

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2012 and AUGUST 31, 2013**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**

Legal Name of School Jurisdiction

**P.O. Box 1220 St. Isidore, Alberta T0H 3B0**

Mailing Address

**(780)624-2255 (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 Chairman**

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.

<p style="text-align: center;"><b>BOARD CHAIR</b></p> <p><b>CHANTAL MONFETTE</b></p> <p>Name</p>	 <p style="text-align: center;">Signature</p>
<p style="text-align: center;"><b>SUPERINTENDENT</b></p> <p><b>MARCEL LIZOTTE</b></p> <p>Name</p>	 <p style="text-align: center;">Signature</p>
<p style="text-align: center;"><b>SECRETARY-TREASURER OR TREASURER</b></p> <p><b>PAULETTE CARRIER</b></p> <p>Name</p>	 <p style="text-align: center;">Signature</p>

**November 25, 2013**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
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**TABLE OF CONTENTS**

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>3</b>
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>4</b>
<b>STATEMENTS OF OPERATIONS</b>	<b>5</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>6</b>
<b>STATEMENTS OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)</b>	<b>7</b>
<b>STATEMENT OF REMEASUREMENT GAINS AND LOSSES</b>	<b>8</b>
<b>SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS (2012 - 2013)</b>	<b>9</b>
<b>SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS (2011 - 2012)</b>	<b>11</b>
<b>SCHEDULE OF CAPITAL REVENUE (2012 - 2013)</b>	<b>13</b>
<b>SCHEDULE OF CAPITAL REVENUE (2011 - 2012)</b>	<b>14</b>
<b>SCHEDULE OF PROGRAM OPERATIONS</b>	<b>15</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>16</b>

# SYLVAIN & DORAN

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, 2013, which comprise the statement of financial position as at August 31, 2013, 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.

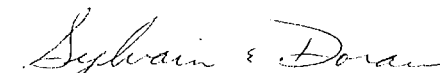
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2013 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, 2013

  
CERTIFIED GENERAL ACCOUNTANTS

## STATEMENTS OF FINANCIAL POSITION

As at (in dollars)

	August 31		September 1
	2013	2012 Restated	2011 Restated
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents (Note 4)	\$1,756,799	\$893,312	\$1,688,471
Accounts receivable (net after allowances) (Note 5)	\$371,591	\$1,011,774	\$775,233
Portfolio investments (Note 6)	\$420,513	\$320,373	\$320,200
Other financial assets (Note 7)	\$20,319	\$17,104	\$20,977
<b>Total financial assets</b>	<b>\$2,569,222</b>	<b>\$2,242,563</b>	<b>\$2,804,881</b>
<b>LIABILITIES</b>			
Bank indebtedness (Note 8)	\$0	\$0	\$0
Accounts payable and accrued liabilities (Note 9)	\$218,570	\$196,975	\$106,021
Deferred revenue (Note 10)	\$16,977,783	\$17,189,008	\$17,473,753
Employee future benefit liabilities (Note 11)	\$52,824	\$37,836	\$29,359
Other liabilities	\$0	\$0	\$0
Debt (Note 12)			
Supported: Debentures and other supported debt	\$0	\$0	\$0
Unsupported: Debentures and capital loans	\$0	\$0	\$0
Capital leases	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
<b>Total liabilities</b>	<b>\$17,249,177</b>	<b>\$17,423,819</b>	<b>\$17,609,133</b>
<b>Net financial assets (debt)</b>	<b>(\$14,679,955)</b>	<b>(\$15,181,256)</b>	<b>(\$14,804,252)</b>
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets (Note 13)			
Land	\$150,000	\$150,000	\$150,000
Construction in progress	\$0	\$0	\$81,477
Buildings	\$21,014,318		
Less: Accumulated amortization	(\$4,642,924)	\$16,371,394	\$16,952,215
Equipment	\$229,405		
Less: Accumulated amortization	(\$161,771)	\$67,634	\$99,101
Vehicles	\$268,347		
Less: Accumulated amortization	(\$149,716)	\$118,631	\$125,295
Computer Equipment	\$0		\$0
Less: Accumulated amortization	\$0	\$0	\$0
<b>Total tangible capital assets</b>	<b>\$16,707,659</b>	<b>\$17,326,611</b>	<b>\$17,192,264</b>
Prepaid expenses	\$49,009	\$55,642	\$57,901
Other non-financial assets	\$0	\$0	\$0
<b>Total non-financial assets</b>	<b>\$16,756,668</b>	<b>\$17,382,253</b>	<b>\$17,250,165</b>
<b>Accumulated surplus</b> (Note 14)	<b>\$2,076,713</b>	<b>\$2,200,997</b>	<b>\$2,445,913</b>
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	\$2,076,713	\$2,200,997	\$2,445,913
Accumulated rereasurement gains (losses)	\$0	\$0	\$0
	\$2,076,713	\$2,200,997	\$2,445,913
<b>Contractual obligations</b> (Note 15)			
<b>Contingent liabilities</b> (Note 16)			

