

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2014**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**The Greater North Central Francophone Education Region # 2**

Legal Name of School Jurisdiction

**322, 8627 - 91 Street, Edmonton, Alberta, T6C 3N1**

Mailing Address

**Telephone: (780) 468-6440 and Fax: (780) 440-1631**

Telephone & Fax Numbers, and Email Address

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of The Greater North Central Francophone Education Region # 2 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**

**Kevin Bell**

Name

Signature

**SUPERINTENDENT**

**Henri Lemire**

Name

Signature

**SECRETARY-TREASURER OR TREASURER**

**Josée Devaney**

Name

Signature

**December 9, 2014**

Board-approved Release Date

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## Independent Auditor's Report

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To the Board of Trustees,  
**The Greater North Central Francophone Education Region No. 2**

We have audited the accompanying financial statements of The Greater North Central Francophone Education Region No. 2 which comprise the statement of financial position as at August 31, 2014, the statements of operations, cash flows, change in net debt, remeasurement gains and losses, the schedules of changes in accumulated surplus, capital revenue, program operations and plant operations and maintenance expenses 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.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Greater North Central Francophone Education Region No. 2 as at August 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*King + Company*

Edmonton, AB  
December 9, 2014



**STATEMENT OF FINANCIAL POSITION**  
As at August 31, 2014 (in dollars)

		2014	2013
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	(Note 3)	\$ 5,217,641	\$ 3,304,900
Accounts receivable (net after allowances)	(Note 4)	\$ 2,104,199	\$ 2,035,212
Portfolio investments		\$ -	\$ -
Other financial assets		\$ -	\$ -
<b>Total financial assets</b>		<b>\$ 7,321,840</b>	<b>\$ 5,340,112</b>
<b>LIABILITIES</b>			
Bank indebtedness	(Note 5)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 1,734,335	\$ 967,523
Deferred revenue	(Note 7)	\$ 32,593,201	\$ 23,910,088
Employee future benefit liabilities	(Note 8)	\$ 268,600	\$ 242,600
Other liabilities		\$ -	\$ -
Debt			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Capital leases		\$ -	\$ -
Mortgages		\$ -	\$ -
<b>Total liabilities</b>		<b>\$ 34,596,136</b>	<b>\$ 25,120,211</b>
<b>Net financial assets (debt)</b>		<b>\$ (27,274,296)</b>	<b>\$ (19,780,099)</b>
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	(Note 9)		
Land		\$ 5,730,940	\$ 5,809,000
Construction in progress		\$ 9,304	\$ 7,573,099
Buildings	\$ 51,820,900		
Less: Accumulated amortization	\$ (20,288,310)	\$ 31,532,590	\$ 15,847,447
Equipment	\$ 2,085,549		
Less: Accumulated amortization	\$ (1,751,016)	\$ 334,533	\$ 250,642
Vehicles	\$ 302,408		
Less: Accumulated amortization	\$ (165,839)	\$ 136,569	\$ 46,300
Computer Equipment	\$ 1,029,560		
Less: Accumulated amortization	\$ (858,746)	\$ 170,814	\$ 354,369
<b>Total tangible capital assets</b>		<b>\$ 37,914,750</b>	<b>\$ 29,880,857</b>
Prepaid expenses		\$ 261,413	\$ 187,781
Other non-financial assets		\$ -	\$ -
<b>Total non-financial assets</b>		<b>\$ 38,176,163</b>	<b>\$ 30,068,638</b>
<b>Accumulated surplus</b>		<b>\$ 10,901,867</b>	<b>\$ 10,288,539</b>
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 10,901,867	\$ 10,288,539
Accumulated rereasurement gains (losses)		\$ -	\$ -
		\$ 10,901,867	\$ 10,288,539
<b>Contractual obligations</b>	(Note 10)		
<b>Contingent liabilities</b>	(Note 11)		

