

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011**
[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

29-Nov-11

Board-approved Release Date

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Independent Auditor's Report

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

We have audited the accompanying financial statements of The Greater North Central Francophone Education Region No. 2, which comprise the statement of financial position as at August 31, 2011, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of 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 judgment, 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 financial statements present fairly, in all material respects, the financial position of The Greater North Central Francophone Education Region No. 2 at August 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

King + Company

Edmonton, AB
November 29, 2011

STATEMENT OF FINANCIAL POSITION
as at August 31, 2011

(in dollars)

	2011	2010 Restated
ASSETS		
Current assets		
Cash and temporary investments	\$2,833,777	\$2,676,256
Accounts receivable (net after allowances) (Note 3)	\$2,888,024	\$3,450,180
Prepaid expenses	\$179,854	\$605,836
Other current assets	\$0	\$0
Total current assets	\$5,901,655	\$6,732,272
School generated assets	\$310,345	\$306,079
Trust assets	\$0	\$0
Long term accounts receivable	\$0	\$0
Long term investments (Note 4)	\$112,166	\$117,043
Capital assets (Note 5)		
Land	\$5,809,000	\$5,809,000
Construction in progress	\$0	\$0
Buildings	\$35,236,894	
Less: accumulated amortization	(\$16,805,930)	\$18,430,964
Equipment	\$3,170,879	
Less: accumulated amortization	(\$2,333,432)	\$837,447
Vehicles	\$165,544	
Less: accumulated amortization	(\$121,781)	\$43,763
Total capital assets	\$25,121,174	\$26,256,094
TOTAL ASSETS	\$31,445,340	\$33,411,488
LIABILITIES		
Current liabilities		
Bank indebtedness (Note 6)	\$0	\$0
Accounts payable and accrued liabilities (Note 7)	\$1,509,504	\$1,813,234
Deferred revenue (Note 8)	\$2,123,372	\$1,993,337
Deferred capital allocations	\$0	\$0
Current portion of long term debt	\$0	\$0
Total current liabilities	\$3,632,876	\$3,806,571
School generated liabilities	\$310,345	\$306,079
Trust liabilities	\$0	\$0
Employee future benefit liabilities (Note 9)	\$190,500	\$164,300
Long term debt		
Supported: Debentures and other supported debt	\$0	\$0
Less: Current portion	\$0	\$0
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)	\$17,250,515	\$18,725,024
Total long term liabilities	\$17,751,360	\$19,195,403
TOTAL LIABILITIES	\$21,384,236	\$23,001,974
NET ASSETS		
Unrestricted net assets	\$2,016,503	\$2,637,582
Operating reserves	\$143,943	\$210,863
Accumulated operating surplus (deficit)	\$2,160,446	\$2,848,445
Investment in capital assets	\$7,870,658	\$7,531,069
Capital reserves	\$30,000	\$30,000
Total capital funds	\$7,900,658	\$7,561,069
Total net assets	\$10,061,104	\$10,409,514
TOTAL LIABILITIES AND NET ASSETS	\$31,445,340	\$33,411,488

Note: Please input "(Restated)" in 2010 column heading where comparatives are not taken from the finalized 2009/2010 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2011

(in dollars)

