

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2008**  
[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.

<b>BOARD CHAIRMAN</b>	
<b>Steve Noskey</b>	
Name	Signature

<b>SUPERINTENDENT</b>	
<b>Pier DePaola</b>	
Name	Signature

<b>SECRETARY TREASURER OR TREASURER</b>	
<b>Michel L. Guindon</b>	
Name	Signature

**21-Mar-09**  
Board-approved Release Date

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## Auditor's Report

To the Board of Trustees of Northland School Division No. 61

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

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Division as at August 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta  
March 20, 2009

 FCA  
Auditor General

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2008

(in dollars)

	2008	2007 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$13,617,843	\$23,715,397
Accounts receivable (net after allowances)	\$3,894,568	\$3,564,067
Prepaid expenses	\$278,258	\$284,178
Other current assets	\$119,303	\$90,594
<b>Total current assets</b>	\$17,909,972	\$27,654,236
School generated assets	\$526,424	\$345,886
Trust assets	\$0	\$0
Long term accounts receivable	\$659,757	\$1,168,142
Long term investments	\$0	\$0
Capital assets		
Land	\$577,347	\$577,347
Buildings	\$105,905,185	
Less: accumulated amortization	(\$54,454,967)	\$51,450,218
Equipment	\$11,169,759	
Less: accumulated amortization	(\$8,580,667)	\$2,589,092
Vehicles	\$6,467,594	
Less: accumulated amortization	(\$3,763,106)	\$2,704,488
<b>Total capital assets</b>	\$57,321,145	\$45,998,920
<b>TOTAL ASSETS</b>	\$76,417,298	\$75,167,184
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$5,418,843	\$5,432,795
Deferred revenue	\$1,887,094	\$1,390,753
Deferred capital allocations	\$1,157,488	\$11,681,728
Current portion of all long term debt	\$1,577,826	\$1,735,424
<b>Total current liabilities</b>	\$10,041,251	\$20,240,700
School generated liabilities	\$526,424	\$345,886
Trust liabilities	\$0	\$0
Employee future benefits liability	\$28,212	\$46,475
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$3,782,133	\$5,515,632
Less: Current portion of supported debt	(\$1,575,901)	(\$1,733,499)
Unsupported: Debentures and Capital Loans	\$11,548	\$13,473
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	(\$1,925)	(\$1,925)
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$46,726,144	\$34,076,968
<b>Total long term liabilities</b>	\$49,496,635	\$38,263,010
<b>TOTAL LIABILITIES</b>	\$59,537,886	\$58,503,710
<b>NET ASSETS</b>		
Unrestricted net assets	\$2,149,186	\$2,691,187
Operating Reserves	\$2,721,317	\$2,675,396
Accumulated Operating Surplus (Deficit)	\$4,870,503	\$5,366,583
Investment in capital assets	\$6,802,995	\$6,392,850
Capital Reserves	\$5,205,914	\$4,904,041
Total Capital Funds	\$12,008,909	\$11,296,891
<b>Total net assets</b>	\$16,879,412	\$16,663,474
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$76,417,298	\$75,167,184

**Note:** Input "(Restated)" in 2007 column heading where comparatives are not taken from the finalized 2006-2007 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF REVENUES AND EXPENSES**  
for the Year Ended August 31, 2008

(in dollars)