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

**STATEMENT OF OPERATIONS**  
For the Year Ended August 31, 2014 (in dollars)

	Budget 2014	Actual 2014	Actual 2013
<b>REVENUES</b>			
Alberta Education	\$ 39,117,719	\$ 41,023,762	\$ 39,749,415
Other - Government of Alberta	\$ -	\$ 393,303	\$ 372,410
Federal Government and First Nations	\$ 1,343,335	\$ 1,359,210	\$ 1,328,642
Other Alberta school authorities	\$ 275,000	\$ 201,166	\$ 219,391
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Note 12)	\$ 600,000	\$ 882,552	\$ 759,171
Other sales and services	\$ 96,000	\$ 142,985	\$ 125,436
Investment income	\$ 45,800	\$ 74,105	\$ 40,904
Gifts and donations	\$ 58,000	\$ 220,355	\$ 211,039
Rental of facilities	\$ 96,594	\$ 136,346	\$ 101,114
Fundraising	\$ 200,000	\$ 227,369	\$ 191,520
Gains on disposal of capital assets	\$ -	\$ 102,462	\$ 3,040
Other revenue	\$ -	\$ -	\$ -
<b>Total revenues</b>	<b>\$ 41,832,448</b>	<b>\$ 44,763,615</b>	<b>\$ 43,102,082</b>
<b>EXPENSES</b>			
Instruction (ECS - Grade 12)	\$ 29,283,665	\$ 30,744,873	\$ 29,399,623
Plant operations and maintenance	\$ 4,987,760	\$ 5,399,446	\$ 5,657,295
Transportation	\$ 4,707,304	\$ 4,657,055	\$ 4,696,668
Board & system administration	\$ 1,600,000	\$ 1,831,462	\$ 1,478,606
External services	\$ 1,543,410	\$ 1,517,451	\$ 1,609,282
<b>Total expenses</b>	<b>\$ 42,122,139</b>	<b>\$ 44,150,287</b>	<b>\$ 42,841,474</b>
<b>Operating surplus (deficit)</b>	<b>\$ (289,691)</b>	<b>\$ 613,328</b>	<b>\$ 260,608</b>

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



**STATEMENT OF CASH FLOWS**  
For the Year Ended August 31, 2014 (in dollars)

	2014	2013
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	\$ 613,328	\$ 260,608
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 1,452,533	\$ 1,459,603
Gains on disposal of tangible capital assets	\$ (102,462)	\$ (3,040)
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (1,000,321)	\$ (1,025,636)
Deferred capital revenue write-off	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (68,987)	\$ 10,042
Prepays	\$ (73,632)	\$ 32,766
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable and accrued liabilities	\$ 766,812	\$ (165,710)
Deferred revenue (excluding EDCR)	\$ 557,534	\$ (581,120)
Employee future benefit liabilities	\$ 26,000	\$ 24,000
Other (describe)	\$ -	\$ -
<b>Total cash flows from operating transactions</b>	<b>\$ 2,170,805</b>	<b>\$ 11,513</b>
<b>B. CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (139,113)	\$ (91,871)
Equipment	\$ (201,775)	\$ (64,107)
Vehicles	\$ (79,010)	\$ -
Computer equipment	\$ (27,166)	\$ (120,203)
Net proceeds from disposal of unsupported capital assets	\$ 189,000	\$ 3,040
Other (describe)	\$ -	\$ -
<b>Total cash flows from capital transactions</b>	<b>\$ (258,064)</b>	<b>\$ (273,141)</b>
<b>C. INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	\$ -	\$ -
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from investing transactions</b>	<b>\$ -</b>	<b>\$ -</b>
<b>D. FINANCING TRANSACTIONS</b>		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from financing transactions</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>\$ 1,912,741</b>	<b>\$ (261,628)</b>
<b>Cash and cash equivalents, at beginning of year</b>	<b>\$ 3,304,900</b>	<b>\$ 3,566,528</b>
<b>Cash and cash equivalents, at end of year</b>	<b>\$ 5,217,641</b>	<b>\$ 3,304,900</b>

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

## STATEMENT OF CHANGE IN NET DEBT

For the Year Ended August 31, 2014

	2014	2013
Operating surplus (deficit)	\$ 613,328	\$ 260,608
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (9,572,964)	\$ (7,849,280)
Amortization of tangible capital assets	\$ 1,452,533	\$ 1,459,603
Net carrying value of tangible capital assets disposed of	\$ 86,538	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
<b>Total effect of changes in tangible capital assets</b>	<b>\$ (8,033,893)</b>	<b>\$ (6,389,677)</b>
Changes in:		
Prepaid expenses	\$ (73,632)	\$ 32,766
Other non-financial assets	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -
Endowments	\$ -	\$ -
<b>Decrease (increase) in net debt</b>	<b>\$ (7,494,197)</b>	<b>\$ (6,096,303)</b>
<b>Net debt at beginning of year</b>	<b>\$ (19,780,099)</b>	<b>\$ (13,683,796)</b>
<b>Net debt at end of year</b>	<b>\$ (27,274,296)</b>	<b>\$ (19,780,099)</b>

