

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

**Northwest Francophone Education Region No. 1**

Legal Name of School Jurisdiction

**Box 1220 St. Isidore AB T0H 3B0**

Mailing Address

**(780) 624-8855 (780) 624-8554**

Telephone & Fax Numbers, and Email Address

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

The financial statements of Northwest Francophone Education Region No. 1 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**

**CHANTAL MONFETTE**

Name

Signature

**SUPERINTENDENT**

**BRIGITTE KROPIELNICKI**

Name

Signature

**SECRETARY-TREASURER OR TREASURER**

**MARC LABONTE**

Name

Signature

**November 25, 2015**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch  
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# SYLVAIN & COMPANY

Certified General Accountants

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,  
REGIONAL AUTHORITY OF THE NORTHWEST  
FRANCOPHONE EDUCATION REGION NO. 1

### Report on the Consolidated Financial Statements

We have audited the accompanying financial statements statement of the Regional Authority of THE NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1 as at August 31, 2015, which comprise the statement of financial position as at August 31, 2015, and the statements of operations, cash flows, changes in net financial debt and changes in accumulated surplus for the year then ended, and a summary of significant accounting policies and other explanatory information .

### Management's Responsibility for the Consolidated 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 consolidated 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 judgement, 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 consolidated financial statements present fairly, in all material respects, the financial position of the Regional Authority of the Northwest Francophone Education Region No, 1 as at August 31, 2015 and the results of its operations, change in net assets and capital allocations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Falher, Alberta  
November 25, 2015

  
CERTIFIED GENERAL ACCOUNTANTS

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

		2015	2014 Restated
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	(Note 3)	\$ 1,078,906	\$ 390,367
Accounts receivable (net after allowances)	(Note 4)	\$ 272,778	\$ 404,277
Portfolio investments	(Note 5)	\$ 16,346	\$ 468,202
Other financial assets	(Note 6)	\$ 31,504	\$ 25,230
<b>Total financial assets</b>		\$ 1,399,534	\$ 1,288,076
<b>LIABILITIES</b>			
Bank indebtedness	(Note 7)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 8)	\$ 280,213	\$ 95,673
Deferred revenue	(Note 9)	\$ 15,979,119	\$ 16,447,713
Employee future benefit liabilities	(Note 10)	\$ 133,998	\$ 145,866
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
<b>Debt</b>	(Note 11)		
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
<b>Total liabilities</b>		\$ 16,393,330	\$ 16,689,252
<b>Net financial assets (debt)</b>		\$ (14,993,796)	\$ (15,401,176)
<b>NON-FINANCIAL ASSETS</b>			
<b>Tangible capital assets</b>	(Note 12)		
Land		\$ 150,000	\$ 150,000
Construction in progress		\$ -	\$ -
Buildings		\$ 21,669,266	
Less: Accumulated amortization		\$ (5,873,154)	\$ 15,796,112
Equipment		\$ 338,076	
Less: Accumulated amortization		\$ (191,452)	\$ 146,624
Vehicles		\$ 247,179	
Less: Accumulated amortization		\$ (134,644)	\$ 112,535
Computer Equipment		\$ -	
Less: Accumulated amortization		\$ -	\$ -
<b>Total tangible capital assets</b>		\$ 16,205,271	\$ 16,785,264
Prepaid expenses		\$ 79,622	\$ 37,409
Other non-financial assets		\$ -	\$ -
<b>Total non-financial assets</b>		\$ 16,284,893	\$ 16,822,673
<b>Accumulated surplus</b>	(Note 13)	\$ 1,291,097	\$ 1,421,497
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 1,291,097	\$ 1,421,497
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 1,291,097	\$ 1,421,497
<b>Contractual obligations</b>	(Note 14)		
<b>Contingent liabilities</b>	(Note 15)		

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 Restated
<b>REVENUES</b>			
Alberta Education	\$ 8,315,093	\$ 8,648,548	\$ 8,625,187
Other - Government of Alberta	\$ -	\$ -	\$ -
Federal Government and First Nations	\$ -	\$ 18,872	\$ 36,688
Other Alberta school authorities	\$ -	\$ -	\$ -
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees <span style="float: right;">Note 16</span>	\$ -	\$ 204,609	\$ 236,615
Other sales and services	\$ -	\$ -	\$ -
Investment income	\$ -	\$ 5,720	\$ 10,335
Gifts and donations	\$ -	\$ 21,326	\$ 19,544
Rental of facilities	\$ -	\$ 14,846	\$ 12,799
Fundraising	\$ -	\$ 172,917	\$ 200,476
Gains on disposal of capital assets	\$ -	\$ 7,001	\$ -
Other revenue	\$ 247,846	\$ 62,753	\$ 27,715
<b>Total revenues</b>	<b>\$ 8,562,939</b>	<b>\$ 9,156,592</b>	<b>\$ 9,169,359</b>
<b>EXPENSES</b>			
Instruction - ECS	\$ 670,000	\$ 692,952	\$ 667,729
Instruction - Grades 1 - 12	\$ 5,040,793	\$ 5,527,630	\$ 6,040,489
Plant operations and maintenance	\$ 1,469,308	\$ 1,545,789	\$ 1,504,527
Transportation	\$ 1,000,636	\$ 1,049,824	\$ 1,000,505
Board & system administration	\$ 470,179	\$ 470,797	\$ 470,767
External services	\$ -	\$ -	\$ -
<b>Total expenses</b>	<b>\$ 8,650,916</b>	<b>\$ 9,286,992</b>	<b>\$ 9,684,017</b>
<b>Operating surplus (deficit)</b>	<b>\$ (87,977)</b>	<b>\$ (130,400)</b>	<b>\$ (514,658)</b>

