

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Northland School Division No. 61**

Legal Name of School Jurisdiction

**9809 - 77 Avenue Peace River AB T8S 1V2**

Mailing Address

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Telephone & Fax Numbers, and Email Address

**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 Chair***

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**

Dr. Colin J. Kelly

Name

ORIGINAL SIGNED

Signature

**SUPERINTENDENT**

Dr. Donna S. Barrett

Name

ORIGINAL SIGNED

Signature

**SECRETARY-TREASURER OR TREASURER**

Trudy Rasmuson, C.M.A.

Name

ORIGINAL SIGNED

Signature

November 25, 2015

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch  
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**STATEMENT OF FINANCIAL POSITION**  
As at August 31, 2015 (in dollars)

		2015	2014
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents		\$ 6,975,578	\$ 3,609,465
Accounts receivable (net after allowances)	(Note 3)	\$ 2,050,929	\$ 3,639,016
Portfolio investments		\$ -	\$ -
Other financial assets	(Note 4)	\$ 71,250	\$ 68,250
<b>Total financial assets</b>		\$ 9,097,757	\$ 7,316,731
<b>LIABILITIES</b>			
Bank indebtedness	(Note 6)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 5)	\$ 4,802,470	\$ 2,035,899
Deferred revenue	(Note 8)	\$ 72,406,345	\$ 69,002,120
Employee future benefit liabilities	(Note 9)	\$ 28,454	\$ 50,702
Liability for contaminated sites	(Note 18)	\$ -	\$ -
Other liabilities		\$ -	\$ -
<b>Debt</b>			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
<b>Total liabilities</b>		\$ 77,237,269	\$ 71,088,721
<b>Net debt</b>		\$ (68,139,512)	\$ (63,771,990)
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	(Note 7)		
Land		\$ 538,792	\$ 549,310
Construction in progress		\$ -	\$ 10,016,369
Buildings		\$ 145,219,670	
Less: Accumulated amortization		\$ (73,302,706)	\$ 71,916,964
Equipment		\$ 7,311,549	
Less: Accumulated amortization		\$ (6,325,589)	\$ 985,960
Vehicles		\$ 7,989,018	
Less: Accumulated amortization		\$ (5,915,374)	\$ 2,073,644
Computer Equipment		\$ 5,154,388	
Less: Accumulated amortization		\$ (3,578,257)	\$ 1,576,131
<b>Total tangible capital assets</b>		\$ 77,091,491	\$ 72,978,009
Prepaid expenses		\$ 352,498	\$ 517,174
Other non-financial assets		\$ 39,267	\$ 39,267
<b>Total non-financial assets</b>		\$ 77,483,256	\$ 73,534,450
<b>Accumulated surplus</b>	(Note 13)	\$ 9,343,744	\$ 9,762,460
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 9,343,744	\$ 9,762,460
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 9,343,744	\$ 9,762,460
<b>Contractual obligations</b>	(Note 11)		
<b>Contingent liabilities</b>	(Note 19)		

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

**STATEMENT OF OPERATIONS**  
For the Year Ended August 31, 2015 (in dollars)

	Budget 2015	Actual 2015	Actual 2014
<b>REVENUES</b>			
Alberta Education	\$ 36,668,698	\$ 39,642,357	\$ 38,136,250
Other - Government of Alberta	\$ 930,824	\$ 477,229	\$ 774,716
Federal Government and First Nations	\$ 20,966,622	\$ 21,822,073	\$ 20,838,515
Other Alberta school authorities	\$ -	\$ -	\$ -
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees	\$ -	\$ -	\$ -
Other sales and services	\$ 1,274,650	\$ 1,160,007	\$ 1,162,953
Investment income	\$ 40,000	\$ 77,530	\$ 67,600
Gifts and donations	\$ 450,000	\$ 1,205,389	\$ 801,935
Rental of facilities	\$ 957,530	\$ 883,937	\$ 832,865
Fundraising	\$ -	\$ 375,109	\$ 394,866
Gains on disposal of capital assets	\$ -	\$ 94,037	\$ 200
Other revenue	\$ -	\$ -	\$ -
<b>Total revenues</b>	\$ 61,288,324	\$ 65,737,668	\$ 63,009,900
<b>EXPENSES</b>			
Instruction - ECS	\$ 2,288,172	\$ 2,376,996	\$ 2,288,172
Instruction - Grades 1 - 12	\$ 37,091,710	\$ 39,985,058	\$ 37,019,111
Plant operations and maintenance	\$ 9,438,207	\$ 11,576,495	\$ 11,647,020
Transportation	\$ 3,572,677	\$ 3,581,793	\$ 3,741,924
Board & system administration	\$ 3,774,411	\$ 3,370,913	\$ 3,510,503
External services	\$ 5,287,162	\$ 5,265,129	\$ 5,092,838
<b>Total expenses</b>	\$ 61,452,339	\$ 66,156,384	\$ 63,299,568
<b>Operating surplus (deficit)</b>	\$ (164,015)	\$ (418,716)	\$ (289,668)

