

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

The Greater North Central Francophone Education Region No. 2

Legal Name of School Jurisdiction

301, 8627 - 91 Street, Edmonton, Alberta, T6C 3N1

Mailing Address

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

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of The Greater North Central Francophone Education Region No. 2 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles 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 and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements prescribed by Alberta Education.

BOARD CHAIR

Claude Duret

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Henri Lemire

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Josée Devaney

Name

"ORIGINAL SIGNED"

Signature

November 24, 2009

Board-approved Release Date

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Auditors' Report

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

We have audited the statement of financial position of **The Greater North Central Francophone Education Region No. 2** as at August 31, 2009 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2009 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

King + Company

Edmonton, AB
November 6, 2009

STATEMENT OF FINANCIAL POSITION
as at August 31, 2009

(in dollars)

		2009	2008 (Note)
ASSETS			
Current assets			
Cash and temporary investments	(Note x)	\$5,612,304	\$3,906,019
Accounts receivable (net after allowances)	(Note x)	\$1,754,193	\$1,605,190
Prepaid expenses	(Note x)	\$561,247	\$600,706
Other current assets	(Note x)	\$0	\$0
Total current assets		\$7,927,744	\$6,111,915
School generated assets			
Trust assets	(Note x)	\$0	\$78,572
Long term accounts receivable	(Note x)	\$0	\$0
Long term investments	(Note x)	\$121,920	\$0
Capital assets (Note x)			
Land		\$5,809,000	\$5,809,000
Construction in Progress		\$0	\$0
Buildings	\$34,292,173		
Less: accumulated amortization	(\$13,893,835)	\$20,398,338	\$17,126,223
Equipment	\$2,749,205		
Less: accumulated amortization	(\$2,111,861)	\$637,344	\$585,479
Vehicles	\$117,649		
Less: accumulated amortization	(\$77,286)	\$40,363	\$45,094
Total capital assets		\$26,885,045	\$23,565,796
TOTAL ASSETS		\$35,239,135	\$30,019,483
LIABILITIES			
Current liabilities			
Bank indebtedness	(Note x)	\$0	\$0
Accounts payable and accrued liabilities	(Note x)	\$2,748,802	\$1,137,039
Deferred revenue	(Note x)	\$1,626,821	\$1,178,646
Deferred capital allocations	(Note x)	\$49,279	\$36,742
Current portion of long term debt		\$14,720	\$14,829
Total current liabilities		\$4,439,622	\$2,367,256
School generated liabilities			
Trust liabilities	(Note x)	\$304,426	\$263,200
Employee future benefit liabilities	(Note x)	\$0	\$78,572
Long term debt	(Note x)	\$142,000	\$123,000
Supported: Debentures and other supported debt		\$14,720	\$29,549
Less: Current portion		(\$14,720)	(\$14,829)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		\$0	\$0
Other long term liabilities	(Note x)	\$0	\$0
Unamortized capital allocations	(Note x)	\$19,329,895	\$16,407,202
Total long term liabilities		\$19,776,321	\$16,886,694
TOTAL LIABILITIES		\$24,215,943	\$19,253,950
NET ASSETS			
Unrestricted net assets		\$2,689,697	\$3,450,804
Operating Reserves		\$108,510	\$155,683
Accumulated Operating Surplus (Deficit)		\$2,798,207	\$3,606,487
Investment in capital assets		\$7,540,430	\$7,129,046
Capital Reserves		\$684,555	\$30,000
Total Capital Funds		\$8,224,985	\$7,159,046
Total net assets		\$11,023,192	\$10,765,533
TOTAL LIABILITIES AND NET ASSETS		\$35,239,135	\$30,019,483

Note: Please input "(Restated)" in 2008 column heading where comparatives are not taken from the finalized 2007-2008 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2009
(in dollars)

