

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

Northern Gateway Regional Division No. 10

Legal Name of School Jurisdiction

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Northern Gateway Regional Division No. 10 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with 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

Judy Muir
Name


Signature


SUPERINTENDENT

Kevin Andrea
Name


Signature

SECRETARY-TREASURER OR TREASURER

Michael Gramatovich
Name


Signature

November 10, 2015
Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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Shoemaker, Viney & Friesen

CHARTERED ACCOUNTANTS

John S. Shoemaker Professional Corporation

Tina J. Viney Professional Corporation

Timothy J. Friesen Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Boards of Northern Gateway Regional Division #10

We have audited the accompanying financial statements of Northern Gateway Regional Division #10, which comprise the statement of financial position as at August 31, 2015 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

Auditor's Responsibility

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

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

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

(continues)

Independent Auditor's Report to the Boards of Northern Gateway Regional Division #10 *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Northern Gateway Regional Division #10 as at August 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting standards.

Westlock, Alberta
November 10, 2015



CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
As at August 31, 2015 (in dollars)

		2015	2014
FINANCIAL ASSETS			
Cash and cash equivalents	(Note 3)	\$ 17,881,710	\$ 9,419,614
Accounts receivable (net after allowances)	(Note 4)	\$ 2,027,590	\$ 3,747,032
Portfolio investments		\$ -	\$ -
Other financial assets	(Note 5)	\$ 143,696	\$ -
Total financial assets		\$ 20,052,996	\$ 13,166,646
LIABILITIES			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 7)	\$ 1,651,948	\$ 1,949,754
Deferred revenue	(Note 8)	\$ 70,314,847	\$ 56,278,022
Employee future benefit liabilities		\$ -	\$ -
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt	(Note 9)		
Supported: Debentures and other supported debt		\$ 436,682	\$ 699,200
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 72,403,477	\$ 58,925,976
Net financial assets (debt)		\$ (52,350,481)	\$ (45,759,330)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Note 10)		
Land		\$ 2,353,177	\$ 2,353,177
Construction in progress		\$ -	\$ -
Buildings		\$ 101,519,973	
Less: Accumulated amortization		\$ (36,124,099)	\$ 65,395,874
Equipment		\$ 6,420,894	
Less: Accumulated amortization		\$ (5,066,548)	\$ 1,354,346
Vehicles		\$ 3,623,627	
Less: Accumulated amortization		\$ (2,803,043)	\$ 820,584
Computer Equipment		\$ -	
Less: Accumulated amortization		\$ -	\$ -
Total tangible capital assets		\$ 69,923,981	\$ 64,810,413
Prepaid expenses		\$ -	\$ -
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 69,923,981	\$ 64,810,413
Accumulated surplus	(Note 11)	\$ 17,573,500	\$ 19,051,083
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 17,573,500	\$ 19,051,083
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 17,573,500	\$ 19,051,083
Contractual obligations	(Note 12)		
Contingent liabilities	(Note 13)		

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

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

	Budget 2015	Actual 2015	Actual 2014
REVENUES			
Alberta Education	\$ 54,683,058	\$ 55,761,621	\$ 56,432,376
Other - Government of Alberta	\$ 244,109	\$ 2,969,617	\$ 2,703,044
Federal Government and First Nations	\$ 1,973,782	\$ 2,737,804	\$ 2,661,988
Other Alberta school authorities	\$ -	\$ 212	\$ 3,330
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees	\$ 1,023,187	\$ 1,243,540	\$ 1,017,012
Other sales and services	\$ 412,485	\$ 580,886	\$ 464,263
Investment income	\$ 50,000	\$ 102,982	\$ 102,775
Gifts and donations	\$ 48,797	\$ 220,004	\$ 115,404
Rental of facilities	\$ -	\$ -	\$ -
Fundraising	\$ 261,572	\$ 1,167,494	\$ 1,124,924
Gains on disposal of capital assets	\$ -	\$ 7,500	\$ 4,075
Other revenue	\$ 2,260,661	\$ -	\$ -
Total revenues	\$ 60,957,651	\$ 64,791,660	\$ 64,629,191
EXPENSES			
Instruction - ECS	\$ -	\$ 2,382,035	\$ -
Instruction - Grades 1 - 12	\$ 47,986,387	\$ 47,193,878	\$ 48,629,797
Plant operations and maintenance	\$ 7,991,152	\$ 8,389,061	\$ 8,694,932
Transportation	\$ 5,059,413	\$ 5,172,647	\$ 5,000,737
Board & system administration	\$ 2,623,228	\$ 2,703,437	\$ 2,532,988
External services	\$ -	\$ 428,185	\$ 451,134
Total expenses	\$ 63,660,180	\$ 66,269,243	\$ 65,309,588
Operating surplus (deficit)	\$ (2,702,529)	\$ (1,477,583)	\$ (680,397)

