

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2016**  
[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 and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

**BOARD CHAIR**

**Ms. Lois Byers**

Name

**ORIGINAL SIGNED**

Signature

**SUPERINTENDENT**

**Mr. Gord Atkinson**

Name

**ORIGINAL SIGNED**

Signature

**SECRETARY-TREASURER OR TREASURER**

**Ms. Trudy Rasmuson**

Name

**ORIGINAL SIGNED**

Signature

**November 23, 2016**

Board-approved Release Date

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

**TABLE OF CONTENTS**

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

**STATEMENT OF FINANCIAL POSITION**  
As at August 31, 2016 (in dollars)

		2016	2015
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	(Schedule 5)	\$ 5,256,133	\$ 6,975,578
Accounts receivable (net after allowances)	(Note 3)	\$ 3,393,087	\$ 2,050,929
Portfolio investments	(Schedule 5)	\$ -	\$ -
Other financial assets	(Note 4)	\$ 93,250	\$ 71,250
<b>Total financial assets</b>		<b>\$ 8,742,470</b>	<b>\$ 9,097,757</b>
<b>LIABILITIES</b>			
Bank indebtedness	(Note 6)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 9)	\$ 3,152,938	\$ 4,802,470
Deferred revenue	(Note 10)	\$ 69,967,356	\$ 72,406,345
Employee future benefit liabilities	(Note 11)	\$ 16,838	\$ 28,454
Liability for contaminated sites	(Note 19)	\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
<b>Total liabilities</b>		<b>\$ 73,137,132</b>	<b>\$ 77,237,269</b>
<b>Net financial assets (debt)</b>		<b>\$ (64,394,662)</b>	<b>\$ (68,139,512)</b>
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	(Schedule 6)		
Land		\$ 538,792	\$ 538,792
Construction in progress		\$ -	\$ -
Buildings		\$ 146,374,592	
Less: Accumulated amortization		\$ (76,688,399)	\$ 69,686,193
Equipment		\$ 7,585,339	
Less: Accumulated amortization		\$ (6,718,363)	\$ 866,976
Vehicles		\$ 8,352,647	
Less: Accumulated amortization		\$ (6,260,879)	\$ 2,091,768
Computer Equipment		\$ 5,154,388	
Less: Accumulated amortization		\$ (4,149,351)	\$ 1,005,037
<b>Total tangible capital assets</b>		<b>\$ 74,188,766</b>	<b>\$ 77,091,491</b>
Prepaid expenses	(Note 5)	\$ 450,480	\$ 352,498
Other non-financial assets	(Note 7)	\$ 39,267	\$ 39,267
<b>Total non-financial assets</b>		<b>\$ 74,678,513</b>	<b>\$ 77,483,256</b>
<b>Accumulated surplus</b>	(Schedule 1; Note 14)	<b>\$ 10,283,851</b>	<b>\$ 9,343,744</b>
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 10,283,851	\$ 9,343,744
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 10,283,851	\$ 9,343,744
<b>Contractual obligations</b>	(Note 8)		
<b>Contingent liabilities</b>	(Note 21)		

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

**STATEMENT OF OPERATIONS**  
For the Year Ended August 31, 2016 (in dollars)

	Budget 2016	Actual 2016	Actual 2015
<b>REVENUES</b>			
Alberta Education	\$ 38,334,542	\$ 38,432,269	\$ 39,642,357
Other - Government of Alberta	\$ 930,824	\$ 443,728	\$ 477,229
Federal Government and First Nations	\$ 22,175,563	\$ 23,128,122	\$ 21,822,073
Other Alberta school authorities	\$ -	\$ -	\$ -
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees	\$ -	\$ 1,396	\$ -
Other sales and services	\$ 1,186,841	\$ 1,197,114	\$ 1,160,007
Investment income	\$ 40,000	\$ 58,588	\$ 77,530
Gifts and donations	\$ 450,000	\$ 426,655	\$ 1,205,389
Rental of facilities	\$ 1,045,540	\$ 878,196	\$ 883,937
Fundraising	\$ -	\$ 353,416	\$ 375,109
Gains on disposal of capital assets	\$ -	\$ 86,742	\$ 94,037
Other revenue	\$ -	\$ -	\$ -
<b>Total revenues</b>	\$ <b>64,163,310</b>	\$ <b>65,006,226</b>	\$ <b>65,737,668</b>
<b>EXPENSES</b>			
Instruction - ECS	\$ 2,066,571	\$ 2,551,406	\$ 2,376,996
Instruction - Grades 1 - 12	\$ 38,756,733	\$ 37,505,505	\$ 39,985,058
Plant operations and maintenance	\$ 10,646,054	\$ 11,086,770	\$ 11,576,495
Transportation	\$ 3,582,035	\$ 3,697,703	\$ 3,581,793
Board & system administration	\$ 3,793,603	\$ 3,530,316	\$ 3,370,913
External services	\$ 5,511,916	\$ 5,694,419	\$ 5,265,129
<b>Total expenses</b>	\$ <b>64,356,912</b>	\$ <b>64,066,119</b>	\$ <b>66,156,384</b>
<b>Operating surplus (deficit)</b>	\$ <b>(193,602)</b>	\$ <b>940,107</b>	\$ <b>(418,716)</b>