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

## STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended August 31, 2014 (in dollars)

	2014	2013
<b>Accumulated remeasurement gains (losses) at beginning of year</b>	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
<b>Net remeasurement gains (losses) for the year</b>	\$ -	\$ -
<b>Accumulated remeasurement gains (losses) at end of year</b>	\$ -	\$ -

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



**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
for the Year Ended August 31, 2014 (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, 2013	\$ 10,288,539	\$ -	\$ 10,288,539	\$ 7,498,132	\$ -	\$ 2,020,525	\$ 139,882	\$ 630,000
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 10,288,539	\$ -	\$ 10,288,539	\$ 7,498,132	\$ -	\$ 2,020,525	\$ 139,882	\$ 630,000
Operating surplus (deficit)	\$ 613,328		\$ 613,328			\$ 613,328		
Board funded tangible capital asset additions				\$ 368,554		\$ (368,554)	\$ -	\$ -
Disposal of unsupported tangible capital assets	\$ -		\$ -	\$ (86,538)		\$ (102,462)		\$ 189,000
Disposal of supported tangible capital assets (board funded portion)	\$ -		\$ -					\$ -
Write-down of unsupported tangible capital assets	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -						
Endowment expenses	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (1,452,533)		\$ 1,452,533		
Capital revenue recognized	\$ -			\$ 1,000,321		\$ (1,000,321)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Externally imposed endowment restrictions	\$ -				\$ -	\$ -	\$ -	
Net transfers to operating reserves	\$ -					\$ (100,242)	\$ 100,242	
Net transfers from operating reserves	\$ -					\$ -	\$ -	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ 10,901,867	\$ -	\$ 10,901,867	\$ 7,327,936	\$ -	\$ 2,514,807	\$ 240,124	\$ 819,000

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
for the Year Ended August 31, 2014 (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
Balance at August 31, 2013	\$ 19,882	\$ 30,000	\$ 120,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 19,882	\$ 30,000	\$ 120,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets		\$ -		\$ 189,000		\$ -		\$ -		\$ -
Disposal of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers to operating reserves	\$ 100,242		\$ -		\$ -		\$ -		\$ -	
Net transfers from operating reserves			\$ -		\$ -		\$ -		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ 120,124	\$ 30,000	\$ 120,000	\$ 789,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**SCHEDULE OF CAPITAL REVENUE**  
**(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)**  
for the Year Ended August 31, 2014 (in dollars)

	Unexpended Deferred Capital Revenue				Expended 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>	
Balance at August 31, 2013	\$ -	\$ -	\$ -	\$ -	\$ 22,382,724
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2013	\$ -	\$ -	\$ -	\$ -	\$ 22,382,724
<b>Add:</b>					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 78,510				
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)	\$ -				
Other sources: (Describe)	\$ -			\$ -	
Other sources: (Describe)	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
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					\$ 9,125,900
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (78,510)	\$ -	\$ -	\$ -	\$ 78,510
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Deduct:</b>					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 1,000,321
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2014	\$ -	\$ -	\$ -	\$ -	\$ 30,586,813
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2014 (A) + (B) + (C) + (D)					\$ -

