

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**  
[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

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

Mailing Address

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

Telephone and Fax Numbers

**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**

**Paul Dumont**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**Henri Lemire**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**Josée Devaney**

Name

**"ORIGINAL SIGNED"**

Signature

**November 23, 2010**

Board-approved Release Date

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## Auditors' Report

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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, 2010 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, 2010 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 5, 2010

**KING & COMPANY,**  
Chartered Accountants

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2010

(in dollars)

	2010	2009 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$2,676,256	\$5,612,304
Accounts receivable (net after allowances) (Note 3)	\$2,507,180	\$1,754,193
Prepaid expenses	\$605,836	\$561,247
Other current assets	\$0	\$0
<b>Total current assets</b>	<b>\$5,789,272</b>	<b>\$7,927,744</b>
School generated assets	\$306,079	\$304,426
Trust assets	\$0	\$0
Long term accounts receivable	\$0	\$0
Long term investments (Note 4)	\$117,043	\$121,920
Capital assets (Note 5)		
Land	\$5,809,000	\$5,809,000
Construction in Progress	\$0	\$0
Buildings	\$35,026,552	
Less: accumulated amortization	(\$15,240,059)	\$20,398,338
Equipment	\$2,870,169	
Less: accumulated amortization	(\$2,276,601)	\$637,344
Vehicles	\$165,544	
Less: accumulated amortization	(\$98,511)	\$40,363
<b>Total capital assets</b>	<b>\$26,256,094</b>	<b>\$26,885,045</b>
<b>TOTAL ASSETS</b>	<b>\$32,468,488</b>	<b>\$35,239,135</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness (Note 6)	\$0	\$0
Accounts payable and accrued liabilities (Note 7)	\$1,813,234	\$2,748,802
Deferred revenue (Note 8)	\$1,993,337	\$1,626,821
Deferred capital allocations	\$0	\$49,279
Current portion of long term debt	\$0	\$14,720
<b>Total current liabilities</b>	<b>\$3,806,571</b>	<b>\$4,439,622</b>
School generated liabilities	\$306,079	\$304,426
Trust liabilities	\$0	\$0
Employee future benefit liabilities (Note 9)	\$164,300	\$142,000
Long term debt		
Supported: Debentures and other supported debt	\$0	\$14,720
Less: Current portion	\$0	(\$14,720)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 10)	\$18,096,024	\$19,329,895
<b>Total long term liabilities</b>	<b>\$18,566,403</b>	<b>\$19,776,321</b>
<b>TOTAL LIABILITIES</b>	<b>\$22,372,974</b>	<b>\$24,215,943</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$1,694,582	\$2,689,697
Operating Reserves	\$210,863	\$108,510
Accumulated Operating Surplus (Deficit)	\$1,905,445	\$2,798,207
Investment in capital assets	\$8,160,069	\$7,540,430
Capital Reserves	\$30,000	\$684,555
<b>Total Capital Funds</b>	<b>\$8,190,069</b>	<b>\$8,224,985</b>
<b>Total net assets</b>	<b>\$10,095,514</b>	<b>\$11,023,192</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$32,468,488</b>	<b>\$35,239,135</b>

**Note:** Please input "(Restated)" in 2009 column heading where comparatives are not taken from the finalized 2008-2009 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF REVENUES AND EXPENSES**

for the Year Ended August 31, 2010

(in dollars)

