

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**
[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

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Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of NORTHWEST FRANCOPHONE EDUCATION REGION NO.1 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with Canadian Public Sector Accounting Standards and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong system of budgetary control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors were given full access to school jurisdiction records.

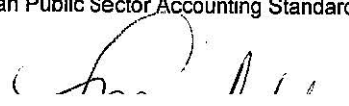
Declaration of Management and Board Chair

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position, results of operations and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

BOARD CHAIR

CHANTAL MONFETTE

Name



Signature

SUPERINTENDENT

BRIGITTE KROPEILNICKI

Name



Signature

SECRETARY-TREASURER OR TREASURER

MARC LABONTE

Name



Signature

April 22, 2015
Board-approved Release Date

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

Certified General Accountants

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INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements statement of the Regional Authority of THE NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1 as at August 31, 2014, which comprise the statement of financial position as at August 31, 2014, 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, 2014 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.

Emphasis of matter

Current year financial statements have been corrected due to new facts and evidence which became known after November 27, 2014, as explained in Note 24 of the financial statements.

Falher, Alberta
November 27, 2014
May 5, 2015 (Note 24)


CERTIFIED GENERAL ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
As at August 31, 2014 (in dollars)

		2014	2013 Restated
FINANCIAL ASSETS			
Cash and cash equivalents	(Note 3)	\$ 390,367	\$ 1,756,799
Accounts receivable (net after allowances)	(Note 4)	\$ 404,277	\$ 371,591
Portfolio investments	(Note 5)	\$ 468,202	\$ 420,513
Other financial assets	(Note 6)	\$ 25,230	\$ 20,319
Total financial assets		\$ 1,288,076	\$ 2,569,222
LIABILITIES			
Bank indebtedness	(Note 7)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 8)	\$ 95,673	\$ 271,394
Deferred revenue	(Note 9)	\$ 16,447,713	\$ 16,977,783
Employee future benefit liabilities	(Note 10)	\$ 145,866	\$ 140,558
Other liabilities		\$ -	\$ -
Debt	(Note 11)		
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Capital leases		\$ -	\$ -
Mortgages		\$ -	\$ -
Total liabilities		\$ 16,689,252	\$ 17,389,735
Net financial assets (debt)		\$ (15,401,176)	\$ (14,820,513)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Note 12)		
Land		\$ 150,000	\$ 150,000
Construction in progress		\$ -	\$ -
Buildings	\$ 21,669,266		
Less: Accumulated amortization	\$ (5,258,039)	\$ 16,411,227	\$ 16,371,394
Equipment	\$ 278,702		
Less: Accumulated amortization	\$ (160,497)	\$ 118,205	\$ 67,634
Vehicles	\$ 276,475		
Less: Accumulated amortization	\$ (170,643)	\$ 105,832	\$ 118,631
Computer Equipment	\$ -		
Less: Accumulated amortization	\$ -	\$ -	\$ -
Total tangible capital assets		\$ 16,785,264	\$ 16,707,659
Prepaid expenses		\$ 37,409	\$ 49,009
Other non-financial assets			\$ -
Total non-financial assets		\$ 16,822,673	\$ 16,756,668
Accumulated surplus	(Note 13)	\$ 1,421,497	\$ 1,936,155
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 1,421,497	\$ 1,936,155
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 1,421,497	\$ 1,936,155
Contractual obligations	(Note 14)		
Contingent liabilities	(Note 15)		

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

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2014 (in dollars)

	Budget 2014	Actual 2014	Actual 2013 Restated
REVENUES			
Alberta Education	\$ 8,626,381	\$ 8,625,187	\$ 8,477,428
Other - Government of Alberta	\$ -	\$ -	\$ -
Federal Government and First Nations	\$ 18,500	\$ 36,688	\$ 18,500
Other Alberta school authorities	\$ -	\$ -	\$ -
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Note 16)	\$ 5,945	\$ 236,615	\$ 130,581
Other sales and services	\$ 1,000	\$ -	\$ 22,606
Investment income	\$ 3,000	\$ 10,335	\$ 8,867
Gifts and donations	\$ -	\$ 19,544	\$ 22,836
Rental of facilities	\$ 8,500	\$ 12,799	\$ 8,061
Fundraising	\$ -	\$ 200,476	\$ 181,107
Gains on disposal of capital assets	\$ -	\$ -	\$ -
Other revenue	\$ -	\$ 27,715	\$ 12,619
Total revenues	\$ 8,663,326	\$ 9,169,359	\$ 8,882,605
EXPENSES			
Instruction (ECS - Grade 12)	\$ 5,963,799	\$ 6,708,218	\$ 6,170,392
Plant operations and maintenance	\$ 1,438,917	\$ 1,504,527	\$ 1,395,184
Transportation	\$ 1,005,120	\$ 1,000,505	\$ 958,216
Board & system administration	\$ 467,405	\$ 470,767	\$ 470,108
External services	\$ -	\$ -	\$ 25,768
Total expenses	\$ 8,875,241	\$ 9,684,017	\$ 9,019,668
Operating surplus (deficit)	\$ (211,915)	\$ (514,658)	\$ (137,063)

