

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**
[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

(780) 624-2060 (780) 624-5914 trudy.rasmuson@nsd61.ca

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, remeasurement gains and losses, changes in net financial assets (debt), and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

BOARD CHAIR

Ms. Maddy Daniels

Name

ORIGINAL SIGNED

Signature

SUPERINTENDENT

Mr. Gord Atkinson

Name

Signature

SECRETARY-TREASURER OR TREASURER

Ms. Trudy Rasmuson

Name

ORIGINAL SIGNED

Signature

November 30, 2017

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: EDC.FRA@gov.ab.ca
PHONE: Mei-Ling: (780) 415-8940; Robert: (780) 427-3855 FAX: (780) 422-6996

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF OPERATIONS	5
STATEMENT OF CASH FLOWS	6
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)	7
STATEMENT OF REMEASUREMENT GAINS AND LOSSES	8
Schedule 1: SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS	9
Schedule 2: SCHEDULE OF CAPITAL REVENUE	11
Schedule 3: SCHEDULE OF PROGRAM OPERATIONS	12
Schedule 4: SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES	13
Schedule 5: SCHEDULE OF CASH, CASH EQUIVALENTS, AND PORTFOLIO INVESTMENTS	14
Schedule 6: SCHEDULE OF CAPITAL ASSETS	15
Schedule 7: SCHEDULE OF REMUNERATION AND MONETARY INCENTIVES	16
NOTES TO THE FINANCIAL STATEMENTS	17
Schedule 8: UNAUDITED SCHEDULE OF FEE REVENUES	29
Schedule 9: UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING	30
Schedule 10: UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES	31

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Northland School Division No.61, which comprise the statement of financial position as at August 31, 2017, and the statements of operations, cash flows, changes in net financial assets (net debt), remeasurement gains and losses, and changes in accumulated surplus for the year ended and the related notes which comprise 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 public sector accounting standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have 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 of 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 auditors' 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, these financial statements present fairly, in all material respects, the financial position of Northland School Division No.61 as at August 31, 2017 and results of its operations, changes in its net financial assets (net debt), remeasurement gains and losses, changes in accumulated surplus, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

The financial statements of Northland School Division No.61 for the year ended August 31, 2016 were audited by another auditor who expressed an unmodified opinion on those statements on November 23, 2016.

November 30, 2017
Edmonton, Alberta

Hawkings Epp Dumont LLP
Chartered Accountants

EDMONTON
10476 Mayfield Road
Edmonton, AB T5P 4P4
1.877.489.9606
T: 780.489.9606
F: 780.484.9689

LLOYDMINSTER
5102 – 48 Street
PO Box 10099
Lloydminster, AB T9V 3A2
T: 780.875.7433
F: 780.875.5304

WHITECOURT
4927 – 51 Avenue
PO Box 328
Whitecourt, AB T7S 1N5
T: 780.778.3091
F: 780.778.3072

HAWKINGS.COM



STATEMENT OF FINANCIAL POSITION
As at August 31, 2017 (in dollars)

		2017	2016
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5)	\$ 7,441,624	\$ 5,256,133
Accounts receivable (net after allowances)	(Note 3)	\$ 5,530,764	\$ 3,393,087
Portfolio investments	(Schedule 5)	\$ -	\$ -
Other financial assets	(Note 4)	\$ 45,643	\$ 93,250
Total financial assets		\$ 13,018,031	\$ 8,742,470
LIABILITIES			
Bank indebtedness	(Note 6)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 9)	\$ 3,317,118	\$ 3,152,938
Deferred revenue	(Note 10)	\$ 68,976,532	\$ 69,967,356
Employee future benefits liabilities	(Note 11)	\$ 6,001	\$ 16,838
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 72,299,651	\$ 73,137,132
Net financial assets (debt)		\$ (59,281,620)	\$ (64,394,662)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)		
Land		\$ 538,792	\$ 538,792
Construction in progress		\$ 627,403	\$ -
Buildings		\$ 145,997,261	
Less: Accumulated amortization		\$ (79,541,866)	\$ 69,686,193
Equipment		\$ 7,763,544	
Less: Accumulated amortization		\$ (7,116,701)	\$ 866,976
Vehicles		\$ 8,582,223	
Less: Accumulated amortization		\$ (6,493,059)	\$ 2,091,768
Computer Equipment		\$ 5,245,767	
Less: Accumulated amortization		\$ (4,558,931)	\$ 1,005,037
Total tangible capital assets		\$ 71,044,433	\$ 74,188,766
Prepaid expenses	(Note 5)	\$ 443,037	\$ 450,480
Other non-financial assets	(Note 7)	\$ 39,767	\$ 39,267
Total non-financial assets		\$ 71,527,237	\$ 74,678,513
Accumulated surplus	(Schedule 1; Note 14)	\$ 12,245,617	\$ 10,283,851
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 12,245,617	\$ 10,283,851
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 12,245,617	\$ 10,283,851
Contractual obligations	(Note 8)		
Contingent liabilities	(Note 19)		

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

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2017 (in dollars)

