330,281
Gifts and donations	375,874	416,550
Other sales and services		0
Total gross receipts	\$677,167	\$746,831
Current Year Activities – Uses of Funds		
Equipment and Supplies	68,283	13,091
Extra-Curricular Activities	545,084	528,825
Field Trips	101,710	93,265
Fundraising (Direct Costs)	73,831	128,534
Other Activities		0
Total Uses of Funds	\$788,908	\$763,715
Unexpended School Generated Funds, Closing Balance August 31	\$691,003	\$802,744
Balance included in Deferred Revenue	57,856	7,696
Balance included in Accounts Payable	0	6,141
Balance included in Accumulated Surplus	633,147	788,908
Total	\$691,003	\$802,744

NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2013

Note 16 Accumulated Surplus:

Detailed information related to accumulated surplus is available on the Schedule of Changes in Accumulated Surplus. Accumulated surplus may be summarized as follows:

	2013	2012 (restated)
Unrestricted surplus	\$247,204	\$90,882
Operating reserves		
Accumulated surplus (deficit) from operations		
Investment in tangible capital assets	8,465,499	8,616,506
Capital reserves	1,339,425	1,297,348
Accumulated re-measurement gains (losses)		
Accumulated surplus (deficit)	\$10,052,128	\$10,004,736

The Division has recorded a provision for employee future benefits. Since this provision reflects estimated future obligations, it is not required to be funded from current operations. Accumulated surplus (deficit) may be adjusted as follows:

	2013	2012 (restated)
Accumulated surplus (deficit) from operations	\$10,052,127	\$10,004,736
Employee future benefits	411,641	355,952
Adjusted accumulated surplus (deficit)	\$10,463,768	\$10,360,688

Adjusted accumulated surplus represents unspent funding available to support the Division's operations for the 2013-2014 year.

Note 17 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.

NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2013

Note 18 Related Party Transactions

All entities that are consolidated in the accounts of the Government of Alberta are related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
	Financial Assets (at cost or net realizable)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA): Education				
Accounts receivable/Accounts payable	\$2,505,491	\$220,965		
Prepaid expenses/Deferred revenue		1,354,794		
Unexpended deferred capital revenue		16,500		
Expended deferred capital revenue			\$2,936,454	
Grant revenues and expenses			34,263,632	
Other revenues and expenses				
Other Related Parties:				
Other Alberta school jurisdictions	13,044			\$648,201
Treasury Board and Finance (Principal)		129,347	127,422	
Treasury Board and Finance (Accrued interest)	5,271	5,271	23,358	
Alberta Health Services	67,072		816,150	450
Post-secondary institutions	17,127			306,875
Total 2012/2013	\$2,608,005	\$1,726,877	\$38,167,016	\$955,526
Total 2011/2012 (restated)	\$2,690,784	\$2,752,684	\$38,550,969	\$1,533,867

Note 19 Remuneration and Monetary Incentives

Northland School Division has paid or accrued expenses for the year ended August 31, 2013 to or on behalf of the following positions and persons in groups as follows:

	FTEs	Remuneration	Benefits	ERIP's / Other	Expenses
Trustee:					
Kelly, Colin – contract	1.00	\$151,500	\$3,796	\$0	\$43,564
Superintendent:					
Barrett, Donna	1.00	177,718	9,078		23,511
Secretary/Treasurer:					
Walsh, Dennis	1.00	143,547	29,167		13,697
Other:					
Certificated Salaries	230	20,853,349	4,083,391		
Non-certificated Salaries	323	13,139,194	2,887,476		
Total	556	\$34,465,308	\$7,012,908	\$0	\$80,772

Note 20 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.

Note 21 Contingent Liabilities

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.

Note 22 Budget Amounts

The budget was prepared by the Division's management with Board of Trustees approval given on June 14, 2012.

Note 23 Comparative Figures

The comparative figures have been reclassified where necessary to conform to the August 31, 2013 presentation.

Note 24 Approval of Financial Statements

These financial statements were prepared by management and approved by the Official Trustee on November 25, 2013.