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

**STATEMENT OF CASH FLOWS**  
For the Year Ended August 31, 2016 (in dollars)

	2016	2015
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	\$ 940,107	\$ (418,716)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 4,942,871	\$ 4,409,214
Gains on disposal of tangible capital assets	\$ (86,742)	\$ (94,037)
Losses on disposal of tangible capital assets	\$ -	\$ 22,935
Expended deferred capital revenue recognition	\$ (3,689,943)	\$ (3,208,958)
Deferred capital revenue write-down / adjustment	\$ -	\$ 120,719
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (1,342,158)	\$ 1,588,087
Prepays	\$ (97,982)	\$ 164,676
Other financial assets	\$ (22,000)	\$ (3,000)
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ (1,649,532)	\$ 2,766,571
Deferred revenue (excluding EDCR)	\$ 43,016	\$ 292,481
Employee future benefit liabilities	\$ (11,616)	\$ (22,248)
Other (describe)	\$ -	\$ -
<b>Total cash flows from operating transactions</b>	\$ (973,979)	\$ 5,617,724
<b>B. CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (98,274)	\$ (1,217,752)
Equipment	\$ (366,930)	\$ (533,210)
Vehicles	\$ (425,895)	\$ (410,368)
Computer equipment	\$ -	\$ (242,545)
Net proceeds from disposal of unsupported capital assets	\$ 145,633	\$ 152,264
Other (describe)	\$ -	\$ -
<b>Total cash flows from capital transactions</b>	\$ (745,466)	\$ (2,251,611)
<b>C. INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	\$ -	\$ -
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Change in endowments	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from investing transactions</b>	\$ -	\$ -
<b>D. FINANCING TRANSACTIONS</b>		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ -	\$ -
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other factors affecting capital leases (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from financing transactions</b>	\$ -	\$ -
<b>Increase (decrease) in cash and cash equivalents</b>	\$ (1,719,445)	\$ 3,366,113
<b>Cash and cash equivalents, at beginning of year</b>	\$ 6,975,578	\$ 3,609,465
<b>Cash and cash equivalents, at end of year</b>	\$ 5,256,133	\$ 6,975,578

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, 2016 (in dollars)

	Budget 2016	2016	2015
Operating surplus (deficit)	\$ (193,602)	\$ 940,107	\$ (418,716)
<b>Effect of changes in tangible capital assets</b>			
Acquisition of tangible capital assets	\$ (770,000)	\$ (2,099,038)	\$ (8,724,578)
Amortization of tangible capital assets	\$ 4,771,667	\$ 4,942,871	\$ 4,409,214
Net carrying value of tangible capital assets disposed of	\$ -	\$ 58,892	\$ 201,882
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
<b>Total effect of changes in tangible capital assets</b>	\$ 4,001,667	\$ 2,902,725	\$ (4,113,482)
<b>Changes in:</b>			
Prepaid expenses	\$ -	\$ (97,982)	\$ 164,676
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
<b>Increase (decrease) in net financial assets (net debt)</b>	\$ 3,808,065	\$ 3,744,850	\$ (4,367,522)
<b>Net financial assets (net debt) at beginning of year</b>	\$ (68,139,512)	\$ (68,139,512)	\$ (63,771,990)
<b>Net financial assets (net debt) at end of year</b>	\$ (64,331,447)	\$ (64,394,662)	\$ (68,139,512)

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

**STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
**For the Year Ended August 31, 2016 (in dollars)**

	2016	2015
<b>Accumulated remeasurement gains (losses) at beginning of year</b>	\$ -	\$ -
Prior Period Adjustment (Explain)	\$ -	\$ -
Prior Period Adjustment (Explain)	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
<b>Accumulated remeasurement gains (losses) at end of year</b>	\$ -	\$ -

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

**SCHEDULE 1**

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
for the Year Ended August 31, 2016 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2015	\$ 9,343,744	\$ -	\$ 9,343,744	\$ 7,345,158	\$ -	\$ 925,416	\$ -	\$ 1,073,170
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2015	\$ 9,343,744	\$ -	\$ 9,343,744	\$ 7,345,158	\$ -	\$ 925,416	\$ -	\$ 1,073,170
Operating surplus (deficit)	\$ 940,107		\$ 940,107			\$ 940,107		
Board funded tangible capital asset additions				\$ 638,523		\$ (685,102)		\$ 46,579
Disposal of unsupported tangible capital assets or board funded portion of supported assets	\$ -		\$ -	\$ (58,892)		\$ (86,742)		\$ 145,634
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	\$ -			\$ (4,942,871)		\$ 4,942,871		
Capital revenue recognized	\$ -			\$ 3,689,943		\$ (3,689,943)		
Debt principal repayments (unsupported)	\$ -			\$ -				
Additional capital debt or capital leases	\$ -			\$ -				
Net transfers to operating reserves	\$ -						\$ -	
Net transfers from operating reserves	\$ -						\$ -	
Net transfers to capital reserves	\$ -							\$ -
Net transfers from capital reserves	\$ -							\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -		\$ -		\$ -	\$ -
Other Changes	\$ -		\$ -		\$ -		\$ -	\$ -
Balance at August 31, 2016	\$ 10,283,851	\$ -	\$ 10,283,851	\$ 6,671,861	\$ -	\$ 2,346,607	\$ -	\$ 1,265,383