	Budget 2017 (Note 21)	Actual 2017	Actual 2016
REVENUES			
Alberta Education	\$ 38,871,772	\$ 39,427,229	\$ 38,432,269
Other - Government of Alberta	\$ 1,030,824	\$ 343,908	\$ 443,728
Federal Government and First Nations	\$ 23,262,246	\$ 21,430,725	\$ 23,128,122
Other Alberta school authorities	\$ -	\$ -	\$ -
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ -	\$ -	\$ 1,396
Other sales and services	\$ 943,375	\$ 1,361,639	\$ 1,197,114
Investment income	\$ 40,000	\$ 84,934	\$ 58,588
Gifts and donations	\$ 650,000	\$ 510,271	\$ 426,655
Rental of facilities	\$ 1,045,540	\$ 864,427	\$ 878,196
Fundraising	\$ -	\$ 287,227	\$ 353,416
Gains on disposal of capital assets	\$ -	\$ 11,981	\$ 86,742
Other revenue	\$ -	\$ 1,898,216	\$ -
Total revenues	\$ 65,843,757	\$ 66,220,557	\$ 65,006,226
EXPENSES			
Instruction - ECS	\$ 1,816,586	\$ 3,476,632	\$ 2,551,406
Instruction - Grades 1 - 12	\$ 40,755,065	\$ 36,835,506	\$ 37,505,505
Plant operations and maintenance	\$ 10,186,557	\$ 11,534,175	\$ 11,086,770
Transportation	\$ 3,553,135	\$ 3,867,025	\$ 3,697,703
Board & system administration	\$ 4,068,702	\$ 3,459,140	\$ 3,530,316
External services	\$ 5,529,359	\$ 5,086,313	\$ 5,694,419
Total expenses	\$ 65,909,404	\$ 64,258,791	\$ 64,066,119
Operating surplus (deficit)	\$ (65,647)	\$ 1,961,766	\$ 940,107

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

STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2017 (in dollars)

	2017	2016
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ 1,961,766	\$ 940,107
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 4,654,552	\$ 4,942,871
Gains on disposal of tangible capital assets	\$ (11,981)	\$ (86,742)
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (3,528,545)	\$ (3,689,943)
Deferred capital revenue write-down / adjustment	\$ 9,510	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (2,137,677)	\$ (1,342,158)
Prepays	\$ 7,443	\$ (97,982)
Other financial assets	\$ 47,607	\$ (22,000)
Non-financial assets	\$ (500)	\$ -
Accounts payable, accrued and other liabilities	\$ 164,180	\$ (1,649,532)
Deferred revenue (excluding EDCR)	\$ 2,430,499	\$ 43,016
Employee future benefit liabilities	\$ (10,837)	\$ (11,616)
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 3,586,017	\$ (973,979)
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (665,289)	\$ (98,274)
Equipment	\$ (229,944)	\$ (366,930)
Vehicles	\$ (455,826)	\$ (425,895)
Computer equipment	\$ (91,379)	\$ -
Net proceeds from disposal of unsupported capital assets	\$ 41,912	\$ 145,633
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (1,400,526)	\$ (745,466)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ -	\$ -
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Other (Describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ -	\$ -
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ -	\$ -
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ -	\$ -
Increase (decrease) in cash and cash equivalents	\$ 2,185,491	\$ (1,719,445)
Cash and cash equivalents, at beginning of year	\$ 5,256,133	\$ 6,975,578
Cash and cash equivalents, at end of year	\$ 7,441,624	\$ 5,256,133

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

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)

For the Year Ended August 31, 2017 (in dollars)

	Budget 2017	2017	2016
Operating surplus (deficit)	\$ (65,647)	\$ 1,961,766	\$ 940,107
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (1,515,000)	\$ (1,549,660)	\$ (2,099,038)
Amortization of tangible capital assets	\$ 4,663,490	\$ 4,654,552	\$ 4,942,871
Net carrying value of tangible capital assets disposed of	\$ -	\$ 39,441	\$ 58,892
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 3,148,490	\$ 3,144,333	\$ 2,902,725
Changes in:			
Prepaid expenses	\$ -	\$ 7,443	\$ (97,982)
Other non-financial assets	\$ -	\$ (500)	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ 3,082,843	\$ 5,113,042	\$ 3,744,850
Net financial assets (net debt) at beginning of year	\$ (64,394,662)	\$ (64,394,662)	\$ (68,139,512)
Net financial assets (net debt) at end of year	\$ (61,311,819)	\$ (59,281,620)	\$ (64,394,662)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
 For the Year Ended August 31, 2017 (in dollars)

	2017	2016
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
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	\$ -	\$ -
Accumulated remeasurement gains (losses) at end of year	\$ -	\$ -

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

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2017 (in dollars)

SCHEDULE 1

	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
Balance at August 31, 2016	\$ 10,283,851	\$ -	\$ 10,283,851	\$ 6,671,861	\$ -	\$ 2,346,607	\$ -	\$ 1,265,383
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ 10,283,851	\$ -	\$ 10,283,851	\$ 6,671,861	\$ -	\$ 2,346,607	\$ -	\$ 1,265,383
Operating surplus (deficit)	\$ 1,961,766		\$ 1,961,766			\$ 1,961,766		
Board funded tangible capital asset additions				\$ 722,631				\$ (722,631)
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (29,931)		\$ (11,981)		\$ 41,912
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	\$ -		\$ -		\$ -	\$ -		
Reinvested endowment income	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus (Describe)	\$ -		\$ -		\$ -	\$ -		\$ -
Amortization of tangible capital assets	\$ -		\$ -	\$ (4,654,552)		\$ 4,654,552		
Capital revenue recognized	\$ -		\$ -	\$ 3,528,545		\$ (3,528,545)		
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	\$ -		\$ -			\$ (3,100,000)		\$ 3,100,000
Net transfers from capital reserves	\$ -		\$ -			\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -		\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -		\$ -
Balance at August 31, 2017	\$ 12,245,617	\$ -	\$ 12,245,617	\$ 6,238,554	\$ -	\$ 2,322,399	\$ -	\$ 3,684,664