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

STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2014 (in dollars)

	2014	2013 Restated
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (514,658)	\$ (137,063)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 667,509	\$ 651,278
Gains on disposal of tangible capital assets	\$ -	\$ -
Losses on disposal of tangible capital assets	\$ -	\$ 10,711
Expended deferred capital revenue recognition	\$ (595,111)	\$ (588,549)
Deferred capital revenue write-off	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (32,686)	\$ 640,183
Prepays	\$ 11,600	\$ 6,633
Other financial assets	\$ (4,911)	\$ (3,215)
Non-financial assets	\$ -	\$ -
Accounts payable and accrued liabilities	\$ (175,721)	\$ 36,583
Deferred revenue (excluding EDCR)	\$ 65,041	\$ 377,324
Employee future benefit liabilities	\$ 5,308	\$ 12,779
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ (573,629)	\$ 1,008,664
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (654,948)	\$ (17,930)
Equipment	\$ (82,038)	\$ -
Vehicles	\$ (8,128)	\$ (32,607)
Computer equipment	\$ -	\$ -
Net proceeds from disposal of unsupported capital assets	\$ -	\$ 7,500
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (745,114)	\$ (43,037)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (47,689)	\$ (100,140)
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ (47,689)	\$ (100,140)
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ -	\$ -
Increase (decrease) in cash and cash equivalents	\$ (1,366,432)	\$ 863,487
Cash and cash equivalents, at beginning of year	\$ 1,756,799	\$ 893,312
Cash and cash equivalents, at end of year	\$ 390,367	\$ 1,756,799

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

STATEMENT OF CHANGE IN NET DEBT
For the Year Ended August 31, 2014

	Budget 2014	2014	2013 Restated
Operating surplus (deficit)	\$ (211,915)	\$ (514,658)	\$ (137,063)
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (764,523)	\$ (745,114)	\$ (50,537)
Amortization of tangible capital assets	\$ 593,915	\$ 667,509	\$ 651,278
Net carrying value of tangible capital assets disposed of	\$ -	\$ -	\$ 18,211
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ (170,608)	\$ (77,605)	\$ 618,952
Changes in:			
Prepaid expenses	\$ -	\$ 11,600	\$ 6,633
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
Decrease (increase) in net debt	\$ (382,523)	\$ (580,663)	\$ 488,522
Net debt at beginning of year	\$ (14,820,513)	\$ (14,820,513)	\$ (15,309,035)
Net debt at end of year	\$ (15,203,036)	\$ (15,401,176)	\$ (14,820,513)

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

STATEMENT OF CHANGE IN NET DEBT
For the Year Ended August 31, 2014

	2014	2013 RESTATED
<u>Operating surplus (deficit)</u>	\$ (514,658)	\$ (137,063)
<u>Effect of changes in tangible capital assets</u>		
Acquisition of tangible capital assets	\$ (745,114)	\$ (50,537)
Amortization of tangible capital assets	\$ 667,509	\$ 651,278
Net carrying value of tangible capital assets disposed of	\$ -	\$ 18,211
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ (77,605)	\$ 618,952
<u>Changes in:</u>		
Prepaid expenses	\$ 11,600	\$ 6,633
Other non-financial assets	\$ -	\$ -
<u>Net remeasurement gains and (losses)</u>	<u>\$ -</u>	<u>\$ -</u>
Endowments	\$ -	\$ -
Decrease (increase) in net debt	\$ (580,663)	\$ 488,522
Net debt at beginning of year	\$ (14,820,513)	\$ (15,309,035)
Net debt at end of year	\$ (15,401,176)	\$ (14,820,513)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended August 31, 2014 (in dollars)