	Actual 2010	Budget 2010 (Note 16)	Actual 2009
<b>REVENUES</b>			
Government of Alberta	\$32,572,422	\$32,393,305	\$31,536,998
Federal Government and First Nations	\$1,271,990	\$1,356,815	\$1,246,476
Other Alberta school authorities	\$290,965	\$275,000	\$245,333
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$252,090	\$200,000	\$129,362
Transportation fees	\$0	\$0	\$0
Other sales and services	\$46,654	\$60,000	\$41,121
Investment income	\$11,699	\$17,000	\$65,404
Gifts and donations	\$15,777	\$12,000	\$24,251
Rental of facilities	\$138,893	\$135,320	\$183,416
Gross school generated funds	\$909,041	\$500,000	\$519,969
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,306,049	\$1,306,047	\$1,260,862
Other revenue	\$20,985	\$0	\$0
<b>Total Revenues</b>	<b>\$36,836,565</b>	<b>\$36,255,487</b>	<b>\$35,253,192</b>
<b>EXPENSES</b>			
Certificated salaries (Note 15)	\$16,309,317	\$16,422,100	\$14,937,789
Certificated benefits (Note 15)	\$1,766,353	\$1,807,862	\$1,604,976
Non-certificated salaries and wages (Note 15)	\$4,518,545	\$4,451,735	\$3,978,336
Non-certificated benefits (Note 15)	\$906,754	\$877,946	\$738,936
Services, contracts and supplies	\$11,726,979	\$11,608,991	\$11,718,683
Gross school generated funds	\$909,041	\$500,000	\$519,969
Capital and debt services			
Amortization of capital assets			
Supported	\$1,306,049	\$1,306,047	\$1,260,862
Unsupported	\$310,831	\$317,477	\$227,074
Total Amortization of capital assets	\$1,616,880	\$1,623,524	\$1,487,936
Interest on capital debt			
Supported	\$1,064	\$1,100	\$2,787
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$1,064	\$1,100	\$2,787
Other interest and charges	\$2,388	\$0	\$1,624
Losses on disposal of capital assets	\$2,045	\$0	\$4,497
Other expense	\$4,877	\$0	\$0
<b>Total Expenses</b>	<b>\$37,764,243</b>	<b>\$37,293,258</b>	<b>\$34,995,533</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>(\$927,678)</b>	<b>(\$1,037,771)</b>	<b>\$257,659</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$927,678)</b>	<b>(\$1,037,771)</b>	<b>\$257,659</b>

**Note:** Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statements filed with Alberta Education. Budget 2010 comparatives presented are final budget amounts formally approved by the Board.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2010

(in dollars)

	2010	2009 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	(\$927,678)	\$257,659
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,306,049)	(\$1,260,862)
Total amortization expense	\$1,616,880	\$1,487,936
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$2,045	\$4,497
Changes in:		
Accounts receivable	(\$752,987)	(\$149,003)
Prepays and other current assets	(\$44,589)	\$39,459
Long term accounts receivable	\$0	\$0
Long term investments	\$4,877	(\$121,920)
Accounts payable and accrued liabilities	(\$935,568)	\$865,296
Deferred revenue	\$366,516	\$448,175
Employee future benefit liabilities	\$22,300	\$19,000
Other (describe)	\$0	\$0
<b>Total cash flows from Operations</b>	<b>(\$1,954,253)</b>	<b>\$1,590,237</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$734,379)	(\$3,763,443)
Equipment	(\$207,700)	(\$290,775)
Vehicles	(\$47,895)	(\$10,997)
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Investing activities</b>	<b>(\$989,974)</b>	<b>(\$4,065,215)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$8,179	\$4,181,263
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$14,720)	(\$14,829)
Add back: supported portion	\$14,720	\$14,829
Other (describe)	\$0	\$0
<b>Total cash flows from financing activities</b>	<b>\$8,179</b>	<b>\$4,181,263</b>
<b>Net cash flows from during the year</b>	<b>(\$2,936,048)</b>	<b>\$1,706,285</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/09</b>	<b>\$5,612,304</b>	<b>\$3,906,019</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/10</b>	<b>\$2,676,256</b>	<b>\$5,612,304</b>

**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2010**

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	
<b>Balance at August 31, 2009</b>	\$11,023,192	\$7,540,430	\$2,689,697	\$108,510	\$684,555	(\$11,490)	\$30,000	\$120,000	\$654,555	\$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
<b>Adjusted Balance, Aug. 31, 2009</b>	\$11,023,192	\$7,540,430	\$2,689,697	\$108,510	\$684,555	(\$11,490)	\$30,000	\$120,000	\$654,555	\$0	\$0	\$0	\$0	\$0	\$0
Excess (deficiency) of revenues over expenses	(\$927,678)		(\$927,678)												
Board funded capital additions		\$932,515	(\$277,960)	\$0	(\$654,555)	\$0	\$0	\$0	(\$654,555)	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	(\$2,045)	\$2,045		\$0				\$0				\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0				\$0				\$0		\$0
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$1,616,880)	\$1,616,880												
Amortization of capital allocations		\$1,306,049	(\$1,306,049)												
Debt principal repayments (unsupported)		\$0	\$0												
Net transfers to operating reserves			(\$102,353)	\$102,353		\$102,353		\$0		\$0		\$0		\$0	
Net transfers from operating reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0	
Net transfers to capital reserves			\$0		\$0				\$0				\$0		\$0
Net transfers from capital reserves			\$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	\$0
<b>Balance at August 31, 2010</b>	\$10,095,514	\$8,160,069	\$1,694,582	\$210,863	\$30,000	\$90,863	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**STATEMENT OF CAPITAL ALLOCATIONS  
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**