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

**STATEMENT OF CASH FLOWS**  
For the Year Ended August 31, 2015 (in dollars)

	2015	2014
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	\$ (418,716)	\$ (289,668)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 4,409,214	\$ 5,769,549
Gains on disposal of tangible capital assets	\$ (94,037)	\$ (200)
Losses on disposal of tangible capital assets	\$ 22,935	\$ 41,142
Expended deferred capital revenue recognition	\$ (3,208,958)	\$ (3,526,233)
Deferred capital revenue write-off	\$ 120,719	\$ 65,376
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 1,588,087	\$ 675,471
Prepays	\$ 164,676	\$ (111,488)
Other financial assets	\$ (3,000)	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ 2,766,571	\$ (510,024)
Deferred revenue (excluding EDCR)	\$ 292,481	\$ 1,188,559
Employee future benefit liabilities	\$ (22,248)	\$ (10,934)
Other (describe)	\$ -	\$ -
<b>Total cash flows from operating transactions</b>	<b>\$ 5,617,724</b>	<b>\$ 3,291,550</b>
<b>B. CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Land	\$ -	\$ (24,333)
Buildings	\$ (1,217,752)	\$ (299,097)
Equipment	\$ (533,210)	\$ (328,179)
Vehicles	\$ (410,368)	\$ (777,541)
Computer equipment	\$ (242,545)	\$ (463,763)
Net proceeds from disposal of unsupported capital assets	\$ 152,264	\$ 1,517
Other (describe)	\$ -	\$ -
<b>Total cash flows from capital transactions</b>	<b>\$ (2,251,611)</b>	<b>\$ (1,891,396)</b>
<b>C. INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	\$ -	\$ -
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Change in endowments	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from investing transactions</b>	<b>\$ -</b>	<b>\$ -</b>
<b>D. FINANCING TRANSACTIONS</b>		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ -	\$ (129,347)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other factors affecting capital leases (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from financing transactions</b>	<b>\$ -</b>	<b>\$ (129,347)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>\$ 3,366,113</b>	<b>\$ 1,270,807</b>
<b>Cash and cash equivalents, at beginning of year</b>	<b>\$ 3,609,465</b>	<b>\$ 2,338,658</b>
<b>Cash and cash equivalents, at end of year</b>	<b>\$ 6,975,578</b>	<b>\$ 3,609,465</b>

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

**STATEMENT OF CHANGE IN NET DEBT**  
**For the Year Ended August 31, 2015 (in dollars)**

	Budget 2015	2015	2014
Operating surplus (deficit)	\$ (164,015)	\$ (418,716)	\$ (289,668)
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (636,100)	\$ (8,724,578)	\$ (9,887,806)
Amortization of tangible capital assets	\$ 4,481,023	\$ 4,409,214	\$ 5,769,549
Net carrying value of tangible capital assets disposed of	\$ -	\$ 201,882	\$ 118,693
Write-down carrying value of tangible capital assets	\$ -		\$ -
Other changes	\$ -	\$ -	\$ -
<b>Total effect of changes in tangible capital assets</b>	\$ 3,844,923	\$ (4,113,482)	\$ (3,999,564)
Changes in:			
Prepaid expenses	\$ -	\$ 164,676	\$ (111,488)
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
<b>Decrease (increase) in net debt</b>	\$ 3,680,908	\$ (4,367,522)	\$ (4,400,720)
<b>Net debt at beginning of year</b>	\$ (59,371,270)	\$ (63,771,990)	\$ (59,371,270)
<b>Net debt at end of year</b>	\$ (55,690,362)	\$ (68,139,512)	\$ (63,771,990)

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

**STATEMENT OF REMEASUREMENT GAINS AND LOSSES**

For the Year Ended August 31, 2015 (in dollars)

	2015	2014
<b>Accumulated remeasurement gains (losses) at beginning of year</b>	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
<b>Accumulated remeasurement gains (losses) at end of year</b>	\$ -	\$ -