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

**STATEMENTS OF OPERATIONS**  
For the Years Ended August 31 (in dollars)

	Budget 2013 Note 22	Actual 2013	Actual 2012 Restated
<b>REVENUES</b>			
Alberta Education	\$7,782,881	\$8,477,428	\$7,961,210
Other - Government of Alberta	\$0	\$0	\$900
Federal Government and First Nations	\$18,500	\$18,500	\$18,500
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees (Note 18)	\$6,100	\$130,581	\$117,379
Other sales and services	\$144	\$35,225	\$16,104
Investment income	\$3,000	\$8,867	\$10,014
Gifts and donations	\$0	\$22,836	\$29,212
Rental of facilities	\$8,500	\$8,061	\$5,946
Fundraising	\$25,000	\$181,107	\$126,243
Gains (losses) on disposal of capital assets	\$0	\$0	\$0
Other revenue	\$0	\$0	\$0
<b>Total revenues</b>	<b>\$7,844,125</b>	<b>\$8,882,605</b>	<b>\$8,285,508</b>
<b>EXPENSES</b>			
Instruction	\$5,134,436	\$6,157,613	\$5,740,446
Plant operations and maintenance	\$1,410,936	\$1,395,184	\$1,397,093
Transportation	\$1,033,530	\$958,216	\$931,754
Administration	\$470,820	\$470,108	\$461,131
External services	\$0	\$25,768	\$0
<b>Total expenses</b>	<b>\$8,049,722</b>	<b>\$9,006,889</b>	<b>\$8,530,424</b>
<b>Operating surplus (deficit)</b>	<b>(\$205,597)</b>	<b>(\$124,284)</b>	<b>(\$244,916)</b>

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

**STATEMENTS OF CASH FLOWS**  
For the Years Ended August 31 (in dollars)

	2013	2012 Restated
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	(\$124,284)	(\$239,895)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$651,278	\$645,346
Gains on disposal of tangible capital assets	\$0	\$0
Losses on disposal of tangible capital assets	\$10,711	\$0
Changes in:		
Accounts receivable	\$640,183	(\$236,541)
Prepays	\$6,633	\$2,259
Other financial assets	(\$3,215)	\$0
Non-financial assets	\$0	\$3,873
Accounts payable and accrued liabilities	\$21,595	\$102,431
Deferred revenue (Excluding EDCR)	(\$211,225)	(\$292,766)
Employee future benefit liabilities	\$14,988	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from operating transactions</b>	<b>\$1,006,664</b>	<b>(\$15,293)</b>
<b>B. CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Land	\$0	\$0
Buildings	(\$17,930)	(\$682,436)
Equipment	\$0	(\$27,577)
Vehicles	(\$32,607)	(\$69,680)
Computer equipment	\$0	\$0
Net proceeds from disposal of unsupported capital assets	\$7,500	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from capital transactions</b>	<b>(\$43,037)</b>	<b>(\$779,693)</b>
<b>C. INVESTING TRANSACTIONS</b>		
Changes in portfolio investments	(\$100,140)	(\$173)
Remeasurement gains (losses) reclassified to the statement of operations	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from investing transactions</b>	<b>(\$100,140)</b>	<b>(\$173)</b>
<b>D. FINANCING TRANSACTIONS</b>		
Issue of debt	\$0	\$0
Repayment of debt	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from financing transactions</b>	<b>\$0</b>	<b>\$0</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>\$863,487</b>	<b>(\$795,159)</b>
Cash and cash equivalents, at beginning of year	\$893,312	\$1,688,471
Cash and cash equivalents, at end of year	\$1,756,799	\$893,312

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

**STATEMENTS OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)**  
**For the Years Ended August 31 (in dollars)**

	2013	2012
<b>Operating surplus (deficit)</b>	(\$124,284)	(\$244,916)
<b>Effect of changes in tangible capital assets</b>		
Aquisition of tangible capital assets	(\$50,537)	(\$779,693)
Amortization of tangible capital assets	\$651,278	\$645,346
Net carrying value of tangible capital assets disposed of	\$18,211	\$0
Write-down carrying value of tangible capital assets	\$0	\$0
<b>Total effect of changes in tangible capital assets</b>	<b>\$618,952</b>	<b>(\$134,347)</b>
<b>Changes in:</b>		
Prepaid expenses	\$6,633	\$2,259
Other non-financial assets	\$0	\$0
Net remeasurement gains and (losses)	\$0	\$0
Endowments	\$0	\$0
<b>Increase (decrease) in net financial assets (net debt)</b>	<b>\$501,301</b>	<b>(\$377,004)</b>
<b>Net financial assets (net debt) at beginning of year</b>	<b>(\$15,181,256)</b>	<b>(\$14,804,252)</b>
<b>Net financial assets (net debt) at end of year</b>	<b>(\$14,679,955)</b>	<b>(\$15,181,256)</b>

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

**STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
**For the Year Ended August 31, 2013 (in dollars)**

	2013
<b>Opening accumulated remeasurement gains and (losses) upon adoption on September 1, 2012</b>	\$0
<b>Unrealized gains (losses) attributable to:</b>	
Portfolio investments	\$0
Other	\$0
<b>Amounts reclassified to the statement of operations:</b>	
Portfolio investments	
Other	\$0
<b>Net remeasurement gains (losses) for the year</b>	\$0
<b>Accumulated remeasurement gains (losses) at end of year</b>	\$0