**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, 2014 (in dollars)

REVENUES	2014						2013
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
(1) Alberta Education	\$ 28,345,666	\$ 4,823,865	\$ 4,940,679	\$ 1,779,108	\$ 1,134,444	\$ 41,023,762	\$ 39,749,415
(2) Other - Government of Alberta	\$ 393,303	\$ -	\$ -	\$ -	\$ -	\$ 393,303	\$ 372,410
(3) Federal Government and First Nations	\$ 1,189,150	\$ -	\$ -	\$ -	\$ 170,060	\$ 1,359,210	\$ 1,328,642
(4) Other Alberta school authorities	\$ 4,012	\$ -	\$ -	\$ -	\$ 197,154	\$ 201,166	\$ 219,391
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 882,552		\$ -		\$ -	\$ 882,552	\$ 759,171
(9) Other sales and services	\$ 106,397	\$ -	\$ -	\$ 20,795	\$ 15,793	\$ 142,985	\$ 125,436
(10) Investment income	\$ 30,522	\$ 6,175	\$ 5,849	\$ 31,559		\$ 74,105	\$ 40,904
(11) Gifts and donations	\$ 220,355	\$ -	\$ -	\$ -	\$ -	\$ 220,355	\$ 211,039
(12) Rental of facilities	\$ -	\$ 136,346	\$ -	\$ -	\$ -	\$ 136,346	\$ 101,114
(13) Fundraising	\$ 227,369	\$ -	\$ -	\$ -	\$ -	\$ 227,369	\$ 191,520
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ 102,462	\$ -	\$ 102,462	\$ 3,040
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) TOTAL REVENUES	\$ 31,399,326	\$ 4,966,386	\$ 4,946,528	\$ 1,933,924	\$ 1,517,451	\$ 44,763,615	\$ 43,102,082
<b>EXPENSES</b>							
(17) Certificated salaries	\$ 17,950,434			\$ 271,362	\$ 360,581	\$ 18,582,377	\$ 18,381,723
(18) Certificated benefits	\$ 4,173,467			\$ 29,474	\$ 42,269	\$ 4,245,210	\$ 3,945,994
(19) Non-certificated salaries and wages	\$ 3,104,333	\$ 1,453,538	\$ 104,749	\$ 640,678	\$ 451,211	\$ 5,754,509	\$ 5,474,475
(20) Non-certificated benefits	\$ 708,053	\$ 310,264	\$ 28,392	\$ 161,075	\$ 87,223	\$ 1,295,007	\$ 1,236,482
(21) SUB - TOTAL	\$ 25,936,287	\$ 1,763,802	\$ 133,141	\$ 1,102,589	\$ 941,284	\$ 29,877,103	\$ 29,038,674
(22) Services, contracts and supplies	\$ 4,544,485	\$ 2,466,912	\$ 4,523,914	\$ 709,359	\$ 574,146	\$ 12,818,816	\$ 12,341,585
(23) Amortization of supported tangible capital assets	\$ -	\$ 1,000,321	\$ -	\$ -	\$ -	\$ 1,000,321	\$ 1,025,636
(24) Amortization of unsupported tangible capital assets	\$ 262,951	\$ 168,383	\$ -	\$ 19,116	\$ 1,762	\$ 452,212	\$ 433,967
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ 1,150	\$ 28	\$ -	\$ 398	\$ 259	\$ 1,835	\$ 1,612
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 30,744,873	\$ 5,399,446	\$ 4,657,055	\$ 1,831,462	\$ 1,517,451	\$ 44,150,287	\$ 42,841,474
(31) OPERATING SURPLUS (DEFICIT)	\$ 654,453	\$ (433,060)	\$ 289,473	\$ 102,462	\$ -	\$ 613,328	\$ 260,608

**SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES**  
for the Year Ended August 31, 2014 (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	2014 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 1,281,604	\$ 140,616	\$ -	\$ -	\$ 31,318		\$ 1,453,538		\$ 1,453,538
Uncertificated benefits	\$ 273,929	\$ 29,717	\$ -	\$ -	\$ 6,618		\$ 310,264		\$ 310,264
Sub-total Remuneration	\$ 1,555,533	\$ 170,333	\$ -	\$ -	\$ 37,936		\$ 1,763,802		\$ 1,763,802
Supplies and services	\$ 495,600	\$ 595,447	\$ 4,831	\$ 136,741	\$ 57,040		\$ 1,289,659		\$ 1,289,659
Electricity			\$ 338,545				\$ 338,545		\$ 338,545
Natural gas/heating fuel			\$ 258,842				\$ 258,842		\$ 258,842
Sewer and water			\$ 71,998				\$ 71,998		\$ 71,998
Telecommunications			\$ 4,320				\$ 4,320		\$ 4,320
Insurance					\$ 81,410		\$ 81,410		\$ 81,410
Amortization of tangible capital assets									
Supported								\$ 1,000,321	\$ 1,000,321
Unsupported						\$ 168,383	\$ 168,383		\$ 168,383
Total Amortization						\$ 168,383	\$ 168,383	\$ 1,000,321	\$ 1,168,704
Interest on capital debt									
Supported								\$ -	\$ -
Unsupported						\$ -	\$ -		\$ -
Lease payments for facilities				\$ 422,166			\$ 422,166		\$ 422,166
Other interest charges						\$ -	\$ -		\$ -
Losses on disposal of capital assets						\$ -	\$ -		\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 2,051,133</b>	<b>\$ 765,780</b>	<b>\$ 678,536</b>	<b>\$ 558,907</b>	<b>\$ 176,386</b>	<b>\$ 168,383</b>	<b>\$ 4,399,125</b>	<b>\$ 1,000,321</b>	<b>\$ 5,399,446</b>
<b>SQUARE METRES</b>									
School buildings									44,104.4
Non school buildings									1,408.4

**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.



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# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2014

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### 1. AUTHORITY AND PURPOSE

The School Division delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3. This School Division is exempt from payment of income tax and is a registered charity under the Income Tax Act.

