

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

The Greater North Central Francophone Education Region No. 2

Legal Name of School Jurisdiction

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of The Greater North Central Francophone Education Region No. 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


Name


Signature


SUPERINTENDENT

Henri Lemire
Name


Signature

SECRETARY-TREASURER OR TREASURER

Josée Devaney
Name


Signature

December 8, 2015
Board-approved Release Date

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF OPERATIONS	5
STATEMENT OF CASH FLOWS	6
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)	7
STATEMENT OF REMEASUREMENT GAINS AND LOSSES	8
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS	9
SCHEDULE OF CAPITAL REVENUE	11
SCHEDULE OF PROGRAM OPERATIONS	12
SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES	13
UNAUDITED SCHEDULE OF FEE REVENUE	14
UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING	15
UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES	16
NOTES TO THE FINANCIAL STATEMENTS	17

Independent Auditor's Report

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, 2015, 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, 2015 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 8, 2015

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

		2015	2014
FINANCIAL ASSETS			
Cash and cash equivalents	(Note 3)	\$ 7,111,986	\$ 5,217,641
Accounts receivable (net after allowances)	(Note 4)	\$ 2,474,847	\$ 2,104,199
Portfolio investments		\$ -	\$ -
Other financial assets		\$ -	\$ -
Total financial assets		\$ 9,586,833	\$ 7,321,840
LIABILITIES			
Bank indebtedness	(Note 5)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 2,283,620	\$ 1,734,335
Deferred revenue	(Note 7)	\$ 38,384,195	\$ 32,593,201
Employee future benefit liabilities	(Note 8)	\$ 279,500	\$ 268,600
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 40,947,315	\$ 34,596,136
Net financial assets (debt)		\$ (31,360,482)	\$ (27,274,296)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Note 9)		
Land		\$ 5,730,940	\$ 5,730,940
Construction in progress		\$ 3,187,798	\$ 9,304
Buildings		\$ 53,724,574	
Less: Accumulated amortization		\$ (21,805,532)	\$ 31,919,042
Equipment		\$ 2,228,245	
Less: Accumulated amortization		\$ (1,787,532)	\$ 440,713
Vehicles		\$ 324,183	
Less: Accumulated amortization		\$ (192,936)	\$ 131,247
Computer Equipment		\$ 1,206,214	
Less: Accumulated amortization		\$ (804,407)	\$ 401,807
Total tangible capital assets		\$ 41,811,547	\$ 37,914,750
Prepaid expenses		\$ 320,548	\$ 261,413
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 42,132,095	\$ 38,176,163
Accumulated surplus	(Note 10)	\$ 10,771,613	\$ 10,901,867
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 10,771,613	\$ 10,901,867
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 10,771,613	\$ 10,901,867
Contractual obligations	(Note 11)		
Contingent liabilities			

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	\$ 42,370,787	\$ 45,420,430	\$ 41,023,762
Other - Government of Alberta	\$ 360,000	\$ 380,921	\$ 393,303
Federal Government and First Nations	\$ 1,381,175	\$ 1,519,967	\$ 1,359,210
Other Alberta school authorities	\$ 275,000	\$ 273,247	\$ 201,166
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees	\$ 650,000	\$ 674,758	\$ 581,576
Other sales and services	\$ 96,000	\$ 333,378	\$ 443,961
Investment income	\$ 50,000	\$ 95,817	\$ 74,105
Gifts and donations	\$ 58,500	\$ 221,061	\$ 220,355
Rental of facilities	\$ 106,650	\$ 180,377	\$ 136,346
Fundraising	\$ 200,000	\$ 251,138	\$ 227,369
Gains on disposal of capital assets	\$ -	\$ 4,602	\$ 102,462
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 45,548,112	\$ 49,355,696	\$ 44,763,615
EXPENSES			
Instruction - ECS	\$ -	\$ 3,090,525	\$ 2,674,044
Instruction - Grades 1 - 12	\$ 32,392,158	\$ 30,998,085	\$ 28,070,829
Plant operations and maintenance	\$ 5,374,431	\$ 6,757,539	\$ 5,399,446
Transportation	\$ 5,274,671	\$ 4,929,758	\$ 4,657,055
Board & system administration	\$ 1,780,000	\$ 1,809,770	\$ 1,831,462
External services	\$ 1,543,410	\$ 1,900,273	\$ 1,517,451
Total expenses	\$ 46,364,670	\$ 49,485,950	\$ 44,150,287
Operating surplus (deficit)	\$ (816,558)	\$ (130,254)	\$ 613,328