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
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	\$ (130,400)	\$ (514,658)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 682,208	\$ 667,509
Gains on disposal of tangible capital assets	\$ (7,001)	\$ -
Losses on disposal of tangible capital assets	\$ 10,764	\$ -
Expanded deferred capital revenue recognition	\$ (802,597)	\$ (595,111)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 131,499	\$ (32,686)
Prepays	\$ (42,213)	\$ 11,600
Other financial assets	\$ (6,274)	\$ (4,911)
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ 184,540	\$ (175,721)
Deferred revenue (excluding EDCR)	\$ 134,003	\$ 65,041
Employee future benefit liabilities	\$ (11,868)	\$ 5,308
Other (describe)	\$ -	\$ -
<b>Total cash flows from operating transactions</b>	<b>\$ 342,661</b>	<b>\$ (573,629)</b>
<b>B. CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ -	\$ (654,948)
Equipment	\$ (80,524)	\$ (82,038)
Vehicles	\$ (39,455)	\$ (8,128)
Computer equipment	\$ -	\$ -
Net proceeds from disposal of unsupported capital assets	\$ 14,001	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from capital transactions</b>	<b>\$ (105,978)</b>	<b>\$ (745,114)</b>
<b>C. INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	\$ (208)	\$ (47,689)
Dispositions of portfolio investments	\$ 452,064	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Change in endowments	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from investing transactions</b>	<b>\$ 451,856</b>	<b>\$ (47,689)</b>
<b>D. FINANCING TRANSACTIONS</b>		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ -	\$ -
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other factors affecting capital leases (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from financing transactions</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>\$ 688,539</b>	<b>\$ (1,366,432)</b>
<b>Cash and cash equivalents, at beginning of year</b>	<b>\$ 390,367</b>	<b>\$ 1,756,799</b>
<b>Cash and cash equivalents, at end of year</b>	<b>\$ 1,078,906</b>	<b>\$ 390,367</b>

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

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)**

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

	Budget 2015	2015	2014
Operating surplus (deficit)	\$ (87,977)	\$ (130,400)	\$ (514,658)
<b>Effect of changes in tangible capital assets</b>			
Acquisition of tangible capital assets	\$ (77,000)	\$ (119,979)	\$ (745,114)
Amortization of tangible capital assets	\$ 670,000	\$ 682,208	\$ 687,509
Net carrying value of tangible capital assets disposed of	\$ -	\$ 17,764	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
<b>Total effect of changes in tangible capital assets</b>	\$ 593,000	\$ 579,993	\$ (77,605)
<b>Changes in:</b>			
Prepaid expenses	\$ -	\$ (42,213)	\$ 11,600
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
<b>Increase (decrease) in net financial assets (net debt)</b>	\$ 505,023	\$ 407,380	\$ (580,663)
<b>Net financial assets (net debt) at beginning of year</b>	\$ (15,401,176)	\$ (15,401,176)	\$ (14,820,513)
<b>Net financial assets (net debt) at end of year</b>	\$ (14,896,153)	\$ (14,993,796)	\$ (15,401,176)

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
<b>Operating surplus (deficit)</b>	\$ (130,400)	\$ (514,658)
<b>Effect of changes in tangible capital assets</b>		
Acquisition of tangible capital assets	\$ (119,979)	\$ (745,114)
Amortization of tangible capital assets	\$ 682,208	\$ 667,509
Net carrying value of tangible capital assets disposed of	\$ 17,764	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
<b>Total effect of changes in tangible capital assets</b>	\$ 579,993	\$ (77,605)
<b>Changes in:</b>		
Prepaid expenses	\$ (42,213)	\$ 11,600
Other non-financial assets	\$ -	\$ -
<b>Net remeasurement gains and (losses)</b>	\$ -	\$ -
<b>Endowments</b>	\$ -	\$ -
<b>Increase (decrease) in net financial assets (net debt)</b>	\$ 407,380	\$ (580,663)
<b>Net financial assets (net debt) at beginning of year</b>	\$ (15,401,176)	\$ (14,820,513)
<b>Net financial assets (net debt) at end of year</b>	\$ (14,993,796)	\$ (15,401,176)

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
<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, 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
<b>Balance at August 31, 2014</b>	\$ 1,421,497	\$ -	\$ 1,421,497	\$ 527,014	\$ -	\$ 278,043	\$ 428,891	\$ 187,549
<b>Prior period adjustments:</b>								
Corrected afs (deferred IMR) Note 23	\$ -	\$ -	\$ -	\$ 392,482	\$ -	\$ (392,482)	\$ -	\$ -
Restated (reversal deferred IMR) Note 23	\$ -	\$ -	\$ -	\$ (392,482)	\$ -	\$ 392,482	\$ -	\$ -
<b>Adjusted Balance, August 31, 2014</b>	\$ 1,421,497	\$ -	\$ 1,421,497	\$ 527,014	\$ -	\$ 278,043	\$ 428,891	\$ 187,549
Operating surplus (deficit)	\$ (130,400)		\$ (130,400)			\$ (130,400)		
Board funded tangible capital asset additions				\$ 111,979		\$ -	\$ -	\$ (111,979)
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (17,765)		\$ 3,764		\$ 14,001
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	\$ -			\$ (682,208)		\$ 682,208		
Capital revenue recognized	\$ -			\$ 602,597		\$ (602,597)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ -	\$ -	
Net transfers from operating reserves	\$ -					\$ 56,995	\$ (56,995)	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2015</b>	\$ 1,291,097	\$ -	\$ 1,291,097	\$ 541,617	\$ -	\$ 288,013	\$ 371,896	\$ 89,571