	Actual 2009	Budget 2009 (Note)	Actual 2008 (Note)
REVENUES			
Government of Alberta	\$31,536,998	\$31,298,888	\$29,357,704
Federal Government and First Nations	\$1,246,476	\$1,294,284	\$1,293,235
Other Alberta school authorities	\$245,333	\$225,000	\$175,511
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$129,362	\$200,000	\$179,106
Transportation fees	\$0	\$0	\$0
Other sales and services	\$41,121	\$35,000	\$38,030
Investment income	\$65,404	\$100,000	\$189,527
Gifts and donations	\$24,251	\$5,000	\$6,503
Rental of facilities	\$183,416	\$180,000	\$104,098
Net school generated funds	\$519,969	\$500,000	\$520,982
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,260,862	\$1,260,862	\$1,274,881
Other revenue	\$0	\$0	\$0
Total Revenues	\$35,253,192	\$35,099,034	\$33,139,577
EXPENSES			
Certificated salaries (Note x)	\$14,937,789	\$15,018,730	\$13,763,825
Certificated benefits (Note x)	\$1,604,976	\$1,650,450	\$1,550,346
Non-certificated salaries and wages (Note x)	\$3,978,336	\$3,954,385	\$3,632,514
Non-certificated benefits (Note x)	\$738,936	\$734,350	\$672,042
Services, contracts and supplies	\$11,718,683	\$11,427,736	\$10,923,682
Net school generated funds	\$519,969	\$500,000	\$520,982
Capital and debt services			
Amortization of capital assets			
Supported	\$1,260,862	\$1,260,862	\$1,274,881
Unsupported	\$227,074	\$229,321	\$205,083
Total Amortization of capital assets	\$1,487,936	\$1,490,183	\$1,479,964
Interest on capital debt			
Supported	\$2,787	\$3,200	\$4,511
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$2,787	\$3,200	\$4,511
Other interest and charges	\$1,624	\$0	\$1,245
Losses on disposal of capital assets	\$4,497	\$0	\$3,188
Other expense	\$0	\$0	\$0
Total Expenses	\$34,995,533	\$34,779,034	\$32,552,299
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	\$257,659	\$320,000	\$587,278
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$257,659	\$320,000	\$587,278

Note: Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statements filed with Alberta Education. Budget 2009 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2009

(in dollars)

	2009	2008 (Note)
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	\$257,659	\$587,278
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,260,862)	(\$1,274,881)
Total amortization expense	\$1,487,936	\$1,479,964
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$4,497	\$3,188
Changes in:		
Accounts receivable	(\$149,003)	(\$660,419)
Prepays and other current assets	\$39,459	(\$161,501)
Long term accounts receivable	\$0	\$0
Long term investments	(\$121,920)	\$0
Accounts payable and accrued liabilities	\$865,296	\$105,775
Deferred revenue	\$448,175	\$281,668
Employee future benefit liabilities	\$19,000	(\$47,000)
Other (describe)	\$0	\$0
Total cash flows from Operations	\$1,590,237	\$314,072
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	(\$185,000)
Buildings	(\$3,763,443)	(\$942,668)
Equipment	(\$290,775)	(\$212,534)
Vehicles	(\$10,997)	\$0
Net proceeds from disposal of capital assets	\$0	\$100
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$4,065,215)	(\$1,340,102)
C. FINANCING ACTIVITIES		
Capital allocations	\$4,181,263	\$574,243
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$14,829)	(\$14,829)
Add back: supported portion	\$14,829	\$14,829
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$4,181,263	\$574,243
Net cash flows from during the year	\$1,706,285	(\$451,787)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/08	\$3,906,019	\$4,357,806
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$5,612,304	\$3,906,019