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



**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS  
for the Year Ended August 31, 2013 (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, 2012</b>	\$2,109,687	\$0	\$2,109,687	\$580,481	\$0	\$424,087	\$938,427	\$166,692
<b>Prior period adjustments:</b>								
SGF internally restricted (reserves)	\$70,310	\$0	\$70,310	\$0	\$0	\$0	\$70,310	\$0
Audit fees no longer an accrued liability	\$21,000	\$0	\$21,000	\$0	\$0	\$21,000	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Balance, Aug. 31, 2012</b>	\$2,200,997	\$0	\$2,200,997	\$580,481	\$0	\$445,087	\$1,008,737	\$166,692
Operating surplus (deficit)	(\$124,284)		(\$124,284)			(\$124,284)		
Board funded tangible capital asset additions				\$39,129		(\$39,129)	\$0	\$0
Disposal of unsupported tangible capital assets	\$0		\$0	(\$18,211)		\$18,211		\$0
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Net remeasurement gains (losses) for the year	\$0	\$0						
Endowment expenses	\$0		\$0		\$0			
Direct credits to accumulated surplus	\$0		\$0		\$0	\$0		
Amortization of tangible capital assets	\$0			(\$651,278)		\$651,278		
Capital revenue recognized	\$0			\$588,549		(\$588,549)		
Debt principal repayments (unsupported)	\$0			\$0		\$0		
Externally imposed endowment restrictions	\$0				\$0	\$0	\$0	
Net transfers to operating reserves	\$0					\$0	\$0	
Net transfers from operating reserves	\$0					\$87,355	(\$87,355)	
Net transfers to capital reserves	\$0					(\$14,994)		\$14,994
Net transfers from capital reserves	\$0					\$0		\$0
Assumption/transfer of other operations' surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0
<b>Balance at August 31, 2013</b>	\$2,076,713	\$0	\$2,076,713	\$538,670	\$0	\$434,975	\$921,382	\$181,686

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
for the Year Ended August 31, 2013 (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, 2012</b>	\$462,616	\$89,637	\$142,000	\$0	\$0	\$0	\$315,000	\$77,055	\$18,811	\$0
<b>Prior period adjustments:</b>										
SGF internally restricted (reserves)	\$70,310	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Audit fees no longer an accrued liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Balance, Aug. 31, 2012</b>	\$532,926	\$89,637	\$142,000	\$0	\$0	\$0	\$315,000	\$77,055	\$18,811	\$0
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported tangible capital assets		\$0		\$0		\$0		\$0		\$0
Disposal of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Write-down of unsupported tangible capital assets		\$0		\$0		\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus										
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$0		\$0		\$0		\$0		\$0	
Net transfers to operating reserves	\$0		\$0		\$0		\$0		\$0	
Net transfers from operating reserves	(\$84,193)		\$0		\$0		\$0		(\$3,162)	
Net transfers to capital reserves		\$0		\$0		\$0		\$14,994		\$0
Net transfers from capital reserves		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Balance at August 31, 2013</b>	\$448,733	\$89,637	\$142,000	\$0	\$0	\$0	\$315,000	\$92,049	\$15,649	\$0

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
for the Year Ended August 31, 2012 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REEASUREMENT 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, 2011</b>	\$2,349,582	\$0	\$2,349,582	\$534,242	\$0	\$421,064	\$1,175,933	\$218,343
<b>Prior period adjustments:</b>								
SGF internally restricted	\$78,331	\$0	\$78,331	\$0	\$0	\$0	\$78,331	\$0
Audit fees no longer an accrued liability	\$18,000	\$0	\$18,000	\$0	\$0	\$18,000	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Balance, Aug. 31, 2011</b>	\$2,445,913	\$0	\$2,445,913	\$534,242	\$0	\$439,064	\$1,254,264	\$218,343
Operating surplus (deficit)	(\$244,916)		(\$244,916)			(\$244,916)		
Board funded tangible capital asset additions				\$103,296		(\$103,296)	\$0	\$0
Disposal of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Net remeasurement gains (losses) for the year	\$0	\$0						
Endowment expenses	\$0		\$0		\$0			
Direct credits to accumulated surplus	\$0		\$0		\$0	\$0		
Amortization of tangible capital assets	\$0			(\$645,346)		\$645,346		
Capital revenue recognized	\$0			\$588,289		(\$588,289)		
Debt principal repayments (unsupported)	\$0			\$0		\$0		
Externally imposed endowment restrictions	\$0				\$0	\$0	\$0	
Net transfers to operating reserves	\$0					\$0	\$0	
Net transfers from operating reserves	\$0					\$245,527	(\$245,527)	
Net transfers to capital reserves	\$0					\$0		\$0
Net transfers from capital reserves	\$0					\$51,651		(\$51,651)
Assumption/transfer of other operations' surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0
<b>Balance at August 31, 2012</b>	\$2,200,997	\$0	\$2,200,997	\$580,481	\$0	\$445,087	\$1,008,737	\$166,692