	2014	2013
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
Accumulated remeasurement gains (losses) at end of year	\$ -	\$ -

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

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2014 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2013	\$ 2,076,713	\$ -	\$ 2,076,713	\$ 538,670	\$ -	\$ 434,975	\$ 921,382	\$ 181,686
Prior period adjustments:								
Employee future benefits - sick leave	\$ (140,558)	\$ -	\$ (140,558)	\$ -	\$ -	\$ (140,558)	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 1,936,155	\$ -	\$ 1,936,155	\$ 538,670	\$ -	\$ 294,417	\$ 921,382	\$ 181,686
Operating surplus (deficit)	\$ (514,658)		\$ (514,658)			\$ (514,658)		
Board funded tangible capital asset additions				\$ 453,224		\$ (445,096)	\$ -	\$ (8,128)
Disposal of unsupported tangible capital assets	\$ -		\$ -	\$ -		\$ -		\$ -
Disposal of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -	\$ -					
Endowment expenses	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (667,509)		\$ 667,509		
Capital revenue recognized	\$ -			\$ 595,111		\$ (595,111)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Externally imposed endowment restrictions	\$ -				\$ -	\$ -		
Net transfers to operating reserves	\$ -					\$ -		
Net transfers from operating reserves	\$ -					\$ -		
Net transfers to capital reserves	\$ -					\$ 492,491	\$ (492,491)	
Net transfers from capital reserves	\$ -					\$ (13,991)		\$ 13,991
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ 1,421,497	\$ -	\$ 1,421,497	\$ 919,496	\$ -	\$ (114,439)	\$ 428,891	\$ 187,549

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2014 (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
Balance at August 31, 2013	\$ 448,733	\$ 89,637	\$ 142,000	\$ -	\$ -	\$ -	\$ 315,000	\$ 92,049	\$ 15,649	\$ -
Prior period adjustments:										
Employee future benefits - sick leave	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 448,733	\$ 89,637	\$ 142,000	\$ -	\$ -	\$ -	\$ 315,000	\$ 92,049	\$ 15,649	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,128)	\$ -	\$ -
Disposal of unsupported tangible capital assets		\$ -		\$ -		\$ -		\$ -		\$ -
Disposal of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers to operating reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers from operating reserves	\$ (345,491)	\$ -	\$ (10,000)	\$ -	\$ -	\$ -	\$ (137,000)	\$ -	\$ -	\$ -
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ 13,991		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ 103,242	\$ 89,637	\$ 132,000	\$ -	\$ -	\$ -	\$ 178,000	\$ 97,912	\$ 15,649	\$ -

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2014 (in dollars)

	Unexpended Deferred Capital Revenue				
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	Expended Deferred Capital Revenue
Balance at August 31, 2013	\$ -	\$ 262,465	\$ -	\$ -	\$ 16,168,999
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2013	\$ -	\$ 262,465	\$ -	\$ -	\$ 16,168,999
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$ -				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources: (Describe) Donations (SGF)	\$ -			\$ 29,425	
Other sources (Describe):	\$ -			\$ -	
Unexpended capital revenue receivable from:					
Alberta Education school building & modular (excl. IMR)	\$ -				
Other sources: (Describe)	\$ -			\$ -	
Other sources: (Describe)	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue: (Describe)				\$ -	
Net proceeds on disposal of supported tangible capital assets			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets (Explain):					\$ -
Alberta Schools Alternative Program (ASAP), Building Alberta School Construction Program, (BASCP) and other Alberta Infrastructure managed projects					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ -	\$ (262,465)	\$ -	\$ (29,425)	\$ 291,890
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 595,111
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2014	\$ -	\$ -	\$ -	\$ -	\$ 15,865,768
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2014 (A) + (B) + (C) + (D)					\$ -

Unexpended Deferred Capital Revenue

- (A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only.
 (B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.
 (C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved capital assets per 10(2)(a) of Disposition of Property Reg. 181/2010.
 (D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2014 (in dollars)