**SCHEDULE 1**  
**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
**for the Year Ended August 31, 2016 (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
<b>Balance at August 31, 2015</b>	\$ -	\$ 1,250	\$ -	\$ 56,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,521	\$ -	\$ 1,005,393
<b>Prior period adjustments:</b>												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2015</b>	\$ -	\$ 1,250	\$ -	\$ 56,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,521	\$ -	\$ 1,005,393
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,579
Disposal of unsupported tangible capital assets or board funded portion of supported												
Write-down of unsupported tangible capital assets or board funded portion of supported		\$ 400		\$ 66,084								\$ 79,150
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers from capital reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2016</b>	\$ -	\$ 1,650	\$ -	\$ 122,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,521	\$ -	\$ 1,131,122

**SCHEDULE OF CAPITAL REVENUE  
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)  
for the Year Ended August 31, 2016 (in dollars)**

	Unexpended Deferred Capital Revenue				
	Provincially Approved & Funded Projects <sup>(A)</sup>	Surplus from Provincially Approved Projects <sup>(B)</sup>	Proceeds on Disposal of Provincially Funded Tangible Capital Assets <sup>(C)</sup>	Unexpended Deferred Capital Revenue from Other Sources <sup>(D)</sup>	Expended Deferred Capital Revenue
Balance at August 31, 2015	\$ 348,406	\$ -	\$ 8,721	\$ 44,320	\$ 69,746,331
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2015	\$ 348,406	\$ -	\$ 8,721	\$ 44,320	\$ 69,746,331
<b>Add:</b>					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)					
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)	\$ 76,283				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital Alberta Education			\$ 13,201	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:					\$ -
Alberta Infrastructure managed projects					\$ 978,952
Transferred in (out) tangible capital assets (amortizable, @ net book value) Alberta Seniors					\$ 228,986
Expended capital revenue - current year	\$ (252,010)	\$ -	\$ -	\$ (565)	\$ 252,575
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments: Non-capital expenditures	\$ (150,000)	\$ -	\$ -	\$ -	\$ -
<b>Deduct:</b>					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments:		\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 3,689,943
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
<b>Balance at August 31, 2016</b>	<b>\$ 22,679</b>	<b>\$ -</b>	<b>\$ 21,922</b>	<b>\$ 43,755</b>	<b>\$ 67,516,901</b>
	(A)	(B)	(C)	(D)	
<b>Balance of Unexpended Deferred Capital Revenue at August 31, 2016 (A) + (B) + (C) + (D)</b>				<b>\$ 88,356</b>	