Note: Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2009**

School Jurisdiction Code: 8040

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	INTERNALLY RESTRICTED NET ASSETS														
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	School & Instruction Related		Operations & Maintenance		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	
Balance at August 31, 2008	\$10,765,533	\$7,129,046	\$3,450,804	\$155,683	\$30,000	\$30,000	\$35,683	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior period adjustments (describe)															
	\$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
Adjusted Balance, Aug. 31, 2008	\$10,765,533	\$7,129,046	\$3,450,804	\$155,683	\$30,000	\$30,000	\$35,683	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Excess (deficiency) of revenue over expenses	\$257,659		\$257,659												
Board funded capital additions		\$642,955	(\$642,955)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	(\$4,497)	\$4,497		\$0	\$0			\$0	\$0			\$0	\$0	\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0	\$0			\$0	\$0			\$0	\$0	\$0
Direct credits to net assets	\$0	\$0													
Amortization of capital assets		(\$1,487,936)	\$1,487,936												
Amortization of capital allocations		\$1,260,862	(\$1,260,862)												
Debt principal repayments (unsupported)		\$0	\$0												
Net transfers to operating reserves			\$0	\$0			\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Net transfers from operating reserves			(\$47,173)	(\$47,173)			(\$47,173)	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Net transfers to capital reserves			(\$654,555)		\$654,555	\$0		\$654,555	\$0	\$0		\$0	\$0	\$0	\$0
Net transfers from capital reserves			\$0		\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	\$0
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Balance at August 31, 2009	\$11,023,192	\$7,540,430	\$2,689,697	\$108,510	\$684,555	\$30,000	(\$11,490)	\$120,000	\$654,555	\$0	\$0	\$0	\$0	\$0	\$0

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2009
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2008	\$36,742	\$16,407,202
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2008	\$36,742	\$16,407,202
Add:		
Restricted capital allocations from:		
Alberta Education including school and modular projects	\$3,872,059	
Other Government of Alberta	\$305,780	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$3,424	
Other capital grants and donations	\$0	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$14,829
Expended capital allocations - current year	(\$4,168,726)	\$4,168,726
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,260,862
Balance at August 31, 2009	\$49,279	\$19,329,895

* Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations are excluded from this Statement, since those contributions are not externally restricted to capital.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2009

1. AUTHORITY AND PURPOSE

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

The jurisdiction receives instruction and support allocations under Regulation 77/2003. 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. ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

Revenue Recognition

The school jurisdiction follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received

Long-term Investments

The long-term invests, representing the right to access residential accommodation units for staff are recorded at cost. They are amortized over the life of the contract of 25 years on a straight-line basis.

Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 4%
Vehicles	20%
Equipment and furnishings	20% and 33⅓%
Leasehold improvements	20%

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2009

2. ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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.

School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

Vacation Pay

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

Pensions

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

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions from active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the school jurisdiction does not make pension contributions for certificated staff.

The school jurisdiction participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$22,362 for the year ended August 31, 2009. At December 31, 2008, the Local Authorities Pension Plan reported a deficiency of \$4,413,971,000 (2007 deficiency of \$1,183,334,000). Effective for the 2009 fiscal year, the Government of Alberta has taken responsibility for the LAP unfunded liabilities.

The school jurisdiction maintains a defined contribution plan under which amounts are contributed to employees' RRSP accounts. Expense for this plan is equal to the school jurisdiction's required contribution for the year.

The school jurisdiction also has a retirement benefit obligation. This obligation is unfunded and requires no contributions from employees. Expense for this obligation is recorded using the projected benefit method prorated on services. A transitional accrued benefit obligation is accounted for prospectively and amortized using the straight-line method over 6 years.

Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2009

2. ACCOUNTING POLICIES (Continued)

Contributed Services

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. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the school jurisdiction to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

Financial Instruments

The board classified its financial instruments as follows:

Instrument	Designation
Cash and temporary investments	Available-for-sale
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Long-term debt	Other liabilities

Financial assets classified as "available-for-sale" are re-measured at fair value each period. Changes in fair value are reported as a component of net assets until the financial asset is disposed of or becomes impaired, at which time the cumulative gain or loss is recognized in the excess (deficiency) of revenue over expenses.