	Actual 2011	Budget 2011	Actual 2010
REVENUES			
Government of Alberta	\$34,900,516	\$33,851,716	\$32,572,422
Federal Government and First Nations	\$1,326,025	\$1,289,062	\$1,271,990
Other Alberta school authorities	\$256,487	\$275,000	\$290,965
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$177,409	\$200,000	\$252,090
Transportation fees	\$0	\$0	\$0
Other sales and services	\$31,337	\$46,000	\$46,654
Investment income	\$54,490	\$40,000	\$11,699
Gifts and donations	\$6,673	\$8,000	\$15,777
Rental of facilities	\$126,041	\$123,720	\$138,893
Gross school generated funds	\$783,313	\$700,000	\$909,041
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,474,509	\$1,348,709	\$1,306,049
Other revenue	\$0	\$0	\$20,985
Total Revenues	\$39,136,800	\$37,882,207	\$36,836,565
EXPENSES			
Certificated salaries (Note 15)	\$16,928,747	\$16,688,312	\$16,309,317
Certificated benefits (Note 15)	\$1,828,676	\$1,895,012	\$1,766,353
Non-certificated salaries and wages (Note 15)	\$4,709,688	\$4,283,104	\$4,518,545
Non-certificated benefits (Note 15)	\$988,388	\$941,604	\$906,754
Services, contracts and supplies	\$12,411,872	\$11,713,522	\$11,726,979
Gross school generated funds	\$783,313	\$700,000	\$909,041
Capital and debt services			
Amortization of capital assets			
Supported	\$1,474,509	\$1,348,709	\$1,306,049
Unsupported	\$353,030	\$483,708	\$310,831
Total Amortization of capital assets	\$1,827,539	\$1,832,417	\$1,616,880
Interest on capital debt			
Supported	\$0	\$0	\$1,064
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$0	\$0	\$1,064
Other interest and charges	\$2,110	\$0	\$2,388
Losses on disposal of capital assets	\$0	\$0	\$2,045
Other expense	\$4,877	\$0	\$4,877
Total Expenses	\$39,485,210	\$38,053,971	\$37,764,243
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	(\$348,410)	(\$171,764)	(\$927,678)
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$348,410)	(\$171,764)	(\$927,678)

Note: Please input "(Restated)" where Actual 2010 comparatives are not as presented in the finalized 2009/2010 Audited Financial Statements filed with Alberta Education. Budget 2011 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2011

(in dollars)

	2011	2010
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	(\$348,410)	(\$927,678)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,474,509)	(\$1,306,049)
Total amortization expense	\$1,827,539	\$1,616,880
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$2,045
Changes in:		
Accounts receivable	\$562,156	(\$752,987)
Prepays and other current assets	\$425,982	(\$44,589)
Long term accounts receivable	\$0	\$0
Long term investments	\$4,877	\$4,877
Accounts payable and accrued liabilities	(\$303,730)	(\$935,568)
Deferred revenue	\$130,035	\$366,516
Employee future benefit liabilities	\$26,200	\$22,300
Other (describe)	\$0	\$0
Total cash flows from Operations	\$850,140	(\$1,954,253)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$210,343)	(\$734,379)
Equipment	(\$482,276)	(\$207,700)
Vehicles	\$0	(\$47,895)
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$692,619)	(\$989,974)
C. FINANCING ACTIVITIES		
Capital allocations	\$0	\$8,179
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	(\$14,720)
Add back: supported portion	\$0	\$14,720
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$0	\$8,179
Net cash flows from during the year	\$157,521	(\$2,936,048)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$2,676,256	\$5,612,304
Cash and temporary investments, net of bank indebtedness, at Aug. 31/11	\$2,833,777	\$2,676,256

Note: Please input "(Restated)" where Actual 2010 comparatives are not as presented in the finalized 2009/2010 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2011**

School Jurisdiction Code: 8040

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	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 Administration		Transportation		External Services	
				Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2010	\$10,095,514	\$8,160,069	\$1,694,582	\$210,863	\$30,000	\$90,863	\$30,000	\$120,000		\$0		\$0		\$0	
Prior period adjustments (describe)															
Unrecorded grant (note 18)	\$0	(\$629,000)	\$629,000	\$0	\$0	\$0	\$0	\$0				\$0		\$0	
Unrecorded revenue (note 18)	\$314,000	\$0	\$314,000	\$0	\$0	\$0	\$0	\$0				\$0		\$0	
Adjusted Balance, Aug. 31, 2010	\$10,409,514	\$7,531,069	\$2,637,582	\$210,863	\$30,000	\$90,863	\$30,000	\$120,000				\$0		\$0	
Excess (deficiency) of revenues over expenses	(\$348,410)		(\$348,410)												
Board funded capital additions		\$692,619	(\$692,619)	\$0	\$0	\$0	\$0	\$0				\$0		\$0	
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0		\$0								
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0								
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$1,827,539)	\$1,827,539												
Amortization of capital allocations		\$1,474,509	(\$1,474,509)												
Debt principal repayments (unsupported)		\$0	\$0												
Net transfers to operating reserves			\$0	\$0		\$0		\$0						\$0	
Net transfers from operating reserves			(\$66,920)	(\$66,920)		(\$66,920)								\$0	
Net transfers to capital reserves		\$0	\$0		\$0									\$0	
Net transfers from capital reserves			\$0		\$0									\$0	
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0		\$0	
Balance at August 31, 2011	\$10,061,104	\$7,870,658	\$2,016,503	\$143,943	\$30,000	\$23,943	\$30,000	\$120,000				\$0		\$0	