**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, 2016 (in dollars)

REVENUES	2016						2015	
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 1,813,344	\$ 23,785,500	\$ 6,368,354	\$ 2,192,724	\$ 479,498	\$ 3,792,849	\$ 38,432,269	\$ 39,642,357
(2) Other - Government of Alberta	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 443,728	\$ 443,728	\$ 477,229
(3) Federal Government and First Nations	\$ 849,980	\$ 15,238,249	\$ 3,765,006	\$ 1,670,861	\$ 1,604,026	\$ -	\$ 23,128,122	\$ 21,822,073
(4) Other Alberta school authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ -	\$ 1,396	\$ -	\$ -	\$ -	\$ -	\$ 1,396	\$ -
(9) Other sales and services	\$ -	\$ 874,661	\$ 167,695	\$ 1,616	\$ 54,660	\$ 98,482	\$ 1,197,114	\$ 1,160,007
(10) Investment income	\$ -	\$ 58,588	\$ -	\$ -	\$ -	\$ -	\$ 58,588	\$ 77,530
(11) Gifts and donations	\$ -	\$ 407,776	\$ 18,879	\$ -	\$ -	\$ -	\$ 426,655	\$ 1,205,389
(12) Rental of facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 878,196	\$ 878,196	\$ 883,937
(13) Fundraising	\$ -	\$ 353,416	\$ -	\$ -	\$ -	\$ -	\$ 353,416	\$ 375,109
(14) Gains on disposal of tangible capital assets	\$ -	\$ 400	\$ 15,163	\$ -	\$ -	\$ 71,179	\$ 86,742	\$ 94,037
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) <b>TOTAL REVENUES</b>	\$ 2,663,324	\$ 40,719,986	\$ 10,335,097	\$ 3,865,201	\$ 2,138,184	\$ 5,284,434	\$ 65,006,226	\$ 65,737,668
<b>EXPENSES</b>								
(17) Certificated salaries	\$ 1,167,147	\$ 19,028,930			\$ 469,287	\$ 117,005	\$ 20,782,369	\$ 20,617,010
(18) Certificated benefits	\$ 125,538	\$ 4,353,007			\$ 30,065	\$ 9,159	\$ 4,517,769	\$ 4,569,529
(19) Non-certificated salaries and wages	\$ 815,426	\$ 5,530,602	\$ 3,196,003	\$ 1,203,225	\$ 1,212,620	\$ 1,509,513	\$ 13,467,989	\$ 13,408,813
(20) Non-certificated benefits	\$ 179,149	\$ 1,236,617	\$ 729,931	\$ 225,003	\$ 319,837	\$ 375,816	\$ 3,066,353	\$ 2,968,222
(21) SUB - TOTAL	\$ 2,287,260	\$ 30,149,156	\$ 3,925,934	\$ 1,428,228	\$ 2,031,809	\$ 2,011,493	\$ 41,833,880	\$ 41,563,574
(22) Services, contracts and supplies	\$ 264,146	\$ 6,142,886	\$ 4,215,905	\$ 1,981,440	\$ 1,235,725	\$ 2,943,924	\$ 16,784,026	\$ 17,667,159
(23) Amortization of supported tangible capital assets	\$ -	\$ 350,693	\$ 2,776,885	\$ -	\$ 5,788	\$ 556,577	\$ 3,689,943	\$ 3,208,958
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 360,519	\$ 167,748	\$ 285,674	\$ 256,600	\$ 182,387	\$ 1,252,928	\$ 1,200,256
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ 334	\$ 298	\$ 2,361	\$ 394	\$ 38	\$ 3,425	\$ 954
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,935
(29) Other expense	\$ -	\$ 501,917	\$ -	\$ -	\$ -	\$ -	\$ 501,917	\$ 2,492,548
(30) <b>TOTAL EXPENSES</b>	\$ 2,551,406	\$ 37,505,505	\$ 11,086,770	\$ 3,697,703	\$ 3,530,316	\$ 5,694,419	\$ 64,066,119	\$ 66,156,384
(31) <b>OPERATING SURPLUS (DEFICIT)</b>	\$ 111,918	\$ 3,214,481	\$ (751,673)	\$ 167,498	\$ (1,392,132)	\$ (409,985)	\$ 940,107	\$ (418,716)

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES  
for the Year Ended August 31, 2016 (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	2016 TOTAL Operations and Maintenance	2015 TOTAL Operations and Maintenance
Unclassified salaries and wages	\$ 1,897,155	\$ 1,179,269	\$ -	\$ -	\$ 119,579			\$ 3,196,003	\$ 3,126,086
Unclassified benefits	\$ 457,521	\$ 249,266	\$ -	\$ -	\$ 23,143			\$ 729,930	\$ 708,899
Sub-total Remuneration	\$ 2,354,676	\$ 1,428,535	\$ -	\$ -	\$ 142,722			\$ 3,925,933	\$ 3,834,985
Supplies and services	\$ 154,416	\$ 1,576,250	\$ -	\$ 761,767	\$ 163,171			\$ 2,655,604	\$ 2,887,870
Electricity			\$ 744,140					\$ 744,140	\$ 767,641
Natural gas/heating fuel			\$ 384,998					\$ 384,998	\$ 460,772
Sewer and water			\$ 107,565					\$ 107,565	\$ 132,018
Telecommunications			\$ 47,708					\$ 47,708	\$ 49,180
Insurance				\$ 196,626				\$ 196,626	\$ 192,319
ASAP maintenance & renewal payments								\$ -	\$ -
Amortization of tangible capital assets								\$ -	\$ -
Supported									
Unsupported							\$ 2,776,885	\$ 2,776,885	\$ 2,750,276
Total Amortization						\$ 167,748		\$ 167,748	\$ 148,854
Interest on capital debt						\$ 167,748	\$ 2,776,885	\$ 2,944,633	\$ 2,899,130
Supported									
Unsupported									
Lease payments for facilities				\$ 79,265				\$ 79,265	\$ 352,580
Other interest charges						\$ 298		\$ 298	\$ -
Losses on disposal of capital assets								\$ -	\$ -
TOTAL EXPENSES	\$ 2,509,092	\$ 3,004,785	\$ 1,284,411	\$ 841,032	\$ 502,519	\$ 168,046	\$ 2,776,885	\$ 11,086,770	\$ 11,576,495
SQUARE METRES									
School buildings								\$ 54,354.2	\$ 54,554.2
Non school buildings								\$ 1,913.8	\$ 2,099.6

Note:

- Custodial:** All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
- Maintenance:** All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
- Utilities & Telecommunications:** All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
- Expensed IMR & Modular Unit Relocation & Lease Pmts:** All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects, modular unit (portable) relocation, and payments on leased facilities.
- Facility Planning & Operations Administration:** All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project administration; administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.
- 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, 2016 (in dollars)**

**Cash & Cash Equivalents**

	2016			2015
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 5,256,133	\$ 5,256,133	\$ 6,975,578
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%	-	-	-
<b>Total cash and cash equivalents</b>	<b>0.00%</b>	<b>\$ 5,256,133</b>	<b>\$ 5,256,133</b>	<b>\$ 6,975,578</b>

See Note 1.12 for additional detail.