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)	\$ (130,254)	\$ 613,328
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 1,762,588	\$ 1,452,533
Gains on disposal of tangible capital assets	\$ (4,602)	\$ (102,462)
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (1,413,922)	\$ (1,000,321)
Deferred capital revenue write-off	\$ 6,401	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (370,648)	\$ (68,987)
Prepays	\$ (59,135)	\$ (73,632)
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ 549,285	\$ 766,812
Deferred revenue (excluding EDCR)	\$ 4,631,003	\$ 557,534
Employee future benefit liabilities	\$ 10,900	\$ 26,000
Other - Tangible capital assets included in accounts payable	\$ (763,798)	\$ -
Total cash flows from operating transactions	\$ 4,217,818	\$ 2,170,805
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (2,514,656)	\$ (139,113)
Equipment	\$ (207,281)	\$ (201,775)
Vehicles	\$ (31,820)	\$ (79,010)
Computer equipment	\$ (338,116)	\$ (27,166)
Net proceeds from disposal of unsupported capital assets	\$ 4,602	\$ 189,000
Other - Tangible capital assets included in accounts payable	\$ 763,798	\$ -
Total cash flows from capital transactions	\$ (2,323,473)	\$ (258,064)
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	\$ -	\$ -
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	\$ -	\$ -
Increase (decrease) in cash and cash equivalents	\$ 1,894,345	\$ 1,912,741
Cash and cash equivalents, at beginning of year	\$ 5,217,641	\$ 3,304,900
Cash and cash equivalents, at end of year	\$ 7,111,986	\$ 5,217,641

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)	\$ (130,254)	\$ 613,328
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (5,438,396)	\$ (9,572,964)
Amortization of tangible capital assets	\$ 1,762,588	\$ 1,452,533
Net carrying value of tangible capital assets disposed of	\$ 6,401	\$ 86,538
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes Supported addition, previously unsupported	\$ (227,390)	\$ -
Total effect of changes in tangible capital assets	\$ (3,896,797)	\$ (8,033,893)
Changes in:		
Prepaid expenses	\$ (59,135)	\$ (73,632)
Other non-financial assets	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -
Endowments	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ (4,086,186)	\$ (7,494,197)
Net financial assets (net debt) at beginning of year	\$ (27,274,296)	\$ (19,780,099)
Net financial assets (net debt) at end of year	\$ (31,360,482)	\$ (27,274,296)

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	\$ 10,901,867	\$ -	\$ 10,901,867	\$ 7,327,936	\$ -	\$ 2,514,807	\$ 240,124	\$ 819,000
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2014	\$ 10,901,867	\$ -	\$ 10,901,867	\$ 7,327,936	\$ -	\$ 2,514,807	\$ 240,124	\$ 819,000
Operating surplus (deficit)	\$ (130,254)		\$ (130,254)			\$ (130,254)		
Board funded tangible capital asset additions				\$ 803,424		\$ (803,424)	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -		\$ -
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	\$ -			\$ (1,762,588)		\$ 1,762,588		
Capital revenue recognized	\$ -			\$ 1,413,922		\$ (1,413,922)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ -	\$ -	
Net transfers from operating reserves	\$ -					\$ 20,194	\$ (20,194)	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supported additions previously recorded as unsupported	\$ -	\$ -	\$ -	\$ (227,390)	\$ -	\$ 227,390	\$ -	\$ -
Balance at August 31, 2015	\$ 10,771,613	\$ -	\$ 10,771,613	\$ 7,555,304	\$ -	\$ 2,177,379	\$ 219,930	\$ 819,000