REVENUES	2014					2013	
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
(1) Alberta Education	\$ 5,812,086	\$ 1,479,159	\$ 863,116	\$ 470,826	\$ -	\$ 8,625,187	\$ 8,477,428
(2) Other - Government of Alberta	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(3) Federal Government and First Nations	\$ 36,688	\$ -	\$ -	\$ -	\$ -	\$ 36,688	\$ 18,500
(4) Other Alberta school authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 236,615	\$ -	\$ -	\$ -	\$ -	\$ 236,615	\$ 130,581
(9) Other sales and services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,606
(10) Investment income	\$ 10,335	\$ -	\$ -	\$ -	\$ -	\$ 10,335	\$ 8,867
(11) Gifts and donations	\$ 19,544	\$ -	\$ -	\$ -	\$ -	\$ 19,544	\$ 22,836
(12) Rental of facilities	\$ -	\$ 12,799	\$ -	\$ -	\$ -	\$ 12,799	\$ 8,061
(13) Fundraising	\$ 200,476	\$ -	\$ -	\$ -	\$ -	\$ 200,476	\$ 181,107
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(15) Other revenue	\$ 25,187	\$ 2,528	\$ -	\$ -	\$ -	\$ 27,715	\$ 12,619
(16) TOTAL REVENUES	\$ 6,340,931	\$ 1,494,486	\$ 863,116	\$ 470,826	\$ -	\$ 9,169,359	\$ 8,882,605

EXPENSES

(17) Certificated salaries	\$ 3,647,830	\$ -	\$ 150,048	\$ -	\$ 3,797,878	\$ 3,470,811
(18) Certificated benefits	\$ 871,259	\$ -	\$ 20,490	\$ -	\$ 891,749	\$ 765,294
(19) Non-certificated salaries and wages	\$ 976,244	\$ 303,068	\$ 89,711	\$ 129,412	\$ 1,498,435	\$ 1,429,360
(20) Non-certificated benefits	\$ 199,003	\$ 46,651	\$ 17,631	\$ 31,340	\$ 294,625	\$ 280,358
(21) SUB - TOTAL	\$ 5,694,336	\$ 349,719	\$ 107,342	\$ 331,280	\$ 6,482,687	\$ 5,943,823
(22) Services, contracts and supplies	\$ 996,055	\$ 525,957	\$ 875,118	\$ 134,676	\$ -	\$ 2,531,806
(23) Amortization of supported tangible capital assets	\$ -	\$ 595,111	\$ -	\$ -	\$ -	\$ 595,111
(24) Amortization of unsupported tangible capital assets	\$ 17,827	\$ 33,740	\$ 18,045	\$ 2,786	\$ -	\$ 72,398
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ 2,015	\$ -	\$ 2,015
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 6,708,218	\$ 1,504,527	\$ 1,000,505	\$ 470,767	\$ -	\$ 9,684,017
(31) OPERATING SURPLUS (DEFICIT)	\$ (367,287)	\$ (10,041)	\$ (137,389)	\$ 59	\$ -	\$ (514,658)

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES
for the Year Ended August 31, 2014 (in dollars)

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unamortized Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2014 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 204,792	\$ -	\$ -	\$ -	\$ 98,276		\$ 303,068		\$ 303,068
Uncertificated benefits	\$ 32,403	\$ -	\$ -	\$ -	\$ 14,248		\$ 46,651		\$ 46,651
Sub-total Remuneration	\$ 237,195	\$ -	\$ -	\$ -	\$ 112,524		\$ 349,719		\$ 349,719
Supplies and services	\$ 66,278	\$ 154,434	\$ -	\$ 36,940	\$ 45,185		\$ 305,837		\$ 305,837
Electricity			\$ 105,497				\$ 105,497		\$ 105,497
Natural gas/heating fuel			\$ 72,457				\$ 72,457		\$ 72,457
Sewer and water			\$ 34,814				\$ 34,814		\$ 34,814
Telecommunications			\$ -				\$ -		\$ -
Insurance					\$ 7,352		\$ 7,352		\$ 7,352
Amortization of tangible capital assets									
Supported									
Unamortized								\$ 595,111	\$ 595,111
Total Amortization						\$ 33,740	\$ 33,740	\$ 33,740	\$ 33,740
Interest on capital debt						\$ 33,740	\$ 33,740	\$ 595,111	\$ 628,851
Supported									
Unamortized								\$ -	\$ -
Lease payments for facilities				\$ -		\$ -	\$ -		\$ -
Other interest charges						\$ -	\$ -		\$ -
Losses on disposal of capital assets						\$ -	\$ -		\$ -
TOTAL EXPENSES	\$ 306,473	\$ 154,434	\$ 212,788	\$ 36,940	\$ 165,061	\$ 33,740	\$ 909,416	\$ 595,111	\$ 1,504,527