Financial assets and financial liabilities classified as "loans and receivables" and "other liabilities" are subsequently measured at amortized cost.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2009

3. ACCOUNTS RECEIVABLE

	2009	2008
Federal government	\$ 900,781	\$ 626,967
Alberta Education	487,317	750,798
Other	353,962	176,022
Other school jurisdictions	11,486	50,109
Alberta Finance	<u>647</u>	<u>1,294</u>
	<u>\$1,754,193</u>	<u>\$1,605,190</u>

4. TRUST ASSETS AND LIABILITIES

	2009	2008
Student Health Initiative Trust (SHI Banker Board)	\$ -	\$ 64,600
Other	<u>-</u>	<u>13,972</u>
	<u>\$ -</u>	<u>\$ 78,572</u>

5. LONG-TERM INVESTMENTS

Long-term investments comprise rights to access three residential accommodation units for staff in Fort McMurray, Alberta. These rights expire in 2034 and will be amortized over the life of the contracts of 25 years commencing in 2010.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2009

6. CAPITAL ASSETS

	Land	Construction In Progress - New Building	Buildings 25-40 Years	Equipment - Computer Hardware & Software 3 Years	Other Equipments 5 Years	Vehicles 5 Years	Total Aug. 31, 2009	Total Aug. 31, 2008
Estimated Useful life			25-40 Years	3 Years	5 Years	5 Years		
Historical cost								
September 1, 2008	\$5,809,000	\$0	\$29,782,263	\$666,325	\$1,856,747	\$106,652	\$38,220,987	\$36,916,845
Additions	\$0	\$0	\$4,509,910	\$148,245	\$142,530	\$10,997	\$4,811,682	\$1,340,202
Transfers in (out)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less disposals including write-offs	\$0	\$0	\$0	\$0	(\$64,642)	\$0	(\$64,642)	(\$36,060)
August 31, 2009	\$5,809,000	\$0	\$34,292,173	\$814,570	\$1,934,635	\$117,649	\$42,968,027	\$38,220,987
Accumulated amortization								
September 1, 2008	-	-	\$12,656,040	\$449,182	\$1,486,411	\$61,558	\$14,655,191	\$13,207,999
Amortization expense	-	-	\$1,237,795	\$79,906	\$154,507	\$15,728	\$1,487,936	\$1,479,964
Transfers in (out)	-	-	\$0	\$0	\$0	\$0	\$0	\$0
Effect of disposals	-	-	\$0	\$0	(\$60,145)	\$0	(\$60,145)	(\$32,772)
August 31, 2009	-	-	\$13,893,835	\$529,088	\$1,582,773	\$77,286	\$16,082,982	\$14,655,191
Net Book Value at August 31, 2009	\$5,809,000	\$0	\$20,398,338	\$285,482	\$351,862	\$40,363	\$26,885,045	\$23,565,796

7. BANK INDEBTEDNESS

The school jurisdiction has negotiated a line of credit in the amount of \$100,000 that bears interest at the RBC Royal Bank prime rate. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the school jurisdiction. There was no balance outstanding on the line of credit at August 31, 2009.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2009	2008
Other - operating	\$1,982,526	\$1,087,194
- capital	746,467	49,564
Other school jurisdictions	19,809	281
	<u>\$2,748,802</u>	<u>\$1,137,039</u>

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements
For the Year Ended August 31, 2009

9. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2008	ADD: 2007/2008 Restricted Funds Received/ Receivable	DEDUCT: 2007/2008 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2007/2008 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2009
Alberta Education Restricted Operational Funding:					
Infrastructure Maintenance Renewal	\$1,102,248	\$580,726	(\$557,299)	\$0	\$1,125,675
Alberta Initiative for School Improvement	\$0	\$331,338	(\$331,338)	\$0	\$0
Regional Educational Consulting Services	\$0	\$671,400	(\$661,344)	\$0	\$10,056
Small Class Size Initiative	\$0	\$670,694	(\$670,694)	\$0	\$0
Student Health Initiative (School Authorities)	\$0	\$87,255	(\$87,252)	\$0	\$3
SuperNet Service	\$0	\$85,595	(\$85,595)	\$0	\$0
Other Alberta Education deferred revenue	\$76,398	\$495,400	(\$80,708)	\$0	\$491,090
Other Government of Alberta Restricted Funding:					
	\$0	\$0	\$0	\$0	\$0
Other Deferred Revenue:					
	\$0	\$0	\$0	\$0	\$0

10. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2009

11. EMPLOYEE FUTURE BENEFITS

Changes to the employee future benefits obligation relating to the retirement benefit plan consist of the following:

	2009	2008
Opening balance	<u>\$123,000</u>	<u>\$170,000</u>
Current expense for the period:		
Current service costs	19,000	11,000
Amortization of transitional obligation	<u>-</u>	<u>11,000</u>
	<u>19,000</u>	<u>22,000</u>
Reduction for the period	<u>-</u>	<u>(69,000)</u>
Closing balance	<u>\$142,000</u>	<u>\$123,000</u>

At the beginning of 2003, the school jurisdiction became obligated under current contracts for employee future benefits at retirement. Management prepared a valuation for accounting purposes using the projected benefit method prorated on services. Based upon this valuation, it was determined that the school jurisdiction had an accrued benefit obligation at September 1, 2002 of \$66,000. The average remaining service period of employees at that time was 6 years. The school jurisdiction has decided to amortize this transitional obligation using a straight-line method over 6 years.

Changes to the transitional obligation consist of the following:

	2009	2008
Opening balance	\$ -	\$ 11,000
Less current amortization	<u>-</u>	<u>11,000</u>
Closing balance	<u>\$ -</u>	<u>\$ -</u>

Included in expenses are the following:

	2009	2008
Registered retirement savings plan	\$144,595	\$108,954
Local Authorities Pension Plan	22,362	16,488
Retirement benefit obligation	<u>19,000</u>	<u>22,000</u>
	<u>\$185,957</u>	<u>\$147,442</u>

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2009

12. LONG-TERM DEBT

The school jurisdiction has the following debentures outstanding for the financing of construction of school buildings having a carrying value of \$3,609,350:

	2009	2008
Alberta Capital Finance Authority:		
11.625% due April 15, 2010	\$ 14,720	\$ 29,439
11.125%	<u> -</u>	<u> 110</u>
	14,720	29,549
Due within one year	<u>14,720</u>	<u>14,829</u>
	<u>\$ -</u>	<u>\$ 14,720</u>

13. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations 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. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

14. RESTRICTIONS ON NET ASSETS

The Board of Trustees have internally restricted unrestricted net assets for internal activities which are expected to be carried on by the Education Region itself. These internally restricted amounts are not available for other purposes without the approval of the Board of Trustees.

15. COMMITMENTS

Operating Leases

The school jurisdiction is committed to September 30, 2012 under operating leases for premises to annual rent plus occupancy expenses as defined in the leases and annual vehicle operating leases as follows:

	Premises	Vehicles
2010	\$ 91,595	\$ 7,324
2011	46,345	-
2012	46,345	-
2013	3,862	-

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2009

15. COMMITMENTS (Continued)

Building Projects

The school jurisdiction is committed to further capital expenditures of \$712,013 for additions and renovations to existing facilities. It is anticipated that \$57,458 of these expenditures will be funded by capital allocations from Alberta Education. The remaining \$654,555 is expected to be funded from deferred infrastructure maintenance renewal revenue.

16. 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 in Alberta. The related party transactions are recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at amounts of consideration agreed upon between the related parties as follows:

	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Government of Alberta				
Education	\$ 487,317	\$ -	\$31,536,998	\$ 17,846
Human Resources	3,800	-	3,800	-
Finance	647	15,367	2,787	2,787
Other				
Other school jurisdictions	11,487	19,809	157,563	699,128
Health authorities	<u>129,795</u>	<u>-</u>	<u>322,243</u>	<u>13,000</u>
Total 2008 – 2009	<u>\$ 633,046</u>	<u>\$ 35,176</u>	<u>\$32,023,391</u>	<u>\$732,761</u>
Total 2007 – 2008	<u>\$ 945,372</u>	<u>\$ 170,325</u>	<u>\$29,467,988</u>	<u>\$673,426</u>

17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2009

18. REMUNERATION AND MONETARY INCENTIVES

The school jurisdiction had paid or accrued expenses for the year ended August 31, 2009 to or on behalf of the positions and persons in groups as described in the attached schedule.