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

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

	2015	2014
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (1,477,583)	\$ (680,397)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 3,061,298	\$ 3,071,928
Gains on disposal of tangible capital assets	\$ (7,500)	\$ (4,075)
Losses on disposal of tangible capital assets	\$ 855	\$ -
Expended deferred capital revenue recognition	\$ (2,260,446)	\$ (2,251,910)
Deferred capital revenue write-off	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 1,719,442	\$ (443,983)
Prepays	\$ -	\$ -
Other financial assets	\$ (143,696)	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ (297,806)	\$ 321,278
Deferred revenue (excluding EDCR)	\$ 16,297,271	\$ 451,287
Employee future benefit liabilities	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 16,891,835	\$ 464,128
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (7,756,804)	\$ (351,219)
Equipment	\$ (242,185)	\$ (177,579)
Vehicles	\$ (190,628)	\$ (149,107)
Computer equipment	\$ -	\$ -
Net proceeds from disposal of unsupported capital assets	\$ 21,396	\$ 4,075
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (8,168,221)	\$ (673,830)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ -	\$ -
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Change in endowments	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ -	\$ -
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (261,518)	\$ (354,482)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other factors affecting capital leases (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ (261,518)	\$ (354,482)
Increase (decrease) in cash and cash equivalents	\$ 8,462,096	\$ (564,184)
Cash and cash equivalents, at beginning of year	\$ 9,419,614	\$ 9,983,798
Cash and cash equivalents, at end of year	\$ 17,881,710	\$ 9,419,614

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, 2015 (in dollars)

	Budget 2015	2015	2014
<u>Operating surplus (deficit)</u>	\$ -	\$ (1,477,583)	\$ (680,397)
Effect of changes in tangible capital assets			
<u>Acquisition of tangible capital assets</u>	\$ -	\$ (8,189,618)	\$ (677,905)
<u>Amortization of tangible capital assets</u>	\$ -	\$ 3,061,298	\$ 3,071,928
<u>Net carrying value of tangible capital assets disposed of</u>	\$ -	\$ 14,752	\$ -
<u>Write-down carrying value of tangible capital assets</u>	\$ -	\$ -	\$ -
<u>Other changes</u>	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ -	\$ (5,113,568)	\$ 2,394,023
Changes in:			
<u>Prepaid expenses</u>	\$ -	\$ -	\$ -
<u>Other non-financial assets</u>	\$ -	\$ -	\$ -
<u>Net remeasurement gains and (losses)</u>	\$ -	\$ -	\$ -
<u>Endowments</u>	\$ -	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ -	\$ (6,591,151)	\$ 1,713,626
Net financial assets (net debt) at beginning of year	\$ -	\$ (45,759,330)	\$ (47,472,956)
Net financial assets (net debt) at end of year	\$ -	\$ (52,350,481)	\$ (45,759,330)

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, 2015 (In dollars)

	2015	2014
Operating surplus (deficit)	\$ (1,477,583)	\$ (680,397)
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (8,189,618)	\$ (677,905)
Amortization of tangible capital assets	\$ 3,061,298	\$ 3,071,928
Net carrying value of tangible capital assets disposed of	\$ 14,752	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ (5,113,568)	\$ 2,394,023
Changes in:		
Prepaid expenses	\$ -	\$ -
Other non-financial assets	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -
Endowments	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ (6,591,151)	\$ 1,713,626
Net financial assets (net debt) at beginning of year	\$ (45,759,330)	\$ (47,472,956)
Net financial assets (net debt) at end of year	\$ (52,350,481)	\$ (45,759,330)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2015 (in dollars)

	2015	2014
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, 2015 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2014	\$ 19,051,083	\$ -	\$ 19,051,083	\$ 9,359,430	\$ -	\$ 0	\$ 8,211,155	\$ 1,480,498
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2014	\$ 19,051,083	\$ -	\$ 19,051,083	\$ 9,359,430	\$ -	\$ 0	\$ 8,211,155	\$ 1,480,498
Operating surplus (deficit)	\$ (1,477,583)		\$ (1,477,583)			\$ (1,477,583)		
Board funded tangible capital asset additions				\$ 432,859		\$ -	\$ (432,859)	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (14,752)		\$ (6,644)		\$ 21,396
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -
Endowment expenses & disbursements	\$ -		\$ -		\$ -	\$ -		
Endowment contributions	\$ -		\$ -		\$ -	\$ -		
Investment income & realized capital gains on endowments	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -
Amortization of tangible capital assets	\$ -		\$ -	\$ (3,061,298)		\$ 3,061,298		
Capital revenue recognized	\$ -		\$ -	\$ 2,260,446		\$ (2,260,446)		
Debt principal repayments (unsupported)	\$ -		\$ -	\$ -		\$ -		
Additional capital debt or capital leases	\$ -		\$ -	\$ -		\$ -		
Net transfers to operating reserves	\$ -		\$ -			\$ (286,082)	\$ 286,082	
Net transfers from operating reserves	\$ -		\$ -			\$ 707,913	\$ (707,913)	
Net transfers to capital reserves	\$ -		\$ -			\$ -		\$ -
Net transfers from capital reserves	\$ -		\$ -			\$ 261,544		\$ (261,544)
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2015	\$ 17,573,500	\$ -	\$ 17,573,500	\$ 8,976,685	\$ -	\$ 0	\$ 7,356,465	\$ 1,240,350