SQUARE METRES									
School buildings									8,292.0
Non school buildings									2,760.0

Note:

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

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

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

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

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

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

NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1

AUDITORS' NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2014

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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the CICA Canadian public sector accounting standards (PSAS). The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Cash and Cash Equivalents

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

b) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

c) Portfolio Investments

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

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

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

NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

d) Inventories

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

e) Tangible Capital Assets

Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.

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

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

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

f) Deferred Revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per Public Sector Accounting Standard (PSAS) PS 3200. These contributions are recognized by the jurisdiction once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

Deferred revenue also includes contributions for capital expenditures, unexpended and expended:

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

ii) Expended Deferred Capital Revenue represent externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require the school jurisdiction to use the asset in a prescribed manner over the life of the associated asset.

NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1

AUDITORS' NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

g) Employee future benefits

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

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

h) Operating and Capital Reserves

Certain amounts are internally or externally restricted for future operating or capital purposes. Transfers to and from reserves are recorded when approved by the Board of Trustees. Capital reserves are restricted to capital purposes and may only be used for operating purposes with approval by the Minister of Education. Reserves are disclosed in the Schedule of Changes in Accumulated Surplus.

i) Revenue Recognition

Revenues are recorded on an accrual basis. Instruction and support allocations are recognized in the year to which they relate. Fees for services related to courses and programs are recognized as revenue when such courses or programs are delivered.

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Contributed services are not recognized in these financial statements

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

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

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

ii) Unexpended Deferred Capital Revenue

iii) Expended Deferred Capital Revenue

j) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Allocation of costs - Actual salaries of personnel assigned to two or more programs are allocated based on time spent in each program. Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary. Supplies and services are allocated based on actual program identification.

NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

k) Pensions

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

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

l) Program Reporting

The jurisdiction's operations have been segmented as follows:

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

Plant Operations and Maintenance: The operation and maintenance of all school buildings and maintenance shop facilities.

Transportation: The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facilities.

Board and System Administration: The provision of board governance and system-based/ central office administration.

External Services: All projects, activities, and services offered outside the public education mandate for ECS children and students in grades 1-12. Services offered beyond the mandate for public education are to be self-supporting, and Alberta Education Funding may not be utilized to support these programs.

m) Trusts Under Administration

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

n) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The jurisdiction recognizes a financial instrument when it becomes party to a financial instrument contract.

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

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

For the year ended August 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**o) Measurement Uncertainty**

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates. Significant areas requiring the use of management estimates related to the potential impairment of assets and rates for amortization.

3. CASH AND CASH EQUIVALENTS

	2014			2013
	Average Effective Yield	Cost	Amortized Cost	Amortized Cost
	\$	\$	\$	\$
Cash on hand	-	1,200	1,200	1,200
Cash in bank - current	-	(20,974)	(20,974)	953,828
Cash in bank - S.G.F.	-	59,265	59,265	100,895
Cash	-	39,491	39,491	1,055,923
Short-term deposits in bank	1.00%	350,876	350,876	700,876
Total cash and cash equivalents		390,367	390,367	1,756,799

4. ACCOUNTS RECEIVABLE

	2014	2013
	\$	\$
Alberta Education - Grants	-	17,667
Alberta Education - Capital	226,907	226,907
Federal government	161,093	110,747
Alberta municipalities	-	-
Other Government of Alberta ministries	-	-
Other Alberta school jurisdictions	-	-
Other	16,277	16,270
	404,277	371,591

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

For the year ended August 31, 2014

5. PORTFOLIO INVESTMENTS

	2014			2013 Balance
	Average Effective (Market) Yield	Cost	Fair Value	
	\$	\$	\$	
Long-term deposits	1.40%	450,000	450,000	402,282
Equities				
A.A.M.D.&C.	-	133	133	195
Horizon Credit Union	-	10,000	10,000	10,100
Girouxville Co-op	-	921	921	814
St. Isidore Co-op	-	7,148	7,148	7,122
Total equities		18,202	18,202	18,231
Total portfolio investments	-	468,202	468,202	420,513

Long-term deposits are all held at the Horizon Credit Union and mature on dates ranging from January 5, 2015 to March 13, 2015.