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair							
Claude Duret	0.8	\$7,564	\$164	\$0			\$8,659
Laurent Bolduc	0.2	\$1,264	\$23	\$0			\$689
Other members							
Claude Duret	0.2	\$1,891	\$41	\$0			\$2,165
Laurent Bolduc	0.8	\$5,056	\$91	\$0			\$3,155
Martin Blanchet	1.0	\$7,235	\$157	\$0			\$5,918
Paul Dumont	1.0	\$5,255	\$177	\$0			\$4,502
Fred Kreiner	1.0	\$4,815	\$96	\$0			\$4,721
Denis Vincent	1.0	\$4,365	\$96	\$0			\$758
Karen Doucet	0.9	\$2,525	\$60	\$0			\$1,110
Subtotal	6.9	\$39,970	\$905	\$0			\$31,677
Superintendent (1)	1.0	\$156,045	\$23,370	\$0	\$0	\$0	\$37,020
Secretary/Treasurer (1)	0.7	\$82,401	\$22,278	\$0	\$0	\$0	\$7,485
Certificated Teachers	185.9	\$14,781,744	\$1,581,606	\$0	\$0	\$0	
Non-certificated - Other	89.5	\$3,855,965	\$715,753	\$0	\$0	\$0	
TOTALS		\$18,916,125	\$2,343,912	\$0	\$0	\$0	

19. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction. It is presented for information purposes only.

20. FINANCIAL INSTRUMENTS

The school jurisdiction's financial instruments comprise of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the school jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values. The school jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

UNAUDITED SCHEDULES
TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009
[School Act, Section 276]

The Greater North Central Francophone Education Region No. 2

Legal Name of School Jurisdiction

301, 8627 - 91 Street, Edmonton, Alberta, T6C 3N1

Mailing Address

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

Telephone and Fax Numbers

Declaration of Secretary-Treasurer / Chief Financial Officer

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions. These schedules were submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

Josée Devaney
Name

"ORIGINAL SIGNED"
Signature

November 24, 2009

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Wang@gov.ab.ca
PHONE: (780) 644-5672 FAX: (780) 422-6996

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SCHEDULE A

School Jurisdiction Code: 8040

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2008-2009

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$1,055,515	\$19,474,208	\$3,922,707	\$4,330,459	\$1,342,134	\$1,083,144	\$31,208,167
(2) Other - Government of Alberta	\$0	\$322,243	\$6,588	\$0	\$0	\$0	\$328,831
(3) Federal Government and First Nations	\$682,312	\$425,598	\$0	\$0	\$0	\$138,566	\$1,246,476
(4) Other Alberta school authorities	\$0	\$145	\$0	\$0	\$0	\$245,188	\$245,333
(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) Instruction resource fees	\$0	\$129,362	\$0	\$0	\$0	\$0	\$129,362
(8) Transportation fees-ECS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9) Transportation fees-Grades 1-12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10) Other sales and services	\$0	\$13,853	\$1,500	\$0	\$16,528	\$9,240	\$41,121
(11) Investment income	\$3,916	\$41,775	\$7,349	\$7,833	\$4,531	\$0	\$65,404
(12) Gifts and donations	\$0	\$24,251	\$0	\$0	\$0	\$0	\$24,251
(13) Rental of facilities	\$0	\$0	\$183,416	\$0	\$0	\$0	\$183,416
(14) Net school generated funds	\$0	\$519,969	\$0	\$0	\$0	\$0	\$519,969
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Amortization of capital allocations	\$0	\$38,758	\$1,222,104	\$0	\$0	\$0	\$1,260,862
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$1,741,743	\$20,990,162	\$5,343,664	\$4,338,292	\$1,363,193	\$1,476,138	\$35,253,192
EXPENSES							
(19) Certificated salaries	\$1,071,298	\$13,446,077	\$0	\$0	\$271,045	\$149,369	\$14,937,789
(20) Certificated benefits	\$131,286	\$1,422,122	\$0	\$0	\$35,425	\$16,143	\$1,604,976
(21) Non-certificated salaries and wages	\$197,430	\$2,243,456	\$884,214	\$127,042	\$422,059	\$104,135	\$3,978,336
(22) Non-certificated benefits	\$37,624	\$408,914	\$161,823	\$23,996	\$89,674	\$16,905	\$738,936
(23) SUB - TOTAL	\$1,437,638	\$17,520,569	\$1,046,037	\$151,038	\$818,203	\$286,552	\$21,260,037
(24) Services, contracts and supplies	\$304,105	\$2,887,262	\$2,594,109	\$4,206,337	\$537,296	\$1,189,574	\$11,718,683
(25) Net school generated funds	\$0	\$519,969	\$0	\$0	\$7,259	\$0	\$519,969
(26) Amortization of capital assets	\$0	\$139,573	\$1,341,104	\$0	\$0	\$0	\$1,487,936
(27) Interest and charges	\$0	\$1,177	\$2,787	\$0	\$435	\$12	\$4,411
(28) Losses on disposal of capital assets	\$0	\$4,497	\$0	\$0	\$0	\$0	\$4,497
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$1,741,743	\$21,073,047	\$4,984,037	\$4,357,375	\$1,363,193	\$1,476,138	\$34,995,533
(31) OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$0	(\$82,885)	\$359,627	(\$19,083)	\$0	\$0	\$257,659