	Actual 2008	Budget 2008 (Note)	Actual 2007 (Note)
<b>REVENUES</b>			
Government of Alberta	\$31,822,709	\$30,525,750	\$31,185,812
Federal Government and/or First Nations	\$17,035,578	\$17,437,098	\$17,356,070
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	\$1,060	\$0	\$0
Other sales and services	\$536,560	\$245,159	\$377,638
Investment income	\$423,434	\$273,000	\$506,493
Gifts and donations	\$258,185	\$65,000	\$310,740
Rentals of facilities	\$813,695	\$844,661	\$819,593
Net school generated funds	\$559,538	\$400,000	\$496,000
Gains on disposal of capital assets	\$2,856	\$19,000	\$3,461
Amortization of capital allocations	\$2,280,293	\$2,515,001	\$2,297,304
<b>Total Revenues</b>	<b>\$53,733,908</b>	<b>\$52,324,669</b>	<b>\$53,353,111</b>
<b>EXPENSES</b>			
Certificated salaries	\$17,660,998	\$17,052,683	\$17,964,008
Certificated benefits	\$4,795,962	\$4,758,538	\$4,723,946
Non-certificated salaries and wages	\$10,686,350	\$10,454,984	\$9,888,754
Non-certificated benefits	\$2,266,424	\$2,580,028	\$2,106,221
Services, contracts and supplies	\$13,486,938	\$13,976,460	\$12,321,648
Net school generated funds	\$559,538	\$400,000	\$496,000
Capital and debt services			
Amortization of capital assets			
Supported	\$2,280,293	\$2,515,001	\$2,297,304
Unsupported	\$1,231,394	\$1,175,674	\$1,233,822
<b>Total Amortization of capital assets</b>	<b>\$3,511,687</b>	<b>\$3,690,675</b>	<b>\$3,531,126</b>
Interest on capital debt			
Supported	\$524,278	\$524,277	\$739,987
Unsupported	\$1,434	\$1,434	\$1,649
<b>Total Interest on capital debt</b>	<b>\$525,712</b>	<b>\$525,711</b>	<b>\$741,636</b>
Other interest charges	\$7,968	\$7,000	\$9,214
Losses on disposal of capital assets	\$16,393	\$1,000	\$2,583
<b>Total Expenses</b>	<b>\$53,517,970</b>	<b>\$53,447,079</b>	<b>\$51,785,136</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$215,938</b>	<b>(\$1,122,410)</b>	<b>\$1,567,975</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$215,938</b>	<b>(\$1,122,410)</b>	<b>\$1,567,975</b>

**Note:** Input "(Restated)" where Actual 2007 comparatives are not as presented in the finalized 2006-2007 Audited Financial Statements filed with Alberta Education. Budget 2008 comparatives presented are "FINAL APPROVED" budget amounts formally adopted by the Board.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2008

(in dollars)

	2008	2007 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$215,938	\$1,567,975
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,280,293)	(\$2,297,304)
Total amortization expense	\$3,511,687	\$3,531,126
Gains on disposal of capital assets	(\$2,856)	(\$3,461)
Losses on disposal of capital assets	\$16,393	\$2,583
Changes in accrued accounts:		
Accounts receivable	(\$330,501)	\$1,195,354
Prepays and other current assets	(\$22,789)	(\$168,393)
Long term accounts receivable	\$508,385	(\$256,035)
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$13,952)	\$2,891,976
Deferred revenue	\$496,341	\$43,087
Employee future benefit expense (recovery)	(\$18,263)	(\$8,168)
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Operations</b>	<b>\$2,080,090</b>	<b>\$6,498,740</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$11,367,691)	(\$10,884,486)
Equipment	(\$1,627,363)	(\$483,957)
Vehicles	(\$1,895,275)	(\$448,573)
Net proceeds from disposal of capital assets	\$42,881	\$9,589
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Investing activities</b>	<b>(\$14,847,448)</b>	<b>(\$11,807,427)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$2,671,731	\$20,895,925
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,735,424)	(\$2,041,576)
Add back: supported portion	\$1,733,498	\$2,039,652
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Financing activities</b>	<b>\$2,669,805</b>	<b>\$20,894,001</b>
<b>Net sources (uses) of cash during year</b>	<b>(\$10,097,553)</b>	<b>\$15,585,314</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/07</b>	<b>\$23,715,397</b>	<b>\$8,130,083</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/08</b>	<b>\$13,617,843</b>	<b>\$23,715,397</b>

**Note:** Input "(Restated)" where Actual 2007 comparatives are not as presented in the finalized 2006-2007 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2008**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
<b>Balance at August 31, 2007</b>	\$16,663,474	\$6,392,850	\$2,691,187	\$2,675,396	\$4,904,041
Retrospective Restatements (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Balance, Aug. 31, 2007</b>	\$16,663,474	\$6,392,850	\$2,691,187	\$2,675,396	\$4,904,041
Excess(def) of revenue over expenses	\$215,938		\$215,938		
Board funded capital transactions		\$1,694,357	\$0	(\$169,882)	(\$1,524,475)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$3,511,687)	\$3,511,687		
Amortization of capital allocations		\$2,280,293	(\$2,280,293)		
Disposal of unsupported capital assets	\$0	(\$54,743)	\$11,866		\$42,877
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$1,925	(\$1,925)		
Net transfers to operating reserves			(\$352,560)	\$352,560	
Net transfers from operating reserves			\$136,757	(\$136,757)	
Net transfers to capital reserves			(\$1,783,656)		\$1,783,656
Net transfers from capital reserves			\$185		(\$185)
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
<b>Balance at August 31, 2008</b>	\$16,879,412	\$6,802,995	\$2,149,186	\$2,721,317	\$5,205,914