**Portfolio Investments**

	2016			2015	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -	\$ -	\$ -	\$ -
Guaranteed interest 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%	-	-	-	-
<b>Total fixed income securities</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Equities					
Canadian	0.00%	\$ -	\$ -	\$ -	\$ -
Foreign	0.00%	-	-	-	-
<b>Total equities</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Supplemental integrated pension plan assets	0.00%	\$ -	\$ -	\$ -	\$ -
Restricted investments	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
<b>Total portfolio investments</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

	2016	2015
Under 1 year	100.0%	0.0%
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%
	<b>100.0%</b>	<b>0.0%</b>

**SCHEDULE 6**

School Jurisdiction Code: 1280

**SCHEDULE OF CAPITAL ASSETS  
for the Year Ended August 31, 2016 (in dollars)**

	2016						2015	
	Land	Construction in Progress	Buildings 10-40 Years	Equipment 5 Years	Vehicles 5-12 Years	Computer Hardware & Software 5 Years	Total	Total
<b>Historical cost</b>								
Estimated useful life								
Beginning of year	\$ 538,792	\$ -	\$ 145,219,670	\$ 7,311,549	\$ 7,989,018	\$ 5,154,388	\$ 166,213,417	\$ 158,715,695
Prior Period Adjustments	-	-	-	-	-	-	-	2,465,105
Additions	-	-	1,448,565	366,930	425,895	-	2,241,390	7,103,680
Transfers in (out)	-	-	(293,643)	(93,140)	(62,266)	-	(449,049)	(2,071,063)
Less disposals including write-offs	\$ 538,792	\$ -	\$ 146,374,592	\$ 7,585,339	\$ 8,352,647	\$ 5,154,388	\$ 168,005,758	\$ 166,213,417
<b>Accumulated amortization</b>								
Beginning of year	\$ -	\$ -	\$ 73,302,706	\$ 6,325,589	\$ 5,915,374	\$ 3,578,257	\$ 89,121,926	\$ 85,737,684
Prior Period Adjustments	-	-	-	-	-	-	-	844,209
Amortization	-	-	3,529,012	434,993	407,771	571,094	4,942,870	4,409,214
Other additions	-	-	142,353	-	-	-	142,353	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	\$ -	\$ -	(285,672)	(42,219)	(62,266)	(4,149,351)	(390,157)	(1,869,181)
<b>Net Book Value at August 31, 2016</b>	\$ 538,792	\$ -	\$ 69,686,193	\$ 866,976	\$ 2,091,768	\$ 1,005,037	\$ 74,188,766	\$ 89,121,926
<b>Net Book Value at August 31, 2015</b>	\$ 538,792	\$ -	\$ 71,916,964	\$ 985,960	\$ 2,073,644	\$ 1,576,131	\$ 77,091,491	\$ 77,091,491

	2016	2015
Total cost of assets under capital lease	\$ -	\$ -
Total amortization of assets under capital lease	\$ -	\$ -

Historical cost additions include \$371,339 for five housing units which were transferred to Northland School Division from the Ministry of Seniors. Accumulated amortization transferred on these units is \$142,353 and has been recorded as Other additions. Included in Building additions is \$978,952 pertaining to a project paid directly by Alberta Education on behalf of Northland School Division. This is a non-cash transaction for Northland School Division.



**Note 1 Authority**

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

The Division receives instruction and support allocations under Education Grants Regulation AR120/2008. The Regulation allows for the setting of conditions and use of grant monies. The School Division is limited on certain funding allocations and administration expenses.

**Note 2 Summary of Significant Accounting Policies**

These financial statements have been prepared in accordance with the CPA Canadian Public Sector Accounting Standards (PSAS). These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

*1. Measurement Uncertainty*

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization rates are based on the estimated useful lives of capital assets. Other significant areas requiring the use of management estimates relate to the potential impairment of assets and estimated employee future benefits.

*2. Tangible Capital Assets*

The following criteria applies:

- a) Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- b) Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- c) Work-in-progress is recorded as a transfer to the applicable asset class at substantial completion.
- d) Buildings include site and leasehold improvements as well as assets under capital lease.



- 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.

**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 \$594,294 (2015 - \$649,521) and \$1,265,383 (2015 - \$1,073,170) restricted for capital reserves.