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

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
<b>Balance at August 31, 2014</b>	\$ 103,242	\$ 89,637	\$ 132,000	\$ -	\$ -	\$ -	\$ 178,000	\$ 97,912	\$ 15,649	\$ -
<b>Prior period adjustments:</b>										
Corrected afs (deferred IMR) Note 23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restated (reversal deferred IMR) Note 23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2014</b>	\$ 103,242	\$ 89,637	\$ 132,000	\$ -	\$ -	\$ -	\$ 178,000	\$ 97,912	\$ 15,649	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ (72,524)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (39,455)	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported		\$ 7,000		\$ -		\$ -		\$ 7,001		\$ -
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	\$ (6,995)		\$ -		\$ -		\$ (50,000)		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2015</b>	\$ 96,247	\$ 24,113	\$ 132,000	\$ -	\$ -	\$ -	\$ 128,000	\$ 65,458	\$ 15,649	\$ -

**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 <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>	
<b>Balance at August 31, 2014</b>	\$ -	\$ -	\$ -	\$ -	\$ 16,258,250
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2014	\$ -	\$ -	\$ -	\$ -	\$ 16,258,250
<b>Add:</b>					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 89,277				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources: (Describe) Donations (SGF)	\$ -			\$ 8,000	
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					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ -	\$ -	\$ -	\$ (8,000)	\$ 8,000
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					\$ 602,597
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
<b>Balance at August 31, 2015</b>	\$ 89,277	\$ -	\$ -	\$ -	\$ 15,663,653
	(A)	(B)	(C)	(D)	
<b>Balance of Unexpended Deferred Capital Revenue at August 31, 2015 (A) + (B) + (C) + (D)</b>				\$ 89,277	

**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	\$ 635,669	\$ 5,179,287	\$ 1,482,767	\$ 880,000	\$ 470,825	\$ -	\$ 8,648,548	\$ 8,625,187
(2) Other - Government of Alberta	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(3) Federal Government and First Nations	\$ -	\$ 18,872	\$ -	\$ -	\$ -	\$ -	\$ 18,872	\$ 36,688
(4) Other Alberta school authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 61,388	\$ 143,221	\$ -	\$ -	\$ -	\$ -	\$ 204,609	\$ 236,615
(9) Other sales and services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(10) Investment income	\$ -	\$ 5,720	\$ -	\$ -	\$ -	\$ -	\$ 5,720	\$ 10,335
(11) Gifts and donations	\$ -	\$ 21,326	\$ -	\$ -	\$ -	\$ -	\$ 21,326	\$ 19,544
(12) Rental of facilities	\$ -	\$ -	\$ 14,846	\$ -	\$ -	\$ -	\$ 14,846	\$ 12,799
(13) Fundraising	\$ -	\$ 172,917	\$ -	\$ -	\$ -	\$ -	\$ 172,917	\$ 200,476
(14) Gains on disposal of tangible capital assets	\$ -	\$ 7,000	\$ -	\$ 1	\$ -	\$ -	\$ 7,001	\$ -
(15) Other revenue	\$ -	\$ 61,998	\$ 755	\$ -	\$ -	\$ -	\$ 62,753	\$ 27,715
(16) <b>TOTAL REVENUES</b>	\$ 697,057	\$ 5,610,341	\$ 1,498,368	\$ 880,001	\$ 470,825	\$ -	\$ 9,156,592	\$ 9,169,359
<b>EXPENSES</b>								
(17) Certificated salaries	\$ 360,697	\$ 3,049,228			\$ 149,034	\$ -	\$ 3,558,959	\$ 3,797,878
(18) Certificated benefits	\$ 40,046	\$ 817,431			\$ 18,406	\$ -	\$ 875,883	\$ 891,749
(19) Non-certificated salaries and wages	\$ 211,080	\$ 857,990	\$ 312,889	\$ 84,605	\$ 95,201	\$ -	\$ 1,361,765	\$ 1,498,435
(20) Non-certificated benefits	\$ 42,132	\$ 132,486	\$ 51,135	\$ 15,565	\$ 26,620	\$ -	\$ 267,938	\$ 294,625
(21) <b>SUB - TOTAL</b>	\$ 653,955	\$ 4,657,135	\$ 364,024	\$ 100,170	\$ 289,261	\$ -	\$ 6,064,545	\$ 6,482,687
(22) Services, contracts and supplies	\$ 38,997	\$ 843,053	\$ 536,443	\$ 935,528	\$ 174,842	\$ -	\$ 2,528,863	\$ 2,531,806
(23) Amortization of supported tangible capital assets	\$ -	\$ 7,485	\$ 595,112	\$ -	\$ -	\$ -	\$ 602,597	\$ 595,111
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 18,450	\$ 47,196	\$ 11,112	\$ 2,853	\$ -	\$ 79,611	\$ 72,398
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ 612	\$ -	\$ 612	\$ 2,015
(28) Losses on disposal of tangible capital assets	\$ -	\$ 1,507	\$ 3,014	\$ 3,014	\$ 3,229	\$ -	\$ 10,764	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) <b>TOTAL EXPENSES</b>	\$ 692,952	\$ 5,527,630	\$ 1,545,789	\$ 1,049,824	\$ 470,797	\$ -	\$ 9,266,992	\$ 9,684,017
(31) <b>OPERATING SURPLUS (DEFICIT)</b>	\$ 4,105	\$ 82,711	\$ (47,421)	\$ (169,823)	\$ 28	\$ -	\$ (130,400)	\$ (514,658)