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

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
for the Year Ended August 31, 2015 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
<b>Balance at August 31, 2014</b>	\$ 9,762,460	\$ -	\$ 9,762,460	\$ 7,705,593	\$ -	\$ 926,987	\$ -	\$ 1,129,880
<b>Prior period adjustments:</b>								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2014</b>	\$ 9,762,460	\$ -	\$ 9,762,460	\$ 7,705,593	\$ -	\$ 926,987	\$ -	\$ 1,129,880
Operating surplus (deficit)	\$ (418,716)		\$ (418,716)			\$ (418,716)		
Board funded tangible capital asset additions				\$ 920,985		\$ (712,010)	\$ -	\$ (208,975)
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (81,164)		\$ (71,101)		\$ 152,265
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -						
Endowment expenses & disbursements	\$ -		\$ -		\$ -	\$ -		
Endowment contributions	\$ -		\$ -		\$ -	\$ -		
Investment income & realized capital gains on endowments	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (4,409,214)		\$ 4,409,214		
Capital revenue recognized	\$ -			\$ 3,208,958		\$ (3,208,958)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ -	\$ -	
Net transfers from operating reserves	\$ -					\$ -	\$ -	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2015</b>	\$ 9,343,744	\$ -	\$ 9,343,744	\$ 7,345,158	\$ -	\$ 925,416	\$ -	\$ 1,073,170



**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
for the Year Ended August 31, 2015 (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
<b>Balance at August 31, 2014</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,515	\$ -	\$ 1,128,365
<b>Prior period adjustments:</b>										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2014</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,515	\$ -	\$ 1,128,365
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (208,975)
Disposal of unsupported tangible capital assets or board funded portion of supported		\$ 1,250		\$ 56,006		\$ -		\$ 9,006		\$ 86,003
Write-down of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses & disbursements										
Endowment contributions										
Investment income & realized capital gains on endowments										
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Additional capital debt or capital leases										
Net transfers to operating reserves	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers from operating reserves	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2015</b>	\$ -	\$ 1,250	\$ -	\$ 56,006	\$ -	\$ -	\$ -	\$ 10,521	\$ -	\$ 1,005,393

**SCHEDULE OF CAPITAL REVENUE**  
**(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)**  
for the Year Ended August 31, 2015 (in dollars)

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects <sup>(A)</sup>	Surplus from Provincially Approved Projects <sup>(B)</sup>	Proceeds on Disposal of Provincially Funded Tangible Capital Assets <sup>(C)</sup>	Unexpended Deferred Capital Revenue from Other Sources <sup>(D)</sup>	
<b>Balance at August 31, 2014</b>	\$ 733,462	\$ -	\$ 24,527	\$ 43,755	\$ 65,272,415
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2014	\$ 733,462	\$ -	\$ 24,527	\$ 43,755	\$ 65,272,415
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 8,722				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ 4,800				
Other sources: <i>(Describe)</i> Alberta Education - Housing Project	\$ 900,000				
Other sources <i>(Describe)</i> : Community Donation	\$ -			\$ 9,072	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ -				
Other sources: <i>(Describe)</i>	\$ -				
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue: <i>(Describe)</i>				\$ -	
Net proceeds on disposal of supported tangible capital assets			\$ 160,000	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets (Explain):					\$ -
Alberta Schools Alternative Program (ASAP), Building Alberta School Construction Program, (BASCP) and other Alberta Infrastructure managed projects					\$ 4,699,805
Transferred in (out) tangible capital assets (amortizable, @ net book value) Alberta Seniors Housing					\$ 1,620,897
Expended capital revenue - current year	\$ (1,298,578)	\$ -	\$ (175,806)	\$ (8,507)	\$ 1,482,891
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	
<u>Deduct:</u>					
Net book value of supported tangible capital dispositions or write-offs					\$ 120,719
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 3,208,958
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
<b>Balance at August 31, 2015</b>	\$ 348,406	\$ -	\$ 8,721	\$ 44,320	\$ 69,746,331
	(A)	(B)	(C)	(D)	
<b>Balance of Unexpended Deferred Capital Revenue at August 31, 2015 (A) + (B) + (C) + (D)</b>				\$ 401,447	

**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 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, 2015 (in dollars)

