

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Northland School Division No. 61

Legal Name of School Jurisdiction

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

Mailing Address

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

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Northland School Division No. 61 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong system of budgetary control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors were given full access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements prescribed by Alberta Education.

BOARD CHAIR

Dr. Colin J. Kelly

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Dr. Donna S. Barrett

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Dennis M. Walsh, CMA

Name

"ORIGINAL SIGNED"

Signature

19-Jan-11

Board-approved Release Date

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STATEMENT OF FINANCIAL POSITION
as at August 31, 2010

(in dollars)

| | 2010 | 2009 (Note) |
|---|----------------|----------------|
| ASSETS | | |
| Current assets | | |
| Cash and temporary investments (Note 3) | \$11,012,245 | \$20,020,675 |
| Accounts receivable (net after allowances) (Note 8) | \$5,659,184 | \$4,299,440 |
| Prepaid expenses (Note 2) | \$246,839 | \$291,009 |
| Other current assets (Note 5) | \$107,486 | \$110,636 |
| Total current assets | \$17,025,754 | \$24,721,760 |
| School generated assets | \$712,088 | \$502,508 |
| Trust assets | \$0 | \$0 |
| Long term accounts receivable (Note 8) | | \$202,307 |
| Long term investments | \$0 | \$0 |
| Capital assets (Note 2) | | |
| Land | \$577,347 | \$577,347 |
| Construction in Progress | \$16,532,442 | \$9,035,556 |
| Buildings | \$107,068,074 | |
| Less: accumulated amortization | (\$59,341,127) | \$48,657,169 |
| Equipment | \$12,251,636 | |
| Less: accumulated amortization | (\$10,033,173) | \$2,679,919 |
| Vehicles | \$7,516,845 | |
| Less: accumulated amortization | (\$4,646,769) | \$2,790,931 |
| Total capital assets | \$69,925,275 | \$63,740,922 |
| TOTAL ASSETS | \$87,663,117 | \$89,167,497 |
| LIABILITIES | | |
| Current liabilities | | |
| Bank indebtedness | \$0 | \$0 |
| Accounts payable and accrued liabilities (Note 9) | \$6,069,416 | \$3,920,637 |
| Deferred revenue (Note 10) | \$2,936,788 | \$2,172,138 |
| Deferred capital allocations (Note 14) | \$2,373,956 | \$10,111,063 |
| Current portion of long term debt | \$638,103 | \$1,080,838 |
| Total current liabilities | \$12,018,263 | \$17,284,676 |
| School generated liabilities | \$712,088 | \$502,508 |
| Trust liabilities | \$0 | \$0 |
| Employee future benefit liabilities (Note 6) | \$1,413 | \$17,908 |
| Long term debt (Note 13) | | |
| Supported: Debentures and other supported debt | \$1,127,319 | \$2,206,233 |
| Less: Current portion | (\$636,178) | (\$1,078,913) |
| Unsupported: Debentures and Capital Loans | \$7,699 | \$9,623 |
| Capital Leases | \$0 | \$0 |
| Mortgages | \$0 | \$0 |
| Less: Current portion | (\$1,925) | (\$1,925) |
| Other long term liabilities | \$0 | \$0 |
| Unamortized capital allocations (Note 15) | \$61,671,121 | \$54,823,521 |
| Total long term liabilities | \$62,881,536 | \$56,478,955 |
| TOTAL LIABILITIES | \$74,899,799 | \$73,763,631 |
| NET ASSETS | | |
| Unrestricted net assets | (\$730,009) | \$1,875,977 |
| Operating Reserves | \$2,971,279 | \$2,622,210 |
| Accumulated Operating Surplus (Deficit) | \$2,241,269 | \$4,498,187 |
| Investment in capital assets | \$7,118,652 | \$6,703,219 |
| Capital Reserves | \$3,403,397 | \$4,202,460 |
| Total Capital Funds | \$10,522,049 | \$10,905,679 |
| Total net assets | \$12,763,318 | \$15,403,866 |
| TOTAL LIABILITIES AND NET ASSETS | \$87,663,117 | \$89,167,497 |