SCHEDULE 1
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
 for the Year Ended August 31, 2017 (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	Operating Reserves	Capital Reserves
Balance at August 31, 2016	\$ -	\$ 1,650	\$ -	\$ 122,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,521	\$ -	\$ 1,131,122
Prior period adjustments:												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ -	\$ 1,650	\$ -	\$ 122,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,521	\$ -	\$ 1,131,122
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ -	\$ (219,525)	\$ -	\$ (310,904)	\$ -	\$ -	\$ (14,874)	\$ -	\$ -	\$ (108,938)	\$ -	\$ (68,390)
Disposal of unsupported tangible capital assets or board funded portion of supported assets	\$ -	\$ 2,263	\$ -	\$ 34,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,552	\$ -	\$ 3,000
Write-down of unsupported tangible capital assets or board funded portion of supported assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net remeasurement gains (losses) for the year												
Endowment expenses & disbursements												
Endowment contributions												
Reinvested endowment income												
Direct credits to accumulated surplus (Describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ 400,000	\$ -	\$ 1,550,000	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -
Net transfers from capital reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2017	\$ -	\$ 184,388	\$ -	\$ 1,395,283	\$ -	\$ -	\$ 135,126	\$ -	\$ -	\$ 904,135	\$ -	\$ 1,065,732

**SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2017 (in dollars)**

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2016	\$ 22,679	\$ -	\$ 21,922	\$ 43,755	\$ 67,516,901
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2016	\$ 22,679	\$ -	\$ 21,922	\$ 43,755	\$ 67,516,901
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 332,285				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ 387,517				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:					\$ -
Alberta Infrastructure managed projects					\$ 107,222
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (719,802)	\$ -	\$ -	\$ -	\$ 719,802
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ 9,510
Other adjustments:		\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 3,528,545
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2017	\$ 22,679	\$ -	\$ 21,922	\$ 43,755	\$ 64,805,870
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2017 (A) + (B) + (C) + (D)				\$ 88,356	

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. Please specify department if funds received from a source other than Alberta Education.
- (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, 2017 (in dollars)

REVENUES	2017						2016	
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 1,767,037	\$ 25,536,142	\$ 5,846,096	\$ 2,145,076	\$ 506,979	\$ 3,625,899	\$ 39,427,229	\$ 38,432,269
(2) Other - Government of Alberta	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,908	\$ 343,908	\$ 443,728
(3) Federal Government and First Nations	\$ 1,408,469	\$ 13,191,056	\$ 3,961,615	\$ 1,519,816	\$ 1,349,769	\$ -	\$ 21,430,725	\$ 23,128,122
(4) Other Alberta school authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,396
(9) Other sales and services	\$ -	\$ 1,151,540	\$ 154,432	\$ 9,012	\$ 6,824	\$ 39,831	\$ 1,361,639	\$ 1,197,114
(10) Investment income	\$ -	\$ 84,934	\$ -	\$ -	\$ -	\$ -	\$ 84,934	\$ 58,588
(11) Gifts and donations	\$ -	\$ 491,442	\$ 18,829	\$ -	\$ -	\$ -	\$ 510,271	\$ 426,655
(12) Rental of facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 864,427	\$ 864,427	\$ 878,196
(13) Fundraising	\$ -	\$ 287,227	\$ -	\$ -	\$ -	\$ -	\$ 287,227	\$ 353,416
(14) Gains on disposal of tangible capital assets	\$ -	\$ 2,263	\$ 4,797	\$ 2,552	\$ -	\$ -	\$ 11,981	\$ 86,742
(15) Other revenue	\$ -	\$ 1,898,216	\$ -	\$ -	\$ -	\$ -	\$ 1,898,216	\$ -
(16) TOTAL REVENUES	\$ 3,175,506	\$ 42,642,820	\$ 9,985,769	\$ 3,676,456	\$ 1,863,572	\$ 4,876,434	\$ 66,220,557	\$ 65,006,226
EXPENSES								
(17) Certificated salaries	\$ 2,030,377	\$ 18,558,260			\$ 434,950	\$ -	\$ 21,023,587	\$ 20,782,369
(18) Certificated benefits	\$ 240,326	\$ 4,120,429			\$ 37,901	\$ -	\$ 4,398,656	\$ 4,517,769
(19) Non-certificated salaries and wages	\$ 819,398	\$ 5,541,908	\$ 3,193,711	\$ 1,248,651	\$ 1,164,720	\$ 1,487,932	\$ 13,456,320	\$ 13,467,399
(20) Non-certificated benefits	\$ 172,040	\$ 1,312,207	\$ 776,255	\$ 255,737	\$ 318,992	\$ 378,571	\$ 3,213,802	\$ 3,066,363
(21) SUB - TOTAL	\$ 3,262,141	\$ 29,532,804	\$ 3,969,966	\$ 1,504,388	\$ 1,956,563	\$ 1,866,503	\$ 42,092,365	\$ 41,833,880
(22) Services, contracts and supplies	\$ 214,491	\$ 6,705,597	\$ 4,625,338	\$ 2,039,289	\$ 1,316,942	\$ 2,605,458	\$ 17,507,115	\$ 16,784,026
(23) Amortization of supported tangible capital assets	\$ -	\$ 332,676	\$ 2,752,655	\$ -	\$ 5,389	\$ 437,825	\$ 3,528,545	\$ 3,689,943
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 264,121	\$ 185,848	\$ 321,165	\$ 178,560	\$ 176,313	\$ 1,126,007	\$ 1,252,928
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ 308	\$ 368	\$ 2,183	\$ 1,686	\$ 214	\$ 4,759	\$ 3,425
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 3,476,632	\$ 36,835,506	\$ 11,534,175	\$ 3,867,025	\$ 3,459,140	\$ 5,086,313	\$ 64,258,791	\$ 64,066,119
(31) OPERATING SURPLUS (DEFICIT)	\$ (301,126)	\$ 5,807,314	\$ (1,548,406)	\$ (190,569)	\$ (1,595,568)	\$ (209,879)	\$ 1,961,766	\$ 940,107