REVENUES	2015							2014
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 1,482,652	\$ 25,129,300	\$ 6,946,390	\$ 2,299,815	\$ 512,988	\$ 3,271,212	\$ 39,642,357	\$ 38,136,250
(2) Other - Government of Alberta	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 477,229	\$ 477,229	\$ 774,716
(3) Federal Government and First Nations	\$ 793,267	\$ 14,775,234	\$ 3,488,387	\$ 1,425,134	\$ 1,340,051	\$ -	\$ 21,822,073	\$ 20,838,515
(4) Other Alberta school authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(9) Other sales and services	\$ -	\$ 886,498	\$ 36,057	\$ 6,001	\$ 50,562	\$ 180,889	\$ 1,160,007	\$ 1,162,953
(10) Investment income	\$ -	\$ 77,530	\$ -	\$ -	\$ -	\$ -	\$ 77,530	\$ 67,600
(11) Gifts and donations	\$ -	\$ 1,186,510	\$ 18,879	\$ -	\$ -	\$ -	\$ 1,205,389	\$ 801,935
(12) Rental of facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 883,937	\$ 883,937	\$ 832,865
(13) Fundraising	\$ -	\$ 375,109	\$ -	\$ -	\$ -	\$ -	\$ 375,109	\$ 394,866
(14) Gains on disposal of tangible capital assets	\$ -	\$ 1,250	\$ 10,518	\$ 9,006	\$ -	\$ 73,263	\$ 94,037	\$ 200
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) <b>TOTAL REVENUES</b>	\$ 2,275,919	\$ 42,431,431	\$ 10,500,231	\$ 3,739,956	\$ 1,903,601	\$ 4,886,530	\$ 65,737,668	\$ 63,009,900
<b>EXPENSES</b>								
(17) Certificated salaries	\$ 1,268,652	\$ 18,891,805			\$ 456,553	\$ -	\$ 20,617,010	\$ 20,878,113
(18) Certificated benefits	\$ 135,080	\$ 4,403,352			\$ 31,097	\$ -	\$ 4,569,529	\$ 4,390,192
(19) Non-certificated salaries and wages	\$ 648,381	\$ 5,665,654	\$ 3,126,086	\$ 1,151,200	\$ 1,217,655	\$ 1,599,837	\$ 13,408,813	\$ 12,583,963
(20) Non-certificated benefits	\$ 147,129	\$ 1,179,998	\$ 708,899	\$ 219,787	\$ 319,944	\$ 392,465	\$ 2,968,222	\$ 2,805,020
(21) SUB - TOTAL	\$ 2,199,242	\$ 30,140,809	\$ 3,834,985	\$ 1,370,987	\$ 2,025,249	\$ 1,992,302	\$ 41,563,574	\$ 40,657,288
(22) Services, contracts and supplies	\$ 177,754	\$ 6,732,890	\$ 4,842,380	\$ 1,957,162	\$ 1,067,605	\$ 2,889,368	\$ 17,667,159	\$ 16,819,765
(23) Amortization of supported tangible capital assets	\$ -	\$ 272,109	\$ 2,750,276	\$ -	\$ 6,174	\$ 180,399	\$ 3,208,958	\$ 3,526,233
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 346,702	\$ 148,854	\$ 253,644	\$ 270,931	\$ 180,125	\$ 1,200,256	\$ 2,243,316
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,178
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ 954	\$ -	\$ 954	\$ 2,430
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,935	\$ 22,935	\$ 41,142
(29) Other expense	\$ -	\$ 2,492,548	\$ -	\$ -	\$ -	\$ -	\$ 2,492,548	\$ -
(30) <b>TOTAL EXPENSES</b>	\$ 2,376,996	\$ 39,985,058	\$ 11,576,495	\$ 3,581,793	\$ 3,370,913	\$ 5,265,129	\$ 66,156,384	\$ 63,299,568
(31) <b>OPERATING SURPLUS (DEFICIT)</b>	\$ (101,077)	\$ 2,446,373	\$ (1,076,264)	\$ 158,163	\$ (1,467,312)	\$ (378,599)	\$ (418,716)	\$ (289,668)

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES  
for the Year Ended August 31, 2015 (in dollars)

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2015 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 1,943,207	\$ 1,048,477	\$ -	\$ -	\$ 134,402		\$ 3,126,086		\$ 3,126,086
Uncertificated benefits	\$ 467,373	\$ 217,711	\$ -	\$ -	\$ 23,815		\$ 708,899		\$ 708,899
Sub-total Remuneration	\$ 2,410,580	\$ 1,266,188	\$ -	\$ -	\$ 158,217		\$ 3,834,985		\$ 3,834,985
Supplies and services	\$ 195,079	\$ 1,077,223	\$ -	\$ 1,492,082	\$ 123,486		\$ 2,887,870		\$ 2,887,870
Electricity			\$ 767,641				\$ 767,641		\$ 767,641
Natural gas/heating fuel			\$ 460,772				\$ 460,772		\$ 460,772
Sewer and water			\$ 132,018				\$ 132,018		\$ 132,018
Telecommunications			\$ 49,180				\$ 49,180		\$ 49,180
Insurance					\$ 192,319		\$ 192,319		\$ 192,319
ASAP maintenance & renewal payments								\$ -	\$ -
Amortization of tangible capital assets									
Supported								\$ 2,750,276	\$ 2,750,276
Unsupported						\$ 148,854	\$ 148,854		\$ 148,854
Total Amortization						\$ 148,854	\$ 148,854	\$ 2,750,276	\$ 2,899,130
Interest on capital debt									
Supported								\$ -	\$ -
Unsupported						\$ -	\$ -		\$ -
Lease payments for facilities				\$ 352,580			\$ 352,580		\$ 352,580
Other interest charges						\$ -	\$ -		\$ -
Losses on disposal of capital assets						\$ -	\$ -		\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 2,605,659</b>	<b>\$ 2,343,411</b>	<b>\$ 1,409,611</b>	<b>\$ 1,844,662</b>	<b>\$ 474,022</b>	<b>\$ 148,854</b>	<b>\$ 8,826,219</b>	<b>\$ 2,750,276</b>	<b>\$ 11,576,495</b>

  

SQUARE METRES									
School buildings									54,554.2
Non school buildings									2,099.6

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 Relocation & Lease Pmts:** All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects, modular unit (portable) relocation, and payments on leased facilities.