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

for the Year Ended August 31, 2011

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2010	\$0	\$18,096,024
Prior period adjustments	\$0	\$629,000
Adjusted balance, August 31, 2010	\$0	\$18,725,024
Add:		
Restricted capital allocations from:		
Alberta Education school building and modular projects	\$0	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
P3, other ASAP and Alberta Infrastructure managed projects		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current year supported debenture principal repayment		\$0
Expended capital allocations - current year	\$0	\$0
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,474,509
Balance at August 31, 2011	\$0	\$17,250,515

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

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2011

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 Education Grants Regulation (AR 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 are prepared in accordance with Canadian generally accepted accounting principles (GAAP). 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 and approximations. 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:

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 or receivable.

Cash and Equivalents

Cash and cash equivalents comprises cash and temporary investments which have a redemption period within 90 days of the year-end.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

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 and buses	20%
Equipment and furnishings	20% and 33%
Leasehold improvements	10%

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 \$63,134 (2010 - \$46,409) for the year ended August 31, 2011. At December 31, 2010, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,635 million (2009 deficiency of \$3,999 million).

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.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

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.

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.

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 school jurisdiction's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. 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 board classified its financial instruments as follows:

Instrument	Designation
Cash	Available-for-sale
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	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, 2011

3. ACCOUNTS RECEIVABLE

	2011	2010
Alberta Education	\$2,084,503	\$1,522,821
Federal government	515,460	1,301,765
Alberta Health Services	165,249	50,953
Other school jurisdictions	69,696	23,612
Other	53,116	201,881
Student Health Initiative Trust (SHI Banker Board)	-	31,148
	<u>\$2,880,024</u>	<u>\$3,450,180</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. This investment is interest-free.

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, 2011	Total Aug. 31, 2010
Estimated Useful life			25-40 Years	3-5 Years	5-10 Years	5-10 Years		
Historical cost								
September 1, 2010	\$5,809,000	\$0	\$35,026,552	\$900,727	\$1,969,442	\$165,544	\$43,871,265	\$42,968,027
Additions	\$0	\$0	\$210,343	\$348,409	\$133,867	\$0	\$692,619	\$989,973
Transfers in (out)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less disposals including write-offs	\$0	\$0	\$0	(\$47,828)	(\$133,739)	\$0	(\$181,567)	(\$86,735)
August 31, 2011	<u>\$5,809,000</u>	<u>\$0</u>	<u>\$35,236,895</u>	<u>\$1,201,308</u>	<u>\$1,969,570</u>	<u>\$165,544</u>	<u>\$44,382,317</u>	<u>\$43,871,265</u>
Accumulated amortization								
September 1, 2010	-	-	\$15,240,059	\$638,857	\$1,637,744	\$98,511	\$17,615,171	\$16,082,982
Amortization expense	-	-	\$1,565,872	\$130,359	\$108,038	\$23,270	\$1,827,539	\$1,616,880
Transfers in (out)	-	-	\$0	\$0	\$0	\$0	\$0	\$0
Effect of disposals	-	-	\$0	(\$47,828)	(\$133,739)	\$0	(\$181,567)	(\$84,691)
August 31, 2011	-	-	<u>\$16,805,931</u>	<u>\$721,388</u>	<u>\$1,612,043</u>	<u>\$121,781</u>	<u>\$19,261,143</u>	<u>\$17,615,171</u>
Net Book Value at August 31, 2010	<u>\$5,809,000</u>	<u>\$0</u>	<u>\$18,430,964</u>	<u>\$479,920</u>	<u>\$357,527</u>	<u>\$43,763</u>	<u>\$25,121,174</u>	<u>\$26,256,094</u>

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, 2011.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements
For the Year Ended August 31, 2011