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		
	Operating Reserves	Capital Reserves		Operating Reserves	Capital Reserves		Operating Reserves	Capital Reserves		Operating Reserves	Capital Reserves	External Services
Balance at August 31, 2014	\$ 120,124	\$ 30,000	\$	\$ 120,000	\$ 789,000	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
Prior period adjustments:												
	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2014	\$ 120,124	\$ 30,000	\$	\$ 120,000	\$ 789,000	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported		\$ -	\$		\$ -	\$		\$ -	\$		\$ -	\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported		\$ -	\$		\$ -	\$		\$ -	\$		\$ -	\$ -
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	\$ -		\$	\$ -		\$	\$ -		\$	\$ -		\$ -
Net transfers from operating reserves	\$ (20,194)		\$	\$ -		\$	\$ -		\$	\$ -		\$ -
Net transfers to capital reserves		\$ -	\$		\$ -	\$		\$ -	\$		\$ -	\$ -
Net transfers from capital reserves		\$ -	\$		\$ -	\$		\$ -	\$		\$ -	\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
Supported additions previously recorded as unsupported	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
Balance at August 31, 2015	\$ 99,930	\$ 30,000	\$	\$ 120,000	\$ 789,000	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -

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	\$ -	\$ -	\$ -	\$ -	\$ 30,586,813
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2014	\$ -	\$ -	\$ -	\$ -	\$ 30,586,813
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 2,288,450				
Infrastructure Maintenance & Renewal capital related to school facilities					
Other sources: (Describe)	\$ -			\$ -	
Other sources (Describe):	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> 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					\$ 2,346,523
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (2,515,840)	\$ -	\$ -	\$ -	\$ 2,515,840
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain): Supported addition, previously unexp.	\$ 227,390	\$ -	\$ -	\$ -	\$ 227,390
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ 6,401
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 1,413,922
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2015	\$ -	\$ -	\$ -	\$ -	\$ 34,256,243
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2015 (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, 2015 (in dollars)