for the Year Ended August 31, 2010

(in dollars)

	<b>Deferred Capital Allocations</b>	<b>Unamortized Capital Allocations</b>
<b>Balance at August 31, 2009</b>	\$49,279	\$19,329,895
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2009</b>	\$49,279	\$19,329,895
<b>Add:</b>		
<b>Restricted capital allocations from:</b>		
Alberta Education including school and modular projects	\$8,179	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$0	
<b>Other capital grants and donations</b>	\$0	
<b>Net proceeds on disposal of supported capital assets</b>	\$0	
<b>Insurance proceeds (and related interest)</b>	\$0	
<b>Donated capital assets</b> (amortizable, @ fair market value)		\$0
<b>Transferred in capital assets</b> (amortizable, @ net book value)		\$0
<b>Current Year Debenture Principal Repayment</b>		\$14,720
<b>Expended capital allocations - current year</b>	(\$57,458)	\$57,458
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	\$0
<b>Capital allocations amortized to revenue</b>		\$1,306,049
<b>Balance at August 31, 2010</b>	\$0	\$18,096,024

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# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2010

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### 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 investments 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	10% to 20%
Equipment and furnishings	20% and 33%
Leasehold improvements	20%

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# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2010

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### 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 \$46,409 (2009 - \$22,362) for the year ended August 31, 2010. At December 31, 2009, the Local Authorities Pension Plan reported a deficiency of \$3,998,614,000 (2008 deficiency of \$4,413,971,000). In 2010, the Province recorded a liability of \$314,000,000 (2009 - \$186,000,000) for its portion of the unfunded pension plan obligation related to organizations controlled by the Province.

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.

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# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2010

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### 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:

<b>Instrument</b>	<b>Designation</b>
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.

#### Employee Future Benefits

The school jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs.

# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2010

### 3. ACCOUNTS RECEIVABLE

	2010	2009
Federal government	\$1,301,765	\$ 900,781
Alberta Education	897,821	487,317
Other	201,881	353,962
Alberta Health Services	50,953	-
Student Health Initiative Trust (SHI Banker Board)	31,148	-
Other school jurisdictions	23,612	11,486
Alberta Finance	-	647
	<u>\$2,507,180</u>	<u>\$1,754,193</u>

### 4. 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 are being amortized over the life of the contracts of 25 years.

### 5. CAPITAL ASSETS

	Land	Construction In Progress - Building	Buildings 25-40 Years	Equipment - Computer Hardware & Software 3-5 Years	Other Equipment 5-10 Years	Vehicles 5-10 Years	Total Aug. 31, 2010	Total Aug. 31, 2009
<b>Historical cost</b>								
September 1, 2009	\$5,809,000	\$0	\$34,292,173	\$814,570	\$1,934,635	\$117,649	\$42,968,027	\$38,220,987
Additions	\$0	\$0	\$734,379	\$110,381	\$97,318	\$47,895	\$989,973	\$4,811,682
Transfers in (out)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less disposals including write-offs	\$0	\$0	\$0	(\$24,224)	(\$62,511)	\$0	(\$86,735)	(\$64,642)
August 31, 2010	<u>\$5,809,000</u>	<u>\$0</u>	<u>\$35,026,552</u>	<u>\$900,727</u>	<u>\$1,969,442</u>	<u>\$165,544</u>	<u>\$43,871,265</u>	<u>\$42,968,027</u>
<b>Accumulated amortization</b>								
September 1, 2009	-	-	\$13,893,835	\$529,088	\$1,582,773	\$77,286	\$16,082,982	\$14,655,191
Amortization expense	-	-	\$1,237,795	\$133,993	\$115,438	\$21,225	\$1,508,451	\$1,487,936
Transfers in (out)	-	-	\$0	\$0	\$0	\$0	\$0	\$0
Effect of disposals	-	-	\$0	(\$24,224)	(\$60,467)	\$0	(\$84,691)	(\$60,145)
August 31, 2010	-	-	<u>\$15,131,630</u>	<u>\$638,857</u>	<u>\$1,637,744</u>	<u>\$98,511</u>	<u>\$17,506,742</u>	<u>\$16,082,982</u>
<b>Net Book Value at August 31, 2010</b>	<u>\$5,809,000</u>	<u>\$0</u>	<u>\$19,894,922</u>	<u>\$261,870</u>	<u>\$331,698</u>	<u>\$67,033</u>	<u>\$26,364,523</u>	<u>\$26,885,045</u>