#### *13. Financial Instruments*

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Division recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and bank indebtedness. Unless otherwise noted, it is management's opinion that the Division is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

Financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of items in the cost or amortized cost upon initial recognition. The gain or loss arising from de-recognition of a financial instrument is recognized in the Statement of Operations. Impairment losses, such as write-downs or write-offs, are reported in the Statement of Operations.

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

Contaminated sites are a result of contamination being introduced into the air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard.

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Division is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at August 31, 2016.

**NORTHLAND SCHOOL DIVISION NO. 61**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2016**

At each financial reporting date, the Division reviews the carrying amount of the liability. Any revision required to the amount previously recognized is accounted for in the period revisions are made. The Division continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

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

	Gross Amount	2016		2015
		Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education – Grants	\$91,970		\$91,970	\$934,544
Alberta Education – Capital	187,063		187,063	110,781
Other Alberta School Jurisdictions	13,044		13,044	13,044
Alberta Health Services	79,561		79,561	77,622
Federal Government	357,296	\$61,333	295,963	134,174
First Nations	5,584,386	3,037,358	2,547,028	513,567
Other Alberta Government	2,030		2,030	0
Other	176,428		176,428	267,197
<b>Total</b>	<b>\$6,491,778</b>	<b>\$3,098,691</b>	<b>\$3,393,087</b>	<b>\$2,050,929</b>

**Note 4 Other Financial Assets**

Other financial assets consist of advances to Hot Lunch Programs and damage deposits totaling \$93,250 (2015 – \$71,250).

**Note 5 Prepaid Expenses**

Prepaid expenses consist of the following:

	2016	2015
Lease and rent	\$13,009	\$58,404
Memberships, subscriptions, and fees	55,407	37,829
Property taxes	25,282	23,344
Other supplies	356,782	232,921
<b>Total</b>	<b>\$450,480</b>	<b>\$352,498</b>

**Note 6 Bank Indebtedness**

The Division has negotiated a line of credit in the amount of \$3,000,000 (2015 - \$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, 2016 (2015 - \$0).

**Note 7 Other Non-Financial Assets:**

Other non-financial assets consist of inventories of supplies in the amount of \$39,267 (2015 - \$39,267).

**NORTHLAND SCHOOL DIVISION NO. 61**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2016**

**Note 8 Contractual Obligations**

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

	Building Leases	Service Providers	Equipment Leases
2016-17	\$29,478	\$31,400	\$184,339
2017-18	4,912	31,400	184,339
2018-19	5,035	31,400	184,339
2019-20			184,339
2020-21			
<b>Total</b>	<b>\$39,425</b>	<b>\$94,200</b>	<b>\$737,356</b>

**Note 9 Accounts Payable and Accrued Liabilities**

	2016	2015
Alberta Education	\$159,187	\$92,765
Alberta Health Services		150
Federal Government	3,989	3,989
First Nations	422,829	525,799
Other Alberta School Jurisdictions	100,882	69,563
Post-secondary Institutions	704	16,868
Accrued Vacation Pay Liability	501,237	424,998
Other Salaries & Benefit Costs	977,767	1,095,027
Other Trade Payables and Accrued Liabilities	986,343	2,573,311
<b>Total</b>	<b>\$3,152,938</b>	<b>\$4,802,470</b>

**Note 10 Deferred Revenue**

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug.31, 2015	ADD: 2015/2016 Restricted Funds Received/ Receivable	DEDUCT: 2015/2016 Restricted Funds Expended (Paid/Payable)	ADD (DEDUCT): 2015/2016 Adjustments For Returned Funds	DEFERRED REVENUE as at Aug.31, 2016
<b>Unexpended Deferred Operating Revenue</b>					
<b>Alberta Education:</b>					
Infrastructure Maintenance Renewal	\$992,019	\$426,260	\$413,825		\$1,004,454
Regional Collaborative Service Delivery	145,806	58,692	31,759		172,739
Other Alberta Education Deferred Revenue	228,163	256,582	119,983		364,762
<b>Other Deferred Revenue:</b>					
School Generated Funds	54,953	12,448	32,817		34,584
Donations	837,624	647,239	696,158	3,145	785,560
<b>Total Unexpended Deferred Operating Revenue</b>	<b>\$2,258,565</b>	<b>\$1,401,221</b>	<b>\$1,294,542</b>	<b>\$3,145</b>	<b>\$2,362,099</b>
Unexpended Deferred Capital Revenue	401,447	89,484	402,575		88,356
Expended Deferred Capital Revenue	69,746,331	1,460,513	3,689,943		67,516,901
<b>Total</b>	<b>\$72,406,343</b>	<b>\$2,951,218</b>	<b>\$5,387,060</b>	<b>\$3,145</b>	<b>\$69,967,356</b>

**NORTHLAND SCHOOL DIVISION NO. 61**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2016**

**Note 11 Employee Future Benefit Liabilities**

Employee future benefit liabilities consist of the following:

	2016	2015
Accumulated Sick Pay Liability	\$6,000	\$3,000
Memberships, subscriptions, and fees	10,838	25,454
<b>Total</b>	<b>\$16,838</b>	<b>\$28,454</b>

**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 \$919,446 for the year ended August 31, 2016 (2015 - \$884,396). For the year ended August 31, 2016, the amount contributed to the Teachers' Retirement Fund by the Province was \$2,447,240 (2015 - \$2,555,353).