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

	INTERNALLY RESTRICTED RESERVES BY PROGRAM											
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services			
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2014	\$ 6,844,548	\$ 1,111,359	\$ (210,514)	\$ 261,579	\$ 1,314,787	\$ -	\$ 262,334	\$ 107,560	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2014	\$ 6,844,548	\$ 1,111,359	\$ (210,514)	\$ 261,579	\$ 1,314,787	\$ -	\$ 262,334	\$ 107,560	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ (104,660)	\$ -	\$ (32,250)	\$ -	\$ (7,344)	\$ -	\$ (288,605)	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ 12,496		\$ -		\$ 8,900				\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ -				\$ -
Net remeasurement gains (losses) for the year												
Endowment expenses & disbursements												
Endowment contributions												
Investment income & realized capital gains on endowments												
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets												
Capital revenue recognized												
Debt principal repayments (unsupported)												
Additional capital debt or capital leases												
Net transfers to operating reserves	\$ -	\$ -	\$ 261,544	\$ -	\$ -	\$ -	\$ 24,538	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers from operating reserves	\$ (108,512)	\$ -	\$ (469,333)	\$ -	\$ (130,068)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -				\$ -
Net transfers from capital reserves		\$ -		\$ (261,544)		\$ -		\$ -				\$ -
Assumption/transfer of other operations' surplus	\$ (454,575)	\$ -	\$ 454,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2015	\$ 6,176,801	\$ 1,111,359	\$ 4,022	\$ 12,531	\$ 1,177,375	\$ -	\$ (1,733)	\$ 116,460	\$ -	\$ -	\$ -	\$ -

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

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(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, 2014	\$ 0	\$ -	\$ 60,798	\$ 39,870	\$ 55,450,969
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ (244)
Adjusted balance, August 31, 2014	\$ 0	\$ -	\$ 60,798	\$ 39,870	\$ 55,450,725
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 15,312,814				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources: (Describe)	\$ -			\$ -	
Other sources (Describe):	\$ -			\$ -	
Unexpended capital revenue receivable from:					
Alberta Education school building & modular (excl. IMR)	\$ 142,637				
Other sources: (Describe)	\$ -			\$ -	
Other sources: (Describe)	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ 72,843	\$ -	\$ 685	\$ -	
Other unexpended capital revenue: (Describe)				\$ -	
Net proceeds on disposal of supported tangible capital assets			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets (Explain):					
Alberta Schools Alternative Program (ASAP), Building Alberta School Construction Program, (BASCP) and other Alberta Infrastructure managed projects					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (7,756,804)	\$ -	\$ -	\$ -	\$ 7,756,804
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 2,260,446
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2015	\$ 7,771,469	\$ -	\$ 61,483	\$ 39,870	\$ 60,947,083
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2015 (A) + (B) + (C) + (D)				\$ 7,872,842	

Unexpended Deferred Capital Revenue

- (A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only.
(B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.
(C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved capital assets per 10(2)(a) of Disposition of Property Reg. 181/2010.
(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2015 (in dollars)

2015

2014

REVENUES	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 2,352,468	\$ 40,988,643	\$ 5,233,062	\$ 4,985,521	\$ 2,201,927	\$ -	\$ 55,761,621	\$ 56,432,376
(2) Other - Government of Alberta	-	\$ 280,986	\$ 2,260,446	-	-	\$ 428,185	\$ 2,969,617	\$ 2,703,044
(3) Federal Government and First Nations	\$ 60,000	\$ 2,387,874	\$ 169,946	-	\$ 119,984	-	\$ 2,737,804	\$ 2,661,988
(4) Other Alberta school authorities	-	212	-	-	-	-	\$ 212	\$ 3,330
(5) Out of province authorities	-	-	-	-	-	-	-	-
(6) Alberta municipalities-special tax levies	-	-	-	-	-	-	-	-
(7) Property taxes	-	-	-	-	-	-	-	-
(8) Fees	\$ 252,448	\$ 943,443	-	\$ 47,649	-	-	\$ 1,243,540	\$ 1,017,012
(9) Other sales and services	-	\$ 484,983	\$ 42,000	\$ 11,932	\$ 41,971	-	\$ 580,886	\$ 464,263
(10) Investment income	-	\$ 102,646	-	\$ 336	-	-	\$ 102,982	\$ 102,775
(11) Gifts and donations	-	\$ 220,004	-	-	-	-	\$ 220,004	\$ 115,404
(12) Rental of facilities	-	-	-	-	-	-	-	-
(13) Fundraising	-	\$ 1,167,494	-	-	-	-	\$ 1,167,494	\$ 1,124,924
(14) Gains on disposal of tangible capital assets	-	-	-	\$ 7,500	-	-	\$ 7,500	\$ 4,075
(15) Other revenue	-	-	-	-	-	-	-	-
(16) TOTAL REVENUES	\$ 2,664,916	\$ 46,576,285	\$ 7,705,454	\$ 5,052,938	\$ 2,363,882	\$ 428,185	\$ 64,791,660	\$ 64,629,191