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
for the Year Ended August 31, 2012 (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, 2011</b>	\$700,122	\$89,637	\$142,000	\$0	\$315,000	\$0	\$0	\$128,706	\$18,811	\$0
<b>Prior period adjustments:</b>										
SGF internally restricted	\$78,331	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Audit fees no longer an accrued liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Balance, Aug. 31, 2011</b>	\$778,453	\$89,637	\$142,000	\$0	\$315,000	\$0	\$0	\$128,706	\$18,811	\$0
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported tangible capital assets		\$0		\$0		\$0		\$0		\$0
Disposal of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Write-down of unsupported tangible capital assets		\$0		\$0		\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus										
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$0		\$0		\$0		\$0		\$0	
Net transfers to operating reserves	\$0		\$0		\$0		\$0		\$0	
Net transfers from operating reserves	(\$245,527)		\$0		\$0		\$0		\$0	
Net transfers to capital reserves		\$0		\$0		\$0		\$0		\$0
Net transfers from capital reserves		\$0		\$0		\$0		(\$51,651)		\$0
Assumption/transfer of other operations' surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Balance at August 31, 2012</b>	\$532,926	\$89,637	\$142,000	\$0	\$315,000	\$0	\$0	\$77,055	\$18,811	\$0

**SCHEDULE OF CAPITAL REVENUE**  
**(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)**  
for the Year Ended August 31, 2013 (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, 2012</b>	\$0	\$0	\$0	\$0	\$16,746,130
Prior period adjustments	\$0	\$0	\$0	\$0	\$0
Adjusted balance, August 31, 2012	\$0	\$0	\$0	\$0	\$16,746,130
<b>Add:</b>					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$273,873				
Infrastructure Maintenance & Renewal capital related to school facilities	\$0				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$0	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$0				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$0	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$0
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$0
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$11,408)	\$0	\$0	\$0	\$11,408
Surplus funds approved for future project(s)	\$0	\$0			
<b>Deduct:</b>					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognized					\$588,549
<b>Balance at August 31, 2013</b>	\$262,465	\$0	\$0	\$0	\$16,168,989
	(A)	(B)	(C)	(D)	
<b>Balance of Unexpended Deferred Capital Revenue at August 31, 2013 (A) + (B) + (C) + (D)</b>					\$262,465

**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 tangible 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 CAPITAL REVENUE**  
**(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)**  
for the Year Ended August 31, 2012 (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>	
Balance at August 31, 2011	\$0	\$0	\$398,256	\$0	\$16,658,022
Prior period adjustments	\$0	\$0	\$0	\$0	\$0
Adjusted balance, August 31, 2011	\$0	\$0	\$398,256	\$0	\$16,658,022
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$0				
Infrastructure Maintenance & Renewal capital related to school facilities	\$0				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$26,000	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$252,141				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$0	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$0
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$0
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$252,141)	\$0	(\$398,256)	(\$26,000)	\$676,397
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognition					\$588,289
Balance at August 31, 2012	\$0	\$0	\$0	\$0	\$16,746,130
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2012 (A) + (B) + (C) + (D)				\$0	

**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 tangible 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, 2013 (in dollars)

REVENUES	2013						2012
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	Restated TOTAL
(1) Alberta Education	\$5,535,787	\$1,470,911	\$999,894	\$470,826	\$0	\$8,477,428	\$7,961,210
(2) Other - Government of Alberta	\$0	\$0	\$0	\$0	\$0	\$0	\$900
(3) Federal Government and First Nations	\$0	\$18,500	\$0	\$0	\$0	\$18,500	\$18,500
(4) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8) Fees	\$130,581	\$0	\$0	\$0	\$0	\$130,581	\$117,379
(9) Other sales and services	\$11,666	\$953	\$0	\$0	\$22,606	\$35,225	\$16,104
(10) Investment income	\$8,867	\$0	\$0	\$0	\$0	\$8,867	\$10,014
(11) Gifts and donations	\$22,836	\$0	\$0	\$0	\$0	\$22,836	\$29,212
(12) Rental of facilities	\$0	\$7,499	\$562	\$0	\$0	\$8,061	\$5,946
(13) Fundraising	\$181,107	\$0	\$0	\$0	\$0	\$181,107	\$126,243
(14) Gains on disposal of tangible capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(15) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) TOTAL REVENUES	\$5,690,854	\$1,497,863	\$1,000,456	\$470,826	\$22,606	\$8,682,605	\$8,286,508
<b>EXPENSES</b>							
(17) Certificated salaries	\$3,318,169			\$152,642	\$0	\$3,470,811	\$3,252,247
(18) Certificated benefits	\$743,819			\$19,475	\$0	\$763,294	\$696,809
(19) Non-certificated salaries and wages	\$927,033	\$267,728	\$74,971	\$125,161	\$21,688	\$1,416,581	\$1,111,437
(20) Non-certificated benefits	\$190,538	\$43,759	\$12,985	\$29,384	\$3,692	\$280,358	\$209,407
(21) SUB - TOTAL	\$5,179,559	\$311,487	\$87,956	\$326,662	\$25,380	\$5,931,044	\$5,271,900
(22) Services, contracts and supplies	\$959,100	\$469,675	\$650,354	\$133,391	\$388	\$2,412,908	\$2,610,927
(23) Amortization of supported tangible capital assets	\$0	\$688,549	\$0	\$0	\$0	\$688,549	\$588,289
(24) Amortization of unsupported tangible capital assets	\$17,863	\$23,331	\$17,764	\$3,751	\$0	\$62,729	\$57,057
(25) Supported interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(26) Unsupported interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(27) Other interest and finance charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(28) Losses on disposal of tangible capital assets	\$1,071	\$2,142	\$2,142	\$948	\$0	\$948	\$2,251
(29) Other expense	\$0	\$0	\$0	\$5,356	\$0	\$10,711	\$0
(30) TOTAL EXPENSES	\$6,157,613	\$1,395,184	\$958,216	\$470,108	\$25,768	\$9,006,889	\$8,530,424
(31) OPERATING SURPLUS (DEFICIT)	(\$266,759)	\$102,679	\$42,240	\$718	(\$3,162)	(\$124,284)	(\$244,916)

# **NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**

## **AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**

For the year ended August 31, 2013

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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. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS**

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Commencing the 2012/13 fiscal year, the School Jurisdiction has adopted Canadian Public Sector Accounting ("PSA") without not-for-profit provisions. These financial statements are the first financial statements for which the School Jurisdiction has applied PSA standards with retroactive application.