REVENUES	2015						2014	
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 2,194,394	\$ 28,977,852	\$ 5,780,063	\$ 5,200,588	\$ 1,751,897	\$ 1,515,636	\$ 45,420,430	\$ 41,023,762
(2) Other - Government of Alberta		\$ 380,921	\$ -	\$ -	\$ -	\$ -	\$ 380,921	\$ 393,303
(3) Federal Government and First Nations	\$ 718,792	\$ 627,529	\$ -	\$ -	\$ -	\$ 173,646	\$ 1,519,967	\$ 1,359,210
(4) Other Alberta school authorities		\$ 73,085	\$ -	\$ -	\$ -	\$ 200,162	\$ 273,247	\$ 201,166
(5) Out of province authorities		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 52,161	\$ 622,597	\$ -	\$ -	\$ 23,273	\$ -	\$ 674,758	\$ 581,576
(9) Other sales and services		\$ 299,276	\$ -	\$ -	\$ 29,998	\$ 10,829	\$ 333,378	\$ 443,961
(10) Investment income		\$ 47,218	\$ 8,585	\$ 10,016	\$ -	\$ -	\$ 95,817	\$ 74,105
(11) Gifts and donations		\$ 221,061	\$ -	\$ -	\$ -	\$ -	\$ 221,061	\$ 220,355
(12) Rental of facilities		\$ -	\$ 180,377	\$ -	\$ -	\$ -	\$ 180,377	\$ 136,346
(13) Fundraising		\$ 251,138	\$ -	\$ -	\$ -	\$ -	\$ 251,138	\$ 227,369
(14) Gains on disposal of tangible capital assets		\$ -	\$ -	\$ -	\$ 4,602	\$ -	\$ 4,602	\$ 102,462
(15) Other revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) TOTAL REVENUES	\$ 2,965,347	\$ 31,500,677	\$ 5,969,025	\$ 5,210,604	\$ 1,809,770	\$ 1,900,273	\$ 49,355,696	\$ 44,763,615
EXPENSES								
(17) Certificated salaries	\$ 1,607,268	\$ 17,906,295			\$ 264,453	\$ 199,673	\$ 19,977,689	\$ 18,582,377
(18) Certificated benefits	\$ 184,140	\$ 4,467,347			\$ 14,016	\$ 23,544	\$ 4,689,047	\$ 4,245,210
(19) Non-certificated salaries and wages	\$ 404,743	\$ 3,326,918	\$ 1,654,161	\$ 139,340	\$ 692,877	\$ 471,194	\$ 6,689,233	\$ 5,754,509
(20) Non-certificated benefits	\$ 70,570	\$ 740,966	\$ 348,668	\$ 38,018	\$ 172,178	\$ 105,636	\$ 1,476,036	\$ 1,295,007
(21) SUB - TOTAL	\$ 2,266,721	\$ 26,441,526	\$ 2,002,829	\$ 177,358	\$ 1,143,524	\$ 800,047	\$ 32,832,005	\$ 29,877,103
(22) Services, contracts and supplies	\$ 795,917	\$ 4,402,313	\$ 3,197,217	\$ 4,752,400	\$ 642,863	\$ 1,098,001	\$ 14,888,711	\$ 12,818,816
(23) Amortization of supported tangible capital assets	\$ 1,223	\$ 6,766	\$ 1,405,933	\$ -	\$ -	\$ -	\$ 1,413,922	\$ 1,000,321
(24) Amortization of unsupported tangible capital assets	\$ 26,419	\$ 146,126	\$ 151,560	\$ -	\$ 22,799	\$ 1,762	\$ 348,666	\$ 452,212
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ 245	\$ 1,354	\$ -	\$ -	\$ 584	\$ 463	\$ 2,646	\$ 1,835
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 3,090,525	\$ 30,998,085	\$ 6,757,539	\$ 4,929,758	\$ 1,809,770	\$ 1,900,273	\$ 49,485,950	\$ 44,150,287
(31) OPERATING SURPLUS (DEFICIT)	\$ (125,178)	\$ 502,592	\$ (788,514)	\$ 280,846	\$ -	\$ -	\$ (130,254)	\$ 613,328

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	\$ 1,340,550	\$ 116,503	\$ -	\$ -	\$ 197,108		\$ 1,654,161		\$ 1,654,161
Uncertificated benefits	\$ 269,471	\$ 35,405	\$ -	\$ -	\$ 43,792		\$ 348,668		\$ 348,668
Sub-total Remuneration	\$ 1,610,021	\$ 151,908	\$ -	\$ -	\$ 240,900		\$ 2,002,829		\$ 2,002,829
Supplies and services	\$ 603,017	\$ 926,241	\$ 4,816	\$ 167,606	\$ 36,954		\$ 1,738,634		\$ 1,738,634
Electricity			\$ 377,692				\$ 377,692		\$ 377,692
Natural gas/heating fuel			\$ 230,292				\$ 230,292		\$ 230,292
Sewer and water			\$ 77,226				\$ 77,226		\$ 77,226
Telecommunications			\$ 3,944				\$ 3,944		\$ 3,944
Insurance					\$ 106,466		\$ 106,466		\$ 106,466
ASAP maintenance & renewal payments									
Amortization of tangible capital assets									
Supported								\$ 1,405,933	\$ 1,405,933
Unsupported						\$ 151,560	\$ 151,560		\$ 151,560
Total Amortization						\$ 151,560	\$ 151,560	\$ 1,405,933	\$ 1,557,493
Interest on capital debt									
Supported								\$ -	\$ -
Unsupported						\$ -	\$ -		\$ -
Lease payments for facilities									
Other interest charges				\$ 662,963			\$ 662,963		\$ 662,963
Losses on disposal of capital assets							\$ -		\$ -
TOTAL EXPENSES	\$ 2,213,038	\$ 1,078,149	\$ 693,970	\$ 830,569	\$ 384,320	\$ 151,560	\$ 5,351,606	\$ 1,405,933	\$ 6,757,539
SQUARE METRES									
School buildings									48,850.5
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 Pmnts: 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
FEES		
Transportation fees	\$0	\$0
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$281,690	\$255,624
Technology user fees	\$0	\$0
Alternative program fees	\$48,289	\$31,141
Fees for optional courses (band, art, etc.)	\$107,754	\$104,837
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$32,626	\$0
Kindergarten & preschool	\$52,161	\$33,435
Extracurricular fees (sports teams and clubs)	\$45,683	\$64,210
Field trips (related to curriculum)	\$97,800	\$87,153
Lunch supervision fees	\$0	\$0
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$8,755	\$5,176
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
TOTAL FEES	\$674,758	\$581,576