As of December 31, 2015 the Local Authorities Pension Plan reported an actuarial deficit of \$923,416,000 (2014 - \$2,454,636,000). At August 31, 2015 the Teachers' Retirement Fund reported an actuarial surplus of \$779,716,000 (2014 - surplus of \$519,473,000).

**Note 13 School Generated Funds**

	2016	2015
<b>Unexpended School Generated Funds, Opening Balance August 31</b>	<b>\$682,446</b>	<b>\$755,420</b>
<b>Current Year Activities – Gross Receipts:</b>		
Fundraising	333,047	376,812
Gifts and donations	124,165	431,924
Other sales and services		
<b>Total gross receipts</b>	<b>457,212</b>	<b>808,736</b>
<b>Current Year Activities – Uses of Funds</b>		
Equipment and Supplies	0	33,397
Extra-Curricular Activities	341,136	629,398
Field Trips	86,043	121,539
Fundraising (Direct Costs)	85,824	97,376
Other Activities		
<b>Total Uses of Funds</b>	<b>513,003</b>	<b>881,710</b>
<b>Unexpended School Generated Funds, Closing Balance August 31</b>	<b>\$626,655</b>	<b>\$682,446</b>
Balance included in Deferred Revenue	34,584	54,953
Balance included in Accumulated Surplus	592,071	627,493
<b>Total</b>	<b>\$626,655</b>	<b>\$682,446</b>

**NORTHLAND SCHOOL DIVISION NO. 61**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2016**

**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:

	2016	2015
Unrestricted surplus	\$2,346,607	\$925,416
Operating reserves		
Accumulated surplus (deficit) from operations		
Investment in tangible capital assets	6,671,861	7,345,158
Capital reserves	1,265,383	1,073,170
Accumulated re-measurement gains (losses)		
<b>Accumulated surplus (deficit)</b>	<b>\$10,283,851</b>	<b>\$9,343,744</b>

Accumulated surplus from operations (ASO) include school generated funds of \$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:

	2016	2015
Accumulated surplus (deficit) from operations	\$10,283,851	\$9,343,744
School Generated funds included in accumulated surplus (Note 13)	(592,071)	(627,493)
<b>Adjusted accumulated surplus (deficit)</b>	<b>\$9,691,780</b>	<b>\$8,716,251</b>

Adjusted accumulated surplus represents unspent funding available to support the Division's operations for the 2016-2017 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 \$23,128,122 for tuition fees (2015 - \$21,822,073).



**NORTHLAND SCHOOL DIVISION NO. 61**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2016**

**Note 16 Fort McMurray Forest Fire**

In May, 2016, a severe forest fire occurred in the Fort McMurray region which resulted in a state of emergency for the entire region and prompted the evacuation of the city of Fort McMurray and surrounding communities. The Division operates schools in the Fort McMurray region and some of the schools and residences had significant smoke damage as a result of the fire. The Division holds insurance policies which have been used to fund the remediation efforts on the affected properties.

The insurance company arranged and paid for the remediation of smoke damage directly and the majority of the work was completed prior to August 31, 2016. Insurance proceeds and remediation expenses totaling \$2,800,000 have been accounted for on a net basis. It is estimated that additional insurance proceeds and remediation costs of approximately \$100,000 will be recorded during the 2016-2017 fiscal year.

**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	\$279,033	\$159,187		
Prepaid expenses/Deferred revenue		1,541,955		
Unexpended deferred capital revenue		22,679		
Expended deferred capital revenue		67,025,749	\$3,540,961	
Grant revenues and expenses			32,444,067	\$366,777
ATRF payments made on Division's behalf			2,447,240	
Other revenues and expenses				
<b>Other Related Parties:</b>				
Other Alberta school jurisdictions	13,044	100,882	250	623,966
Alberta Agriculture and Rural Development				
Alberta Health Services	79,561		443,728	1,290
ATB Financial			58,588	3,425
Other Government of Alberta Ministries	2,030			24,035
Post-secondary institutions		704	6,965	8,786
<b>Total 2015/2016</b>	<b>\$373,668</b>	<b>\$68,851,156</b>	<b>\$38,941,799</b>	<b>\$1,028,279</b>
<b>Total 2014/2015</b>	<b>\$1,135,991</b>	<b>\$70,999,648</b>	<b>\$40,223,134</b>	<b>\$972,400</b>

**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    Liability for Contaminated Sites**

The Division has determined that the liability for contaminated sites is \$0 (2015 - \$0).