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 | \$30,149,772 | \$29,566,093 | \$30,032,756 |
| Federal Government and First Nations | \$19,495,992 | \$19,031,570 | \$17,348,956 |
| Other Alberta school authorities | \$0 | \$0 | \$0 |
| Out of province authorities | \$0 | \$0 | \$0 |
| Alberta Municipalities-special tax levies | \$0 | \$0 | \$0 |
| Instruction resource fees | \$0 | \$0 | \$0 |
| Transportation fees | \$0 | \$0 | \$0 |
| Other sales and services | \$1,300,885 | \$150,900 | \$1,216,473 |
| Investment income | \$85,134 | \$214,689 | \$235,233 |
| Gifts and donations | \$147,364 | \$70,000 | \$160,183 |
| Rental of facilities | \$972,925 | \$923,670 | \$842,649 |
| Gross school generated funds | \$832,621 | \$450,000 | \$544,033 |
| Gains on disposal of capital assets | \$11,276 | \$0 | \$6,922 |
| Amortization of capital allocations | \$2,719,016 | \$2,584,360 | \$2,375,287 |
| Other revenue | \$0 | \$0 | \$0 |
| Total Revenues | \$55,714,985 | \$52,991,282 | \$52,762,492 |
| EXPENSES | | | |
| Certificated salaries (Note 20) | \$20,231,601 | \$20,177,396 | \$18,805,439 |
| Certificated benefits (Note 20) | \$2,197,801 | \$2,063,787 | \$2,209,062 |
| Non-certificated salaries and wages (Note 20) | \$13,456,429 | \$12,367,427 | \$12,098,113 |
| Non-certificated benefits (Note 20) | \$2,588,974 | \$2,552,955 | \$2,550,827 |
| Services, contracts and supplies | \$14,902,654 | \$13,385,464 | \$13,993,884 |
| Gross school generated funds | \$832,621 | \$450,000 | \$544,033 |
| Capital and debt services | | | |
| Amortization of capital assets | | | |
| Supported | \$2,719,016 | \$2,584,360 | \$2,375,287 |
| Unsupported | \$1,297,115 | \$1,290,610 | \$1,296,237 |
| Total Amortization of capital assets | \$4,016,131 | \$3,874,970 | \$3,671,524 |
| Interest on capital debt | | | |
| Supported | \$172,905 | \$174,304 | \$334,626 |
| Unsupported | \$1,083 | \$0 | \$1,300 |
| Total Interest on capital debt | \$173,988 | \$174,304 | \$335,926 |
| Other interest and charges | \$2,706 | \$330 | \$13,776 |
| Losses on disposal of capital assets | \$7,846 | \$0 | \$15,455 |
| Other expense | | | |
| Total Expenses | \$58,410,752 | \$55,046,633 | \$54,238,039 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM | | | |
| | (\$2,695,767) | (\$2,055,351) | (\$1,475,547) |
| Extraordinary Item | \$0 | \$0 | \$0 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | (\$2,695,767) | (\$2,055,351) | (\$1,475,547) |

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 | (\$2,695,767) | (\$1,475,547) |
| Add (Deduct) items not affecting cash: | | |
| Amortization of capital allocations revenue | (\$2,719,016) | (\$2,375,287) |
| Total amortization expense | \$4,016,131 | \$3,671,524 |
| Gains on disposal of capital assets | (\$11,276) | (\$6,922) |
| Losses on disposal of capital assets | \$7,846 | \$15,455 |
| Changes in: | | |
| Accounts receivable | (\$1,359,744) | (\$404,873) |
| Prepays and other current assets | \$47,320 | (\$4,084) |
| Long term accounts receivable | \$202,307 | \$457,450 |
| Long term investments | \$0 | \$0 |
| Accounts payable and accrued liabilities | \$2,148,779 | (\$1,498,206) |
| Deferred revenue | \$764,650 | \$285,044 |
| Employee future benefit liabilities | (\$16,495) | (\$10,304) |
| Other (describe) Adjustment to last year overstatement of Prov. Capital A/R | (\$98,263) | \$0 |
| Total cash flows from Operations | \$286,472 | (\$1,345,750) |
| B. INVESTING ACTIVITIES | | |
| Purchases of capital assets | | |
| Land | \$0 | \$0 |
| Buildings | (\$9,088,177) | (\$8,700,283) |
| Equipment | (\$230,760) | (\$790,910) |
| Vehicles | (\$934,500) | (\$626,847) |
| Net proceeds from disposal of capital assets | \$58,540 | \$18,208 |
| Other (describe) | \$0 | \$0 |
| Total cash flows from Investing activities | (\$10,194,897) | (\$10,099,832) |
| C. FINANCING ACTIVITIES | | |
| Capital allocations | \$897,167 | \$17,850,338 |
| Issue of long term debt | \$0 | \$0 |
| Repayment of long term debt | (\$1,080,839) | (\$1,577,825) |
| Add back: supported portion | \$1,078,914 | \$1,575,901 |
| Other (describe) Net transfers between reserves | \$4,753 | \$0 |
| Total cash flows from financing activities | \$899,995 | \$17,848,414 |
| Net cash flows from during the year | (\$9,008,430) | \$6,402,832 |
| Cash and temporary investments, net of bank indebtedness, at Aug. 31/09 | \$20,020,675 | \$13,617,843 |
| Cash and temporary investments, net of bank indebtedness, at Aug. 31/10 | \$11,012,245 | \$20,020,675 |