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES
for the Year Ended August 31, 2017 (in dollars)

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	Supported Capital & Debt Services	2017 TOTAL Operations and Maintenance	2016 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 1,926,522	\$ 1,144,828	\$ -	\$ -	\$ 122,360			\$ 3,193,710	\$ 3,196,003
Uncertificated benefits	\$ 489,158	\$ 261,774	\$ -	\$ -	\$ 25,323			\$ 776,255	\$ 729,930
Sub-total Remuneration	\$ 2,415,680	\$ 1,406,602	\$ -	\$ -	\$ 147,683			\$ 3,969,965	\$ 3,925,933
Supplies and services	\$ 203,982	\$ 2,427,895	\$ -	\$ 156,518	\$ 133,668			\$ 2,924,063	\$ 2,655,604
Electricity		\$ 766,555	\$ -					\$ 766,555	\$ 744,140
Natural gas/heating fuel		\$ 508,152	\$ -					\$ 508,152	\$ 384,998
Sewer and water		\$ 108,685	\$ -					\$ 108,685	\$ 107,565
Telecommunications		\$ 49,583	\$ -					\$ 49,583	\$ 47,708
Insurance					\$ 191,144			\$ 191,144	\$ 196,626
ASAP maintenance & renewal payments							\$ -	\$ -	\$ -
Amortization of tangible capital assets									
Supported									
Unsupported						\$ 185,848	\$ 2,752,655	\$ 2,752,655	\$ 2,776,885
Total Amortization						\$ 185,848	\$ 2,752,655	\$ 185,848	\$ 157,748
Interest on capital debt								\$ 2,936,503	\$ 2,944,633
Supported									
Unsupported								\$ -	\$ -
Lease payments for facilities				\$ 77,157				\$ 77,157	\$ 79,265
Other interest charges						\$ 368		\$ 368	\$ 298
Losses on disposal of capital assets								\$ -	\$ -
TOTAL EXPENSES	\$ 2,619,662	\$ 3,834,497	\$ 1,432,975	\$ 235,675	\$ 472,495	\$ 186,216	\$ 2,752,655	\$ 11,534,175	\$ 11,086,770

SQUARE METRES	School buildings	Non school buildings
	54,197.0	1,913.8
	54,354.2	1,913.8

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.

Unsupported Amortization & Other Expenses: All expenses related to unsupported capital assets amortization and interest on unsupported capital debt.

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt.

**SCHEDULE OF CASH, CASH EQUIVALENTS, AND PORTFOLIO INVESTMENTS
for the Year Ended August 31, 2017 (in dollars)**

Cash & Cash Equivalents

	2017			2016
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 7,441,624	\$ 7,441,624	\$ 5,256,133
Cash equivalents				
Government of Canada, direct and guaranteed	0.00%	-	-	-
Provincial, direct and guaranteed	0.00%	-	-	-
Corporate	0.00%	-	-	-
Municipal	0.00%	-	-	-
Pooled investment funds	0.00%	-	-	-
Other, including GIC's	0.00%	-	-	-
Total cash and cash equivalents	0.00%	\$ 7,441,624	\$ 7,441,624	\$ 5,256,133

See Note 3 for additional detail.

Portfolio Investments

	2017			2016	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -	\$ -	\$ -	\$ -
Guaranteed investment certificates	0.00%	-	-	-	-
Fixed income securities					
Government of Canada, direct and guaranteed	0.00%	\$ -	\$ -	\$ -	\$ -
Provincial, direct and guaranteed	0.00%	-	-	-	-
Municipal	0.00%	-	-	-	-
Corporate	0.00%	-	-	-	-
Pooled investment funds	0.00%	-	-	-	-
Total fixed income securities	0.00%	-	-	-	-
Equities					
Canadian	0.00%	\$ -	\$ -	\$ -	\$ -
Foreign	0.00%	-	-	-	-
Total equities	0.00%	-	-	-	-
Supplemental integrated pension plan assets	0.00%	\$ -	\$ -	\$ -	\$ -
Restricted investments	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Total portfolio investments	0.00%	\$ -	\$ -	\$ -	\$ -

See Note 5 for additional detail.