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# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2010

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### 6. 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, 2010.

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2010	2009
Other - operating	\$1,681,115	\$1,982,526
- capital	111,298	746,467
Other school jurisdictions	<u>20,821</u>	<u>19,809</u>
	<u>\$1,813,234</u>	<u>\$2,748,802</u>

# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements  
For the Year Ended August 31, 2010

## 8. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2009	ADD: 2009/2010 Restricted Funds Received/ Receivable	DEDUCT: 2009/2010 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2009/2010 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2010
<b>Alberta Education Restricted Operational Funding:</b>					
Alberta Initiative for School Improvement	\$0	\$340,624	(\$340,624)	\$0	\$0
Infrastructure Maintenance Renewal	\$1,125,675	\$467,147	(\$418,562)	\$0	\$1,174,260
Portable/Modular Unit Relocation	\$0	\$54,645	(\$54,645)	\$0	\$0
Regional Educational Consulting Services	\$10,056	\$678,114	(\$726,933)	\$0	(\$38,763)
Small Class Size Initiative	\$0	\$710,869	(\$710,869)	\$0	\$0
Student Health Initiative (School Authorities)	\$0	\$80,987	(\$80,987)	\$0	\$0
SuperNet Service	\$0	\$98,860	(\$98,860)	\$0	\$0
Other Alberta Education deferred revenue					
School Bus Safety	\$63,400	\$0	(\$12,981)	\$0	\$50,419
Test Bank	\$317,690	\$322,000	(\$280,672)	\$0	\$359,018
Health Pathways	\$110,000	\$310,000	(\$140,854)	\$0	\$279,146
Inclusive Education (RECS)	\$0	\$150,000	(\$4,012)	\$0	\$145,988
Exterior Cladding	\$0	\$70,600	(\$47,331)	\$0	\$23,269
<b>Other Government of Alberta Restricted Funding:</b>					
	\$0	\$0	\$0	\$0	\$0
<b>Other Deferred Revenue:</b>					
	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$1,626,821</b>	<b>\$3,283,846</b>	<b>(\$2,917,330)</b>	<b>\$0</b>	<b>\$1,993,337</b>

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# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2010

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### 9. EMPLOYEE FUTURE BENEFITS

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

	2010	2009
Opening balance	\$142,000	\$123,000
Current service costs	<u>22,300</u>	<u>19,000</u>
Closing balance	<u>\$164,300</u>	<u>\$142,000</u>

Included in expenses are the following:

	2010	2009
Registered retirement savings plan	\$204,253	\$144,595
Local Authorities Pension Plan	46,409	22,362
Retirement benefit obligation	<u>22,300</u>	<u>19,000</u>
	<u>\$272,962</u>	<u>\$185,957</u>

### 10. 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.

### 11. 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.

# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2010

### 12. COMMITMENTS

#### Operating Leases

The school jurisdiction is committed to December 31, 2012 under operating leases for premises to annual rent plus occupancy expenses as defined in the leases as follows:

2011	\$208,905
2012	208,905
2013	58,049

### 13. 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	\$897,821	\$ -	\$32,196,347	\$ 27,517
Human Resources	3,800	-	3,800	-
Finance	-	-	1,064	1,064
Other				
Other school jurisdictions	23,611	20,821	165,838	1,243,688
Health authorities	<u>50,953</u>	<u>-</u>	<u>376,074</u>	<u>46,360</u>
Total 2009 – 2010	<u>\$976,185</u>	<u>\$ 20,821</u>	<u>\$32,743,123</u>	<u>\$1,318,629</u>
Total 2008 – 2009	<u>\$633,046</u>	<u>\$ 35,176</u>	<u>\$32,023,391</u>	<u>\$ 732,761</u>

### 14. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

# THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

## Notes to the Financial Statements For the Year Ended August 31, 2010

### 15. REMUNERATION AND MONETARY INCENTIVES

The school jurisdiction had paid or accrued expenses for the year ended August 31, 2010 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	1.0	\$11,300	\$195	\$0			\$10,147
Other members							
Laurent Bolduc	1.0	\$5,955	\$45	\$0			\$3,929
Paul Dumont	1.0	\$4,755	\$47	\$0			\$2,285
Martin Blanchet	1.0	\$9,630	\$132	\$0			\$5,753
Fred Kreiner	1.0	\$4,155	\$14	\$0			\$2,321
Denis Vincent	1.0	\$4,955	\$47	\$0			\$4,684
Karen Doucet	1.0	\$3,355	\$4	\$0			\$3,359
<b>Subtotal</b>	<b>7.0</b>	<b>\$44,105</b>	<b>\$484</b>	<b>\$0</b>			<b>\$32,478</b>
Superintendent (1)	1.0	\$181,498	\$23,282	\$0	\$0	\$0	\$36,359
Secretary/Treasurer (1)	0.9	\$116,516	\$29,270	\$0	\$0	\$0	\$12,137
Certificated Teachers	190.6	\$16,127,819	\$1,743,071	\$0	\$0	\$0	
Non-certificated - Other	94.9	\$4,357,924	\$877,000	\$0	\$0	\$0	
<b>TOTALS</b>		<b>\$20,827,862</b>	<b>\$2,673,107</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

### 16. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on May 17, 2010. It is presented for information purposes only and has not been audited.

### 17. 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, 2010**  
[School Act, Section 276]

**The Greater North Central Francophone Education Region No. 2**

Legal Name of School Jurisdiction

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

Mailing Address

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

Telephone 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 23, 2010**

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 - 2009-2010**

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$1,243,511	\$20,166,616	\$4,271,817	\$4,075,117	\$1,311,073	\$1,128,214	\$32,196,348
(2) Other - Government of Alberta	\$0	\$371,210	\$4,864	\$0	\$0	\$0	\$376,074
(3) Federal Government and First Nations	\$703,237	\$397,361	\$0	\$0	\$0	\$171,392	\$1,271,990
(4) Other Alberta school authorities	\$140	\$0	\$0	\$0	\$0	\$290,825	\$290,965
(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	\$25,209	\$226,881					\$252,090
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$0			\$0
(10) Other sales and services	\$0	\$2,634	\$18,475	\$0	\$17,212	\$8,333	\$46,654
(11) Investment income	\$452	\$5,520	\$1,267	\$1,086	\$3,374	\$0	\$11,699
(12) Gifts and donations	\$0	\$15,777	\$0	\$0	\$0	\$0	\$15,777
(13) Rental of facilities	\$0	\$0	\$138,893	\$0	\$0	\$0	\$138,893
(14) Gross school generated funds	\$90,904	\$818,137	\$0	\$0	\$0	\$0	\$909,041
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Amortization of capital allocations	\$0	\$48,117	\$1,257,932	\$0	\$0	\$0	\$1,306,049
(17) Other revenue	\$0	\$0	\$0	\$0	\$20,985	\$0	\$20,985
(18) TOTAL REVENUES	\$2,063,453	\$22,052,253	\$5,693,248	\$4,076,203	\$1,352,644	\$1,598,764	\$36,836,565
<b>EXPENSES</b>							
(19) Certificated salaries	\$1,194,018	\$14,676,525			\$307,336	\$131,438	\$16,309,317
(20) Certificated benefits	\$148,332	\$1,569,806			\$33,956	\$14,259	\$1,766,353
(21) Non-certificated salaries and wages	\$225,758	\$2,318,606	\$1,068,528	\$86,856	\$456,690	\$362,107	\$4,518,545
(22) Non-certificated benefits	\$45,879	\$480,335	\$206,105	\$20,630	\$102,669	\$51,136	\$906,754
(23) SUB - TOTAL	\$1,613,987	\$19,045,272	\$1,274,633	\$107,486	\$900,651	\$558,940	\$23,500,969
(24) Services, contracts and supplies	\$358,562	\$2,419,382	\$3,132,335	\$4,332,376	\$444,553	\$1,039,771	\$11,726,979
(25) Gross school generated funds	\$90,904	\$818,137					\$909,041
(26) Amortization of capital assets	\$0	\$214,835	\$1,394,786	\$0	\$7,259	\$0	\$1,616,880
(27) Interest and charges	\$0	\$2,154	\$1,064	\$0	\$181	\$53	\$3,452
(28) Losses on disposal of capital assets	\$0	\$2,045	\$0	\$0	\$0	\$0	\$2,045
(29) Other expense	\$0	\$0	\$4,877	\$0	\$0	\$0	\$4,877
(30) TOTAL EXPENSES	\$2,063,453	\$22,501,825	\$5,807,695	\$4,439,862	\$1,352,644	\$1,598,764	\$37,764,243
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$0	(\$449,572)	(\$114,447)	(\$363,659)	\$0	\$0	(\$927,678)