Key adjustments to the School Jurisdictions financial statements resulting from the adoption of these accounting standards are as follows:

i) Unexpended school generated funds are longer shown as 100% deferred revenue. Only the externally restricted portion is shown as deferred revenue while the remaining internally restricted funds are now shown as operating reserves.

ii) Accrual of audit fees for work done after year-end no longer meets the definition of a liability per PSAS. Expenditure for audit fees are expensed in the fiscal year in which the work is performed.



**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2013

**2. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (continued)**

a) Reconciliation of Opening Statement of Financial Position

	1-Sep-11 NFP	Adjustment	1-Sep-11 PSAS
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents/Cash & temp. invest.	1,990,753	(302,282)	1,688,471
Accounts receivable (net after allowances)	775,233		775,233
Portfolio investments/Long-term investments	17,918	302,282	320,200
Other financial assets		20,977	20,977
Other current assets	20,977	(20,977)	-
Trust assets	98,242	(98,242)	-
<b>Total financial assets</b>	<b>2,903,123</b>	<b>(98,242)</b>	<b>2,804,881</b>
<b>LIABILITIES</b>			
Bank indebtedness	-	-	-
Accounts payable and accrued liabilities	153,380	(47,359)	106,021
Deferred revenue	495,806	16,977,947	17,473,753
Deferred capital allocations	398,256	(398,256)	-
Trust liabilities	98,242	(98,242)	-
Employee future benefit liabilities	-	29,359	29,359
Other liabilities	-	-	-
Debt			
Supported : Debentures and other	-	-	-
Unsupported: Debentures and capital loans	-	-	-
Capital leases	-	-	-
Mortgages	-	-	-
Unamortized capital allocations	16,658,022	(16,658,022)	-
<b>Total liabilities</b>	<b>17,803,706</b>	<b>(194,573)</b>	<b>17,609,133</b>
<b>Net debt</b>	<b>(14,900,583)</b>	<b>96,331</b>	<b>(14,804,252)</b>
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets			
Land	150,000	-	150,000
Construction in progress	81,477	-	81,477
Buildings	20,232,475	-	20,232,475
Less: Accumulated amortization	(3,445,847)	-	(3,445,847)
Equipment	201,827	-	201,827
Less: Accumulated amortization	(101,312)	-	(101,312)
Vehicles	194,815	-	194,815
Less: Accumulated amortization	(121,171)	-	(121,171)
Total tangible capital assets	17,192,264	-	17,192,264
Prepaid expenses	57,901	-	57,901
Other non-financial assets	-	-	-
<b>Total non-financial assets</b>	<b>17,250,165</b>	<b>-</b>	<b>17,250,165</b>
<b>Total Accumulated surplus</b>	<b>2,349,582</b>	<b>96,331</b>	<b>2,445,913</b>
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	2,349,582	96,331	2,445,913
Accumulated remeasurement gains (losses)	-	-	-
	<b>2,349,582</b>	<b>96,331</b>	<b>2,445,913</b>

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2013

**2. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (continued)**

b) Reconciliation of Statement of Financial Position

	1-Sep-12 NFP	Adjustment	1-Sep-12 PSAS
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents/Cash & temp. invest.	1,195,594	(302,282)	893,312
Accounts receivable (net after allowances)	1,011,774	-	1,011,774
Portfolio investments/Long-term investments	18,091	302,282	320,373
Other financial assets		17,104	17,104
Other current assets	17,104	(17,104)	-
Trust assets	110,360	(110,360)	-
<b>Total financial assets</b>	<b>2,352,923</b>	<b>(110,360)</b>	<b>2,242,563</b>
<b>LIABILITIES</b>			
Bank indebtedness	-	-	-
Accounts payable and accrued liabilities	255,811	(58,836)	196,975
Deferred revenue	513,188	16,675,820	17,189,008
Deferred capital allocations	-	-	-
Trust liabilities	110,360	(110,360)	-
Employee future benefit liabilities	-	37,836	37,836
Other liabilities	-	-	-
Debt			
Supported : Debentures and other	-	-	-
Unsupported: Debentures and capital loans	-	-	-
Capital leases	-	-	-
Mortgages	-	-	-
Unamortized capital allocations	16,746,130	(16,746,130)	-
<b>Total liabilities</b>	<b>17,625,489</b>	<b>(201,670)</b>	<b>17,423,819</b>
<b>Net debt</b>	<b>(15,272,566)</b>	<b>91,310</b>	<b>(15,181,256)</b>
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets			
Land	150,000	-	150,000
Construction in progress	-	-	-
Buildings	20,996,388	-	20,996,388
Less: Accumulated amortization	(4,044,173)	-	(4,044,173)
Equipment	229,405	-	229,405
Less: Accumulated amortization	(130,304)	-	(130,304)
Vehicles	264,494	-	264,494
Less: Accumulated amortization	(139,199)	-	(139,199)
Total tangible capital assets	17,326,611	-	17,326,611
Prepaid expenses	55,642	-	55,642
Other non-financial assets	-	-	-
<b>Total non-financial assets</b>	<b>17,382,253</b>	<b>-</b>	<b>17,382,253</b>
<b>Total Accumulated surplus</b>	<b>2,109,687</b>	<b>91,310</b>	<b>2,200,997</b>
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	2,109,687	91,310	2,200,997
Accumulated remeasurement gains (losses)	-	-	-