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2011	2010
Other - operating	\$1,488,591	\$1,681,115
- capital	-	111,298
Other school jurisdictions	<u>20,913</u>	<u>20,821</u>
	<u>\$1,509,504</u>	<u>\$1,813,234</u>

8. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2010	ADD: 2010/2011 Restricted Funds Received/ Receivable	DEDUCT: 2010/2011 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2010/2011 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2011
Alberta Education Restricted Operational Funding:					
Alberta Initiative for School Improvement	\$0	\$324,523	(\$324,523)	\$0	\$0
Infrastructure Maintenance Renewal	\$1,174,260	\$458,290	(\$340,727)	\$0	\$1,291,823
Portable/Modular Unit Relocation	\$0	\$54,645	(\$54,645)	\$0	\$0
Regional Educational Consulting Services	(\$38,763)	\$678,114	(\$690,723)	\$0	(\$51,372)
Small Class Size Initiative	\$0	\$0	\$0	\$0	\$0
Student Health Initiative (School Authorities)	\$0	\$80,987	(\$80,987)	\$0	\$0
SuperNet Service	\$0	\$100,295	(\$100,295)	\$0	\$0
Other Alberta Education deferred revenue					
School Bus Safety	\$50,419	\$0	(\$3,194)	\$0	\$47,225
Test Bank	\$359,018	\$322,000	(\$292,697)	\$0	\$388,321
Health Pathways	\$279,146	\$215,000	(\$174,520)	\$0	\$319,626
Inclusive Education (RECS)	\$145,988	\$100,000	(\$118,239)	\$0	\$127,749
Exterior Cladding	\$23,269	\$0	(\$23,269)	\$0	\$0
Other Government of Alberta Restricted Funding:					
	\$0	\$0	\$0	\$0	\$0
Other Deferred Revenue:					
	\$0	\$0	\$0	\$0	\$0
Total	\$1,993,337	\$2,333,854	(\$2,203,819)	\$0	\$2,123,372

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2011

9. EMPLOYEE FUTURE BENEFITS

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

	2010	2010
Opening balance	\$164,300	\$142,000
Current service costs	<u>26,200</u>	<u>22,300</u>
Closing balance	<u>\$190,500</u>	<u>\$164,300</u>

Included in expenses are the following:

	2010	2010
Registered retirement savings plan	\$204,845	\$204,253
Local Authorities Pension Plan	63,134	46,409
Retirement benefit obligation	<u>26,200</u>	<u>22,300</u>
	<u>\$294,179</u>	<u>\$272,962</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, 2011

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:

2012	\$218,761
2013	72,920

Major Repairs

The school jurisdiction is committed to a major repair project with a total cost which is estimated to be \$1,508,000. For the year ended August 31, 2011 \$898,000 has been expended in the accounts. The Government of Alberta has committed \$1,410,000 to support for the project.

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 that are consolidated 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 (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
2010-2011				
Government of Alberta:				
Education	\$2,084,503		\$34,426,749	\$40,174
Infrastructure & Transportation				
Finance				
Health & Wellness				
Human Resources/Employment	\$3,800		\$3,800	
Other Gov't of Alberta departments				
Other:				
Health authorities	\$165,249		\$469,968	\$37,983
Post-secondary institutions				
Other Alberta school jurisdictions	\$69,696	\$20,913	\$135,900	\$1,084,989
Other related parties				
TOTAL 2010-2011	\$2,323,248	\$20,913	\$35,036,417	\$1,163,146
TOTAL 2009-2010	\$976,185	\$20,821	\$32,743,123	\$1,318,629

