

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

NORTHERN GATEWAY REGIONAL DIVISION NO.10

Legal Name of School Jurisdiction

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Mailing Address

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Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of **NORTHERN GATEWAY REGIONAL DIVISION NO.10** presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

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

Board of Trustees Responsibility

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


External Auditors

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

Declaration of Management and Board Chairman

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

BOARD CHAIR	
Judy Muir	
Name	Signature

SUPERINTENDENT	
Kevin Andrea	
Name	Signature

SECRETARY TREASURER OR TREASURER	
Michael Gramatovich	
Name	Signature

15-Nov-11
Board-approved Release Date

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Shoemaker, Viney & Friesen

CHARTERED ACCOUNTANTS

John S. Shoemaker Professional Corporation

Tina J. Viney Professional Corporation

Timothy J. Friesen Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Northern Gateway Regional Division #10

We have audited the accompanying financial statements of Northern Gateway Regional Division #10, which comprise the statement of financial position as at August 31, 2011, and the statements of revenues and expenses, cash flows, changes in net assets, and capital allocations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Northern Gateway Regional Division #10 as at August 31, 2011, and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Westlock, Alberta
November 15, 2011


CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
as at August 31, 2011

(in dollars)

		2011	2010
ASSETS			
Current assets			
Cash and temporary investments	(Note 3)	\$11,846,971	\$16,085,895
Accounts receivable (net after allowances)	(Note 4)	\$1,232,864	\$1,340,484
Prepaid expenses		\$0	\$12,740
Other current assets		\$0	\$0
Total current assets		\$13,078,835	\$17,439,119
School generated assets			
Trust assets	(Note 9)	\$1,002,529	\$991,670
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets (Note 5)			
Land		\$2,362,357	\$2,362,357
Construction in progress		\$0	\$0
Buildings		\$94,444,313	
Less: accumulated amortization		(\$27,901,320)	\$66,542,993
Equipment		\$4,960,516	
Less: accumulated amortization		(\$3,479,012)	\$1,481,504
Vehicles		\$3,491,804	
Less: accumulated amortization		(\$2,471,573)	\$1,020,231
Total capital assets		\$71,407,085	\$63,498,592
TOTAL ASSETS		\$85,650,870	\$82,102,930
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities	(Note 7)	\$2,636,043	\$1,573,734
Deferred revenue	(Note 8)	\$1,098,221	\$1,703,580
Deferred capital allocations	(Note 11)	\$692,136	\$3,773,593
Current portion of long term debt		\$538,734	\$538,915
Total current liabilities		\$4,961,134	\$7,589,822
School generated liabilities			
Trust liabilities	(Note 9)	\$1,002,529	\$991,670
Employee future benefit liabilities		\$162,421	\$173,549
Long term debt	(Note 10)	\$0	\$0
Supported: Debentures and other supported debt		\$1,964,174	\$2,492,992
Less: Current portion		(\$483,528)	(\$528,818)
Unsupported: Debentures and capital loans		\$2,535,355	\$2,586,664
Capital leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		(\$53,206)	(\$10,097)
Other long term liabilities		\$0	\$0
Unamortized capital allocations	(Note 12)	\$58,936,927	\$54,043,099
Total long term liabilities		\$64,064,672	\$59,749,059
TOTAL LIABILITIES		\$69,025,805	\$67,338,881
NET ASSETS			
Unrestricted net assets		\$489,461	\$489,460
Operating reserves		\$8,019,972	\$6,319,592
Accumulated operating surplus (deficit)		\$8,509,433	\$6,809,052
Investment in capital assets		\$7,970,654	\$6,928,433
Capital reserves		\$144,977	\$1,026,564
Total capital funds		\$8,115,631	\$7,954,997
Total net assets		\$16,625,065	\$14,764,049
TOTAL LIABILITIES AND NET ASSETS		\$85,650,870	\$82,102,930

Note: Please input "(Restated)" in 2010 column heading where comparatives are not taken from the finalized 2009/2010 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2011
(in dollars)