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2013

**2. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (continued)**

c) Reconciliation of Statement of Operations

	31-Aug-12 NFP	Adjustment	31-Aug-12 PSAS
<b>REVENUES</b>			
Alberta Education	7,372,921	588,289	7,961,210
Other - Government of Alberta	900	-	900
Federal Government and First Nations	18,500	-	18,500
Other Alberta school authorities	-	-	-
Out of province authorities	-	-	-
Alberta Municipalities-special tax levies	-	-	-
Property taxes	-	-	-
Fees	125,400	(8,021)	117,379
Other sales and services	16,104	-	16,104
Investment income	10,014	-	10,014
Gifts and donations	29,212	-	29,212
Rental of facilities	5,946	-	5,946
Fundraising	126,243	-	126,243
Gains (losses) on disposal of capital assets	-	-	-
Amortization of capital contributions	588,289	(588,289)	-
Other revenue	-	-	-
<b>Total revenues</b>	<b>8,293,529</b>	<b>(8,021)</b>	<b>8,285,508</b>
<b>EXPENSES</b>			
Instruction	5,742,435	(1,989)	5,740,446
Plant operations and maintenance	1,397,438	(345)	1,397,093
Transportation	932,231	(477)	931,754
Administration	461,320	(189)	461,131
External services	-	-	-
<b>Total expenses</b>	<b>8,533,424</b>	<b>(3,000)</b>	<b>8,530,424</b>
<b>Operating surplus (deficit)</b>	<b>(239,895)</b>	<b>(5,021)</b>	<b>(244,916)</b>

d) Reconciliation of the Schedule of Expenses by Object

	31-Aug-12 NFP	Adjustment	31-Aug-12 PSAS
<b>EXPENSES</b>			
Certificated salaries	3,252,247	-	3,252,247
Certificated benefits	698,809	-	698,809
Non-certificated salaries and wages	1,111,437	-	1,111,437
Non-certificated benefits	209,407	-	209,407
<b>SUB - TOTAL</b>	<b>5,271,900</b>	<b>-</b>	<b>5,271,900</b>
Services, contracts and supplies	2,613,927	(3,000)	2,610,927
Amortization of supported TCA	588,289	-	588,289
Amortization of unsupported TCA	57,057	-	57,057
Supported interest on capital debt	-	-	-
Unsupported interest on capital debt	-	-	-
Other interest and finance charges	2,251	-	2,251
Losses on disposal of TCA	-	-	-
Other expense	-	-	-
<b>Total expenses</b>	<b>8,533,424</b>	<b>(3,000)</b>	<b>8,530,424</b>

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2013

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**3. 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.

**d) Inventories**

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

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**

**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**

For the year ended August 31, 2013

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

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**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.

**g) Employee future benefits**

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

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

For the year ended August 31, 2013

---

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

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**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, 2013

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**3. 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, 2013, the amount contributed to the Teacher's Retirement Fund by the Province was \$336,904 (2012 \$313,009).

**l) Program Reporting**

The jurisdiction's operations have been segmented as follow:

**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, 2013

**3. 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.

**4. CASH AND CASH EQUIVALENTS**

	2013			2012
	Average Effective Yield	Cost	Amortized Cost	Amortized Cost
	\$	\$	\$	\$
Cash on hand	-	1,200	1,200	1,200
Cash in bank - current	-	953,828	953,828	13,250
Cash in bank - S.G.F.	-	100,895	100,895	77,986
Cash	-	1,055,923	1,055,923	92,436
Short-term deposits in bank	0.70%	700,876	700,876	800,876
Total cash and cash equivalents		1,756,799	1,756,799	893,312

**5. ACCOUNTS RECEIVABLE**

	2013	2012
	\$	\$
Alberta Education - Grants	17,667	51,722
Alberta Education - Capital	226,907	905,716
Federal government	110,747	44,268
Alberta municipalities	-	-
Other Government of Alberta ministries	-	900
Other Alberta school jurisdictions	-	-
Other	16,270	9,168
	371,591	1,011,774



**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**

**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**

For the year ended August 31, 2013

**6. PORTFOLIO INVESTMENTS**

	2013			2012 Balance
	Average Effective (Market) Yield	Cost	Fair Value	
	\$	\$	\$	\$
Long-term deposits	1.40%	402,282	402,282	302,282
Equities				
A.A.M.D.&C.	-	195	195	251
Horizon Credit Union	-	10,100	10,100	10,100
Girouxville Co-op	-	814	814	646
St. Isidore Co-op	-	7,122	7,122	7,094
Total equities		18,231	18,231	18,091
Total portfolio investments	-	420,513	420,513	320,373

Long-term deposits are all held at the Horizon Credit Union and mature on dates ranging from November 16, 2013 to March 13, 2014.