**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	\$ 210,798	\$ -	\$ -	\$ -	\$ 102,091		\$ 312,889		\$ 312,889
Uncertificated benefits	\$ 34,754	\$ -	\$ -	\$ -	\$ 16,381		\$ 51,135		\$ 51,135
Sub-total Remuneration	\$ 245,552	\$ -	\$ -	\$ -	\$ 118,472		\$ 364,024		\$ 364,024
Supplies and services	\$ 65,485	\$ 156,908	\$ -	\$ 33,069	\$ 51,255		\$ 306,717		\$ 306,717
Electricity			\$ 111,076				\$ 111,076		\$ 111,076
Natural gas/heating fuel			\$ 52,350				\$ 52,350		\$ 52,350
Sewer and water			\$ 24,393				\$ 24,393		\$ 24,393
Telecommunications			\$ -				\$ -		\$ -
Insurance					\$ 41,907		\$ 41,907		\$ 41,907
ASAP maintenance & renewal payments								\$ -	\$ -
Amortization of tangible capital assets									
Supported								\$ 595,112	\$ 595,112
Unsupported						\$ 47,196	\$ 47,196		\$ 47,196
Total Amortization						\$ 47,196	\$ 47,196	\$ 595,112	\$ 642,308
Interest on capital debt									
Supported								\$ -	\$ -
Unsupported						\$ -	\$ -		\$ -
Lease payments for facilities				\$ -			\$ -		\$ -
Other interest charges						\$ -	\$ -		\$ -
Losses on disposal of capital assets						\$ 3,014	\$ 3,014		\$ 3,014
<b>TOTAL EXPENSES</b>	<b>\$ 311,037</b>	<b>\$ 156,908</b>	<b>\$ 187,819</b>	<b>\$ 33,069</b>	<b>\$ 211,634</b>	<b>\$ 50,210</b>	<b>\$ 950,677</b>	<b>\$ 595,112</b>	<b>\$ 1,545,789</b>
<b>SQUARE METRES</b>									
School buildings									8,292.0
Non school buildings									2,760.0

**Note:**

**Custodial:** All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.

**Maintenance:** All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.

**Utilities & Telecommunications:** All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.

**Expensed IMR & Modular Unit Relocation & Lease Pmts:** All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects, modular unit (portable) relocation, and payments on leased facilities.

**Facility Planning & Operations Administration:** All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project 'administration', administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

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

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

	Actual 2014/2015	Actual 2013/2014
<b>FEES</b>		
Transportation fees	\$0	\$0
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$6,238	\$5,970
Technology user fees	\$0	\$0
Alternative program fees	\$0	\$0
Fees for optional courses (band, art, etc.)	\$0	\$0
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$0	\$0
Kindergarten & preschool	\$61,388	\$36,163
Extracurricular fees (sports teams and clubs)	\$85,956	\$104,554
Field trips (related to curriculum)	\$51,027	\$89,928
Lunch supervision fees	\$0	\$0
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
<b>TOTAL FEES</b>	<b>\$204,609</b>	<b>\$236,615</b>

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

Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):	Actual 2014/2015	Actual 2013/2014
Cafeteria sales, hot lunch, milk programs	\$0	\$0
Special events, graduation, tickets	\$0	\$0
Student travel (international, recognition trips, non-curricular)	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$0	\$0
Adult education revenue	\$0	\$0
Child care & before and after school care	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 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	17	3	42		
<b>REVENUES</b>					
Alberta Education allocated funding	\$ 15,904	\$ 75,806	\$ 49,480	\$ 268,854	\$ 782,247
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	\$ 15,904	\$ 75,806	\$ 49,480	\$ 268,854	\$ 782,247
<b>EXPENSES (Not allocated from BASE, Transportation, or other funding)</b>					
Instructional certificated salaries & benefits	\$ -	\$ 1,267	\$ -	\$ 13,672	
Instructional non-certificated salaries & benefits	\$ 17,074	\$ 57,135	\$ 51,222	\$ 266,107	
<b>SUB TOTAL</b>	\$ 17,074	\$ 58,402	\$ 51,222	\$ 269,779	
Supplies, contracts and services	\$ -	\$ 17,502		\$ 1,717	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL EXPENSES</b>	\$ 17,074	\$ 75,904	\$ 51,222	\$ 271,496	
<b>NET FUNDING SURPLUS (SHORTFALL)</b>	\$ (1,170)	\$ (98)	\$ (1,742)	\$ (2,642)	



UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2015 (in dollars)								
EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs			TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	
1 Office of the superintendent	\$ 167,440	\$ 44,526	\$ -	\$ 211,966	\$ -	\$ -	\$ -	\$ 211,966
2 Educational administration (excluding superintendent)	\$ -	\$ -	\$ -	\$ -	\$ 90,782	\$ 11,066	\$ -	\$ 101,848
3 Business administration	\$ 43,394	\$ 59,215	\$ -	\$ 102,609	\$ -	\$ 86,086	\$ -	\$ 188,695
4 Board governance (Board of Trustees)	\$ 47,994	\$ 25,741	\$ -	\$ 73,735	\$ -	\$ -	\$ -	\$ 73,735
5 Information technology	\$ -	\$ 4,210	\$ -	\$ 4,210	\$ -	\$ 2,825	\$ -	\$ 7,035
6 Human resources	\$ -	\$ 97	\$ -	\$ 97	\$ -	\$ -	\$ -	\$ 97
7 Central purchasing, communications, marketing	\$ 15,216	\$ 19,737	\$ -	\$ 34,953	\$ 67,920	\$ 57,391	\$ -	\$ 160,264
8 Payroll	\$ 15,217	\$ 19,738	\$ -	\$ 34,955	\$ 33,960	\$ 57,391	\$ -	\$ 126,306
9 Administration - insurance			\$ 1,578	\$ 1,578			\$ -	\$ 1,578
10 Administration - amortization			\$ 2,853	\$ 2,853			\$ 5,044	\$ 7,897
11 Administration - other (admin building, interest)			\$ 612	\$ 612			\$ -	\$ 612
12 Other (describe) Loss on disposal of capital asset	\$ -	\$ -	\$ 3,229	\$ 3,229	\$ -	\$ -	\$ 7,536	\$ 10,765
13 Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 289,261</b>	<b>\$ 173,264</b>	<b>\$ 8,272</b>	<b>\$ 470,797</b>	<b>\$ 192,662</b>	<b>\$ 214,759</b>	<b>\$ 12,580</b>	<b>\$ 890,798</b>