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2011

14. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

15. REMUNERATION AND MONETARY INCENTIVES

The school jurisdiction had paid or accrued expenses for the year ended August 31, 2011 to or on behalf of the following 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							
Paul Dumont	0.8	\$10,500	\$262	\$0			\$6,125
Claude Duret	0.2	\$1,340	\$50	\$0			\$494
Other members							
Laurent Bolduc	1.0	\$8,575	\$172	\$0			\$4,296
Karen Doucet	1.0	\$11,315	\$277	\$0			\$3,599
Kevin Bell	0.8	\$4,230	\$62	\$0			\$1,326
Nathalie Lachance	0.8	\$6,000	\$129	\$0			\$672
Nicole Lorrain	0.8	\$6,250	\$138	\$0			\$9,454
Ginette Martel	0.8	\$8,930	\$210	\$0			\$8,367
Martin Blanchet	0.2	\$1,110	\$44	\$0			\$408
Fred Kreiner	0.2	\$505	\$0	\$0			\$0
Denis Vincent	0.2	\$405	\$0	\$0			\$0
Paul Dumont	0.2	\$205	\$0	\$0			\$457
Subtotal	7.0	\$59,365	\$1,344	\$0			\$35,198
Superintendent (1)	1.0	\$185,155	\$23,042	\$0	\$0	\$0	\$47,454
Secretary/Treasurer (1)	0.9	\$120,603	\$32,786	\$0	\$0	\$0	\$10,622
Certificated Teachers	188.4	\$16,743,592	\$1,805,634	\$0	\$0	\$0	
Non-certificated - Other	99.9	\$4,529,720	\$954,258	\$0	\$0	\$0	
TOTALS		\$21,638,435	\$2,817,064	\$0	\$0	\$0	

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2011

16. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on November 23, 2010. It is presented for information purposes only and has not been audited.

17. CAPITAL DISCLOSURES

The school jurisdiction defines capital as the sum of unrestricted net assets, operating reserves, net assets invested in capital assets and capital reserves. The jurisdiction is not subject to externally imposed requirements on capital.

The school jurisdiction's objectives when managing capital is to safeguard the jurisdiction's ability to continue to deliver primary and secondary education programs. The school jurisdiction minimizes its exposure to external financial obligations and holds cash to ensure sufficient liquidity.

18. PRIOR PERIOD ADJUSTMENTS

The amount of a financial commitment made during the fiscal years ended August 31, 2009 and August 31, 2010 were finalized during the current fiscal year. The Government of Alberta has provided \$314,000 to reimburse costs incurred in 2009 for the move and setup of a school facility and provided \$629,000 to reimburse the Board for leasehold improvements costs incurred in the 2010 fiscal year. These amounts should have been recorded as accounts receivable in their respective periods. As a result the school jurisdiction has amended its financial statements retrospectively as follows:

	Previously Reported	Adjustments	Restated
Statement of Financial Position as at August 31, 2009			
Accounts receivable	\$1,754,193	\$314,000	\$2,068,193
Unrestricted net assets	2,689,697	314,000	3,003,697
Statement of Revenues and Expenses for the Year Ended August 31, 2009			
Revenues from Government of Alberta	31,536,998	314,000	31,850,998
Excess of revenues over expenses	257,659	314,000	571,659
Statement of Financial Position as at August 31, 2010			
Accounts receivable	2,507,180	943,000	3,450,180
Unamortized external capital contributions	18,096,024	629,000	18,725,024
Investment in capital assets	8,160,069	(629,000)	7,531,069
Unrestricted net assets	1,694,582	943,000	2,637,582

UNAUDITED SCHEDULES
TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011
[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

"Dated and Signed Electronically"