*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	\$3,827	\$0
Special events, graduation, tickets	\$38,521	\$51,101
Student travel (international, recognition trips, non-curricular)	\$138,884	\$233,599
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$15,663	\$16,276
Adult education revenue	\$0	\$0
Child care & before and after school care	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
TOTAL	\$196,895	\$300,976

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	44	27	353		
REVENUES					
Alberta Education allocated funding	\$ 50,069	\$ 514,489	\$ 397,020	\$ 1,729,237	\$ 1,797,149
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ 41,520	\$ -
TOTAL REVENUES	\$ 50,069	\$ 514,489	\$ 397,020	\$ 1,770,757	\$ 1,797,149
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ -	\$ 48,298	\$ 313,130	\$ 1,254,210	
Instructional non-certificated salaries & benefits	\$ -	\$ 475,190	\$ -	\$ 1,834,193	
SUB TOTAL	\$ -	\$ 523,488	\$ 313,130	\$ 3,088,403	
Supplies, contracts and services	\$ -	\$ 38,317		\$ 134,619	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ 54,513	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ -	\$ 561,805	\$ 367,643	\$ 3,223,022	
NET FUNDING SURPLUS (SHORTFALL)	\$ 50,069	\$ (47,316)	\$ 29,377	\$ (1,452,265)	

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			
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	TOTAL
1 Office of the superintendent	\$ 278,469	\$ 30,469	\$ 391	\$ 309,329	\$ 68,721	\$ -	\$ -	\$ 378,050
2 Educational administration (excluding superintendent)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Business administration	\$ 697,060	\$ 261,984	\$ 5,370	\$ 964,414	\$ -	\$ -	\$ -	\$ 964,414
4 Board governance (Board of Trustees)	\$ 81,930	\$ 122,703	\$ 32,284	\$ 236,917	\$ -	\$ -	\$ -	\$ 236,917
5 Information technology	\$ -	\$ -	\$ -	\$ -	\$ 399,638	\$ 896,029	\$ -	\$ 1,295,667
6 Human resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 Central purchasing, communications, marketing	\$ 86,063	\$ 186,748	\$ 3,500	\$ 276,311	\$ -	\$ -	\$ -	\$ 276,311
8 Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Administration - insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10 Administration - amortization	\$ -	\$ -	\$ 22,799	\$ 22,799	\$ -	\$ -	\$ -	\$ 22,799
11 Administration - other (admin building, interest)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12 Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 1,143,522	\$ 601,904	\$ 64,344	\$ 1,809,770	\$ 468,359	\$ 896,029	\$ -	\$ 3,174,158

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION No. 2

Notes to the Financial Statements For the Year Ended August 31, 2015

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 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.
- Buildings include land, site and leasehold improvements as well as assets under capital lease.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION No. 2

Notes to the Financial Statements For the Year Ended August 31, 2015

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.
- 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. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School Division's rate for incremental borrowing or the interest rate implicit in the lease.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 10%
Vehicles & Buses	10% to 33%
Computer Hardware & Software	10% to 33%
Other Equipment & Furnishings	5% to 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.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION No. 2

Notes to the Financial Statements For the Year Ended August 31, 2015

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

- **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.