**SCHEDULE B  
SCHOOL GENERATED FUNDS (SGF) - 2009-2010**

<b>Unexpended SGF - Opening Balance August 31, 2009</b> (Note 1)			\$304,426
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$874,194	\$172,961	\$701,233
Student fees (Non-Instructional) (Note 1)	\$0	\$0	\$0
Donations and grants to schools	\$34,847	\$0	\$34,847
Other (describe):	\$0	\$0	\$0
<b>Net Additions to SGF</b>	\$909,041	\$172,961	\$736,080
<b>Net SGF Available</b>			\$1,040,506
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$550,820
Field Trips			\$183,607
Other (describe):			\$0
<b>Total Uses of Net SGF</b> (Note 2)			\$734,427
<b>Unexpended SGF - Closing Balance August 31, 2010</b> (Note 3)			\$306,079

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 level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)

**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 CEU-related activities are recorded as instruction resource fees, not SGF.
- 2 The sum of "total related expenses" and "total uses of net SGF" is reported as "gross school generated funds" in the Statement of Revenues & Expenses.
- 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 - 2009-2010**

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	\$1,018,320	\$0	\$0	\$0	\$50,208		\$1,068,528		\$1,068,528
Uncertificated benefits	\$198,582	\$0	\$0	\$0	\$7,523		\$206,105		\$206,105
Sub-total Remuneration	\$1,216,902	\$0	\$0	\$0	\$57,731		\$1,274,633		\$1,274,633
Supplies and services	\$325,916	\$1,547,068	\$0	\$473,208	\$71,996		\$2,418,188		\$2,418,188
Electricity			\$247,866				\$247,866		\$247,866
Natural Gas/Heating Fuel			\$357,845				\$357,845		\$357,845
Sewer and Water			\$47,004				\$47,004		\$47,004
Telecommunications			\$26,443				\$26,443		\$26,443
Insurance					\$39,866		\$39,866		\$39,866
Amortization of capital assets									
Supported								\$1,257,932	\$1,257,932
Unsupported						\$136,854	\$136,854		\$136,854
Total Amortization						\$136,854	\$136,854	\$1,257,932	\$1,394,786
Interest on capital debt									
Supported								\$1,064	\$1,064
Unsupported									
Other interest charges									
Losses on disposal of capital assets									
TOTAL EXPENSES	\$1,542,818	\$1,547,068	\$679,158	\$473,208	\$169,593	\$136,854	\$4,548,699	\$1,258,996	\$5,807,695
<b>SQUARE METRES</b>									
School Buildings									46,590.7
Non School Buildings									0.0

**Note:**

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

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

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

**Expensed IMR & Modular Unit 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.