Signature

November 29, 2011

Dated

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SCHEDULE A

School Jurisdiction Code: 8040

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2010/2011

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$1,706,001	\$20,706,497	\$5,145,611	\$4,237,525	\$1,428,178	\$1,202,936	\$34,426,748
(2) Other - Government of Alberta	\$0	\$469,968	\$3,800	\$0	\$0	\$0	\$473,768
(3) Federal Government and First Nations	\$743,544	\$410,591	\$0	\$0	\$0	\$171,890	\$1,326,025
(4) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$256,487	\$256,487
(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	\$17,741	\$159,668					\$177,409
(8) Transportation fees-ECS							\$0
(9) Transportation fees-Grades 1-12							\$0
(10) Other sales and services	\$0	\$1,230	\$0	\$0	\$20,553	\$9,554	\$31,337
(11) Investment income	\$1,325	\$20,540	\$4,638	\$3,975	\$24,012	\$0	\$54,490
(12) Gifts and donations	\$0	\$6,673	\$0	\$0	\$0	\$0	\$6,673
(13) Rental of facilities	\$0	\$0	\$126,041	\$0	\$0	\$0	\$126,041
(14) Gross school generated funds	\$78,331	\$704,982	\$0	\$0	\$0	\$0	\$783,313
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Amortization of capital allocations	\$0	\$48,117	\$1,426,392	\$0	\$0	\$0	\$1,474,509
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$2,546,942	\$22,528,266	\$6,706,482	\$4,241,500	\$1,472,743	\$1,640,867	\$39,136,800
EXPENSES							
(19) Certificated salaries	\$1,631,382	\$14,682,435			\$309,926	\$305,004	\$16,928,747
(20) Certificated benefits	\$175,803	\$1,582,225			\$34,273	\$36,375	\$1,828,676
(21) Non-certificated salaries and wages	\$269,469	\$2,425,218	\$1,114,141	\$83,388	\$486,261	\$331,211	\$4,709,688
(22) Non-certificated benefits	\$58,213	\$523,918	\$220,216	\$22,994	\$109,950	\$53,097	\$988,388
(23) SUB - TOTAL	\$2,134,867	\$19,213,796	\$1,334,357	\$106,382	\$940,410	\$725,687	\$24,455,499
(24) Services, contracts and supplies	\$333,744	\$2,451,666	\$3,911,258	\$4,278,116	\$522,135	\$914,953	\$12,411,872
(25) Gross school generated funds	\$78,331	\$704,982					\$783,313
(26) Amortization of capital assets	\$0	\$213,075	\$1,604,483	\$0	\$9,981	\$0	\$1,827,539
(27) Interest and charges	\$0	\$1,666	\$0	\$0	\$217	\$227	\$2,110
(28) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(29) Other expense	\$0	\$0	\$4,877	\$0	\$0	\$0	\$4,877
(30) TOTAL EXPENSES	\$2,546,942	\$22,585,185	\$6,854,975	\$4,384,498	\$1,472,743	\$1,640,867	\$39,485,210
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$0	(\$56,919)	(\$148,493)	(\$142,998)	\$0	\$0	(\$348,410)

**SCHEDULE B
SCHOOL GENERATED FUNDS (SGF) - 2010/2011**

Unexpended SGF - Opening Balance August 31, 2010 (Note 1)			\$306,079
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$769,237	\$9,062	\$760,175
Student fees (non-instructional) (note 1)	\$0	\$0	\$0
Donations and grants to schools	\$18,342	\$0	\$18,342
Other (describe):	\$0	\$0	\$0
Net Additions to SGF	\$787,579	\$9,062	\$778,517
Net SGF Available			\$1,084,596
Uses of Net School Generated Funds:			
Extra-curricular activities			\$580,688
Field trips			\$193,563
Other (describe):			\$0
Total Uses of Net SGF (Note 2)			\$774,251
Unexpended SGF - Closing Balance August 31, 2011 (Note 3)			\$310,345
<p>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.)</p> <p>Notes:</p> <ol style="list-style-type: none"> 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 - 2010/2011**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR & 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	\$1,088,647	\$0	\$0	\$0	\$25,494		\$1,114,141		\$1,114,141
Uncertificated benefits	\$214,097	\$0	\$0	\$0	\$6,119		\$220,216		\$220,216
Sub-total Remuneration	\$1,302,744	\$0	\$0	\$0	\$31,613		\$1,334,357		\$1,334,357
Supplies and services	\$307,649	\$2,424,909	\$0	\$340,727	\$105,371		\$3,178,656		\$3,178,656
Electricity			\$342,217				\$342,217		\$342,217
Natural gas/heating fuel			\$284,822				\$284,822		\$284,822
Sewer and water			\$53,737				\$53,737		\$53,737
Telecommunications			\$26,944				\$26,944		\$26,944
Insurance					\$29,759		\$29,759		\$29,759
Amortization of capital assets									
Supported									
Unsupported						\$178,091	\$178,091	\$1,426,392	\$1,426,392
Total Amortization						\$178,091	\$178,091	\$1,426,392	\$1,604,483
Interest on capital debt									
Supported								\$0	\$0
Unsupported									\$0
Other interest charges									\$0
Losses on disposal of capital assets									\$0
TOTAL EXPENSES	\$1,610,393	\$2,424,909	\$707,720	\$340,727	\$166,743	\$178,091	\$5,428,583	\$1,426,392	\$6,854,975
SQUARE METRES									
School buildings									45,600.9
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.