The following represents the maturity structure for portfolio investments based on principal amount:

	2017	2016
Under 1 year	100.0%	100.0%
1 to 5 years	0.0%	0.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	100.0%	100.0%

SCHEDULE 6

School Jurisdiction Code: 1280

**SCHEDULE OF CAPITAL ASSETS
for the Year Ended August 31, 2017 (in dollars)**

	2017						2016	
	Land	Construction In Progress	Buildings 25-50 Years	Equipment 5-10 Years	Vehicles 5-10 Years	Computer Hardware & Software 3-5 Years	Total	Total
Tangible Capital Assets								
Estimated useful life								
Historical cost								
Beginning of year	\$ 538,792	\$ -	\$ 146,374,592	\$ 7,585,339	\$ 8,352,647	\$ 5,154,388	\$ 168,005,758	\$ 166,213,417
Prior period adjustments	-	-	-	-	-	-	-	-
Additions	-	627,403	145,105	229,944	455,826	91,379	1,549,657	2,241,390
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	(522,436)	(51,739)	(226,250)	-	(800,425)	(449,049)
Historical cost, August 31, 2017	\$ 538,792	\$ 627,403	\$ 145,997,261	\$ 7,763,544	\$ 8,582,223	\$ 5,245,767	\$ 168,754,990	\$ 168,005,758
Accumulated amortization								
Beginning of year	\$ -	\$ -	\$ 76,688,399	\$ 6,718,363	\$ 6,260,879	\$ 4,149,351	\$ 93,816,992	\$ 89,121,926
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	3,365,763	420,777	458,430	409,580	4,654,550	4,942,870
Other additions	-	-	-	-	-	-	-	142,353
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	(512,296)	(22,439)	(226,250)	-	(760,985)	(390,157)
Accumulated amortization, August 31, 2017	\$ -	\$ -	\$ 79,541,866	\$ 7,116,701	\$ 6,493,059	\$ 4,558,931	\$ 97,710,557	\$ 93,816,992
Net Book Value at August 31, 2017	\$ 538,792	\$ 627,403	\$ 66,455,395	\$ 646,843	\$ 2,089,164	\$ 686,836	\$ 71,044,433	\$ 74,188,766
Net Book Value at August 31, 2016	\$ 538,792	\$ -	\$ 69,686,193	\$ 866,976	\$ 2,091,768	\$ 1,005,037	\$ -	\$ -

	2017	2016
Total cost of assets under capital lease	\$ -	\$ -
Total amortization of assets under capital lease	\$ -	\$ -

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-5.1, Statutes of Alberta, 2017.

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. The Division is a registered charity under the *Income Tax Act (Canada)* and is therefore exempt from the payment of income taxes.

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 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 a transfer to the applicable asset class at substantial completion.
- d) Buildings include site improvements.

- e) 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.
- f) Buildings that are demolished or destroyed are written-off.
- g) 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	5 - 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.
- Investment income includes interest and is recognized when earned and collection is reasonably assured.

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, and post-employment benefit continuation. 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 totaling \$502,555 (2016 - \$594,294) and \$3,684,664 (2016 - \$1,265,383) 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, other financial assets, 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. Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)**

PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

- **PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights (effective April 1, 2017)**

PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; and PS 3380 defines and establishes disclosure standards on contractual rights.

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**

This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

- **PS 3450 Financial Instruments (effective April 1, 2019)**

Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3401 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

Management is currently assessing the impact of these standards on the financial statements.

Note 3 Accounts Receivable (Net after Allowances)

	2017		2016	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education – Grants	\$97,447		\$97,447	\$91,970
Alberta Education – Capital	574,580		574,580	187,063
Other Alberta School Jurisdictions	13,270	13,044	226	13,044
Alberta Health Services	72,000		72,000	79,561
Federal Government	812,476		812,476	295,963
First Nations	4,694,911	1,106,540	3,588,371	2,547,028
Other Alberta Government	5,480		5,480	2,030
Other	396,495	80,891	315,604	176,428
Post-secondary Institutions	64,580		64,580	
Total	\$6,744,239	\$1,200,475	\$5,530,764	\$3,393,087

Note 4 Other Financial Assets

Other financial assets consist of advances to Hot Lunch Programs and damage deposits totaling \$45,643 (2016 – \$93,250).

Note 5 Prepaid Expenses

Prepaid expenses consist of the following:

	2017	2016
Lease and rent	\$21,887	\$13,009
Memberships, subscriptions, and fees	108,209	55,407
Property taxes	23,920	25,282
Other supplies	284,989	356,782
Total	\$439,005	\$450,480

Note 6 Bank Indebtedness

The Division has negotiated a line of credit in the amount of \$3,000,000 (2016 - \$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, 2017 (2016 - \$0).

Note 7 Other Non-Financial Assets:

Other non-financial assets consist of inventories of supplies in the amount of \$39,767 (2016 - \$39,267).

Note 8 Contractual Obligations

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

	Building Leases	Service Providers	Equipment Leases
2017-18	\$20,152	\$31,400	\$184,339
2018-19	19,005	31,400	184,339
2019-20			184,339
2020-21			
Total	\$39,157	\$62,800	\$553,017

Note 9 Accounts Payable and Accrued Liabilities

	2017	2016
Alberta Education	\$199,379	\$159,187
Federal Government	3,989	3,989
First Nations	394,366	422,829
Other Alberta School Jurisdictions	68,164	100,882
Post-secondary Institutions		704
Accrued Vacation Pay Liability	552,209	501,237
Other Salaries & Benefit Costs	753,521	977,767
Other Trade Payables and Accrued Liabilities	1,345,490	986,343
Total	\$3,317,118	\$3,152,938