**BOARD AND SYSTEM ADMINISTRATION (FOR INFORMATION ONLY - NOT PART OF FINANCIAL STATEMENTS)  
2014/2015 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

8050

<b>TOTAL EXPENSES (From "Total" column of Line 30 of Schedule of Program Operations)</b>	\$9,286,992
<b>Enter Number of Net Enrolled Students:</b>	451
<b>Enter "C" if Charter School</b>	
<b>STEP 1</b>	
<b>Calculation of maximum expense limit percentage for Board and System Administration expenses</b>	
If "Total Net Enrolled Students" are 6,000 and over = 3.6%	5.40%
If "Total Net Enrolled Students" are 2,000 and less = 5.4%	
<p>The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .00045 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .00045 = 0.675% plus 3.6% = maximum expense limit of 4.275%).</p>	
<b>STEP 2</b>	
<b>A. Calculate maximum expense limit amounts for Board and System Administration expenses</b>	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$501,498
<b>B. Considerations for Charter Schools and Small School Boards:</b>	
If charter schools and small school boards, The amount of Small Board Administration funding ( <i>Funding Manual Section 1.13</i> )	\$470,826
<b>2014/2015 MAXIMUM EXPENSE LIMIT (the greater of A or B above)</b>	\$501,498
<b>Actual Board &amp; System Administration from Line 30 of "Schedule of Program Operations" (Board &amp; System Administration Column)</b>	\$470,797
<b>Amount Overspent</b>	\$0

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended August 31, 2015**

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**1. AUTHORITY AND PURPOSE**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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) Portfolio Investments**

The School Jurisdiction has investments in that have a maturity of greater than 3 months. Term deposits and other investments such as co-operative or credit union equities are not quoted in active market. These are quoted at cost or amortized cost.

Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are derecognized. Upon derecognition, the accumulated remeasurement gains or losses associated with the derecognized portfolio investments are reversed and reclassified to the Statement of Operations.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. A subsequent increase in value would be recognized on the Statement of Remeasurement Gains and Losses and realized on the Statement of Operations only when sold.

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2015

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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**d) Inventories**

Inventories are recorded at the lower of cost or net realizable value on a first in first out basis.

**e) Tangible Capital Assets**

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.

Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings - masonry and cement	2.5%
- wood frame or renovations	4.0%
Building site improvements	5.0%
Vehicles & buses	10.0%
Equipment, computer hardware and software	20.0%

Only tangible capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

**f) Deferred Revenue**

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per Public Sector Accounting Standard (PSAS) PS 3200. These contributions are recognized by the jurisdiction 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:

i) Unexpended Deferred Capital Revenue represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per PS3200 when expended.

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

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**

For the year ended August 31, 2015

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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**g) Employee future benefits**

Vacation pay is accrued in the period in which the employee earns the benefit.

Accumulated sick leave liability is determined using management's best estimated usage during the next year of operation.

**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 or 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 these financial statements

Eligibility criteria are criteria that the School Jurisdiction has to meet in order to receive certain contributions. Stipulations describe what the School Jurisdiction must perform in order to keep the contributions. Contributions without eligibility criteria or stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity. Contributions with eligibility criteria but without stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity and all eligibility criteria have been met.

Contributions with stipulations are recognized as revenue in the period the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with Section PS 3200. Such liabilities are recorded as deferred revenue. The following items fall under this category:

i) Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year the stipulated expenses are incurred.

ii) Unexpended Deferred Capital Revenue

iii) Expended Deferred Capital Revenue

**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 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.

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2015

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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**k) Pensions**

Pension costs included in these statements comprise the cost of the employer and Provincial 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 Act, the Northwest Francophone Education Region No. 1 does not make pension contributions for the certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the jurisdiction is included in both revenues and expenses. For the school year ended August 31, 2014, the amount contributed to the Teacher's Retirement Fund by the Province was \$440,790 (2013 \$336,904).

**l) Program Reporting**

The jurisdiction's operations have been segmented as follows:

**ECS-Grade 12 Instruction:** The provision of Early Childhood Services education and grade 1-12 instructional services that fall under the 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 and 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.

**m) Trusts Under Administration**

The School Jurisdiction has property that has been transferred or assigned to it to be administered or directed by a trust agreement. The jurisdiction holds title to the property for the benefit of the beneficiary. Trust under administration have been excluded from the financial reporting of the jurisdiction. Trust balances can be found in Note 18.

**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 jurisdiction recognizes a financial instrument when it becomes party to a financial instrument contract.

The jurisdiction's financial instruments consist of cash, accounts receivable, portfolio investments, bond indebtedness, accounts payable and accrued liabilities. It is management's opinion that the jurisdiction is not exposed to significant market risk (including interest rate, currency and other price risks) or credit and liquidity risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**

**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**

For the year ended August 31, 2015

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**o) 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 related to the potential impairment of assets and rates for amortization.