	Actual 2011	Budget 2011	Actual 2010
REVENUES			
Government of Alberta	\$54,998,212	\$53,507,721	\$52,124,270
Federal Government and First Nations	\$2,306,295	\$1,949,064	\$1,800,916
Other Alberta school authorities	\$0	\$0	\$10,500
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$373,955	\$300,830	\$257,825
Transportation fees	\$32,463	\$110,000	\$45,342
Other sales and services	\$57,611	\$53,000	\$131,581
Investment income	\$119,700	\$50,000	\$37,716
Gifts and donations	\$10,000	\$0	\$0
Rental of facilities	\$0	\$0	\$0
Gross school generated funds	\$1,911,923	\$1,060,574	\$2,192,662
Gains on disposal of capital assets	\$2,894	\$0	\$18,453
Amortization of capital allocations	\$2,138,589	\$2,097,020	\$1,908,804
Other revenue	\$0	\$0	\$0
Total Revenues	\$61,951,642	\$59,128,209	\$58,528,069
EXPENSES			
Certificated salaries	\$26,994,746	\$26,950,713	\$26,614,580
Certificated benefits	\$2,861,979	\$2,919,897	\$2,772,235
Non-certificated salaries and wages	\$8,358,717	\$8,249,983	\$8,229,303
Non-certificated benefits	\$2,227,812	\$1,972,523	\$1,965,291
Services, contracts and supplies	\$14,411,268	\$15,834,527	\$13,778,536
Gross school generated funds	\$1,911,923	\$1,060,574	\$2,192,665
Capital and debt services			
Amortization of capital assets			
Supported	\$2,138,589	\$2,097,020	\$1,908,804
Unsupported	\$787,611	\$955,153	\$748,397
Total Amortization of capital assets	\$2,926,200	\$3,052,173	\$2,657,201
Interest on capital debt			
Supported	\$278,396	\$309,441	\$289,731
Unsupported	\$118,296	\$118,297	\$3,834
Total Interest on capital debt	\$396,692	\$427,738	\$293,565
Other interest and charges	\$785	\$0	\$699
Losses on disposal of capital assets	\$485	\$0	\$4,984
Other expense	\$0	\$0	\$0
Total Expenses	\$60,090,607	\$60,467,928	\$58,509,059
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$1,861,035	(\$1,339,719)	\$19,010
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$1,861,035	(\$1,339,719)	\$19,010

Note: Please input "(Restated)" where Actual 2010 comparatives are not as presented in the finalized 2009/2010 Audited Financial Statements filed with Alberta Education. Budget 2011 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2011

(in dollars)

	2011	2010
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	\$1,861,035	\$19,010
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,138,589)	(\$1,908,804)
Total amortization expense	\$2,926,200	\$2,657,201
Gains on disposal of capital assets	(\$2,894)	(\$18,453)
Losses on disposal of capital assets	\$485	\$4,984
Changes in:		
Accounts receivable	\$107,620	(\$186,936)
Prepays and other current assets	\$12,740	\$87,357
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	\$1,062,309	(\$34,904)
Deferred revenue	(\$607,359)	\$284,050
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Operations	\$3,221,547	\$903,505
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$10,605,308)	(\$9,909,997)
Equipment	(\$352,265)	(\$322,369)
Vehicles	(\$20,320)	(\$326,547)
Net proceeds from disposal of capital assets	\$23,370	\$69,046
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$10,954,523)	(\$10,489,867)
C. FINANCING ACTIVITIES		
Capital allocations	\$3,544,362	\$5,798,694
Issue of long term debt	\$0	\$2,552,573
Repayment of long term debt	(\$580,127)	(\$643,885)
Add back: supported portion	\$528,818	\$633,784
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$3,493,052	\$8,341,166
Net cash flows from during the year	(\$4,239,924)	(\$1,245,196)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$16,085,895	\$17,331,091
Cash and temporary investments, net of bank indebtedness, at Aug. 31/11	\$11,845,971	\$16,085,895

Note: Please input "(Restated)" where Actual 2010 comparatives are not as presented in the finalized 2009/2010 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2011