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

6. OTHER FINANCIAL ASSETS

	2014	2013
	\$	\$
Inventory	25,230	20,319
Other	-	-
	25,230	20,319

7. BANK INDEBTEDNESS

The jurisdiction has negotiated an overdraft protection agreement in the amount of \$140,000 that bears interest at the bank prime rate + 1.0%. This overdraft agreement is secured by funds held in term deposits. There was no balance outstanding on the overdraft agreement at August 31, 2014 (2013 - \$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, 2014 (2013 - \$0).

NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2014

8. ACCOUNTS PAYABLE AND LIABILITIES

	2014	2013
		Restated
	\$	\$
Alberta Education	4,296	98,714
Federal government	-	-
Alberta municipalities	-	648
Other Alberta school jurisdictions	-	-
Accrued vacation pay liability	60,281	52,824
Other trade payables and accrued liabilities	31,096	119,208
	95,673	271,394

9. DEFERRED REVENUE

	2013	2013/14	2013/14	2014
SOURCE AND GRANT OR	\$	\$	\$	\$
FUND TYPE	Aug. 31	Received	Expended	Aug. 31
Unexpended operating revenue				
Alta Education				
Infrastructure Maintenance Ren.	513,539	74,968	36,940	551,567
Supernet Service	-	38,400	38,400	-
	513,539	113,368	75,340	551,567
Other deferred revenue				
School generated funds	21,445	407,616	414,683	14,378
Rental deposit	-	500	-	500
Fees	11,345	15,500	11,345	15,500
Total unexpended operating revenue	546,329	536,984	501,368	581,945
Unexpended capital revenue	262,465	29,425	291,890	-
Expended deferred capital revenue	16,168,989	291,890	595,111	15,865,768
Total deferred revenue	16,977,783	858,299	1,388,369	16,447,713

10. EMPLOYEE FUTURE BENEFITS LIABILITIES

	2014	2013
		Restated
	\$	\$
Accumulated sick pay liability	145,866	140,558
Other	-	-
	145,866	140,558

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

For the year ended August 31, 2014

11. LONG TERM DEBT

a) Debenture debt - supported

Currently there is no long-term debt held by the jurisdiction.

b) Capital leases - unsupported

Currently, there are no capital leases held by the jurisdiction.

12. TANGIBLE CAPITAL ASSETS AND ACCUMULATED AMORTIZATION

	2013			2014
	\$	\$	\$	\$
TANGIBLE CAPITAL ASSETS	Cost	Additions	Disposals	Cost
Land	150,000	-	-	150,000
Buildings	21,014,318	654,948	-	21,669,266
Equipment	229,405	82,038	32,741	278,702
Vehicles	268,347	8,128	-	276,475
	21,662,070	745,114	32,741	22,374,443
ACCUMULATED AMORTIZATION	Balance	Additions	Deductions	Balance
Buildings	4,642,924	615,115	-	5,258,039
Equipment	161,771	31,467	32,741	160,497
Vehicles	149,716	20,927	-	170,643
	4,954,411	667,509	32,741	5,589,179
Net book value	16,707,659			16,785,264

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

	2014	2013
	\$	\$
September 1 balance	-	-
Current year construction costs	654,948	17,930
Transfers out (building now in use)	(654,948)	(17,930)
August 31 balance	-	-

NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1

AUDITORS' NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2014

13. ACCUMULATED SURPLUS

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

	2014	2013
		Restated
	\$	\$
Unrestricted surplus	(114,439)	294,417
Operating reserves	428,891	921,382
Accumulated surplus from operations	314,452	1,215,799
Capital reserves	187,549	181,686
Investment in tangible capital assets	919,496	538,670
	1,421,497	1,936,155

The school jurisdiction has recorded a provision for employee post-employment benefits (accumulated sick pay liability). Since this provision is not required to be funded by current operations, accumulated surplus is adjusted as follows:

	2014	2013
		Restated
	\$	\$
Accumulated surplus from operations	314,452	1,215,799
Non vesting, accumulating employee future benefits	145,866	140,558
Adjusted accumulated surplus	460,318	1,356,357

Adjusted accumulated surplus represents funding available to support the school jurisdiction's operations for the 2014-2015 year.

14. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

- 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).
- An operating lease agreement for office space was signed in June, 2013. The ten year lease agreement consists of monthly payments \$3,167, effective for January 1, 2014 to December 31, 2024.
- 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).

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

For the year ended August 31, 2014

14. COMMITMENTS AND CONTRACTUAL OBLIGATIONS - continued

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

	Building Lease	Vehicle Lease	Equipment Lease	Total
	\$	\$	\$	\$
2014-15	38,004	2,036	15,271	55,311
2015-16	38,004	-	15,271	53,275
2016-17	38,004	-	15,271	53,275
2017-18	38,004	-	3,638	41,642
2018-19	38,004	-	-	38,004
Thereafter	164,684	-	-	164,684
	354,704	2,036	49,451	406,191

15. CONTINGENT LIABILITIES

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

16. FEES

	2014	2013
	\$	\$
Transportation fees	-	-
Fees charged for instruction materials and supplies	42,133	37,658
Other fees - school generated funds	194,482	92,923
	236,615	130,581

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

For the year ended August 31, 2014

17. TRUSTS UNDER ADMINISTRATION

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

	2014	2013
	\$	\$
Balance, beginning of year	93,782	110,360
Add: transfer from previous sponsoring jurisdiction	-	-
received from member organizations	106,897	89,919
Less: disbursements	(110,816)	(106,497)
Balance, end of year	89,863	93,782

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.

	2014	2013
	\$	\$
Balance, beginning of year	77,242	-
Add: transfer from previous sponsoring jurisdiction	-	7,477
received from member organizations	64,968	66,930
received from federal French language program	164,000	164,000
other receipts and expense recoveries	10,000	21,137
Less: disbursements	(240,794)	(182,302)
Balance, end of year	75,416	77,242

NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2014

18. SCHOOL GENERATED FUNDS

	2014	2013
	\$	\$
Deferred School Generated Revenues beginning of year	100,895	77,986
Current Year Activities - Gross Receipts		
Fees	194,482	106,691
Fundraising	193,410	178,846
Gifts and donations	48,968	22,836
Grants to schools	-	-
Other sales and services		2,261
Total gross receipts	436,860	310,634
 Total Direct Costs Including Cost of Goods Sold to Raise Funds	145,156	111,281
Total Related Expenses and Uses of Funds	333,335	176,444
 Deferred School Generated Revenues end of year	59,264	100,895
 Balance Included in Deferred Revenue	14,378	21,445
Balance Included in Accumulated Surplus	44,886	79,450
	59,264	100,895

19. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

20. RELATED PARTY TRANSACTIONS

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

2013-2014	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Government of Alberta:				
Education	226,907	4,296	8,625,187	-
Finance	-	-	-	-
Other Alta Gov't Depts.	-	-	-	-
Other related parties	-	-	-	-
TOTAL 2013-2014	226,907	4,296	8,625,187	-
TOTAL 2012-2013	244,574	98,714	8,477,428	-

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

For the year ended August 31, 2014

21. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction management with Board of Trustees approval on May 21, 2013. It is presented for information purposes only and has not been audited.

22. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to actual 2013/2014 presentation.

23. PRIOR PERIOD ADJUSTMENTS

Prior period adjustments were made for the inclusion of a liability for accumulated sick leave liability (Public Sector Accounting Standards, section 3255) made in a retroactive manner. Accrued holiday pay liability has been reclassified from employee future benefits to accounts payable. The changes made to prior year August 31, 2013 financial statements are as follows:

	Originally Reported	Adjustment	Restated 2013
Statement of Financial Position			
Employee future benefits liabilities	52,824	87,734	140,558
Accounts payable and accrued liabilities	218,570	52,824	271,394
Accumulated operating surplus	2,076,713	(140,558)	1,936,155
Statement of operations			
Expenses - instruction ECS to 12	6,157,613	12,779	6,170,392
Operating surplus (deficit)	(124,824)	(12,779)	(137,603)

NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1

AUDITORS' NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2014

24. SUBSEQUENT CHANGE TO CURRENT YEAR FINANCIAL STATEMENTS

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

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

Please note that the above changes have been made in the schedule of changes to accumulated surplus and the schedule of capital revenue. The statement of financial position, statement of operations and statement of cash flows remain unchanged.