EXPENSES

(17) Certificated salaries	\$ 1,156,418	\$ 24,939,832			\$ 594,721	\$ -	\$ 26,690,971	\$ 27,113,423
(18) Certificated benefits	\$ 155,365	\$ 6,256,325			\$ 117,173	\$ -	\$ 6,528,863	\$ 6,126,007
(19) Non-certificated salaries and wages	\$ 480,317	\$ 4,839,787	\$ 1,098,791	\$ 685,468	\$ 917,046	\$ 308,099	\$ 8,329,508	\$ 8,377,005
(20) Non-certificated benefits	\$ 128,815	\$ 1,466,994	\$ 281,001	\$ 179,171	\$ 243,292	\$ 80,859	\$ 2,380,132	\$ 2,229,374
(21) SUB - TOTAL	\$ 1,920,915	\$ 37,502,938	\$ 1,379,792	\$ 864,639	\$ 1,872,232	\$ 388,958	\$ 43,929,474	\$ 43,845,809
(22) Services, contracts and supplies	\$ 461,120	\$ 9,484,686	\$ 4,479,776	\$ 4,155,605	\$ 621,718	\$ 39,227	\$ 19,222,132	\$ 18,302,853
(23) Amortization of supported tangible capital assets	-	-	\$ 2,260,446	-	-	-	\$ 2,260,446	\$ 2,251,910
(24) Amortization of unsupported tangible capital assets	-	\$ 226,200	\$ 214,049	\$ 151,116	\$ 209,487	-	\$ 800,852	\$ 820,018
(25) Supported interest on capital debt	-	-	\$ 54,775	-	-	-	\$ 54,775	\$ 88,998
(26) Unsupported interest on capital debt	-	-	-	-	-	-	-	-
(27) Other interest and finance charges	-	\$ 54	-	\$ 655	-	-	\$ 709	\$ -
(28) Losses on disposal of tangible capital assets	-	-	\$ 223	\$ 632	-	-	\$ 855	\$ -
(29) Other expense	-	-	-	-	-	-	-	-
(30) TOTAL EXPENSES	\$ 2,382,035	\$ 47,193,878	\$ 6,389,061	\$ 5,172,647	\$ 2,703,437	\$ 428,185	\$ 66,269,243	\$ 65,309,888
(31) OPERATING SURPLUS (DEFICIT)	\$ 282,881	\$ (617,593)	\$ (683,607)	\$ (119,709)	\$ (339,555)	\$ -	\$ (1,477,583)	\$ (680,397)

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

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2015 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ -	\$ 855,971	\$ -	\$ -	\$ 242,820		\$ 1,098,791		\$ 1,098,791
Uncertificated benefits	\$ -	\$ 192,312	\$ -	\$ -	\$ 88,689		\$ 281,001		\$ 281,001
Sub-total Remuneration	\$ -	\$ 1,048,283	\$ -	\$ -	\$ 331,509		\$ 1,379,792		\$ 1,379,792
Supplies and services	\$ 1,369,886	\$ 551,659	\$ 55,532	\$ 1,117,847	\$ 100,820		\$ 3,195,744		\$ 3,195,744
Electricity			\$ 565,845				\$ 565,845		\$ 565,845
Natural gas/heating fuel			\$ 315,527				\$ 315,527		\$ 315,527
Sewer and water		\$ 86,224					\$ 86,224		\$ 86,224
Telecommunications		\$ 31,010					\$ 31,010		\$ 31,010
Insurance					\$ 265,427		\$ 265,427		\$ 265,427
ASAP maintenance & renewal payments									
Amortization of tangible capital assets									
Supported								\$ -	\$ -
Unsupported						\$ 214,048	\$ 214,048	\$ 2,260,446	\$ 2,260,446
Total Amortization						\$ 214,048	\$ 214,048	\$ 2,260,446	\$ 2,260,446
Interest on capital debt									
Supported								\$ 54,775	\$ 54,775
Unsupported									
Lease payments for facilities				\$ -					
Other interest charges									
Losses on disposal of capital assets									
TOTAL EXPENSES	\$ 1,369,886	\$ 1,599,942	\$ 1,054,138	\$ 1,117,847	\$ 717,756	\$ 214,271	\$ 6,073,840	\$ 2,315,221	\$ 8,389,061
SQUARE METRES									
School buildings									70,100.5
Non school buildings									6,915.4

Note:

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

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

	Actual 2014/2015	Actual 2013/2014
<u>FEEs</u>		
Transportation fees	\$47,679	\$36,118
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$613,769	\$588,551
Technology user fees	\$0	\$0
Alternative program fees	\$0	\$0
Fees for optional courses (band, art, etc.)	\$36,101	\$56,237
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$2,972	\$7,429
Kindergarten & preschool	\$330,201	\$232,711
Extracurricular fees (sports teams and clubs)	\$118,802	\$0
Field trips (related to curriculum)	\$48,145	\$35,300
Lunch supervision fees	\$0	\$0
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$16,837	\$16,253
Other (describe)* HockeyProgram	\$0	\$20,255
Other (describe)* Recycling	\$29,034	\$16,208
Other (describe)* Grad, Year Book	\$0	\$7,950
TOTAL FEES	\$1,243,540	\$1,017,012

**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 2014/2015	Actual 2013/2014
Cafeteria sales, hot lunch, milk programs	\$331,644	\$211,046
Special events, graduation, tickets	\$55,104	\$17,867
Student travel (international, recognition trips, non-curricular)	\$37,925	\$35,397
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$34,176	\$40,302
Adult education revenue	\$0	\$0
Child care & before and after school care	\$0	\$0
Other (describe) Donations	\$17,461	\$15,423
Other (describe) Book Fair, Literacy	\$6,171	\$40,257
Other (describe) Various	\$2,502	\$16,330
TOTAL	\$484,983	\$376,622

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING
for the Year Ended August 31, 2015 (in dollars)