School Jurisdiction Code: 2275

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
						Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2010	\$14,764,049	\$6,928,433	\$489,460	\$6,319,592	\$1,026,564	\$5,288,176	\$46,847	\$699,705	\$571,726	\$445,802	\$407,992	(\$114,090)	\$0	\$0	\$0
Prior period adjustments (describe)															
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2010	\$14,764,049	\$6,928,433	\$489,460	\$6,319,592	\$1,026,564	\$5,288,176	\$46,847	\$699,705	\$571,726	\$445,802	\$407,992	(\$114,090)	\$0	\$0	\$0
Excess (deficiency) of revenues over expenses	\$1,861,035		\$1,861,035												
Board funded capital additions		\$1,799,501	\$0	(\$1,799,501)	\$0	(\$1,103,530)	\$0	(\$69,691)	\$0	(\$585,960)	\$0	(\$20,320)	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	(\$20,964)	(\$2,407)		\$23,371		\$0		\$8,331				\$15,040		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0				\$0		\$0
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$2,926,200)	\$2,926,200												
Amortization of capital allocations (unsupported)		\$2,138,589	(\$2,138,589)												
Debt principal repayments (unsupported)		\$51,314	(\$51,314)												
Net transfers to operating reserves			(\$3,622,762)	\$3,622,762		\$2,973,079		\$143,357		\$506,326		\$0		\$0	\$0
Net transfers from operating reserves			\$122,881	(\$122,881)								(\$122,881)			\$0
Net transfers to capital reserves			(\$55)		\$55										\$0
Net transfers from capital reserves			\$905,013		(\$905,013)		(\$34,251)		(\$447,730)		(\$407,992)		(\$15,040)		\$0
Assumption/transfer of other operations' net assets			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2011	\$16,625,065	\$7,970,654	\$489,461	\$8,019,972	\$1,441,977	\$7,157,725	\$12,586	\$753,371	\$132,381	\$366,168	\$0	(\$257,291)	\$0	\$0	\$0

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2011
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2010	\$3,773,593	\$54,043,099
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2010	\$3,773,593	\$54,043,099
Add:		
Restricted capital allocations from:		
Alberta Education school building and modular projects	\$3,517,292	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$27,070	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
P3, other ASAP and Alberta Infrastructure managed projects		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current year supported debenture principal repayment		\$528,818
Expended capital allocations - current year	(\$6,625,819)	\$6,625,819
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$122,220
Capital allocations amortized to revenue		\$2,138,589
Balance at August 31, 2011	\$692,136	\$58,936,927

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

NORTHERN GATEWAY REGIONAL DIVISION NO. 10

NOTES TO THE FINANCIAL STATEMENTS ENDING AUGUST 31, 2011

1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Education Grants Regulation (AR 120/2008). The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Revenue Recognition

Revenue is recognized as follows:

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

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

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

b) Capital Assets

Capital Assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 4%
Vehicles & Buses	10% to 20%
Computer Hardware/Other Equipment/ Furnishings & Software	10% to 20%

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

c) School Generated Funds

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

d) Vacation Pay

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

e) Pensions

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

The current and past service costs of the Alberta 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 Northern Gateway School Division does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$ 650,417 for the year ended August 31, 2011 (2010 \$581,929). At December 31, 2010, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,635,000 (2009 deficiency of \$3,999,000).

f) Inventories

The Regional Division expenses all items under \$5000 as current operating expenses and, therefore, does not track inventories of supplies in its financial statements.

g) Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

h) Financial Instruments

These consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 (2) (d) of the *School Act*.

i) Operating and Capital Reserves

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

j) Investments

Short term investments are valued at the lower of cost or market. Long term investments are valued at costs or, where there has been other than a temporary impairment in the value of the investment, at market value.

3. CASH AND TEMPORARY INVESTMENTS

	2011			2010		
	Average Effective (Market) Yield	Cost	Fair Value	Average Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	-	\$11,845,970	\$0	-	\$16,085,894	\$0
Fixed-income securities						
Government of Canada, direct and guaranteed	%	0	0	%	0	0
Provincial, direct and guaranteed	%	0	0	%	0	0
Corporate	%	0	0	%	0	0
Municipal	%	0	0	%	0	0
Pooled investment funds	%	0	0	%	0	0
Total fixed-income securities	%	0	0	%	0	0
Total cash and temporary investments	<u>%</u>	\$11,845,970	<u>\$0</u>	<u>%</u>	<u>\$16,085,894</u>	<u>\$0</u>

Please refer to Note 2 (i).