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: 1280

(in dollars)

| | (1) | (2) | (3) | (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) | | | | | | | | | | | |
|--|--|------------------------------------|-------------------------------|---|---|------------------------------|---------------------|--------------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| | TOTAL NET ASSETS <small>Cols. 2+3+4+5</small> | INVESTMENT IN CAPITAL ASSETS | UNRESTRICTED NET ASSETS | INTERNALLY RESTRICTED NET ASSETS | | | | | | | | | | | |
| | | | | TOTAL OPERATING RESERVES <small>Cols. 6+8+10+12+14</small> | TOTAL CAPITAL RESERVES <small>Cols. 7+9+11+13+15</small> | 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 | Operating Reserves | Capital Reserves |
| Balance at August 31, 2009 | \$15,403,866 | \$6,703,219 | \$1,875,977 | \$2,622,210 | \$4,202,460 | \$326,349 | \$1,189,564 | \$0 | \$853,655 | \$144,818 | \$315,277 | \$0 | \$449,819 | \$2,151,043 | \$1,394,145 |
| 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 |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Adjusted Balance, Aug.31, 2009 | \$15,403,866 | \$6,703,219 | \$1,875,977 | \$2,622,210 | \$4,202,460 | \$326,349 | \$1,189,564 | \$0 | \$853,655 | \$144,818 | \$315,277 | \$0 | \$449,819 | \$2,151,043 | \$1,394,145 |
| Excess (deficiency) of revenues over expenses | (\$2,695,767) | | (\$2,695,767) | | | | | | | | | | | | |
| Board funded capital additions | | \$1,667,470 | | (\$150,307) | (\$1,517,163) | (\$19,233) | (\$228,876) | | (\$562,300) | | | | (\$644,090) | (\$131,074) | (\$81,897) |
| Disposal of unsupported capital assets | \$0 | (\$55,110) | (\$3,430) | | \$58,540 | | | | \$51,482 | | \$0 | | \$7,058 | | \$0 |
| Disposal of supported capital assets (board funded portion) | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 |
| Direct credits to net assets | \$0 | \$98,263 | (\$98,263) | | | | | | | | | | | | |
| Amortization of capital assets | | (\$4,016,131) | \$4,016,131 | | | | | | | | | | | | |
| Amortization of capital allocations | | \$2,719,016 | (\$2,719,016) | | | | | | | | | | | | |
| Debt principal repayments (unsupported) | | \$1,925 | (\$1,925) | | | | | | | | | | | | |
| Net transfers to operating reserves | | | (\$499,376) | \$499,376 | | \$370,234 | | \$0 | | \$76,930 | | \$11,913 | | \$40,298 | |
| Net transfers from operating reserves | | | \$0 | \$0 | | | | \$0 | | | | \$0 | | \$0 | |
| Net transfers to capital reserves | | | (\$642,392) | | \$642,392 | \$67,588 | | | \$160,412 | | \$41,899 | | \$372,493 | | \$0 |
| Net transfers from capital reserves | | | \$38,051 | | (\$38,051) | \$0 | | | \$0 | | \$0 | | | | (\$38,051) |
| Assumption/transfer of other operations' net assets | \$55,219 | \$0 | \$0 | \$0 | \$55,219 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Balance at August 31, 2010 | \$12,763,318 | \$7,118,652 | (\$730,009) | \$2,971,279 | \$3,403,397 | \$677,350 | \$1,028,276 | \$0 | \$503,249 | \$221,748 | \$357,176 | \$11,913 | \$185,280 | \$2,060,267 | \$1,274,197 |

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 | \$10,111,063 | \$54,823,521 |
| Prior period adjustments | \$0 | \$0 |
| Adjusted balance, August 31, 2009 | \$10,111,063 | \$54,823,521 |
| Add: | | |
| Restricted capital allocations from: Alberta Education including school and modular projects | \$890,779 | |
| Other Government of Alberta | \$0 | |
| Federal Government and First Nations | \$0 | |
| Other sources | \$0 | |
| Interest earned on provincial government capital allocations | \$6,388 | |
| 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 | | \$1,078,914 |
| Expended capital allocations - current year | (\$8,585,965) | \$8,585,965 |
| Deduct: | | |
| Net book value of supported capital assets dispositions, write-offs, or transfer; Other | \$48,309 | \$98,263 |
| Capital allocations amortized to revenue | | \$2,719,016 |
| Balance at August 31, 2010 | \$2,373,956 | \$61,671,121 |

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