	PROGRAM AREA					
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)	
Funded Students in Program	795	67	121			
REVENUES						
Alberta Education allocated funding	\$ 899,479	\$ 1,098,263	\$ 172,003	\$ 4,431,548	\$ 763,827	
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL REVENUES	\$ 899,479	\$ 1,098,263	\$ 172,003	\$ 4,431,548	\$ 763,827	
EXPENSES (Not allocated from BASE, Transportation, or other funding)						
Instructional certificated salaries & benefits	\$ 278,298	\$ 71,313	\$ 79,726	\$ 1,452,086		
Instructional non-certificated salaries & benefits	\$ 181,503	\$ 571,825	\$ 51,379	\$ 2,923,083		
SUB TOTAL	\$ 459,801	\$ 643,138	\$ 131,105	\$ 4,375,170		
Supplies, contracts and services	\$ 133,909	\$ 455,125	\$ 18,758	\$ 281,304		
Program planning, monitoring & evaluation	\$ 23,880	\$ -	\$ 700	\$ 54,770		
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ 10,560		
Administration (administrative salaries & services)	\$ 70,516	\$ -	\$ 8,986	\$ 201,610		
Other (please describe)	\$ 22,009	\$ -	\$ 600	\$ 1,000		
Other (please describe)	\$ 9,979	\$ -	\$ -	\$ 9,046		
TOTAL EXPENSES	\$ 720,092	\$ 1,098,263	\$ 160,148	\$ 4,933,461		
NET FUNDING SURPLUS (SHORTFALL)	\$ 179,387	\$ -	\$ 11,854	\$ (501,913)		

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES
for the Year Ended August 31, 2015 (in dollars)

EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs				TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	TOTAL	
1 Office of the superintendent	\$ 740,463	\$ 253,301	\$ -	\$ 993,764	\$ -	\$ -	\$ -	\$ 993,764	
2 Educational administration (excluding superintendent)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3 Business administration	\$ 499,896	\$ 29,462	\$ -	\$ 529,358	\$ -	\$ -	\$ -	\$ 529,358	
4 Board governance (Board of Trustees)	\$ 207,542	\$ 239,316	\$ -	\$ 446,858	\$ -	\$ -	\$ -	\$ 446,858	
5 Information technology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
6 Human resources	\$ 80,169	\$ -	\$ -	\$ 80,169	\$ -	\$ -	\$ -	\$ 80,169	
7 Central purchasing, communications, marketing	\$ 39,188	\$ -	\$ -	\$ 39,188	\$ -	\$ -	\$ -	\$ 39,188	
8 Payroll	\$ 145,361	\$ -	\$ -	\$ 145,361	\$ -	\$ -	\$ -	\$ 145,361	
9 Administration - insurance			\$ 3,878	\$ 3,878				\$ 3,878	
10 Administration - amortization			\$ 209,488	\$ 209,488				\$ 209,488	
11 Administration - other (admin building, interest)			\$ -	\$ -				\$ -	
12 Other (describe)	\$ -	\$ -	\$ 64,850	\$ 64,850	\$ -	\$ -	\$ -	\$ 64,850	
13 Other (describe)	\$ -	\$ -	\$ 55,423	\$ 55,423	\$ -	\$ -	\$ -	\$ 55,423	
14 Other (describe)	\$ -	\$ -	\$ 135,102	\$ 135,102	\$ -	\$ -	\$ -	\$ 135,102	
TOTAL EXPENSES	\$ 1,712,618	\$ 522,079	\$ 468,740	\$ 2,703,437	\$ -	\$ -	\$ -	\$ 2,703,437	

BOARD AND SYSTEM ADMINISTRATION (FOR INFORMATION ONLY - NOT PART OF FINANCIAL STATEMENTS)	
2014/2015 EXPENSES UNDER (OVER) MAXIMUM LIMIT	
TOTAL EXPENSES (From "Total" column of Line 30 of Schedule of Program Operations)	\$66,269,243
Enter Number of Net Enrolled Students:	4,570
Enter "C" if Charter School	
STEP 1	
Calculation of maximum expense limit percentage for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over	= 3.6%
If "Total Net Enrolled Students" are 2,000 and less	= 5.4%
<p>The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .00045 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .00045 = 0.675% plus 3.6% = maximum expense limit of 4.275%).</p>	
STEP 2	
A. Calculate maximum expense limit amounts for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,812,135
B. Considerations for Charter Schools and Small School Boards:	
If charter schools and small school boards,	
The amount of Small Board Administration funding (<i>Funding Manual</i> Section 1.13)	
2014/2015 MAXIMUM EXPENSE LIMIT (the greater of A or B above)	\$0
Actual Board & System Administration from Line 30 of "Schedule of Program Operations"	
(Board & System Administration Column)	\$2,703,437
Amount Overspent	
	\$0

**NORTHERN GATEWAY REGIONAL DIVISION #10
NOTES TO THE FINANCIAL STATEMENTS
ENDING AUGUST 31, 2015**

1. AUTHORITY AND PURPOSE

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the CICA Canadian public sector accounting standards (PSAS). The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Cash and Cash Equivalents

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

b) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

c) Inventories

The Regional Division expenses all items under \$5,000 as current expenses and therefore, does not track inventories of supplies in the financial statements.

d) Tangible capital assets

The following criteria apply:

- 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.
- 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.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

- Buildings include land, site and leasehold improvements as well as assets under capital lease.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the School District 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.
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the Board are considered capital leases. These are accounted for as an asset and an obligation. The Board currently has no capital leases.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2% to 4%
Vehicles & Buses	10% to 20%
Computer Hardware & Software	20% to 25%
Other Equipment & Furnishings	10% to 20%

e) 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 School District 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 included contributions for capital expenditures, unexpended and expended:

- 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 jurisdiction, but the related expenditure has not been made at year-end.