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2008  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
<b>Balance at August 31, 2007</b>	\$11,681,728	\$34,076,968
<b>Prior period adjustment</b>	\$0	\$0
<b>Adjusted balance, August 31, 2007</b>	\$11,681,728	\$34,076,968
<b>Add:</b>		
<b>Restricted capital allocations from:</b> Alberta Education-School/Modular Project Capital *	\$2,104,435	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$334,484	
<b>Other capital grants and donations</b>	\$232,812	
<b>Net Proceeds on disposal of supported capital assets</b>	\$0	
<b>Insurance proceeds (and related interest)</b>	\$0	
<b>Donated capital assets (amortizable, @ fair market value)</b>		
<b>Transferred in capital assets (amortizable, @ net book value)</b>		\$0
<b>Current Year Debenture Principal Repayment</b>		\$1,733,498
<b>Expended capital allocations - current year</b>	(\$13,195,971)	\$13,195,971
<b>Less:</b>		
<b>Net book value of supported capital assets disposition, write-off, or transfer; Other</b>	\$0	\$0
<b>Capital allocations amortized to revenue</b>		\$2,280,293
<b>Balance at August 31, 2008</b>	\$1,157,488	\$46,726,144

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

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2008**

**Note 1 Authority**

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

The Division receives instruction and support allocations under Regulation 77/2003. The Regulation allows for the setting of conditions and use of grant monies. The School Division is limited on certain funding allocations and administration expenses.

**Note 2 Significant Accounting Policies and Reporting Practices**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependant on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

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

Fees for service related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the Province or other agencies are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired with the grant.

Unrestricted donations are recognized as revenue when they are received.

(b) Capital Assets

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

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

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2008**

**Note 2 Significant Accounting Policies and Reporting Practices continued**

Computers and related equipment are capitalized, together with other capital assets having a cost in excess of \$500. Any capital allocations received for asset additions are amortized over the same period as the related asset.

(c) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

(d) Prepaid Expenses

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

(e) Vacation Pay

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

(f) Contributed Services

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

(g) Pension Obligation:

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

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

(h) Operating and Capital Reserves:

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2008**

**Note 3 Cash and temporary investments**

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

**Note 4 Financial Instruments**

The jurisdiction's financial instruments consist of cash, accounts receivable, temporary investments, long term accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, or currency risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*. The Division has elected to exclude from the scope of Section 3855, "Financial Instruments, Recognition and Measurement", non-financial contracts or derivatives embedded in non-financial contracts, leases and insurance contracts.

**Note 5 Other Current Assets**

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

**Note 6 Employee Future Benefits**

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. The future benefits are medical and health care benefits to be paid to employees. As at August 31, 2008, the recorded obligation is \$28,212 (2007 \$46,475). The total expense (recovery) recorded in the financial statements is \$(319) (2007 \$6,282).

**Note 7 Tuition Fees**

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

**Note 8 Accounts Receivable (Net after allowances)**

	<u>2008</u>	<u>2007</u>
<b>Short Term</b>		
Province of Alberta	\$ 752,760	\$ 608,610
First Nations (net of allowance)	2,310,057	2,109,034
Department of Indian Affairs	-	46,516
Other Federal Government	463,930	553,828
Other	<u>367,821</u>	<u>246,079</u>
Total Short Term	<u>\$ 3,894,568</u>	<u>\$ 3,564,067</u>
<b>Long Term</b>		
First Nations	<u>659,757</u>	<u>1,168,142</u>
Total Accounts Receivable	<u>\$ 4,554,325</u>	<u>\$ 4,732,209</u>