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, vested and accumulating sick leave, early retirement, retirement/severance, vacation, overtime, death benefit and non-vested sick leave. 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.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2015

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

g) Liability for Contaminated Sites

In June 2010, the Public Sector Accounting Board issued this accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into the air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The School District adopted this accounting standard retroactively as of April 1, 2014. There were no changes to the financial statements as a result.

h) 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.

i) 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 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.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2015

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

j) 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.

k) 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, 2015, the amount contributed by the Government was \$2,558,842 (2014 - \$2,250,388).

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 \$358,900 for the year ended August 31, 2015 (2014 - \$283,940). At December 31, 2014, the Local Authorities Pension Plan reported an actuarial deficiency of \$2,464,636,000 (2013 deficiency of \$4,861,516,000).

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 contribution of \$141,485 for the year ended August 31, 2015 (2014- \$143,326).

The School Division also has a 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.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2015

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

l) Program Reporting

The School Division's operations have been segmented as follows:

- **ECS Instruction:** The provision of Early Childhood Services education instructional services that fall under the basic public education mandate.
- **Grade 1-12 Instruction:** The provision of instructional services for grades 1 – 12 that fall under the basic public education mandated.
- **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.

m) 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 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 12.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2015

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

n) 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, accounts payable and accrued liabilities, debt and other liabilities. 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.

o) Measurement Uncertainty

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 12.

3. CASH AND CASH EQUIVALENTS

	2015			2014
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 7,111,986	\$ 7,111,986	\$ 5,217,641

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2015

4. ACCOUNTS RECEIVABLE

	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Capital	\$ 1,665,605	\$ -	\$ 1,665,605	\$ 961,400
Alberta Education - Grants	89,062	-	89,062	725,246
Alberta Education - Secondments & others	89,867	-	89,867	-
Other school jurisdictions	69,560	-	69,560	31,829
Alberta Health Services	35,344	-	35,344	55,068
Government of Alberta-Infrastructure	1,950	-	1,950	-
Federal government	463,592	-	463,592	225,743
Municipalities	-	-	-	32,775
Other	59,867	-	59,867	72,138
Total	<u>\$ 2,474,847</u>	<u>\$ -</u>	<u>\$ 2,474,847</u>	<u>\$ 2,104,199</u>

5. BANK INDEBTEDNESS

The School Division has negotiated a line of credit in the amount of \$100,000 that bears interest at RBC Royal Bank prime rate. This line of credit is secured by a borrowing bylaw and a security agreement covers all revenues of the School Division. There was no balance outstanding on the line of credit at August 31, 2015 (2014 – nil).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Other Alberta school jurisdictions	\$ 18,866	\$ 91,570
Alberta Health Services	250	1,587
Federal Government	420,916	399,372
Accrued vacation pay	73,453	74,758
Salaries & benefit costs	435,977	444,140
Other trade payables and accrued liabilities	1,334,158	722,908
Total	<u>\$ 2,283,620</u>	<u>\$ 1,734,335</u>

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2015

7. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2014	ADD: 2014/2015 Restricted Funds Received/ Receivable	DEDUCT: 2014/2015 Restricted Funds Expended (Paid / Payable)	DEFERRED REVENUE as at Aug. 31, 2015
Unexpended deferred operating revenue				
Alberta Education:				
Infrastructure Maintenance Renewal	\$ 1,282,119	\$ 1,157,441	\$ (111,787.00)	\$ 2,327,773
Project-École Citadelle	-	400,000	(327,055)	72,945
Climbing for success (RECS)	6,802	-	(6,802)	-
Furniture & Equipment-École Desrochers	394,467	181,401	(282,300)	293,568
Furniture & Equipment-École La Prairie	216,699	153,394	(156,540)	213,553
Student Learning SLA	-	1,734	-	1,734
Other deferred Revenue:				
School Generated Funds	106,301	1,332,964	(1,368,080)	71,185
Total unexpended deferred operating revenue	\$ 2,006,388	\$ 3,226,934	\$ (2,252,564)	\$ 2,980,758
Unexpended deferred capital revenue	-	2,937,920	(1,790,725)	1,147,195
Expended deferred capital revenue	30,586,813	5,089,753	(1,420,324)	34,256,242
Total	\$ 32,593,201	\$ 11,254,607	\$ (5,463,613)	\$ 38,384,195

8. EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities consist of the following:

Retirement allowances	\$ 279,500	\$ 268,600
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THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2015

9. TANGIBLE CAPITAL ASSETS

	2015							2014
	Land	Construction in Progress - Buildings	Buildings	Equipment	Vehicles & Buses	Computer Hardware & Software	Total	Total
Estimated useful life			10-40 Years	5-20 Years	3-10 Years	3-5 Years		
Historical cost								
Beginning of year	\$ 5,730,940	\$ 9,304	\$ 51,820,900	\$ 2,085,549	\$ 302,408	\$ 1,029,560	\$ 60,978,661	\$ 52,044,216
Additions	-	3,187,798	1,903,674	207,283	31,820	338,116	5,668,691	9,572,965
Less disposals including write-offs	-	(9,304)	-	(64,587)	(10,045)	(161,462)	(245,398)	(638,520)
	<u>5,730,940</u>	<u>3,187,798</u>	<u>53,724,574</u>	<u>2,228,245</u>	<u>324,183</u>	<u>1,206,214</u>	<u>66,401,954</u>	<u>60,978,661</u>
Accumulated amortization								
Beginning of year	-	-	20,288,310	1,751,016	165,839	858,746	23,063,911	22,163,359
Additions	-	-	1,517,222	101,103	37,142	107,121	1,762,588	1,452,533
Less disposals including write-offs	-	-	-	(64,587)	(10,045)	(161,460)	(236,092)	(551,981)
	-	-	<u>21,805,532</u>	<u>1,787,532</u>	<u>192,936</u>	<u>804,407</u>	<u>24,590,407</u>	<u>23,063,911</u>
Net Book Value at End of Year	<u>\$ 5,730,940</u>	<u>\$ 3,187,798</u>	<u>\$ 31,919,042</u>	<u>\$ 440,713</u>	<u>\$ 131,247</u>	<u>\$ 401,807</u>	<u>\$ 41,811,547</u>	<u>\$ 37,914,750</u>

10. 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	\$ 2,177,379	\$ 2,514,807
Operating reserves	219,930	240,124
Accumulated surplus from operations	2,397,309	2,754,931
Investment in tangible capital assets	7,555,304	7,327,936
Capital reserves	819,000	819,000
Accumulated remeasurement gains (losses)	-	-
Accumulated surplus	<u>\$ 10,771,613</u>	<u>\$ 10,901,867</u>

Accumulated surplus from operations include funds of \$280,696 that are raised at school level and are not available to spend at board level. The School Division's adjusted surplus from operations is calculated as follows:

	2015	2014
Accumulated surplus from operations	\$ 2,397,309	\$ 2,754,931
Deduct: School generated funds included in accumulated surplus (Note 13)	280,696	252,609
Adjusted accumulated surplus ⁽¹⁾	<u>\$ 2,116,613</u>	<u>\$ 2,502,322</u>

(1) Adjusted accumulated surplus represents funds available for use by the School Division after

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2015

11. CONTRACTUAL OBLIGATIONS

	2015	2014
Building leases	\$ 3,190,844	\$ 2,476,788
Service providers	98,414	147,621
Total	<u>\$ 3,289,258</u>	<u>\$ 2,624,409</u>

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

	Building Leases	Service Providers
2015-2016	\$ 892,976	\$ 49,207
2016-2017	740,348	49,207
2017-2018	731,110	-
2018-2019	275,470	-
2019-2020	275,470	-
Thereafter	275,470	-
	<u>\$ 3,190,844</u>	<u>\$ 98,414</u>

Building Projects

The School Division is committed to further capital expenditure of \$13,650,000 for construction of a school and installation of portables. It is anticipated that these expenditures will be funded by Alberta Education.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2015

12. 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.