- 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 school jurisdiction to use the asset in a prescribed manner over the life of the associated asset.

f) 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.

g) 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.

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Contributed services are not recognized in the financial statements.

Eligibility criteria are criteria that the School District has to meet in order to receive certain contributions. *Stipulations* describe what the School District 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.

h) 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

- Actual salaries of personnel assigned to two or more programs are allocated based on the time spent in each program.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

i) Pensions

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

The current and past service costs of the Alberta Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers' Pension Plan Act, the Northern Gateway Regional Division #10 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. For the school year ended August 31, 2015, the amount contributed by the Government was \$3,288,801 (2014 \$3,274,123).

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$1,558,802 for the year ended August 31, 2015 (2014 \$1,492,972). At December 31, 2014, the Local Authorities Pension Plan reported an actuarial deficiency of \$2,454,636,000 (2013 deficiency of \$4,861,516,000).

The Division provides a Supplement Integrated Pension Plan (SIPP) for certain executive employees of the Division, based on approved terms and conditions of the Plan. The Division's net expense for the year amounts to \$13,728 (2014 \$13,728).

The Division provides a Supplement Executive Retirement Plan (SERP) for certain executive employees of the Division, based on approved terms and conditions of the Plan. The Division's net expense for the year amounts to \$56,143 (2014 \$0,000).

j) Program Reporting

The Division's operations have been segmented as follows:

- **ECS-Grade 12 Instruction:** The provision of Early Childhood Services education and grades 1 - 12 instructional services that fall under the basic public education mandate.
- **Plant Operations and Maintenance:** The operation and maintenance of all school buildings and maintenance shop facilities.
- **Transportation:** The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facilities.
- **Board & System Administration:** The provision of board governance and system-based / central office administration.
- **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 teaching assistants as well as a proportionate share of supplies & services, school administration & instruction support, and System Instructional Support.

k) Trusts Under Administration

Trusts under administration have been excluded from the financial reporting of the Division. Trust balances can be found in Note 14.

l) 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 School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

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

Portfolio investments in equity instruments quoted in an active market and derivatives are recorded at fair value. All other 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 derecognition 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.

m) 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. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits.

3. **CASH AND CASH EQUIVALENTS**

	2015		2014
	Cost	Amortized Cost	Amortized Cost
Cash	\$ 17,881,711	\$ -	\$ 9,419,614
Cash equivalents			
Government of Canada, direct and guaranteed	-	-	-
Provincial, direct and guaranteed	-	-	-
Corporate	-	-	-
Municipal	-	-	-
Pooled investment funds	-	-	-
Other, including GIC's	-	-	-
Total cash and cash equivalents	<u>\$ 17,881,711</u>	<u>\$ -</u>	<u>\$ 9,419,614</u>

4. ACCOUNTS RECEIVABLE

	2015			2014
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ -	\$ -	\$ -	\$ -
Alberta Education - Capital	142,636	-	142,636	1,763,638
Alberta Education - IMR	-	-	-	22,573
Alberta Education - (Specify)	-	-	-	-
Other Alberta school jurisdictions	-	-	-	-
Treasury Board and Finance - Supported debenture principal	436,646	-	436,646	698,163
Treasury Board and Finance - Accrued interest on supported debentures	27,808	-	27,808	43,411
Alberta Health & Wellness	109,388	-	109,388	64,521
Alberta Health Services	-	-	-	-
Innovation & Advanced Education	-	-	-	-
Post-secondary institutions	-	-	-	-
Government of Alberta Ministry (Specify)	-	-	-	-
Federal government	469,624	-	469,624	216,539
Municipalities	-	-	-	-
First Nations	647,095	-	647,095	830,499
Foundations	-	-	-	-
Other	194,393	-	194,393	107,688
Total	\$ 2,027,590	\$ -	\$ 2,027,590	\$ 3,747,032

5. Other Financial Assets

Other Financial assets consist of the following:

	2015	2014
Inventory*	\$ -	\$ -
Embedded derivatives**	-	-
Other - Prepaid Expenses ***	143,696	-
Total	\$ 143,696	\$ -

*Inventory is measured at the lower of cost and net realizable value.

**Embedded derivatives are measured at fair value.

***Specify nature of "other" if it exceeds \$5,000.

6. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$2,000,000 that bears interest at the bank prime rate. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2015 (2014: \$0).

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Alberta Education	\$ -	\$ -
Other Alberta school jurisdictions	-	-
Alberta Capital Finance Authority (Interest on long-term debt - Supported)	27,808	43,411
Alberta Capital Finance Authority (Interest on long-term debt - Unsupported)	-	-
Alberta Health & Wellness	-	-
Alberta Health Services	-	-
Innovation & Advanced Education	-	-
Post-secondary institutions	-	-
Other Government of Alberta ministries (Specify)	-	-
Other Government of Alberta ministries (Specify)	-	-
Other Government of Alberta ministries (Specify)	-	-
Federal government	-	-
First Nations	-	-
Other interest on long-term debt	-	-
Other bank charges, fees, and interest	-	-
Accrued vacation pay liability	266,643	250,456
Other salaries & benefit costs	1,312,648	1,551,540
Other trade payables and accrued liabilities	44,848	104,347
Total	\$ 1,651,947	\$ 1,949,754

8. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2014	ADD: 2014/2015 Restricted Funds Received	DEDUCT: 2014/2015 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2014/2015 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2015
Unexpended deferred operating revenue					
Alberta Education:					
Regional Collaborative Service Delivery	\$ -	\$ 212,944	\$ (180,186)	\$ -	\$ 32,758
Children and Youth with Complex Needs	-	-	-	-	-
Student Health Initiative (School Authorities)	-	-	-	-	-
Infrastructure Maintenance Renewal	-	1,812,471	(1,140,420)	-	672,051
Institutional Education Programs	-	-	-	-	-
Regional Educational Consulting Services	-	-	-	-	-
Alberta Initiative for School Improvement	-	-	-	-	-
SuperNet Service	-	-	-	-	-
Other Alberta Education defd revenue (specify)	-	-	-	-	-
Other Government of Alberta: (Specify ministry & program)					
	-	-	-	-	-
Other Deferred Revenue:					
School Generated Funds	720,148	750,626	(720,148)	-	750,626
Fees	6,235	39,490	(6,235)	-	39,490
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total unexpended deferred operating revenue	\$ 726,383	\$ 2,815,531	\$ (2,046,989)	\$ -	\$ 1,494,925
Unexpended deferred capital revenue	100,668	7,772,174	-	-	7,872,842
Expended deferred capital revenue	55,450,971	7,756,558	(2,260,446)	-	60,947,083
Total	\$ 56,278,022	\$ 18,344,263	\$ (4,307,435)	\$ -	\$ 70,314,850

9. DEBT

	2015	2014
Supported debentures outstanding at August 31, 2015 interest rates between 6.875% to 12%. The terms of the debentures range between 20 and 25 years, payments made annually supported by Alberta Education	\$ 436,682	\$ 698,200
Total	\$ 436,682	\$ 698,200

Debenture Debt – Supported

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

	Principal	Interest	Total
2014-2015	\$ 246,518	\$ 43,448	\$ 289,966
2015-2016	161,026	18,206	179,232
2016-2017	17,864	2,251	20,115
2017 to maturity	11,274	847	12,121
Total	\$ 436,682	\$ 64,752	\$ 501,434

10. TANGIBLE CAPITAL ASSETS

	2015							2014	
	Land	Construction In Progress - Buildings	Buildings 25-50 Years	Equipment 5-10 Years	Vehicles 5-10 Years	Computer Hardware & Software 3-5 Years	Total	Total	Total
Estimated useful life									
Historical cost									
Beginning of year	\$ 2,353,177	\$ -	\$ 93,763,343	\$ 6,199,791	\$ 3,594,592	\$ -	\$ 105,910,903	\$ 105,265,089	
Prior period adjustments	-	-	-	-	-	-	-	-	-
Additions	-	-	7,756,630	242,186	190,674	-	8,189,490	677,904	
Transfers in (out)	-	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	(21,083)	(161,639)	-	(182,722)	(32,090)	
	\$ 2,353,177	\$ -	\$ 101,519,973	\$ 6,420,894	\$ 3,623,627	\$ -	\$ 113,917,671	\$ 105,910,903	
Accumulated amortization									
Beginning of year	\$ -	\$ -	\$ 33,660,636	\$ 4,698,250	\$ 2,741,604	\$ -	\$ 41,100,490	\$ 38,060,654	
Prior period adjustments	-	-	-	-	-	-	-	-	-
Amortization	-	-	2,463,463	376,661	221,046	-	3,061,170	3,071,926	
Other additions	-	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	(8,363)	(159,607)	-	(167,970)	(32,090)	
	\$ -	\$ -	\$ 36,124,099	\$ 5,066,548	\$ 2,803,043	\$ -	\$ 43,993,690	\$ 41,100,490	
Net Book Value at End of Year	\$ 2,353,177	\$ -	\$ 65,395,874	\$ 1,354,346	\$ 820,584	\$ -	\$ 69,923,981	\$ 64,810,413	

11. ACCUMULATED SURPLUS:

Detailed information related to accumulated surplus is available on the Schedule of Changes in Accumulated Surplus. Accumulated surplus may be summarized as follows:

	2015	2014
Unrestricted surplus	\$ -	\$ -
Operating reserves	7,356,465	8,211,155
Accumulated surplus (deficit) from operations	7,356,465	8,211,155
Investment in tangible capital assets	8,976,685	9,359,430
Capital reserves	1,240,350	1,480,498
Endowments ⁽¹⁾	-	-
Accumulated remeasurement gains (losses)	-	-
Accumulated surplus (deficit)	\$ 17,573,500	\$ 19,051,083

12. CONTRACTUAL OBLIGATIONS

	2015	2014
Building projects ⁽¹⁾	\$ -	\$ -
Building leases ⁽²⁾	88,153	109,853
Service providers ⁽³⁾	964,408	750,473
Other (Specify)	-	-
Other	-	-
Total	\$ 1,052,561	\$ 860,326

⁽¹⁾ Building Projects:

⁽²⁾ Building Leases: The jurisdiction is committed to lease shop space for approximately \$88,153 which terminates on November 30, 2017.

⁽³⁾ Service Providers: As at August 31, 2015, the jurisdiction has \$964,408 (2014 \$750,473) in commitments relating to service and grant contracts.