Note 10 Deferred Revenue

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug.31, 2016	ADD: 2016/2017 Restricted Funds Received/ Receivable	DEDUCT: 2016/2017 Restricted Funds Expended (Paid/Payable)	ADD (DEDUCT): 2016/2017 Adjustments For Returned Funds	DEFERRED REVENUE as at Aug. 31, 2017
Unexpended Deferred Operating Revenue					
Alberta Education:					
Infrastructure Maintenance Renewal	\$1,004,454	\$679,121	\$96,586		\$1,586,989
Regional Collaborative Service Delivery	172,739	130,000	20,125		282,614
Other Alberta Education Deferred Revenue	364,762	439,855	158,259		646,358
Other Deferred Revenue:					
School Generated Funds	34,584	20,464	15,631		39,417
Donations	785,560	1,025,370	930,943	12,331	867,656
Indigenous and Northern Affairs Canada		1,500,000	840,729		659,271
Total Unexpended Deferred Operating Revenue	\$2,362,099	\$3,794,810	\$2,062,273	\$12,331	\$4,082,306
Unexpended Deferred Capital Revenue	88,356	719,802	719,802		88,356
Expended Deferred Capital Revenue	67,516,901	827,024	3,538,055		64,805,870
Total	\$69,967,356	\$4,621,834	\$5,600,328	\$12,331	\$68,976,532

Note 11 Employee Future Benefit Liabilities

Employee future benefit liabilities consist of the following:

	2017	2016
Accumulated Sick Pay Liability	\$6,001	\$6,000
Post-Employment Benefits		10,838
Total	\$6,001	\$16,838

Note 12 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 \$934,504 for the year ended August 31, 2017 (2016 - \$919,446). For the year ended August 31, 2017, the amount contributed to the Teachers' Retirement Fund by the Province was \$2,317,936 (2016 - \$2,447,240).

As of December 31, 2016 the Local Authorities Pension Plan reported an actuarial deficit of \$637,357,000 (2015 - \$923,416,000). At August 31, 2016 the Teachers' Retirement Fund reported an actuarial surplus of \$1,227,749,000 (2015 – surplus of \$779,716,000).

Note 13 School Generated Funds

	2017	2016
Unexpended School Generated Funds, Opening Balance August 31	\$626,655	\$682,446
Current Year Activities – Gross Receipts:		
Fundraising	292,060	333,047
Gifts and donations	246,047	124,165
Other sales and services		
Total gross receipts	538,107	457,212
Current Year Activities – Uses of Funds		
Equipment and Supplies		0
Extra-Curricular Activities	398,554	341,136
Field Trips	137,963	86,043
Fundraising (Direct Costs)	104,414	85,824
Other Activities		
Total Uses of Funds	640,931	513,003
Unexpended School Generated Funds, Closing Balance August 31	523,831	\$626,655
Balance included in Deferred Revenue	39,417	34,584
Balance included in Accumulated Surplus	484,414	592,071
Total	\$523,831	\$626,655

Note 14 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:

	2017	2016
Unrestricted surplus	\$2,322,399	\$2,346,607
Operating reserves		
Accumulated surplus (deficit) from operations		
Investment in tangible capital assets	6,238,554	6,671,861
Capital reserves	3,684,664	1,265,383
Accumulated re-measurement gains (losses)		
Accumulated surplus (deficit)	\$12,245,617	\$10,283,851

Accumulated surplus from operations (ASO) include school generated funds of \$484,414 (2016 - \$592,071). 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:

	2017	2016
Accumulated surplus (deficit) from operations	\$12,245,617	\$10,283,851
School Generated funds included in accumulated surplus (Note 13)	(484,414)	(592,071)
Adjusted accumulated surplus (deficit)	\$11,761,203	\$9,691,780

Adjusted accumulated surplus represents unspent funding available to support the Division's operations for the 2017-2018 year.

Note 15 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 \$20,589,996 for tuition fees (2016 - \$23,128,122).

Note 17 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	\$672,027	\$199,379		\$158,127
Prepaid expenses/Deferred revenue		2,515,961		
Unexpended deferred capital revenue		22,679		
Expended deferred capital revenue		64,432,316	\$3,408,038	
Grant revenues and expenses			36,019,191	
ATRF payments made on Division's behalf			2,317,936	
Other revenues and expenses				
Other Related Parties:				
Other Alberta school jurisdictions	226	68,164		577,300
Alberta Agriculture and Rural Development				1,008
Alberta Health Services	72,000		343,908	
ATB Financial			84,934	938
Other Government of Alberta Ministries	5,480		4,880	702
Post-secondary institutions	64,580		119,106	4,817
Total 2016/2017	\$814,313	\$67,238,499	\$42,297,993	\$742,892
Total 2015/2016	\$373,668	\$68,851,156	\$38,941,799	\$1,028,279

Note 18 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 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.

Housing Agreement

In July, 2016, the Division signed a ten year agreement with 914246 Alberta Ltd in which the Division has guaranteed that 6 housing units will be rented by employees of the Division. If these units are vacant, then the Division will be required to pay the monthly rent for these units, which range from \$1,600 to \$1,675 per month.

Note 20 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.

Credit Concentration Risk

As at August 31, 2017, one customer (2016 – one) accounted for 45% (2016 – 45%) of accounts receivable. The Division believes that there is no unusual exposure associated with the collection of these receivables. The Division performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

Note 21 Budget Amounts

The budget was prepared by the Division's management with the Board of Trustees approval given on June 24, 2016.

Note 22 Approval of Financial Statements

These financial statements were prepared by management and approved by the Board of Trustees on November 30, 2017.