**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.

**UNAUDITED SCHEDULE OF FEE REVENUE**  
for the Year Ending August 31, 2015 (in dollars)

	<b>Actual 2014/2015</b>	<b>Actual 2013/2014</b>
<b>FEES</b>		
Transportation fees	\$0	\$0
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$0	\$0
Technology user fees	\$0	\$0
Alternative program fees	\$0	\$0
Fees for optional courses (band, art, etc.)	\$0	\$0
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$0	\$0
Kindergarten & preschool	\$0	\$0
Extracurricular fees (sports teams and clubs)	\$0	\$0
Field trips (related to curriculum)	\$0	\$0
Lunch supervision fees	\$0	\$0
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
<b>TOTAL FEES</b>	\$0	\$0

*\*PLEASE DO NOT USE "SCHOOL GENERATED FUNDS" AS A CATEGORY*

<b>Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):</b>	<b>Actual 2014/2015</b>	<b>Actual 2013/2014</b>
Cafeteria sales, hot lunch, milk programs	\$0	\$0
Special events, graduation, tickets	\$0	\$0
Student travel (international, recognition trips, non-curricular)	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$0	\$0
Adult education revenue	\$0	\$0
Child care & before and after school care	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
<b>TOTAL</b>	\$0	\$0

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2015 (in dollars)					
	PROGRAM AREA				
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)
<b>Funded Students in Program</b>	1,273	33	364		
<b>REVENUES</b>					
Alberta Education allocated funding	\$ 1,496,187	\$ 628,979	\$ 441,788	\$ 3,118,679	\$ 3,202,796
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	\$ 1,496,187	\$ 628,979	\$ 441,788	\$ 3,118,679	\$ 3,202,796
<b>EXPENSES (Not allocated from BASE, Transportation, or other funding)</b>					
Instructional certificated salaries & benefits	\$ 80,038	\$ -	\$ -	\$ 1,066,099	
Instructional non-certificated salaries & benefits	\$ 820,477	\$ 603,162	\$ -	\$ 1,330,588	
<b>SUB TOTAL</b>	\$ 900,515	\$ 603,162	\$ -	\$ 2,396,687	
Supplies, contracts and services	\$ 182,173	\$ 173,323	\$ 34,456	\$ 266,005	
Program planning, monitoring & evaluation	\$ 94,848	\$ -	\$ 114,421	\$ 125,449	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL EXPENSES</b>	\$ 1,177,536	\$ 776,485	\$ 148,877	\$ 2,788,141	
<b>NET FUNDING SURPLUS (SHORTFALL)</b>	\$ 318,651	\$ (147,506)	\$ 292,911	\$ 330,538	

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2015 (in dollars)								
EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs			TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	
1 Office of the superintendent	\$ 501,219	\$ 152,700	\$ -	\$ 653,919	\$ -	\$ -	\$ -	\$ 653,919
2 Educational administration (excluding superintendent)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Business administration	\$ 1,064,911	\$ 163,056	\$ -	\$ 1,227,967	\$ -	\$ -	\$ -	\$ 1,227,967
4 Board governance (Board of Trustees)	\$ 6,766	\$ 263,251	\$ 291,590	\$ 561,607	\$ -	\$ -	\$ -	\$ 561,607
5 Information technology	\$ -	\$ -	\$ -	\$ -	\$ 285,702	\$ 939,114	\$ -	\$ 1,224,816
6 Human resources	\$ 304,255	\$ 108,175	\$ -	\$ 412,430	\$ -	\$ -	\$ -	\$ 412,430
7 Central purchasing, communications, marketing	\$ 74,926	\$ 27,945	\$ -	\$ 102,871	\$ -	\$ -	\$ -	\$ 102,871
8 Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Administration - insurance			\$ 6,877	\$ 6,877			\$ -	\$ 6,877
10 Administration - amortization			\$ 277,105	\$ 277,105			\$ -	\$ 277,105
11 Administration - other (admin building, interest)			\$ 954	\$ 954			\$ -	\$ 954
12 Admin Building maintenance	\$ 73,170	\$ 54,013	\$ -	\$ 127,183	\$ -	\$ -	\$ -	\$ 127,183
13 Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>	\$ 2,025,247	\$ 769,140	\$ 576,526	\$ 3,370,913	\$ 285,702	\$ 939,114	\$ -	\$ 4,595,729

**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 Summary of Significant Accounting Policies**

These financial statements have been prepared in accordance with the CPA 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 rates are 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.
- g) Tangible assets are amortized over their estimated useful lives on a straight line basis, at the following rates:

Buildings and Land Improvements	10 - 40 years
Vehicles	7 - 12 years
Equipment	5 years
Computer Hardware and Software	5 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 Board of Trustees. 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 and Materials*

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 and materials are not recognized in the financial statements.