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2008**

**Note 8 Accounts Receivable (Net after allowances) continued**

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

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

**Note 9 Accounts Payable and Accrued Liabilities**

	<u>2008</u>	<u>2007</u>
Trade payables	\$ 3,389,527	\$ 3,889,072
Vacation payable	250,621	275,289
Federal Government payable	-	291,631
Holdbacks payable	1,740,593	939,120
Security deposits payable	<u>38,102</u>	<u>37,683</u>
	<u>\$ 5,418,843</u>	<u>\$ 5,432,795</u>

**Note 10 Deferred Revenue**

	<u>2008</u>	<u>2007</u>
Infrastructure Maintenance Renewal (Education)	\$ 850,469	\$ 740,913
Alberta Initiative for School Improvement	138,507	98,306
Small Class Size Funding	429,839	280,148
Other Provincial Revenue	334,619	139,846
Donations & other deferred	<u>133,660</u>	<u>131,540</u>
	<u>\$ 1,887,094</u>	<u>\$ 1,390,753</u>

**Note 11 Commitments**

Building Projects

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

Anzac School	\$18.82
Bishop Routhier School	<u>1.11</u>
Total Commitments	<u>\$19.93</u>

It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2008**

**Note 11 Commitments continued**

Lease Obligations

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

2009	\$ 150,781
2010	141,589
2011	120,601
2012	76,590
2013	<u>13,945</u>
	<u>\$ 503,506</u>

**Note 12 Bank Indebtedness**

The jurisdiction has negotiated a line of credit in the amount of \$1,500,000 that bears interest at the bank prime rate minus ¼ percent. The line of credit is secured by a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2008.

**Note 13 Long-term Debt**

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

	<u>2008</u>	<u>2007</u>
Total debentures owing to A.C.F.A. - Supported	\$ 3,782,133	\$ 5,515,632
- Unsupported	<u>11,548</u>	<u>13,473</u>
	<u>3,793,681</u>	<u>5,529,105</u>
Less due within one year - Supported	1,575,901	1,733,499
- Unsupported	<u>1,925</u>	<u>1,925</u>
	1,577,826	1,735,424
Long term portion	<u>2,215,855</u>	<u>3,793,681</u>
	<u>\$3,793,681</u>	<u>\$5,529,105</u>

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008-2009	\$1,577,826	\$ 333,308	\$ 1,911,134
2009-2010	1,080,838	173,988	1,254,826
2010-2011	638,103	79,874	717,977
2011-2012	238,222	41,079	279,301
2012 to maturity	<u>258,692</u>	<u>32,804</u>	<u>291,496</u>
Total	<u>\$ 3,793,681</u>	<u>\$ 661,053</u>	<u>\$ 4,454,734</u>

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2008**

**Note 13 Long-term Debt continued**

Principal repayments and interest on the above debentures, with the exception of 5 debentures totaling \$11,548 as at August 31, 2008, (2007 - \$13,473) are funded by Alberta Finance.

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

**Note 14 Pension Costs**

The pension expense recorded in these financial statements is equivalent to the Division's annual contributions payable of \$441,699 for the year ended August 31, 2008 (2007 - \$428,177).

The Division has also recorded in these financial statements contributions made by Alberta Education to the Teachers' Retirement Fund in the amount of \$2,782,412 for the year ending August 31, 2007 (2008 - \$2,649,404).

As of December 31, 2007 the Local Authorities Pension Plan reported a deficit of \$1,183,334,000 (2006 deficit of - \$746,651,000). At August 31, 2008 the Teachers' Retirement Fund reported a deficit of \$1,184,511 (2007 - \$7,008,275).

**Note 15 Related Party Transactions**

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

	<b>Balances</b>		<b>Transactions</b>	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
<b>2007-2008</b>				
<b>Government of Alberta:</b>				
Education	\$ 515,050	\$ 2,654,744	\$28,411,728	\$ -
Finance	237,710	5,581	524,277	-
Human Resources/Employment	-	-	-	-
Children's Services	-	-	746	-
Other Gov't of Alberta departments	-	-	-	-
<b>Other:</b>				
Health authorities	-	-	103,583	1,400
Post-secondary institutions	-	-	-	27,447
Other Alberta school jurisdictions	-	-	-	528,103
<b>TOTAL 2007-2008</b>	<u>\$ 752,760</u>	<u>\$ 2,660,325</u>	<u>\$29,040,334</u>	<u>\$556,950</u>
<b>TOTAL 2006-2007</b>	<u>\$ 610,086</u>	<u>\$ 12,791,317</u>	<u>\$31,221,791</u>	<u>\$479,939</u>

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2008**

**Note 16 Budget Amounts**

The budget was prepared by the Division's management with Board of Trustees approval given on June 16, 2007.