**SCHEDULE B
SCHOOL GENERATED FUNDS (SGF) - 2008-2009**

Unexpended SGF - Opening Balance August 31, 2008 (Note 1)			\$263,258
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$600,142	\$121,899	\$478,243
Student fees (Non-Instructional) (Note 1)	\$0	\$0	\$0
Donations and grants to schools	\$82,893	\$0	\$82,893
Other (describe):	\$0	\$0	\$0
Net Additions to SGF	\$683,035	\$121,899	\$561,136
Net SGF Available			\$824,394
Uses of Net School Generated Funds:			
Extra-curricular activities			\$467,972
Field Trips			\$51,996
Other (describe):			\$0
Total Uses of Net SGF (Note 2)			\$519,968
Unexpended SGF - Closing Balance August 31, 2009 (Note 3)			\$304,426

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school.

Notes:

- 1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for
- 2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.
- 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.

**SCHEDULE C
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2008-2009**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$808,700	\$0	\$0	\$0	\$75,514		\$884,214		\$884,214
Uncertificated benefits	\$147,660	\$0	\$0	\$0	\$14,163		\$161,823		\$161,823
Sub-total Remuneration	\$956,360	\$0	\$0	\$0	\$89,677		\$1,046,037		\$1,046,037
Supplies and services	\$289,142	\$1,186,599	\$14,532	\$420,699	\$36,112		\$1,947,084		\$1,947,084
Electricity			\$280,830				\$280,830		\$280,830
Natural Gas/Heating Fuel			\$250,907				\$250,907		\$250,907
Sewer and Water			\$47,780				\$47,780		\$47,780
Telecommunications			\$23,949				\$23,949		\$23,949
Insurance					\$43,559		\$43,559		\$43,559
Amortization of capital assets									
Supported								\$1,222,104	\$1,222,104
Unsupported						\$119,000	\$119,000		\$119,000
Total Amortization						\$119,000	\$119,000	\$1,222,104	\$1,341,104
Interest on capital debt									
Supported								\$2,787	\$2,787
Unsupported							\$0		\$0
Other interest charges							\$0		\$0
Losses on disposal of capital assets							\$0		\$0
TOTAL EXPENSES	\$1,245,502	\$1,186,599	\$617,998	\$420,699	\$169,348	\$119,000	\$3,759,146	\$1,224,891	\$4,984,037
SQUARE METRES									
School Buildings									41,054.2
Non School Buildings									1,034.2

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 Relocations:** All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
- 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.