4. ACCOUNTS RECEIVABLE

	2011	2010
Alberta Education	\$0	\$0
Alberta Finance	\$232,122	\$147,098
Federal Government	\$403,793	\$391,492
First Nations	\$303,675	\$463,936
Other Alberta school jurisdictions	\$41,977	\$28,821
Foundations		\$0
Other	\$251,298	\$309,137
Total	<u>\$1,232,864</u>	<u>\$1,340,484</u>

5. TANGIBLE CAPITAL ASSETS

	Land	Construction In Progress - Buildings	Buildings 25-40 Years	Equipment 3-5 Years	Vehicles 5-10 Years	Total Aug. 31, 2011	Total Aug. 31, 2010
Historical cost							
September 1, 2010	\$2,362,356	\$0	\$84,083,065	\$4,642,082	\$3,562,615	\$94,650,118	\$0
Additions	0	0	\$10,605,307	\$352,272	\$20,320	\$10,977,899	0
Transfers in (out)	0	0	0	0	0	0	0
Less disposals including write-offs	0	0	(\$244,042)	(\$33,838)	(\$91,125)	(\$369,005)	0
August 31, 2011	\$2,362,356	\$0	\$94,444,330	\$4,960,516	\$3,491,810	\$105,259,012	\$94,650,118
Accumulated amortization							
September 1, 2010	-	-	\$25,755,341	\$3,096,232	\$2,299,953	\$31,151,526	\$0
Amortization expense	-	-	\$2,267,818	\$411,180	\$247,226	\$2,926,224	0
Transfers in (out)	-	-	0	0	0	\$0	0
Effect of disposals	-	-	(\$121,822)	(\$28,400)	(\$75,600)	(\$225,822)	0
August 31, 2011	-	-	\$27,901,337	\$3,479,012	\$2,471,579	\$33,851,928	\$31,151,526
Net Book Value at August 31, 2011	\$2,362,356	\$0	\$66,542,993	\$1,481,504	\$1,020,231	\$71,407,084	\$63,498,592

6. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$2,000,000 that bears interest at the bank prime rate. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2011.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2011	2010
Alberta Education		\$8,168
Alberta Finance		0
Federal Government		\$86,278
First Nations		0
Other Alberta school jurisdictions		0
Other trade payables and accrued liabilities	\$2,636,043	\$1,479,288
Total	\$2,636,043	\$1,573,734

8. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2010	ADD: 2010/2011 Restricted Funds Received/ Receivable	DEDUCT: 2010/2011 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2010/2011 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2011
Alberta Education Restricted Operational Funding:	\$0	\$0	\$0	\$0	\$0
Alberta Initiative for School Improvement	\$92,857	\$712,055	(\$726,516)	\$0	\$78,396
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal	\$1,158,204	\$954,625	(\$1,104,890)	\$0	\$1,007,939
Institutional Education Programs	\$0	\$0	\$0	\$0	\$0
Portable/Modular Unit Relocation	\$0	\$0	\$0	\$0	\$0
Regional Consortium	\$0	\$0	\$0	\$0	\$0
Regional Educational Consulting Services	\$0	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$438,001	\$0	(\$438,001)	\$0	\$0
Student Health Initiative (School Authorities)	\$0	\$0	\$0	\$0	\$0
SuperNet Service	\$6,544	\$0	(\$6,544)	\$0	\$0
Other Alberta Education deferred revenue	\$0	\$0	\$0	\$0	\$0
Other Government of Alberta Restricted Funding:	\$0	\$0	\$0	\$0	\$0
ASHIP	\$0	\$170,872	(\$165,046)	\$0	\$5,826
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Other Deferred Revenue:	\$0	\$0	\$0	\$0	\$0
Prepaid Transportation Fees	\$7,972	\$0	(\$3,912)	\$0	\$4,060
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Total	\$1,703,578	\$1,837,552	(\$2,444,909)	\$0	\$1,096,221

9. TRUST ASSETS AND LIABILITIES

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

	2011	2010
Deferred Salary Leave Plan	\$0	\$0
Scholarship Trusts	\$162,421	\$173,549
Student Health Initiative Trust (SHI Banker Board)	0	0
Children and Youth with Complex Needs (Banker Board)	0	0
Other foundations (please specify)	0	0
Total	\$162,421	\$173,549

10. LONG TERM DEBT

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 6.875% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are:

	Principal	Interest	Total
2011-2012	\$483,528	\$203,512	\$687,040
2012-2013	\$431,759	\$152,648	\$584,407
2013-2014	\$350,688	\$106,965	\$457,653
2014-2015	\$261,517	\$70,377	\$331,894
2015-2016	\$246,518	\$43,448	\$289,966
2016 to maturity	\$161,026	\$21,302	\$182,328
Total	\$1,964,174	\$598,252	\$2,533,288

Unsupported Debentures and Capital Loans, Capital Leases, and Mortgages

The School Jurisdiction previously entered into debentures in the amount of \$2,643,950. The debentures bears interest between 4.537% per annum and 9.375% and expires on March 15, 2040. The following is a summary of principal and interest payments on related long term debt outstanding at August 31, 2011:

	Principal	Interest	Total
2011-2012	53,205	115,521	168,726
2012-2013	55,194	112,658	167,852
2013-2014	50,951	109,704	160,655
2014-2015	49,319	107,246	156,565
2015-2016	51,582	104,983	156,565
2016 to maturity	2,275,104	1,482,466	3,757,570
Total	\$2,535,355	\$2,032,578	\$4,567,933

11. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

12. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

13. COMMITMENTS

- a) Building Projects: The jurisdiction is committed to further capital expenditures for the addition at Hilltop High School of approximately \$151,033. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.
- b) Office Project: The jurisdiction is committed to further capital expenditures for a new division office of approximately \$163,702.
- c) Service Providers: As at August 31, 2011, the jurisdiction has \$502,828.45 (2010 \$989,515) in commitments relating to service contracts.
- d) Shop Lease: The jurisdiction is committed to lease shop space of approximately \$11,025 which terminates in March 2012.

14. CONTINGENCIES

- a) The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.
- b) The jurisdiction has been named as a defendant in a lawsuit whereby the plaintiff is seeking damages in the amount of \$200,000. As the likelihood of the outcome and potential damages, if any, ensuing from this lawsuit are not determinable at the date of reporting, no provision has been made in the financial statements for any costs associated with this lawsuit.

15. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities that are consolidated in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

2010/2011	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta (GOA):				
Education	\$0	\$84,222	\$53,915,552	\$0
Education (Deferred Capital Allocations)	N/A	0	N/A	N/A
Infrastructure	0	0	0	0
Finance and Enterprise	\$116,395	0	\$278,396	0
Health and Wellness	0	0	0	0
Employment and Immigration	0	0	0	0
Other GOA departments	0	0	\$6,800	0
Other:				
Health authorities	0	0	0	0
Post-secondary institutions	0	0	0	0
Other Alberta school jurisdictions	0	0	0	0
Other related parties	0	0	0	0
TOTAL 2010/2011	<u>\$116,395</u>	<u>\$84,222</u>	<u>\$54,200,748</u>	<u>\$0</u>
TOTAL 2009/2010	<u>\$147,098</u>	<u>\$537,402</u>	<u>\$52,124,631</u>	<u>\$147,098</u>

16. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The jurisdiction's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

17. REMUNERATION AND MONETARY INCENTIVES

The Northern Gateway School Division had paid or accrued expenses for the year ended August 31, 2011 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair Judy Muir	1.0	\$34,733	\$2,937	\$0			\$16,948
Other members	0.0	\$0	\$0	\$0			\$0
Sharron Aasland	0.2	\$3,607	\$117	\$0			\$895
Jim Govenlock	1.0	\$17,913	\$4,978	\$0			\$9,115
Anne Nichol	1.0	\$29,586	\$2,955	\$0			\$20,460
Peter Gilchrist	1.0	\$24,773	\$1,994	\$0			\$14,599
Jim Hailes	0.8	\$18,933	\$5,359	\$0			\$13,996
Kim Priest	0.2	\$2,052	\$739	\$0			\$1,031
Barbara Maddigan	1.0	\$18,454	\$4,665	\$0			\$8,736
Terry Slemko	1.0	\$18,172	\$4,078	\$0			\$6,404
Maureen Wilcox	0.2	\$1,573	\$689	\$0			\$305
Cheryl Miner	0.8	\$6,667	\$771	\$0			\$2,401
Albert Schalm	0.8	\$11,101	\$4,610	\$0			\$6,179
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
Subtotal	9.0	\$187,564	\$33,892	\$0			\$101,068
Superintendent (1)	0.0	\$187,136	\$12,636	\$0	\$0	\$5,823	\$38,661
	0.0						
Secretary/Treasurer (1)	0.0	\$141,663	\$11,818	\$0	\$0	\$0	\$18,012
Certificated teachers	289.3	\$26,807,609	\$2,849,343	\$0	\$0	\$0	
Non-certificated - other	249.0	\$8,029,491	\$2,182,103	\$0	\$0	\$0	
TOTALS		\$35,353,463	\$5,089,792	\$0	\$0	\$5,823	

18. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on November 24, 2010. It is presented for information purposes only and has not been audited.

19. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2010/2011 presentation.