**Note 17 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 18 Remuneration and Monetary Incentives**

Northland School Division has paid or accrued expenses for the year ended August 31, 2008 to or on behalf of the following positions and persons in groups as follows:

	FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Expenses
<b>Chairperson:</b>							
Noskey, Steve	1.0	\$38,705	\$1,502				\$43,507
<b>Other Board Members:</b>							
Finch, Nadine	1.00	\$3,315	\$126				\$27,008
Voyageur, Claris	0.17	\$660	\$5				\$3,694
Cardinal, Julia	0.83	\$5,525	\$251				\$32,662
Anderson, Joanne	0.17	\$520	\$17				\$802
Noskey, Chris	0.83	\$7,540	\$348				\$16,969
Cardinal, Danny	0.17	\$260	\$2				\$532
Jacobs, Marilyn	0.83	\$3,250	\$134				\$5,400
Alook, Ivan	1.00	\$5,200	\$208				\$9,722
Tremblay, Shirley	1.00	\$1,690	\$61				\$5,830
Peters, Paul	1.00	\$2,405	\$74				\$3,336
Bartman, Shelley	1.00	\$4,030	\$140				\$7,268
Cunningham, Karen	0.17	\$845	\$15				\$986
Haggerty, Violet	0.83	\$5,395	\$248				\$12,672
Janvier, David	0.17	\$260	\$2				\$740
Nokohoo, Jules	0.83	\$3,510	\$150				\$9,688
Grandjambe, Jacalyn	1.00	\$3,510	\$148				\$15,650
Laderoute, Barb	0.67	\$3,965	\$163				\$8,304
Cardinal, Inier	0.33	\$2,210	\$90				\$4,123
Gardiner, Louise	0.17	\$260	\$2				\$255
Chalifoux, Jeff	0.83	\$5,135	\$240				\$11,985
Lehr, Herb	1.00	\$4,255	\$169				\$8,582
Gladue, Norman	0.17	\$390	\$34				\$476
Gullion, Elmer	0.83	\$6,500	\$300				\$10,924
Bissell, Frances	0.17	\$1,950	\$109				\$2,559
Grach, Ernie	0.83	\$5,850	\$252				\$14,121
Bellerose, Arlene	0.17	\$390	\$30				\$444
McGillivray, Lorraine	0.83	\$5,070	\$223				\$11,304
Alook, James	1.00	\$5,400	\$242				\$13,251
Taron, Shayne	0.17	\$260	\$2				\$500
Cardinal, Jeanne	0.83	\$5,398	\$185				\$6,964
Wogan, Cheryl	1.00	\$5,915	\$279				\$11,871
Guild, Robin	1.00	\$5,655	\$223				\$11,324
Moberly, Mike	0.17	\$260	\$2				\$842
McDonald, Rachelle	0.83	\$5,200	\$222				\$8,672
<b>Subtotal</b>	<b>23.00</b>	<b>\$150,683</b>	<b>\$6,198</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$322,967</b>
<b>Superintendent:</b>							
Ramrattan, Annette	1.00	\$150,714	\$22,234	\$0	\$0	\$0	\$54,427
<b>Secretary/Treasurer:</b>							
Guindon, Michel	1.00	\$102,150	\$20,531	\$0	\$0	\$0	\$13,639
Certificated Salaries	228.30	\$17,510,284	\$4,773,728	\$0	\$0	\$0	
Uncertificated Salaries	317.20	\$10,433,517	\$2,239,695	\$0	\$0	\$0	
<b>TOTALS</b>	<b>570.50</b>	<b>\$28,347,348</b>	<b>\$7,062,386</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

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

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2008**

**Note 19 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 Presentation of Comparative Information**

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

**Note 21 Approval of Financial Statements**

These financial statements were prepared by management and approved by the Board of Trustees on March 21, 2009.