The School Division receives instruction and support allocations under Education Grants Regulation (AR 120/2008). The regulation allows for the setting of conditions and use of grant monies. The School Division 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) Tangible Capital Assets

The following criteria applies:

- 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.



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# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2014

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the School 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.
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings, including leasehold improvements	2.5% to 20%
Vehicles	20%
Computer Hardware & Software	25% to 33%
Other Equipment & Furnishings	20%

#### d) Deferred Revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per *PSAS PS 3200*. These contributions are recognized by the School 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:

- 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 School 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 *PSAS PS 3200* when expended.

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

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# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2014

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### e) Employee Future Benefits

The School Division provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School Division accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include defined-benefit retirement plans, accumulating sick leave and early retirement. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, benefit usage, termination and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

#### f) Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs are capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included on the Statement of Operations.

The School 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 School 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.

#### g) 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.

#### h) 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.

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# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2014

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

#### i) **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.

#### j) **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 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 School Division is included in both revenues and expenses. For the school year ended August 31, 2014, the amount contributed by the Government was \$2,250,388 (2013 - \$1,968,969).



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# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2014

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The School Division 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 \$283,940 for the year ended August 31, 2014 (2013 - \$142,299). At December 31, 2013, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,861,516,000 (2012 deficiency of \$4,977,303,000).

The School Division maintains a defined contribution plan under which amounts are contributed to employees' RRSP accounts. The expense for this plan is equivalent to the annual contributions of \$143,326 for the year ended August 31, 2014 (2013 - \$237,335).

The School Division also has an early retirement benefit obligation. This obligation is unfunded and requires no contribution from employees. Expense for this obligation is recorded using the projected benefit method prorated on services.

#### k) Program Reporting

The School 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.

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# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2014

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### l) Trusts Under Administration

The School Division has property that has been transferred or assigned to it to be administered or directed by a trust agreement or statute. The School Division holds title to the property for the benefit of the beneficiary.

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

#### m) 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 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 and accounts payable. Unless otherwise noted, it is management's opinion that the School Division 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.

Recognition, derecognition and measurement policies followed in the financial statements for periods prior to the effective date of September 1, 2012 specified are not reversed and, therefore, the financial statements of prior periods, including the comparative information, have not been restated.

#### n) 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.

# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2014

### 3. CASH AND CASH EQUIVALENTS

	2014		2013
	Cost	Amortized Cost	Amortized Cost
Cash	\$ 5,217,641	\$ 5,217,641	\$ 3,304,900

### 4. ACCOUNTS RECEIVABLE

	2014			2013
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 725,246	\$ -	\$ 725,246	\$ 473,003
Alberta Education - Capital	961,400	-	961,400	961,400
Other Alberta school jurisdictions	31,829	-	31,829	309,615
Alberta Health Services	55,068	-	55,068	56,127
Federal government	225,743	-	225,743	178,202
Municipalities	32,775	-	32,775	-
Other	72,138	-	72,138	56,865
Total	\$ 2,104,199	\$ -	\$ 2,104,199	\$ 2,035,212



# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2014

### 5. BANK INDEBTEDNESS

The School Division has negotiated a line of credit in the amount of \$100,000 that bears interest at the RBC prime rate. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the School Division. There was no balance outstanding on the line of credit at August 31, 2014 (2013 – nil).