**Note 20    Transfer of Assets**

In September, 2015, five residential housing units were transferred from the Province of Alberta to Northland School Division. These units had a total cost of \$371,339 (2015 - \$2,465,105) and accumulated amortization of \$142,353 (2015 - \$844,209) and were recorded as transfer to Tangible Capital Assets and an increase to Expended Deferred Capital Revenue.

**Note 21    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. At this time, it is expected that the Division will not have to make rental payments under this agreement.

**Note 22    Financial Instruments**

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

*Interest Rate Risk*

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

*Credit Concentration Risk*

As at August 31, 2016, one customer (2015 – one) accounted for 45% (2015 – 51%) 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 23    Budget Amounts**

The budget was prepared by the Division's management with the Board of Trustees approval given on June 27, 2015.

**Note 24    Approval of Financial Statements**

These financial statements were prepared by management and approved by the Official Trustee on November 23, 2016.

**SCHEDULE 8**

**UNAUDITED SCHEDULE OF FEE REVENUES**  
for the Year Ending August 31, 2016 (in dollars)

	Actual 2016	Actual 2015
<b>FEES</b>		
Transportation fees	\$0	\$0
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$0	\$0
Technology user fees	\$0	\$0
Alternative program fees	\$0	\$0
Fees for optional courses (band, art, etc.)	\$355	\$0
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$0	\$0
Kindergarten & preschool	\$0	\$0
Extracurricular fees (sports teams and clubs)	\$0	\$0
Field trips (related to curriculum)	\$1,026	\$0
Lunch supervision fees	\$0	\$0
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$15	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
<b>TOTAL FEES</b>	<b>\$1,396</b>	<b>\$0</b>

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

Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):	Actual 2016	Actual 2015
Cafeteria sales, hot lunch, milk programs	\$0	\$0
Special events, graduation, tickets	\$0	\$0
Student travel (international, recognition trips, non-curricular)	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$0	\$0
Adult education revenue	\$0	\$0
Child care & before and after school care	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2016 (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	1,121	43	565		
Federally Funded Students	1,331				
<b>REVENUES</b>					
Alberta Education allocated funding	\$ 1,343,623	\$ 976,793	\$ 442,377	\$ 2,997,805	\$ 3,085,064
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	\$ 1,343,623	\$ 976,793	\$ 442,377	\$ 2,997,805	\$ 3,085,064
<b>EXPENSES (Not allocated from BASE, Transportation, or other funding)</b>					
Instructional certificated salaries & benefits	\$ 43,068	\$ -		\$ 1,012,060	
Instructional non-certificated salaries & benefits	\$ 831,639	\$ 946,468	\$ -	\$ 1,381,197	
<b>SUB TOTAL</b>	\$ 874,707	\$ 946,468	\$ -	\$ 2,393,257	
Supplies, contracts and services	\$ 213,052	\$ 254,982	\$ 107,596	\$ 276,562	
Program planning, monitoring & evaluation	\$ 133,378	\$ -	\$ 143,042	\$ 226,852	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL EXPENSES</b>	\$ 1,221,137	\$ 1,201,450	\$ 250,638	\$ 2,896,671	
<b>NET FUNDING SURPLUS (SHORTFALL)</b>	\$ 122,486	\$ (224,657)	\$ 191,739	\$ 101,134	

SCHEDULE 10

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES  
for the Year Ended August 31, 2016 (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	\$ 523,957	\$ 212,711	\$ -	\$ 736,668	\$ -	\$ -	\$ -	\$ 736,668	
Educational administration (excluding superintendent)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Business administration	\$ 1,049,411	\$ 199,822	\$ -	\$ 1,249,233	\$ -	\$ -	\$ -	\$ 1,249,233	
Board governance (Board of Trustees)	\$ 7,183	\$ 249,004	\$ 317,606	\$ 573,793	\$ -	\$ -	\$ -	\$ 573,793	
Information technology	\$ -	\$ -	\$ -	\$ -	\$ 469,452	\$ 948,558	\$ -	\$ 1,418,010	
Human resources	\$ 315,616	\$ 167,952	\$ -	\$ 483,568	\$ -	\$ -	\$ -	\$ 483,568	
Central purchasing, communications, marketing	\$ 81,480	\$ 38,366	\$ -	\$ 119,846	\$ -	\$ -	\$ -	\$ 119,846	
Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Administration - insurance	\$ -	\$ -	\$ 1,351	\$ 1,351	\$ -	\$ -	\$ -	\$ 1,351	
Administration - amortization	\$ -	\$ -	\$ 262,388	\$ 262,388	\$ -	\$ -	\$ -	\$ 262,388	
Administration - other (admin building, interest)	\$ -	\$ -	\$ 103,469	\$ 103,469	\$ -	\$ -	\$ -	\$ 103,469	
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL EXPENSES</b>	<b>\$ 1,977,647</b>	<b>\$ 867,855</b>	<b>\$ 684,814</b>	<b>\$ 3,530,316</b>	<b>\$ 469,452</b>	<b>\$ 948,558</b>	<b>\$ -</b>	<b>\$ 4,948,326</b>	