*7. Pensions*

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

Current and past service costs of the Alberta Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers' Pension Plan Act, the School Division does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the jurisdiction is included in both revenues and expenses.

*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 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 Instruction:** The provision of Early Childhood Services instructional services that fall under the basic public education mandate.
- b) **Grade 1 - 12 Instruction:** The provision of instructional services for grades 1 – 12 that fall under the basic public education mandate.
- c) **Plant Operations and Maintenance:** The operation and maintenance of all school buildings and maintenance shop facilities.
- d) **Transportation:** The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facilities.
- e) **Board & System Administration:** The provision of board governance and system-based /central office administration.

- f) **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. Respective instruction expenses include the cost of certificated teachers, non-certificated educational assistants as well as a proportionate share of supplies and services, school administration and instructional support, and System Instructional Support.

#### *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 totalling \$649,521 (2014 - \$729,551) and \$1,073,170 (2014 - \$1,129,880) restricted for capital reserves.

#### *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 bank indebtedness. 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.

#### *14. Liability for Contaminated Sites*

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 Liability for Contaminated Sites effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into the air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The Division adopted this accounting standard retroactively as of April 1, 2014.

**Note 3      Accounts Receivable (Net after Allowances)**

	2015		2014
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value
Alberta Education – Grants	\$934,544		\$89,028
Alberta Education – Capital	110,781		110,781
Other Alberta School Jurisdictions	13,044		13,044
Alberta Health Services	77,622		20,080
Federal Government	195,507	(61,333)	284,292
First Nations	3,049,008	(2,535,441)	2,905,229
Other	267,197		216,562
<b>Total</b>	<b>\$4,647,703</b>	<b>\$(2,596,774)</b>	<b>\$3,639,016</b>

**Note 4      Other Financial Assets**

Other financial assets consist of advances to Hot Lunch Programs and damage deposits totalling \$71,250 (2014 – \$68,250).

**Note 5      Accounts Payable and Accrued Liabilities**

	2015	2014
Alberta Education	\$92,765	\$100,911
Alberta Health Services	150	690
Federal Government	3,989	3,989
First Nations	525,799	
Other Alberta School Jurisdictions	69,563	107,212
Post-secondary Institutions	16,868	6,410
Accrued Vacation Pay Liability	424,998	377,353
Other Salaries & Benefit Costs	1,095,027	246,964
Other Trade Payables and Accrued Liabilities	2,573,311	1,192,370
<b>Total</b>	<b>\$4,802,470</b>	<b>\$2,035,899</b>

**Note 6      Bank Indebtedness**

The Division has negotiated a line of credit in the amount of \$3,000,000 (2014 - \$3,000,000) that bears interest at the bank prime rate less 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, 2015 (2014 - \$0).

**NORTHLAND SCHOOL DIVISION NO. 61**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2015**

**Note 7 Tangible Capital Assets**

	August 31, 2015						Total	2014
	Land	Construction In Progress (Buildings)	Buildings and Land Improvements	Equipment	Vehicles	Computer Hardware & Software		
<b>Estimated useful life</b>			<b>10 - 40 Years</b>	<b>5 Years</b>	<b>7 - 12 Years</b>	<b>5 Years</b>		
Beginning of year	\$549,310	\$10,016,369	\$128,250,469	\$6,838,909	\$8,148,795	\$4,911,843	\$158,715,695	\$153,218,469
Additions		4,699,805	1,217,752	533,210	410,368	242,545	7,103,680	9,887,806
Transfers in (out)		(14,716,174)	14,716,174					
Transfers in (out)			2,465,105				2,465,105	
Less disposals, write-offs	(10,518)		(1,429,830)	(60,570)	(570,145)		(2,071,063)	(4,390,580)
<b>Total</b>	<b>\$538,792</b>	<b>\$0</b>	<b>\$145,219,670</b>	<b>\$7,311,549</b>	<b>\$7,989,018</b>	<b>\$5,154,388</b>	<b>\$166,213,417</b>	<b>\$158,715,695</b>
Beginning of year			\$70,871,118	\$5,968,238	\$5,879,737	\$3,018,593	\$85,737,686	\$84,250,882
Amortization expense			2,871,333	372,435	605,782	559,664	4,409,214	5,769,549
Transfers in (out)			844,209				844,209	
Less disposals, write-offs			(1,283,954)	(15,084)	(570,145)		(1,869,183)	(4,282,745)
<b>Total</b>			<b>\$73,302,706</b>	<b>\$6,325,589</b>	<b>\$5,915,374</b>	<b>\$3,578,257</b>	<b>\$89,121,926</b>	<b>\$85,737,686</b>
<b>Net Book Value at End of Year</b>	<b>\$538,792</b>	<b>\$0</b>	<b>\$71,916,964</b>	<b>\$985,960</b>	<b>\$2,073,644</b>	<b>\$1,576,131</b>	<b>\$77,091,491</b>	<b>\$72,978,009</b>