**3. CASH AND CASH EQUIVALENTS**

	2015			2014
	Average Effective Yield	Cost	Amortized Cost	Amortized Cost
	\$	\$	\$	\$
Cash on hand	-	1,300	1,300	1,200
Cash in bank - current	-	655,396	655,396	(20,974)
Cash in bank - S.G.F.	-	67,815	67,815	59,265
Cash	-	724,511	724,511	39,491
Short-term deposits in bank	1.00%	354,395	354,395	350,876
Total cash and cash equivalents		1,078,906	1,078,906	390,367

**4. ACCOUNTS RECEIVABLE**

	2015	2014
	\$	\$
Alberta Education - Grants	-	-
Alberta Education - Capital	226,907	226,907
Federal government	32,155	161,093
Alberta municipalities	-	-
Other Government of Alberta ministries	-	-
Other Alberta school jurisdictions	5,368	-
Other	8,348	16,277
	272,778	404,277

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**

**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**

For the year ended August 31, 2015

**5. PORTFOLIO INVESTMENTS**

	2015			2014
	Average Effective (Market) Yield	Cost	Fair Value	Balance
	\$	\$	\$	\$
Long-term deposits	-	-	-	450,000
Equities				
A.A.M.D.&C.	-	68	68	133
Vision Credit Union	-	8,065	8,065	10,000
Girouxville Co-op	-	1,043	1,043	921
St. Isidore Co-op	-	7,170	7,170	7,148
Total equities		16,346	16,346	18,202
Total portfolio investments	-	16,346	16,346	468,202

Long-term deposits were all held at the Vision Credit Union and matured on dates ranging from January 5, 2015 to March 13, 2015.

The above equity investments are all equity in a co-operative or credit union and thus have no expected market yield. Patronage dividends based on purchases will vary from year to year.

**6. OTHER FINANCIAL ASSETS**

	2015	2014
	\$	\$
Inventory	31,504	25,230
Other	-	-
	31,504	25,230

**7. BANK INDEBTEDNESS**

The jurisdiction has negotiated an overdraft protection agreement in the amount of \$140,000 that bears interest at the bank prime rate + 1.0%. This overdraft agreement is secured by funds held in term deposits. There was no balance outstanding on the overdraft agreement at August 31, 2015 (2014 - \$0).

The jurisdiction has negotiated a line of credit in the amount of \$500,000 that bears interest at bank prime plus 2.25%. This line of credit agreement is secured by a borrowing resolution and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the overdraft agreement at August 31, 2015 (2014 - \$0).



**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1  
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**

For the year ended August 31, 2015

**8. ACCOUNTS PAYABLE AND LIABILITIES**

	2015	2014
	\$	\$
Alberta Education	5,053	4,296
Federal government	-	-
Alberta municipalities	-	-
Other Alberta school jurisdictions	8,000	-
Deferred salary leaves	65,024	-
Accrued vacation pay liability	13,973	60,281
Other trade payables and accrued liabilities	188,163	31,096
	<b>280,213</b>	<b>95,673</b>

**9. DEFERRED REVENUE**

SOURCE AND GRANT OR FUND TYPE	2014 \$ Aug. 31	2014/15 \$ Received	2014/15 \$ Expended	2015 \$ Aug. 31
<b>Unexpended operating revenue</b>				
Alta Education				
Infrastructure Maintenance Ren.	159,085	69,337	33,069	195,353
One-time 2015/16	-	222	-	222
Supernet Service	-	38,400	38,400	-
	159,085	107,959	71,469	195,575
<b>Other deferred revenue</b>				
School generated funds	14,378	323,075	323,739	13,714
Rental deposit	500	-	500	-
Fees	15,500	16,900	15,500	16,900
<b>Total unexpended operating revenue</b>	<b>189,463</b>	<b>447,934</b>	<b>411,208</b>	<b>226,189</b>
<b>Unexpended capital revenue</b>	<b>-</b>	<b>97,277</b>	<b>8,000</b>	<b>89,277</b>
<b>Expended deferred capital revenue</b>	<b>16,258,250</b>	<b>8,000</b>	<b>602,597</b>	<b>15,663,653</b>
<b>Total deferred revenue</b>	<b>16,447,713</b>	<b>553,211</b>	<b>1,021,805</b>	<b>15,979,119</b>

**10. EMPLOYEE FUTURE BENEFITS LIABILITIES**

	2015	2014
	\$	\$
Accumulated sick pay liability (non-vested)	133,998	145,866
Other	-	-
	<b>133,998</b>	<b>145,866</b>

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2015

**11. LONG TERM DEBT**

- a) Debenture debt - supported  
Currently there is no long-term debt held by the jurisdiction.
- b) Capital leases - unsupported  
Currently, there are no capital leases held by the jurisdiction.

**12. TANGIBLE CAPITAL ASSETS AND ACCUMULATED AMORTIZATION**

	2014			2015
	\$ Cost	\$ Additions	\$ Disposals	\$ Cost
<b>TANGIBLE CAPITAL ASSETS</b>				
Land	150,000	-	-	150,000
Buildings	21,669,266	-	-	21,669,266
Equipment	278,702	80,524	21,150	338,076
Vehicles	276,475	39,455	68,751	247,179
	<u>22,374,443</u>	<u>119,979</u>	<u>89,901</u>	<u>22,404,521</u>
<b>ACCUMULATED AMORTIZATION</b>	<b>Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance</b>
Buildings	5,258,039	615,115	-	5,873,154
Equipment	160,497	52,105	21,150	191,452
Vehicles	170,643	14,987	50,986	134,644
	<u>5,589,179</u>	<u>682,207</u>	<u>72,136</u>	<u>6,199,250</u>
<b>Net book value</b>	<u>16,785,264</u>			<u>16,205,271</u>

The cost of buildings above includes construction in progress as follows:

	2015	2014
	\$	\$
September 1 balance	-	-
Current year construction costs	-	654,948
Transfers out (building now in use)	-	(654,948)
August 31 balance	-	-

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2015

**13. 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
		Restated
	\$	\$
Unrestricted surplus	288,013	278,043
Operating reserves	371,896	428,891
Accumulated surplus from operations	659,909	706,934
Capital reserves	89,571	187,549
Investment in tangible capital assets	541,617	527,014
	<b>1,291,097</b>	<b>1,421,497</b>

Included in Accumulated surplus from operations are school generated funds to which the school jurisdiction has no claim. The school jurisdiction has recorded a provision for employee post-employment benefits (accumulated sick pay liability not vested) Note 10. Since this provision is not required to be funded by current operations, accumulated surplus is adjusted as follows:

	2015	2014
		Restated
	\$	\$
Accumulated surplus from operations	659,909	706,934
Non vesting, accumulating employee future benefits	133,998	145,866
Deduct: School generated funds included in accumulated surplus (Note 18)	<b>(54,102)</b>	<b>(44,886)</b>
Adjusted accumulated surplus	<b>739,805</b>	<b>807,914</b>

Adjusted accumulated surplus represents funding available to support the school jurisdiction's operations for the 2015-2016 year after deducting funds committed for use by the schools.

**14. COMMITMENTS AND CONTRACTUAL OBLIGATIONS**

- a) An operating lease agreement for a Ricoh 9002 MP photocopier was signed in October 2012. The quarterly lease payments of \$1,212 plus G.S.T. total \$24,240 over a sixty month period (last payment due November, 2017).
- b) An operating lease agreement for office space was signed in June, 2013. The ten year lease agreement consists of monthly payments \$3,167, effective for January 1, 2014 to December 31, 2024.

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**

**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**

For the year ended August 31, 2015

**14. COMMITMENTS AND CONTRACTUAL OBLIGATIONS - continued**

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

	<b>Building Lease</b>	<b>Vehicle Lease</b>	<b>Equipment Lease</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
2015-16	38,004	-	4,926	42,930
2016-17	38,004	-	1,212	39,216
2017-18	38,004	-	-	38,004
2018-19	38,004	-	-	38,004
2019-20	38,004	-	-	38,004
Thereafter	126,680	-	-	126,680
	<b>316,700</b>	<b>-</b>	<b>6,138</b>	<b>322,838</b>

**15. CONTINGENT LIABILITIES**

The jurisdiction is a member of the Alberta School Boards Insurance Exchange. Under the terms of its membership, the jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange.

**16. FEES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Transportation fees	-	-
Fees charged for instruction materials and supplies	<b>67,626</b>	42,133
Other fees - school generated funds	<b>136,983</b>	194,482
	<b>204,609</b>	<b>236,615</b>

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2015

**17. TRUSTS UNDER ADMINISTRATION**

Beginning in September of 2006, this jurisdiction has assumed administrative duties of C.E.F.F.A. (Conseil Pour l'Education de la Foi Catholique Chez les Francophones de l'Alberta), a non-profit organization. The end of year balance represents cash that is held in trust by the jurisdiction.

	2015	2014
	\$	\$
Balance, beginning of year	89,863	93,782
Add: transfer from previous sponsoring jurisdiction	-	-
received from member organizations	104,175	106,897
Less: disbursements	(116,824)	(110,816)
Balance, end of year	77,214	89,863

Beginning in January of 2013, this jurisdiction has assumed administrative duties of F.C.S.F.A. (Federation des Conseils Scolaires Francophones de l'Alberta), a non-profit organization. The end of year balance represents cash that is held in trust by the jurisdiction.

	2015	2014
	\$	\$
Balance, beginning of year	75,416	77,242
Add: transfer from previous sponsoring jurisdiction	-	-
received from member organizations	76,962	64,968
received from federal french language program	232,000	164,000
other receipts and expense recoveries	10,000	10,000
Less: disbursements	(325,314)	(240,794)
Balance, end of year	69,064	75,416

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2015

**18. SCHOOL GENERATED FUNDS**

	2015	2014
	\$	\$
Deferred School Generated Revenues beginning of year	59,264	100,895
Current Year Activities - Gross Receipts		
Fees	136,983	194,482
Fundraising	172,917	193,410
Gifts and donations	13,841	48,968
Grants to schools	-	-
Other sales and services	-	-
Total gross receipts	323,741	436,860
Total Direct Costs Including Cost of Goods Sold to Raise Funds	107,010	145,156
Total Related Expenses and Uses of Funds	208,181	333,335
Deferred School Generated Revenues end of year	67,814	59,264
Balance Included in Deferred Revenue	13,714	14,378
Balance Included in Accumulated Surplus	54,102	44,886
	67,816	59,264

**19. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

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

**20. RELATED PARTY TRANSACTIONS**

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions, and other school jurisdictions of Alberta.

2014-2015	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Government of Alberta:				
Education	226,907	5,053	8,648,548	-
Finance	-	-	-	-
Other Alta Gov't Depts.	-	-	-	-
Other related parties	5,368	-	5,368	36,000
<b>TOTAL 2014-2015</b>	<b>232,275</b>	<b>5,053</b>	<b>8,653,916</b>	<b>36,000</b>
<b>TOTAL 2013-2014</b>	<b>226,907</b>	<b>4,926</b>	<b>8,625,187</b>	<b>-</b>

# NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1

## AUDITORS' NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2015

### 21. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction management with Board of Trustees approval on May 22, 2014. It is presented for information purposes only and has not been audited.