	Building Projects	Building Leases	Service Providers	Other (Specify)	Other
2015-2016	\$ -	\$ 35,261	\$ 241,102	\$ -	\$ -
2016-2017	-	35,261	241,102	-	-
2017-2018	-	17,631	241,102	-	-
2018-2019	-	-	241,102	-	-
2019-2020	-	-	-	-	-
Thereafter	-	-	-	-	-
	\$ -	\$ 88,153	\$ 964,408	\$ -	\$ -

13. CONTINGENT LIABILITIES

The jurisdiction is a member of a reciprocal insurance exchange ASBIE (Alberta School Boards Insurance Exchange). A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

14. TRUSTS UNDER ADMINISTRATION

These balances represent assets that are held in trust by the jurisdiction. They are not recorded on the statements of the Division.

	2015	2014
Deferred salary leave plan	\$ -	\$ -
Scholarship trusts	155,155	156,035
Student Health Initiative (Banker board)	-	-
Children and Youth with Complex Needs (Banker board)	-	-
Regional Collaborative Service Delivery (Banker board)	-	-
Regional Learning Consortium (Banker board)	-	-
Other foundations (please specify)	-	-
Total	\$ 155,155	\$ 156,035

15. SCHOOL GENERATED FUNDS

	2015	2014
School Generated Funds, Beginning of Year	\$ 629,237	\$ 629,237
Gross Receipts:		
Fees	556,726	451,134
Fundraising	1,167,494	1,215,834
Gifts and donations	115,154	115,154
Grants to schools	-	-
Other sales and services	484,165	376,622
Total gross receipts	2,323,539	2,158,744
Total Related Expenses and Uses of Funds	1,113,721	765,555
Total Direct Costs Including Cost of Goods Sold to Raise Funds	1,088,429	1,302,278
School Generated Funds, End of Year	\$ 750,626	\$ 720,148
Balance included in Deferred Revenue*	\$ 750,626	\$ 720,148
Balance included in Accumulated Surplus (Operating Reserves)**	\$ -	\$ -

*Balance included in Deferred Revenue should agree with Note 8

16. RELATED PARTY TRANSACTIONS

All entities that are consolidated in the accounts of the Government of Alberta are related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Education			\$52,418,045	
Accounts receivable / Accounts payable	\$ 142,637	\$ -	\$ -	\$ -
Prepaid expenses / Deferred operating revenue	-	-	-	-
Unexpended deferred capital revenue	-	-	2,260,446	-
Expended deferred capital revenue	-	-	-	-
Other assets & liabilities	-	-	-	-
Grant revenue & expenses	-	-	280,986	-
ATRF payments made on behalf of district	-	-	3,288,801	-
Other revenues & expenses	-	-	-	-
Other Alberta school jurisdictions	-	-	-	-
Alberta Treasury Board and Finance (Principal)	-	-	-	-
Alberta Treasury Board and Finance (Accrued interest)	27,809	-	54,775	-
Alberta Health	-	-	-	-
Alberta Health Services	-	-	428,185	-
Enterprise and Advanced Education	-	-	-	-
Post-secondary Institutions	-	-	-	-
Alberta Infrastructure	-	-	-	-
Human Services	-	-	-	-
Other GOA ministries	-	-	-	-
Other:				
Alberta Capital Financing Authority	-	-	-	-
Other Related Parties	-	-	-	-
TOTAL 2014/2015	\$ 170,446	\$ -	\$58,731,238	\$ -
TOTAL 2013/2014	\$ 1,807,049	\$ -	\$59,135,420	\$ -

17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

18. REMUNERATION AND MONETARY INCENTIVES

The Northern Gateway Regional Division # 10 had paid or accrued expenses for the year ended August 31, 2015 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Expenses	
					SIPP/SERP	
Chair Judy Muir	1.0	\$29,464	\$2,935	\$0		\$15,783
Albert Schalm	1.0	\$12,642	\$4,704	\$0		\$9,409
Jim Govenlock	1.0	\$13,755	\$4,207	\$0		\$8,557
James Hailles	1.0	\$20,145	\$5,380	\$0		\$14,210
Beverly Smith	1.0	\$17,318	\$5,175	\$0		\$10,706
Sherry Jeffreys	1.0	\$22,367	\$5,095	\$0		\$15,469
Terry Slemko	1.0	\$18,953	\$3,702	\$0		\$10,754
Gerry Steinke	1.0	\$21,792	\$5,017	\$0		\$17,271
Cindy Granley	1.0	\$9,962	\$4,928	\$0		\$5,932
	0.0	\$0	\$0	\$0		\$0
Subtotal	9.0	\$166,398	\$41,143	\$0		\$108,091
Superintendent (1)	1.0	\$213,354	\$14,835	\$0	\$53,047	\$38,604
Superintendent (1) Retro 13/14		\$14,504				
Secretary/Treasurer (1)	1.0	\$152,250	\$20,409	\$0	\$0	\$18,868
	0.0	\$0	\$0	\$0	\$0	\$0
	0.0	\$0	\$0	\$0	\$0	\$0
Certificated teachers	289.0	\$26,463,113	\$6,460,981	\$0	\$0	
Non-certificated - other	197.0	\$8,010,860	\$2,318,580	\$0	\$0	
TOTALS		\$35,020,479	\$8,855,948	\$0	\$53,047	

19. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on May 20, 2014. It is presented for information purposes only and has not been audited.

20. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2014/2015 presentation.