SCHEDULE 8

UNAUDITED SCHEDULE OF FEES

for the Year Ending August 31, 2017 (in dollars)

	Budgeted Fee Revenues 2016/2017	Actual Fees Collected 2016/2017	Unexpended Balance at September 1, 2016*	Actual Fee Expenditures 2016/2017	Unexpended Balance at August 31, 2017*
Transportation Fees	\$0	\$0	\$0	\$0	\$0
Basic Instruction Fees					
Basic instruction supplies	\$0	\$0	\$0	\$0	\$0
Fees to Enhance Basic Instruction					
Technology user fees	\$0	\$0	\$0	\$0	\$0
Alternative program fees	\$0	\$0	\$0	\$0	\$0
Fees for optional courses	\$0	\$0	\$0	\$0	\$0
Activity fees	\$0	\$0	\$0	\$0	\$0
Early childhood services	\$0	\$0	\$0	\$0	\$0
Other fees to enhance education	\$0	\$0	\$0	\$0	\$0
Other Enhancement fees (describe)	\$0	\$0	\$0	\$0	\$0
Other Enhancement fees (describe)	\$0	\$0	\$0	\$0	\$0
Non-Curricular fees					
Extracurricular fees	\$0	\$0	\$0	\$0	\$0
Non-curricular travel	\$0	\$0	\$0	\$0	\$0
Lunch supervision and noon hour activity fees	\$0	\$0	\$0	\$0	\$0
Non-curricular goods and services	\$0	\$0	\$0	\$0	\$0
Other Fees (describe)	\$0	\$0	\$0	\$0	\$0
Other Fees (describe)	\$0	\$0	\$0	\$0	\$0
TOTAL FEES	\$0	\$0	\$0	\$0	\$0

*Unexpended balances cannot be less than \$0

	Actual 2017	Actual 2016
Please disclose amounts paid by parents of students that are recorded as "Other sales and services", "Fundraising", or "Other revenue" (rather than fee revenue):		
Cafeteria sales, hot lunch, milk programs	\$0	\$0
Special events, graduation, tickets	\$0	\$0
International and out of province student revenue	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$0	\$0
Adult education revenue	\$0	\$0
Preschool	\$0	\$0
Child care & before and after school care	\$0	\$0
Lost item replacement fee	\$0	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
TOTAL	\$0	\$0

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2017 (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)
Funded Students in Program	1,220	48	466		
Federally Funded Students	1,154				
REVENUES					
Alberta Education allocated funding	\$ 1,443,173	\$ 1,055,559	\$ 388,184	\$ 3,147,115	\$ 3,199,651
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 1,443,173	\$ 1,055,559	\$ 388,184	\$ 3,147,115	\$ 3,199,651
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 180,220	\$ -	\$ 150,421	\$ 1,108,431	
Instructional non-certificated salaries & benefits	\$ 756,802	\$ 971,117	\$ -	\$ 1,473,645	
SUB TOTAL	\$ 937,022	\$ 971,117	\$ 150,421	\$ 2,582,076	
Supplies, contracts and services	\$ 242,473	\$ 203,229	\$ 70,848	\$ 374,658	
Program planning, monitoring & evaluation	\$ 160,659	\$ -	\$ -	\$ 150,169	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 1,340,154	\$ 1,174,346	\$ 221,269	\$ 3,106,903	
NET FUNDING SURPLUS (SHORTFALL)	\$ 103,019	\$ (118,787)	\$ 166,915	\$ 40,212	

SCHEDULE 10

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2017 (in dollars)									
EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs				TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	TOTAL	
Office of the superintendent	\$ 509,309	\$ 198,588	\$ -	\$ 707,897	\$ -	\$ -	\$ -	\$ 707,897	
Educational administration (excluding superintendent)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Business administration	\$ 983,298	\$ 214,393	\$ -	\$ 1,197,691	\$ -	\$ -	\$ -	\$ 1,197,691	
Board governance (Board of Trustees)	\$ 9,539	\$ 321,756	\$ 294,752	\$ 626,047	\$ -	\$ -	\$ -	\$ 626,047	
Information technology	\$ -	\$ -	\$ -	\$ -	\$ 474,422	\$ 1,017,312	\$ -	\$ 1,491,734	
Human resources	\$ 327,891	\$ 160,315	\$ -	\$ 488,206	\$ -	\$ -	\$ -	\$ 488,206	
Central purchasing, communications, marketing	\$ 84,067	\$ 71,638	\$ -	\$ 155,705	\$ -	\$ -	\$ -	\$ 155,705	
Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Administration - insurance	\$ -	\$ -	\$ 1,006	\$ 1,006	\$ -	\$ -	\$ -	\$ 1,006	
Administration - amortization	\$ -	\$ -	\$ 183,948	\$ 183,948	\$ -	\$ -	\$ -	\$ 183,948	
Administration - other (admin building, interest)	\$ -	\$ -	\$ 98,640	\$ 98,640	\$ -	\$ -	\$ -	\$ 98,640	
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 1,914,104	\$ 966,690	\$ 578,346	\$ 3,459,140	\$ 474,422	\$ 1,017,312	\$ -	\$ 4,950,874	

NORTHLAND SCHOOL DIVISION NO. 61
ATHABASCA DELTA COMMUNITY SCHOOL
SCHEDULES OF NET OPERATING COSTS
YEAR ENDED AUGUST 31, 2017

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying schedule of Net Operating Costs of Athabasca Delta Community School for the year ended August 31, 2017. Management has prepared the schedule based on the requirements in Section 1(c) of the Tuition Agreement dated September 2, 1987 among Northland School Division No. 61, Fort Chipewyan Indian Education Authority (now known as Mikisew Cree First Nations and the Athabasca Chip First Nations) and Her Majesty the Queen.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with Section 1(c) of the Tuition Agreement dated September 2, 1987 among Northland School Division No. 61, Fort Chipewyan Indian Education Authority (now known as Mikisew Cree First Nations and the Athabasca Chip First Nations) and Her Majesty the Queen and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedule 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 schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the schedule 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 schedule.