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Other Alberta school jurisdictions	\$ 91,570	\$ 36,773
Alberta Health Services	1,587	-
Federal government	399,372	-
Accrued vacation pay liability	74,758	54,523
Other salaries & benefit costs	444,140	402,095
Other trade payables and accrued liabilities	722,908	474,132
Total	<u>\$ 1,734,335</u>	<u>\$ 967,523</u>

### 7. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2013	ADD: 2013/2014 Restricted Funds Received/ Receivable	DEDUCT: 2013/2014 Restricted Funds Expended (Paid / Payable)	DEFERRED REVENUE as at Aug. 31, 2014
<b>Unexpended deferred operating revenue</b>				
<b>Alberta Education:</b>				
Infrastructure Maintenance Renewal	\$ 1,176,662	\$ 136,108	\$ (30,651)	\$ 1,282,119
Test Bank	128,247	-	(128,247)	-
Climbing for Success (RECS)	50,000	-	(43,198)	6,802
Regional Educational Consulting Services (RECS)	32,697	795,496	(828,193)	-
Furniture & Equipment-École Desrochers	-	547,153	(152,686)	394,467
Furniture & Equipment-École La Prairie	-	402,375	(185,676)	216,699
<b>Other Deferred Revenue:</b>				
School Generated Funds	139,758	1,364,733	(1,398,190)	106,301
<b>Total unexpended deferred operating revenue</b>	<b>1,527,364</b>	<b>3,245,865</b>	<b>- 2,766,841</b>	<b>2,006,388</b>
<b>Unexpended deferred capital revenue</b>	<b>-</b>	<b>78,510</b>	<b>- 78,510</b>	<b>-</b>
<b>Expended deferred capital revenue</b>	<b>22,382,724</b>	<b>9,204,410</b>	<b>- 1,000,321</b>	<b>30,586,813</b>
<b>Total</b>	<b>\$ 23,910,088</b>	<b>\$ 12,528,785</b>	<b>\$ (3,845,672)</b>	<b>\$ 32,593,201</b>

# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2014

### 8. EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities consist of the following:

	2014	2013
Retirement allowances	\$ 268,600	\$ 242,600

### 9. TANGIBLE CAPITAL ASSETS

	August 31, 2014						Total
	Land	Construction In Progress - Buildings	Buildings	Equipment	Vehicles	Computer Hardware & Software	
Estimated useful life			2.5%-20%	20%	20%	25%-33%	
<b>Historical cost</b>							
Beginning of year	\$ 5,809,000	\$ 7,573,099	\$ 35,337,230	\$ 2,007,718	\$ 196,232	\$ 1,120,937	\$ 52,044,216
Additions	-	9,304	9,255,710	174,609	106,176	27,166	9,572,965
Transfers in (out)		(7,573,099)	7,573,099	-	-	-	-
Less disposals including write-offs	(78,060)	-	(345,139)	(96,778)		(118,543)	(638,520)
	\$ 5,730,940	\$ 9,304	\$ 51,820,900	\$ 2,085,549	\$ 302,408	\$ 1,029,560	\$ 60,978,661
<b>Accumulated amortization</b>							
Beginning of year	\$ -	\$ -	\$ 19,489,783	\$ 1,757,076	\$ 149,932	\$ 766,568	\$ 22,163,359
Additions	-	-	1,143,666	82,239	15,907	210,721	1,452,533
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	(345,139)	(88,299)		(118,543)	(551,981)
	\$ -	\$ -	\$ 20,288,310	\$ 1,751,016	\$ 165,839	\$ 858,746	\$ 23,063,911
<b>Net Book Value at End of Year</b>	<b>\$ 5,730,940</b>	<b>\$ 9,304</b>	<b>\$ 31,532,590</b>	<b>\$ 334,533</b>	<b>\$ 136,569</b>	<b>\$ 170,814</b>	<b>\$ 37,914,750</b>

Construction in progress includes \$6,401 financed under Alberta School Alternative Program Initiative (2013 - \$3,595,553) and a \$nil financed under Public-Private Partnership (2013 - \$3,977,546).

The School Division is committed to a leasehold improvement project with a total estimated cost of \$267,000. For the year ended August 31, 2014 \$129,810 (2013- \$91,871) has been expended in the accounts. The Government of Alberta has yet to confirm support for this project.

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# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2014

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### 10. CONTRACTUAL OBLIGATIONS

#### Operating Leases

The School Division is committed to August 31, 2019 under operating leases for premises and services to annual rent as follows:

2015	\$729,701
2016	\$733,029
2017	\$723,791
2018	\$218,944
2019	\$218,944

### 11. CONTINGENT LIABILITY

The School Division is contingently liable for education costs of students within its geographical boundaries who are attending classes in Lloydminster, Saskatchewan. The students were not originally included in the funding formulas used by Alberta Education to determine revenue for the relevant time periods. The amount of eventual compensation for these students is not readily determinable at this time. The parties are in the process of formalizing a funding agreement.