Regional Collaborative Service Delivery (Banker Board)	\$ 39,032	\$ 138,150
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13. SCHOOL GENERATED FUNDS

	2015	2014
School Generated Revenue, Beginning of Year	\$ 358,910	\$ 336,122
Gross Receipts:		
Fees	638,132	581,576
Fundraising	251,138	227,369
Gifts and donations	183,019	170,922
Other sales and services	295,791	384,866
Total gross receipts	1,368,080	1,364,733
Total Related Expenses and Uses of Funds	1,148,044	1,120,135
Total Direct Costs Including Cost of Goods Sold to Raise Funds	227,065	221,810
School Generated Revenues, End of Year	\$ 351,881	\$ 358,910
Balance included in Deferred Revenues	\$ 71,185	\$ 106,301
Balance included in Accumulated Surplus (Operating Reserves)	\$ 280,696	\$ 252,609

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2015

14. 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)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Education				
Accounts receivable / Accounts payable	\$1,844,534	\$ -	\$ -	\$ -
Prepaid Expenses/Deferred revenue	-	2,909,573	-	-
Expended deferred capital revenue	-	34,256,242	-	-
Unexpended deferred capital revenue	-	1,147,195	-	-
Grant revenue & expenses	-	-	42,859,638	-
ATRF payments made on behalf of district	-	-	2,558,842	-
Other Alberta School Jurisdictions	69,560	18,866	273,247	1,127,797
Post-secondary institutions	-	-	-	1,422
Alberta Health Services	35,344	250	380,921	4,742
Alberta Infrastructure	1,950	-	1,950	-
Alberta Local Authorities Pension Plan Corp.	-	48,714	-	358,900
TOTAL 2014/2015	<u>\$1,951,388</u>	<u>\$ 38,380,840</u>	<u>\$ 46,074,598</u>	<u>\$1,492,861</u>
TOTAL 2013/2014	<u>\$1,773,543</u>	<u>\$ 32,623,986</u>	<u>\$ 43,868,619</u>	<u>\$ 767,020</u>

15. 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, 2015

16. REMUNERATION AND MONETARY INCENTIVES

The School Division 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 described as follows:

Board Members:	FTE	Remuneration	Benefits	Expenses
Chair				
Kevin Bell	0.9	\$6,765	\$103	\$4,977
Karen Doucet	0.1	\$1,375	\$31	\$635
Other members				
Kevin Bell	0.1	\$185	\$118	-
Karen Doucet	0.9	\$15,045	\$385	\$3,699
Nathalie Lachance	1.0	\$8,845	\$164	-
Denis Lefebvre	1.0	\$9,790	\$441	\$9,131
Nicole Lorrain	1.0	\$9,740	\$218	\$4,029
Ismail Osman-Hachi	1.0	\$14,250	\$514	\$2,743
Ronald St-Jean	1.0	\$13,690	\$271	\$5,023
Subtotal	7.0	\$79,685	\$2,245	\$30,237
Superintendent	1.0	\$202,001	\$31,959	\$25,825
Secretary/Treasurer	1.0	\$144,500	\$47,758	\$6,128
Certificated teachers	211.7	\$19,775,688	\$4,657,088	
Non-certificated - other	125.5	\$6,465,048	\$1,426,033	
TOTALS		\$26,666,922	\$6,165,083	

17. BUDGET AMOUNTS

The budget was prepared by the School Division and approved by the Board of Trustees on May 27, 2014. It is presented for information purposes only and has not been audited.

18. COMPARATIVE FIGURES

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