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 information in the schedule of Net Operating Costs of Athabasca Delta Community School for the year ended August 31, 2017 is presented fairly, in all material respects, in accordance with the provision of Section 1(c) of the Tuition Agreement referred to above.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the schedule, which describes the basis of accounting. The schedule is prepared to meet the requirements of the Tuition Agreement referred to above. As a result, the schedule may not be suitable for another purpose.

Other Matters

The financial information in the schedule of Net Operating Costs of Athabasca Delta Community School for the year ended August 31, 2016 was audited by another auditor who expressed an unmodified opinion on those statements on November 23, 2016.

November 30, 2017
Edmonton, Alberta

Hawkings Epp Dumont LLP
Chartered Accountants

EDMONTON
10476 Mayfield Road
Edmonton, AB T5P 4P4
1.877.489.9606
T: 780.489.9606
F: 780.484.9689

LLOYDMINSTER
5102 – 48 Street
PO Box 10099
Lloydminster, AB T9V 3A2
T: 780.875.7433
F: 780.875.5304

WHITECOURT
4927 – 51 Avenue
PO Box 328
Whitecourt, AB T7S 1N5
T: 780.778.3091
F: 780.778.3072

HAWKINGS.COM



NORTHLAND SCHOOL DIVISION NO. 61

ATHABASCA DELTA COMMUNITY SCHOOL

SCHEDULE OF NET OPERATING COSTS - REGULAR

YEAR ENDED AUGUST 31, 2017

	<u>2017</u>	<u>2016</u>
Direct costs	\$ 4,166,129	\$ 3,855,043
Add (deduct)		
ECS - direct costs	(88,529)	(112,604)
ECS - transportation costs	(19,017)	(10,923)
School Food Service - direct costs	(297,844)	(217,601)
Teacherage expenditures	(120,140)	(122,310)
Alberta Mental Health Project	-	(3,923)
Liaison officer - salary & benefits	(45,721)	(44,797)
Lump Sum Bonus per Collective Agreement	-	(18,504)
Amortization	(71,823)	(46,302)
Amortization - Equipment	23,807	28,576
Boarding Allowance	-	(10,500)
Social Investment Agreements - revenue	(174,939)	(156,357)
INAC Funding for Maintenance Projects	(690,559)	
Share of net unallocated costs	<u>1,025,870</u>	<u>1,046,387</u>
Net operating costs	<u>\$ 3,707,234</u>	<u>\$ 4,186,185</u>

The accompanying notes are part of these financial statements.

Ms. Maddy Daniels
Board Chair
Northland School Division No. 61

Date

Mr. Gord Atkinson
Superintendent of Schools
Northland School Division No. 61

Date

Ms. Trudy Rasmuson, MBA, CMA
Secretary Treasurer
Northland School Division No. 61

Date

NORTHLAND SCHOOL DIVISION NO. 61
ATHABASCA DELTA COMMUNITY SCHOOL
SCHEDULE OF NET OPERATING COSTS - ECS
YEAR ENDED AUGUST 31, 2017

	<u>2017</u>	<u>2016</u>
Direct costs	\$ 88,529	\$ 112,604
ECS transportation costs	19,017	10,923
Share of net unallocated costs	<u>2,452</u>	<u>6,997</u>
Net operating costs	<u>\$ 109,998</u>	<u>\$ 130,524</u>

The accompanying notes are part of these financial statements.

ATHABASCA DELTA COMMUNITY SCHOOL

NOTES TO THE SCHEDULES OF NET OPERATING COSTS

AUGUST 31, 2017

Note 1 Nature of Operations

The purpose of the Athabasca Delta Community School is to provide educational services in the community of Fort Chipewyan under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3 and the *Northland School Division Act*, Chapter N-5.1, Statutes of Alberta, 2017.

Note 2 Significant Accounting Policies and Reporting Practices

The Athabasca Delta Community School Schedules of Net Operating Costs (the "Schedules") for the year ended August 31, 2017 have been prepared to meet the requirements of Section 1(c) of the Tuition Agreement between Northland School Division No. 61 and Mikisew First Nations and Athabasca Chip First Nations, dated September 2, 1987. The Schedules have been prepared on an accrual basis, and in accordance with the following significant accounting principles.

a) Net Operating Costs

As per Section 1(c) of the Tuition Agreement, "Net Operating Costs" shall mean the total gross operational expenditures of Northland School Division's school in Fort Chipewyan, including a proportionate share of central administration and unallocated operating costs of the board, in accordance with the annual audited financial statement prepared by the board for this school but excluding:

- i) capital debt charges (principal plus interest)
- ii) expenditures to other school boards
- iii) rental revenue from community use of Athabasca Delta Community school
- iv) other items of revenue and/or expenditures which increase the net program or operating cost at the Athabasca Delta Community school unless mutually agreed between the parties
- v) any special programs

b) Unallocated Costs

Net unallocated costs are those costs reduced by miscellaneous revenues which are not attributable to any school. These costs are allocated to Athabasca Delta based on the proportion its students are of the total number of students in the Division.