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.

**7. OTHER FINANCIAL ASSETS**

	2013	2012
	\$	\$
Inventory	20,319	17,104
Other	-	-
	20,319	17,104

**8. 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, 2013 (2012 - \$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, 2013 (2012 - \$0).

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

For the year ended August 31, 2013

**9. ACCOUNTS PAYABLE AND LIABILITIES**

	2013	2012
	\$	\$
Alberta Education	98,714	16,409
Federal government	-	-
Alberta municipalities	648	-
Other Alberta school jurisdictions	-	4,631
Other trade payables and accrued liabilities	119,208	175,935
	<b>218,570</b>	<b>196,975</b>

**10. DEFFERED REVENUE**

	2012	2012/13	2012/13	2013
SOURCE AND GRANT OR FUND TYPE	\$ Aug. 31	\$ Received	\$ Expended	\$ Aug. 31
<b>Unexpended operating revenue</b>				
Alta Education				
Alta Initiative for School Imp.	-	12,833	12,833	-
Infrastructure Maintenance Ren.	435,202	95,910	17,573	513,539
Supernet Service	-	38,400	38,400	-
	435,202	147,143	68,806	513,539
Other deferred revenue				
School generated funds	7,676	310,634	296,865	21,445
Fees (2013/14)	-	11,345	-	11,345
<b>Total unexpended operating revenue</b>	<b>442,878</b>	<b>469,122</b>	<b>365,671</b>	<b>546,329</b>
<b>Unexpended capital revenue</b>	<b>-</b>	<b>273,873</b>	<b>11,408</b>	<b>262,465</b>
<b>Expended deferred capital revenue</b>	<b>16,746,130</b>	<b>11,408</b>	<b>588,549</b>	<b>16,168,989</b>
<b>Total deferred revenue</b>	<b>17,189,008</b>	<b>754,403</b>	<b>965,628</b>	<b>16,977,783</b>

	2011	2011/12	2011/12	2012
SOURCE AND GRANT OR FUND TYPE	\$ Aug. 31	\$ Received	\$ Expended	\$ Aug. 31
<b>Unexpended operating revenue</b>				
Alta Education				
Alta Initiative for School Imp.	-	22,095	22,095	-
Infrastructure Maintenance Ren.	398,814	85,701	49,313	435,202
Supernet Service	-	30,456	30,456	-
	398,814	138,252	101,864	435,202
Other deferred revenue				
School generated funds	18,661	224,489	235,474	7,676
Fees (2012/13)	-	-	-	-
<b>Total unexpended operating revenue</b>	<b>417,475</b>	<b>362,741</b>	<b>337,338</b>	<b>442,878</b>
<b>Unexpended capital revenue</b>	<b>398,256</b>	<b>278,141</b>	<b>676,397</b>	<b>-</b>
<b>Expended deferred capital revenue</b>	<b>16,658,022</b>	<b>676,397</b>	<b>588,289</b>	<b>16,746,130</b>
<b>Total deferred revenue</b>	<b>17,473,753</b>	<b>1,317,279</b>	<b>1,602,024</b>	<b>17,189,008</b>

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**

**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**

For the year ended August 31, 2013

**11. EMPLOYEE FUTURE BENEFITS LIABILITIES**

	2013	2012
	\$	\$
Vacation accrual liability	52,824	37,836
Other	-	-
	<b>52,824</b>	<b>37,836</b>

**12. 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.

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

	2012			2013
	\$	\$	\$	\$
TANGIBLE CAPITAL ASSETS	Cost	Additions	Disposals	Cost
Land	150,000	-	-	150,000
Buildings	20,996,388	17,930	-	21,014,318
Equipment	229,405	-	-	229,405
Vehicles	264,494	32,608	28,755	268,347
	<b>21,640,287</b>	<b>50,538</b>	<b>28,755</b>	<b>21,662,070</b>
ACCUMULATED AMORTIZATION	Balance	Additions	Deductions	Balance
Buildings	4,044,173	598,751	-	4,642,924
Equipment	130,304	31,467	-	161,771
Vehicles	139,199	21,060	10,543	149,716
	<b>4,313,676</b>	<b>651,278</b>	<b>10,543</b>	<b>4,954,411</b>
Net book value	<b>17,326,611</b>			<b>16,707,659</b>

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

	2013	2012
	\$	\$
September 1 balance	-	81,477
Current year construction costs	17,930	682,436
Transfers out (building now in use)	(17,930)	(763,913)
August 31 balance	-	-

# NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1

## AUDITORS' NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2013

### 14. ACCUMULATED SURPLUS

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

	2013	2012
	\$	\$
Unrestricted surplus	434,975	445,087
Operating reserves	921,382	1,008,737
Accumulated surplus from operations	1,356,357	1,453,824
Capital reserves	181,686	166,692
Investment in tangible capital assets	538,670	580,481
	2,076,713	2,200,997

### 15. 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 August, 2011. The annual lease agreement of \$16,000 is renewable on a one year at a time basis (initial lease in effect to August 31, 2012).
- c) An operating lease agreement for a 2011 GMC Canyon truck was signed in December 2011. The monthly lease payments of \$484.86 plus G.S.T. total \$18,327.6 over a thirty-six month period (last payment due December, 2014).
- D) An operating lease agreement for office space was signed in June, 2013. The ten year lease agreement consists of monthly payments (\$3,167 plus G.S.T.), effective for January 1, 2014 to December 31, 2024.
- E) The jurisdiction is committed to further capital expenditures for the addition of 2 modular classrooms at Ecole Nouvelle Frontiere for approximately \$650,000. It is anticipated that these costs will be fully funded by unexpended capital revenue and unexpended I.M.R funding.