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**  
**[School Act, Section 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

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions. These schedules were submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Michel Guindon**

Name

Signature

**21-Mar-09**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: TO COME  
PHONE: (780) TO COME FAX: (780) 422-6996

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**SCHEDULE A**

School Jurisdiction Code: 1280

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2007-2008**

REVENUES	TOTAL	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$31,079,975	\$1,011,077	\$19,303,432	\$3,239,041	\$2,883,995	\$1,700,274	\$2,942,156
(2) Other - Government of Alberta	\$742,734	\$0	\$127,757	\$462,634	\$0	\$0	\$152,343
(3) Federal Government and/or First Nations	\$17,035,578	\$745,329	\$11,302,485	\$2,452,917	\$761,476	\$1,675,075	\$98,296
(4) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(5) Instruction resource fees	\$0	\$0	\$0				
(6) Transportation fees-ECS	\$0				\$0		
(7) Transportation fees-Grades 1-12	\$1,060				\$1,060		
(8) Net school generated funds	\$559,538	\$0	\$559,538			\$0	
(9) Gains on disposal of capital assets	\$2,856	\$0	\$1,134	\$1,722	\$0	\$0	\$0
(10) Amortization of capital allocations	\$2,280,293	\$0	\$84,297	\$2,086,060	\$0		\$109,936
(11) Other revenues	\$2,031,874	\$0	\$832,495	\$87,495	\$14,323	\$13,819	\$1,083,742
(12) <b>TOTAL REVENUES</b>	\$53,733,908	\$1,756,406	\$32,211,138	\$8,329,869	\$3,660,854	\$3,389,168	\$4,386,473
<b>EXPENSES</b>							
(13) Certificated salaries	\$17,660,998	\$815,595	\$16,483,507			\$361,896	\$0
(14) Certificated benefits	\$4,795,962	\$226,671	\$4,477,884			\$91,407	\$0
(15) Non-certificated salaries and wages	\$10,686,350	\$680,424	\$4,837,675	\$2,172,419	\$779,587	\$993,150	\$1,223,095
(16) Non-certificated benefits	\$2,266,424	\$156,712	\$1,061,998	\$498,919	\$157,904	\$205,975	\$184,916
(17) <b>SUB - TOTAL</b>	\$35,409,734	\$1,879,402	\$26,861,064	\$2,671,338	\$937,491	\$1,652,428	\$1,408,011
(18) Supplies and Services	\$13,486,938	\$151,125	\$4,125,258	\$2,868,338	\$2,334,720	\$1,597,903	\$2,409,594
(19) Net school generated funds	\$559,538	\$0	\$559,538				
(20) Amortization of capital assets	\$3,511,687	\$0	\$490,240	\$2,230,873	\$337,319	\$111,867	\$341,388
(21) Interest charges	\$533,680	\$0	\$1,554	\$462,632	\$0	\$6,102	\$63,392
(22) Losses on disposal of capital assets	\$16,393	\$0	\$1,486	\$0	\$351	\$0	\$14,556
(23) <b>TOTAL EXPENSES</b>	\$53,517,970	\$2,030,527	\$32,039,140	\$8,233,181	\$3,609,881	\$3,368,300	\$4,236,941
(24) <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$215,938	(\$274,121)	\$171,998	\$96,688	\$50,973	\$20,868	\$149,532

Note: The reporting of ECS transportation fees and ECS instruction program revenues and expenses separately from Grades 1-12 is optional for 2007-2008 ONLY

**SCHEDULE B  
SCHOOL GENERATED FUNDS (SGF) - 2007-2008**

<b>Unexpended SGF - Opening Balance August 31, 2007</b>			\$345,886
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$313,599	\$127,348	\$186,251
Student fees (Non-Instructional) (Note 1)	\$0	\$0	\$0
Donations and grants to schools	\$553,825	\$0	\$553,825
Other (describe):	\$0	\$0	\$0
<b>Net Additions to SGF</b>	\$867,424	\$127,348	\$740,076
<b>Net SGF Available</b>			\$1,085,962
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$303,043
Field Trips			\$256,495
Other (describe):			\$0
<b>Total Uses of Net SGF (Note 2)</b>			\$559,538
<b>Unexpended SGF - Closing Balance August 31, 2008 (Note 3)</b>			\$526,424

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)

**Notes:**

- 1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.
- 2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.
- 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.