**Note 8 Deferred Revenue**

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug.31, 2014	ADD:	DEDUCT:	ADD	DEFERRED REVENUE as at Aug.31, 2015
		2014/2015 Restricted Funds Received/Receivable	2014/2015 Restricted Funds Expended (Paid/Payable)	(DEDUCT): 2014/2015 Adjustments For Returned Funds	
<b>Unexpended Deferred Operating Revenue</b>					
<b>Alberta Education:</b>					
Alberta Initiative for School Improvement	\$0				
Infrastructure Maintenance Renewal	\$623,467	\$806,268	\$(437,716)		\$992,019
Regional Collaborative Service Delivery	51,755	164,044	(69,993)		145,806
Other Alberta Education Deferred Revenue	1,077,852	447,838	(1,297,527)		228,163
<b>Other Deferred Revenue:</b>					
School Generated Funds	53,250	57,745	(56,042)		54,953
Donations	1,121,637	457,917	(714,010)	(27,920)	837,624
Rent	0				0
<b>Total Unexpended Deferred Operating Revenue</b>	<b>\$2,927,961</b>	<b>\$1,933,812</b>	<b>\$(2,575,288)</b>	<b>\$(27,920)</b>	<b>\$2,258,565</b>
Unexpended Deferred Capital Revenue	801,744	1,082,594	(1,482,891)		401,447
Expended Deferred Capital Revenue	65,272,415	7,803,593	(3,329,677)		69,746,331
<b>Total</b>	<b>\$69,002,120</b>	<b>\$10,819,999</b>	<b>\$(7,387,856)</b>	<b>\$(27,920)</b>	<b>\$72,406,343</b>

**Note 9 Employee Future Benefit Liabilities**

Employee future benefit liabilities consist of the following:

	2015	2014
Accumulated Sick Pay Liability	\$3,000	\$10,000
Post-employment Benefits	25,454	40,702
<b>Total</b>	<b>\$28,454</b>	<b>\$50,702</b>

**Note 10 Pension Costs**

The Division participates in a multi-employer pension plan, the Local Authorities Pension Plan and does not report on any unfunded liabilities. Pension costs included in these financial statements are comprised of 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 \$884,396 for the year ended August 31, 2015 (2014 - \$790,659). For the year ended August 31, 2015, the amount contributed to the Teachers' Retirement Fund by the Province was \$2,555,353 (2014 - \$2,447,683).

As of December 31, 2014 the Local Authorities Pension Plan reported an actuarial deficit of \$2,454,636,000 (2013 - \$4,861,516,000). At August 31, 2014 the Teachers' Retirement Fund reported an actuarial surplus of \$519,473,000 (2013 – deficit of \$825,590,000).

**Note 11 Contractual Obligations**

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

	Building Leases	Service Providers	Equipment Leases
2015-16	\$104,512	\$32,234	\$184,339
2016-17	19,562		184,339
2017-18			184,339
2018-19			184,339
2019-20			184,338
<b>Total</b>	<b>\$124,074</b>	<b>\$32,234</b>	<b>\$921,694</b>

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 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2015

**Note 12 School Generated Funds**

	2015	2014
<b>Unexpended School Generated Funds, Opening Balance August 31</b>	<b>\$755,420</b>	<b>\$691,003</b>
<b>Current Year Activities – Gross Receipts:</b>		
Fundraising	376,812	390,259
Gifts and donations	431,924	489,717
Other sales and services		
<b>Total gross receipts</b>	<b>808,736</b>	<b>879,976</b>
<b>Current Year Activities – Uses of Funds</b>		
Equipment and Supplies	33,397	77,384
Extra-Curricular Activities	629,398	485,669
Field Trips	121,539	141,854
Fundraising (Direct Costs)	97,376	110,652
Other Activities		
<b>Total Uses of Funds</b>	<b>881,710</b>	<b>815,559</b>
<b>Unexpended School Generated Funds, Closing Balance August 31</b>	<b>\$682,446</b>	<b>\$755,420</b>
Balance included in Deferred Revenue	54,953	53,250
Balance included in Accumulated Surplus	627,493	702,170
<b>Total</b>	<b>\$682,446</b>	<b>\$755,420</b>