### 16. 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.

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

For the year ended August 31, 2013

**17. FEES**

	2013	2012
	\$	\$
Transportation fees	-	-
Fees charged for instruction materials and supplies	37,658	37,260
Other fees - school generated funds	92,923	80,119
	<b>130,581</b>	<b>117,379</b>

**18. 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.

	2013	2012
	\$	\$
Balance, beginning of year	110,360	98,242
Add: transfer from previous sponsoring jurisdiction	-	-
received from member organizations	89,919	117,253
Less: disbursements	(106,497)	(105,135)
Balance, end of year	<b>93,782</b>	<b>110,360</b>

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.

	2013	2012
	\$	\$
Balance, beginning of year	-	-
Add: transfer from previous sponsoring jurisdiction	7,477	-
received from member organizations	66,930	-
received from federal french language program	164,000	-
other receipts and expense recoveries	21,137	-
Less: disbursements	(182,302)	-
Balance, end of year	<b>77,242</b>	<b>-</b>

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

For the year ended August 31, 2013

**19. SCHOOL GENERATED FUNDS**

	2013	2012
	\$	\$
Deferred School Generated Revenues beginning of year	77,986	96,992
Current Year Activities - Gross Receipts		
Fees	106,691	88,140
Fundraising	178,846	107,237
Gifts and donations	22,836	29,112
Grants to schools	-	-
Other sales and services	2,261	-
Total gross receipts	310,634	224,489
Total Direct Costs Including Cost of Goods Sold to Raise Funds	111,281	108,836
Total Related Expenses and Uses of Funds	176,444	134,659
Deferred School Generated Revenues end of year	100,895	77,986
Balance Included in Deferred Revenue	21,445	7,676
Balance Included in Accumulated Surplus	79,450	70,310
	100,895	77,986

**20. 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.

**21. 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.

2012-2013	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Government of Alberta:				
Education	244,574	98,714	8,477,428	-
Finance	-	-	-	-
Other Alta Gov't Depts.	-	-	-	-
Other related parties	-	-	-	-
<b>TOTAL 2012-2013</b>	<b>244,574</b>	<b>98,714</b>	<b>8,477,428</b>	<b>-</b>
<b>TOTAL 2011-2012</b>	<b>958,338</b>	<b>21,040</b>	<b>7,961,210</b>	<b>-</b>

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**

**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**

For the year ended August 31, 2013

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**22. BUDGET AMOUNTS**

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The budget was prepared by the school jurisdiction management with Board of Trustees approval on May 30, 2012. It is presented for information purposes only and has not been audited.

**23. COMPARATIVE FIGURES**

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The comparative figures have been reclassified where necessary to conform to actual 2012/2013 presentation.

**24. PRIOR PERIOD ADJUSTMENTS**

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Prior period adjustments were made for conversions to PSAB made in a retroactive manner. Please refer to note 2 reconciliations for changes to statement of financial position and statement of operations.

**NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1**

**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**

For the year ended August 31, 2013

**25. 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, 2013 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>								
Colin Gagnon	1.0	\$10,120	\$413	\$0	\$0	\$0	\$10,533	\$7,751
<b>Other Members:</b>								
Claire Anctil	1.0	\$10,735	\$5,120	\$0	\$0	\$0	\$15,855	\$6,700
Chantal Monfette	1.0	\$7,115	\$162	\$0	\$0	\$0	\$7,277	\$4,057
Marc Tardif	1.0	\$4,975	\$4,901	\$0	\$0	\$0	\$9,876	\$2,792
Marc Lavoie	1.0	\$3,860	\$86	\$0	\$0	\$0	\$3,946	\$1,878
<b>Subtotal</b>	<b>5.0</b>	<b>\$36,805</b>	<b>\$10,682</b>	<b>\$0</b>			<b>\$47,487</b>	<b>\$23,178</b>
Superintendent	1.0	\$152,642	\$19,475	\$0	\$0	\$0	\$172,117	\$29,771
Secretary/Treasurer	1.0	\$65,630	\$13,606	\$0	\$0	\$0	\$79,236	\$1,016
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	37.0	\$3,318,169	\$743,819	\$0	\$0	\$0	\$4,061,988	
Uncertificated Salaries	28.0	\$1,314,146	\$256,070	\$0	\$0	\$0	\$1,570,216	
<b>TOTALS</b>		<b>\$4,887,392</b>	<b>\$1,043,652</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,931,044</b>	



# SYLVAIN & DORAN

Certified General Accountants

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Le 25 novembre 2013

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 pour l'année se terminant le 31 août 2013 n'a pas révélé aucune anomalies ou irrégularités significatifs.

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 & DORAN

  
Michel A. Sylvain, C.G.A.

# SYLVAIN & DORAN

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November 25, 2013

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

Dear Trustees:


Re: August 31, 2013 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, 2013 and have found no irregularities or abnormalities.

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 & DORAN**

  
Michel A. Sylvain, C.G.A.