### 12. FEES

	2014	2013
Fees charged for instruction material and supplies <sup>(1)</sup>	\$ 371,349	\$ 283,595
Other fees	511,203	475,576
Total	<u>\$ 882,552</u>	<u>\$ 759,171</u>

<sup>(1)</sup> Charged under School Act, Section 60 (2) (j)



# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2014

### 13. SCHOOL GENERATED FUNDS

	2014	2013
School Generated Revenue, Beginning of Year	\$ 336,122	\$ 333,872
Gross Receipts:		
Fees	882,552	759,171
Fundraising	227,369	191,520
Gifts and donations	170,922	161,501
Other sales and services	83,890	68,818
Total gross receipts	1,364,733	1,181,010
Total Related Expenses and Uses of Funds	1,120,135	1,051,507
Total Direct Costs Including Cost of Goods Sold to Raise Funds	221,810	127,253
School Generated Revenues, End of Year	<u>\$ 358,910</u>	<u>\$ 336,122</u>
Balance included in Deferred Revenue	\$ 106,301	\$ 139,758
Balance included in Accumulated Surplus	\$ 232,609	\$ 196,364

### 14. TRUSTS UNDER ADMINISTRATION

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

	2014	2013
Regional Collaborative Service Delivery (Banker Board)	<u>138,150</u>	<u>100,000</u>

# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2014

### 15. RELATED PARTY TRANSACTIONS

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

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
<b>Government of Alberta (GOA):</b>				
<b>Education</b>				
Accounts receivable / Accounts payable	\$1,686,646	\$ -	\$ -	\$ -
Prepaid expenses / Deferred revenue	-	1,900,087	-	-
Expended deferred capital revenue		30,586,813		
Grant revenue & expenses	-	-	41,023,762	5,964
<b>Other Alberta school jurisdictions</b>	31,829	91,570	201,166	452,189
<b>Alberta Health Services</b>	55,068	1,587	393,303	24,927
<b>TOTAL 2013/2014</b>	<u>\$1,773,543</u>	<u>\$ 32,580,057</u>	<u>\$ 41,618,231</u>	<u>\$ 483,080</u>
<b>TOTAL 2012/2013</b>	<u>\$1,800,145</u>	<u>\$ 23,807,103</u>	<u>\$ 40,341,216</u>	<u>\$ 434,161</u>

### 16. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2014

### 17. REMUNERATION AND MONETARY INCENTIVES

The School Division had paid or accrued expenses for the year ended August 31, 2014 to or on behalf of the following positions and persons in groups as described as follows:

Board Members:	FTE	Remuneration	Benefits	ERIP's/Other	Expenses
Chair					
Karen Doucet	1.0	\$22,200	\$691		\$8,789
Other members					
Laurent Bolduc	0.2	\$980	\$16		\$980
Paul Dumont	0.2	\$740	\$84		\$110
Ginette Martel	0.2	\$1,250	\$12		\$243
Kevin Bell	1.0	\$8,915	\$69		\$8,303
Nathalie Lachance	1.0	\$7,750	\$189		\$400
Nicole Lorrain	1.0	\$11,585	\$331		\$8,510
Denis Lefebvre	0.8	\$10,160	\$60		\$4,403
Isamil Osman-Hachi	0.8	\$8,060	\$60		\$5,540
Ronald St-Jean	0.8	\$12,580	\$304		\$5,857
<b>Subtotal</b>	<b>7.0</b>	<b>\$84,220</b>	<b>\$1,816</b>		<b>\$43,135</b>
Superintendent	1.0	\$203,149	\$11,232	\$12,000	\$32,257
Secretary-Treasurer	1.0	\$144,500	\$32,669	\$14,000	\$15,352
Certificated teachers	192.6	\$18,379,228	\$4,221,978		
Non-certificated - other	102.8	\$5,525,789	\$1,246,522		
<b>TOTALS</b>		<b>\$24,336,886</b>	<b>\$5,514,217</b>		

### 18. BUDGET AMOUNTS

The budget was prepared by the School Division and approved by the Board of Trustees on May 14, 2013. It is presented for information purposes only and has not been audited.

### 19. SUBSEQUENT EVENTS

Subsequent to the end of the year, the School Division committed to capital expenditures of \$708,000 as part of a \$14,689,604 project to build a new school scheduled to open in September 2016. These costs will be fully funded by capital revenue from Alberta Education.

### 20. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the current year's presentation.