### 22. COMPARATIVE FIGURES

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

### 23. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

After the November 27, 2014 release date of the 2013/14 financial statements new facts and evidence became known to management and the auditors which necessitated a correction of accounting for the funding of the 2013/14 portable classroom project (building capital additions). In the original financial statements the portable classroom capital project had been shown as funded in part by Infrastructure Maintenance and Renewal grants in the amount of \$392,482. Per the Alberta Education Funding manual the IMR funds cannot be used for the funding of additional classroom space. Therefore, the financial statements had been changed to show the \$392,482 being funded from the accumulated surplus. The revised financial statements were approved on April 22, 2015 by the board of trustees and with the auditors' report being double dated May 5, 2015.

	Originally Reported 2014	Adjustment	April 22/15 Corrected 2014
<b>Deferred Revenue (Note 9)</b>			
Infrastructure Maintenance Ren.	159,085	392,482	551,567
Expended deferred capital revenue	16,258,250	-392,482	15,865,768
Total deferred revenue	16,447,713	-	16,447,713
<b>Accumulated Surplus (Note 11)</b>			
Unrestricted surplus	278,043	-392,482	-114,439
Investment in tangible capital assets	527,014	392,482	919,496
Total accumulated surplus	1,421,497	-	1,421,497

On October 26, 2015 the board of trustees reversed the above decision to fund the \$392,482 capital expenditures from the unrestricted surplus as permitted and as per conditions outlined in a letter from Alberta Education dated August 27, 2015. These expenditures were deducted from the deferred IMR revenues of August 31, 2014 (as it was originally presented on the November 27, 2014 released 2013/14 financial statements).

The net effect is that the 2014 comparative figures are now restated to the original amounts recorded in the 2013/14 financial statements released November 27, 2015.

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2015

**24. RENUMERATION AND MONETARY INCENTIVES**

The Regional Authority of Northwest Francophone Education Region No. 1 had paid or accrued expenses for the year ended August 31, 2015 to or on behalf of the following positions and persons in groups as follows:

	FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's /Other	Total	Expenses
<b>Chairperson:</b>								
Chantal Monfette	1.0	\$9,780	\$2,298	\$0	\$0	\$0	\$12,078	\$6,640
<b>Other Members:</b>								
Mario Paradis	1.0	\$6,030	\$166	\$0	\$0	\$0	\$6,196	\$5,590
Olivier Bergeron	1.0	\$3,820	\$4,064	\$0	\$0	\$0	\$7,884	\$1,407
Sylvianne Maisonneuve	1.0	\$7,900	\$4,939	\$0	\$0	\$0	\$12,839	\$7,303
Thierry Bruets de Tiecke	1.0	\$4,555	\$4,442	\$0	\$0	\$0	\$8,997	\$3,005
<b>Subtotal</b>	<b>5.0</b>	<b>\$32,085</b>	<b>\$15,909</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$47,994</b>	<b>\$23,945</b>
Superintendent	1.0	\$149,034	\$18,995	\$0	\$0	\$0	\$168,029	\$41,835
Secretary/Treasurer *	0.6	\$37,477	\$5,917	\$0	\$0	\$0	\$43,394	\$1,435
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	39.9	\$3,409,925	\$854,087	\$0	\$0	\$0	\$4,264,012	
Uncertificated Salaries	34.4	\$1,292,203	\$249,294	\$0	\$0	\$0	\$1,541,497	
<b>TOTALS</b>		<b>\$4,920,724</b>	<b>\$1,144,202</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,064,926</b>	

\*The treasurer position was vacant from December 2014 to August 31, 2015. A total of \$36,000 was paid to another school jurisdiction for contracted treasurer administration services. This amount is included with services, contract and supplies expenses on the statement of program operations.



# SYLVAIN & COMPANY

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Le 25 novembre 2015

Conseil Scolaire du Nord-Ouest No. 1  
C.P. 1220  
St. Isidore, AB  
T0H 3B0

Chers commissaires:

A noter que cette lettre est un sous-produit de la vérification des états financiers. L'intention de cette communication est d'identifier des points d'intérêts au conseil que la vérification normalement n'identifierait pas. Notre vérification des livres du Conseil Scolaire du Nord-Ouest No. 1 est complétée pour l'année se terminant le 31 août 2015 et nous avons cette recommandation suivante:

A) Il y a des montants qui sont encore recevables de Alberta Education pour des projets capitaux. Il serait préférable que la documentation nécessaire soit fournie à Alberta Education pour qu'on peut recevoir ces paiements finals.

Nous tenons à remercier tout le personnel de leur accueil et collaboration lors de notre vérification. Si vous désirez d'autre information où clarification n'hésitez pas à contacter notre bureau.

Veillez agréer l'expression de nos sentiments distingués,

SYLVAIN & COMPANY



Michel A. Sylvain, CPA, CGA

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November 25, 2015

Northwest Francophone Education Region No. 1  
Box 1220  
St. Isidore, Alberta  
T0H 3B0

Dear Trustees:

Re: August 31, 2015 Audit

It must be noted that this letter is a by-product of the financial statement audit, and therefore is a derivative communication, which is intended to identify matters that may be of interest to the board that the audit would not usually identify. We are preparing this letter solely for the information of the board and it is not intended for any other purpose. We have completed the audit of the Northwest Francophone Education Region No. 1 for the year ended August 31, 2014 and have the following recommendations concerning budgeting problems:

- A) Some capital receivables from Alberta Education remain uncollected. Proper filing of statements of final costs should be completed so that final payments can be received.

We would like to thank all personnel for their co-operation and assistance during our audit. If further information or clarification is required, do not hesitate to contact our office.

Yours very truly,

SYLVAIN & COMPANY -



Michel A. Sylvain, CPA, CGA