**Note 13 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:

	2015	2014
Unrestricted surplus	\$925,416	\$926,987
Operating reserves		
Accumulated surplus (deficit) from operations		
Investment in tangible capital assets	7,345,158	7,705,593
Capital reserves	1,073,170	1,129,880
Accumulated re-measurement gains (losses)		
<b>Accumulated surplus (deficit)</b>	<b>\$9,343,744</b>	<b>\$9,762,460</b>

Accumulated surplus from operations (ASO) include school generated funds of \$624,701. These funds are raised at school level and are not available to spend at board level. The Division's adjusted surplus from operations is calculated as follows:

	2015	2014
Accumulated surplus (deficit) from operations	\$9,343,744	\$9,762,460
School Generated funds included in accumulated surplus (Note 12)	(627,493)	(702,170)
<b>Adjusted accumulated surplus (deficit)</b>	<b>\$8,716,251</b>	<b>\$9,060,290</b>

Adjusted accumulated surplus represents unspent funding available to support the Division's operations for the 2015-2016 year.

**Note 14 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. Included in Federal Government and First Nations revenue is \$21,822,073 for tuition fees (2014 - \$20,838,515).

**Note 15 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 16 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	\$1,045,325	\$92,765		
Prepaid expenses/Deferred revenue		1,365,988		
Unexpended deferred capital revenue		348,118		
Expended deferred capital revenue		69,106,196	\$3,030,604	
Grant revenues and expenses			34,056,400	\$299,073
ATRF payments made on Division's behalf			2,555,353	
Other revenues and expenses				
<b>Other Related Parties:</b>				
Other Alberta school jurisdictions	13,044	69,563	3,647	613,513
Alberta Agriculture and Rural Development			22,191	
Alberta Health Services	77,622	150	477,229	1,150
ATB Financial			77,530	954
Other Government of Alberta Ministries			180	702
Post-secondary institutions		16,868		57,008
<b>Total 2014/2015</b>	<b>\$1,135,991</b>	<b>\$70,999,648</b>	<b>\$40,223,134</b>	<b>\$972,400</b>
<b>Total 2013/2014</b>	<b>\$232,933</b>	<b>\$67,157,184</b>	<b>\$38,934,142</b>	<b>\$824,199</b>

**Note 17 Remuneration and Monetary Incentives**

Northland School Division has paid or accrued expenses for the year ended August 31, 2015 to or on behalf of the following positions and persons in groups as follows:

	FTEs	Remuneration	Benefits	ERIP's / Other	Expenses
<b>Trustee:</b>					
Kelly, Colin – contract	1.00	\$153,000	\$3,559		\$47,255
<b>Superintendent:</b>					
Barrett, Donna	1.00	177,718	9,184		27,247
<b>Secretary/Treasurer:</b>					
Rasmuson, Trudy	1.00	130,000	33,358		8,963
<b>Other:</b>					
Certificated Salaries	217.1	20,439,292	4,560,345		
Non-certificated Salaries	290.02	13,278,813	2,931,305		
<b>Total</b>	<b>510.12</b>	<b>\$34,178,823</b>	<b>\$7,537,751</b>		<b>\$83,465</b>

**Note 18    Liability for Contaminated Sites**

The Division has determined that the liability for contaminated sites is \$0 (2014 - \$0).

**Note 19    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 20    Transfer of Assets**

During the year, twenty residential housing units were transferred from the Province of Alberta to Northland School Division. These units had a total cost of \$2,465,105 and accumulated amortization of \$844,209 and were recorded as transfer to Tangible Capital Assets and an increase to Expended Deferred Capital Revenue.

**Note 21    Subsequent Event**

In September, 2015, five additional residential units were transferred from the Province of Alberta to Northland School Division. These units have a cost of \$371,339 and accumulated amortization of \$142,353. \$150,000 in grant funding has been received and is included in Unexpended Deferred Capital Contributions for the relocation and setup of these units. The relocation and setup of these units will occur within the next fiscal year.

**Note 22    Financial Instruments**

The Division, as part of its operations, carries a number of financial instruments. It is management's opinion that the Division is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise noted:

*Interest Rate Risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Division is exposed to interest rate risk primarily through its operating line of credit, which bears interest at a rate that fluctuates with the prime lending rate.

**Note 23    Change in Accounting Policy**

During the year, the Division revised its Segment Disclosure policy such that the ECS revenues and expenses are disclosed as a separate segment. This policy was changed to conform with new disclosure requirements from Alberta Education. Previously, ECS was included with Grade 1 – 12 Instruction. The 2014 comparative figures have been reclassified to reflect this change in policy.

**Note 24    Budget Amounts**

The budget was prepared by the Division's management with the Board of Trustees approval given on May 29, 2014.

**Note 25    Approval of Financial Statements**

These financial statements were prepared by management and approved by the Official Trustee on November 25, 2015.