

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2005**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

CONSEIL SCOLAIRE DU NORD-OUEST No. 1

Legal Name of School Jurisdiction

C.P. 1220, ST. ISIDORE, ALBERTA T0H 3B0

Mailing Address

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules _____ **CONSEIL SCOLAIRE DU NORD-OUEST No. 1**
(Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

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 budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board 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 have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules 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 Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

CHANTAL MONFETTE

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

DOLORESE NOLETTE

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

ANITA BELZILE

Name

"ORIGINAL SIGNED"

Signature

1-Dec-05

Board-approved Release Date

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AUDITORS' REPORT

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

We have audited the statement of financial position of the Regional Authority of THE NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1 as at August 31, 2005 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2005 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

'Original Signed'

SYLVAIN & DORAN

Falher, Alberta
November 7, 2005

CERTIFIED GENERAL ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
as at August 31, 2005

(in dollars)

	2005	2004 RESTATED
ASSETS		
Current assets		
Cash and temporary investments	\$959,452	\$326,941
Accounts receivable (net after allowances)	\$282,915	\$323,621
Prepaid expenses	\$74,301	\$38,213
Other current assets	\$22,343	\$16,129
Total current assets	\$1,339,011	\$704,904
School generated assets	\$83,485	\$68,169
Trust assets	\$0	\$0
Long term accounts receivable	\$0	\$0
Long term investments	\$11,966	\$11,747
Capital assets		
Land	\$75,000	\$75,000
Buildings	\$5,423,734	
Less: accumulated amortization	(\$1,226,355)	\$4,362,692
Equipment	\$100,433	
Less: accumulated amortization	(\$78,854)	\$30,906
Vehicles	\$288,951	
Less: accumulated amortization	(\$247,967)	\$40,984
Total capital assets	\$4,334,942	\$4,526,074
TOTAL ASSETS	\$5,769,404	\$5,310,894
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$228,065	\$69,596
Deferred revenue	\$194,848	\$93,545
Deferred capital allocations	\$0	\$0
Current portion of all long term debt	\$0	\$0
Total current liabilities	\$422,913	\$163,141
School generated liabilities	\$83,485	\$68,169
Trust liabilities	\$0	\$0
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$0	\$0
Less: Current portion of supported debt	\$0	\$0
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$3,924,284	\$4,080,899
Total long term liabilities	\$4,007,769	\$4,149,068
TOTAL LIABILITIES	\$4,430,682	\$4,312,209
NET ASSETS		
Unrestricted net assets	\$242,169	\$48,749
Operating Reserves	\$333,811	\$160,813
Accumulated Operating Surplus (Deficit)	\$575,980	\$209,562
Investment in capital assets	\$410,658	\$445,175
Capital Reserves	\$352,084	\$343,948
Total Capital Funds	\$762,742	\$789,123
Total net assets	\$1,338,722	\$998,685
TOTAL LIABILITIES AND NET ASSETS	\$5,769,404	\$5,310,894

Note: Input "(Restated)" in 2004 column heading where comparatives are not taken from the finalized 2003-2004 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2005

(in dollars)

	Actual 2005	Budget 2005 RESTATED	Actual 2004 RESTATED
REVENUES			
Government of Alberta	\$4,088,197	\$3,857,691	\$3,517,469
Federal Government and/or First Nations	\$15,338	\$12,500	\$17,268
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	\$0
Instruction resource fees	\$13,394	\$14,547	\$12,971
Transportation fees	\$0	\$0	\$0
Other sales and services	\$15,420	\$14,665	\$16,182
Investment income	\$13,760	\$2,500	\$6,319
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$0	\$500	\$0
Net school generated funds	\$27,365	\$15,000	\$23,609
Gains on disposal of capital assets	\$0	\$0	\$1,250
Amortization of capital allocations	\$180,396	\$189,262	\$180,395
Total Revenues	\$4,353,870	\$4,106,665	\$3,775,463
EXPENSES			
Certificated salaries	\$1,720,244	\$1,783,997	\$1,688,878
Certificated benefits	\$200,405	\$215,690	\$205,495
Uncertificated salaries and wages	\$498,850	\$524,270	\$453,429
Uncertificated benefits	\$80,018	\$89,218	\$66,560
Services, contracts and supplies	\$1,270,680	\$1,278,082	\$1,196,854
Net school generated funds	\$27,365	\$15,000	\$23,609
Capital and debt services			
Amortization of capital assets			
Supported	\$180,396	\$189,262	\$180,395
Unsupported	\$34,517	\$12,795	\$46,010
Total Amortization of capital assets	\$214,913	\$202,057	\$226,405
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$0	\$0	\$0
Other interest charges	\$1,358	\$0	\$1,741
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$4,013,833	\$4,108,314	\$3,862,971
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	\$340,037	(\$1,649)	(\$87,508)
Extraordinary Item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$340,037	(\$1,649)	(\$87,508)

Note: Input "(Restated)" in Budget 2005 and/or Actuals 2004 column headings where comparatives are not taken from the respective finalized 2004-2005 Budget Report and/or finalized 2003-2004 Audited Financial Statements.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2005
(in dollars)

	2005	2004 RESTATED
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$340,037	(\$87,508)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$180,396)	(\$180,395)
Total amortization expense	\$214,913	\$226,405
Gains on disposal of capital assets	\$0	(\$1,250)
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$40,706	\$42,892
Prepays and other current assets	(\$42,302)	\$13,132
Long term accounts receivable	\$0	\$0
Long term investments	(\$219)	\$26
Payables and accrued liabilities	\$158,469	(\$71,812)
Deferred revenue	\$101,303	\$16,347
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$632,511	(\$42,163)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$23,781)	(\$1,534)
Equipment	\$0	\$0
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$1,250
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$23,781)	(\$284)
C. FINANCING ACTIVITIES		
Capital allocations	\$23,781	\$0
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	\$0
Add back: supported portion	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$23,781	\$0
Net sources (uses) of cash during year	\$632,511	(\$42,447)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/04	\$326,941	\$369,388
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	\$959,452	\$326,941

Note: 1 Input "(Restated)" in 2004 column heading where not taken from the finalized 2003-2004 Audited Financial Statements.
2 Cash and temporary investments are net of cash obligations.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2005**

School Jurisdiction 8050

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O & M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2004	\$977,341	\$445,175	\$27,405	\$504,761	\$142,002	\$125,904	\$0	\$0	\$0	\$0	\$0	\$218,044	\$18,811	\$0
Prior period adjustments (describe)														
A/R understated - francisation	\$21,344	\$0	\$21,344	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2004	\$998,685	\$445,175	\$48,749	\$504,761	\$142,002	\$125,904	\$0	\$0	\$0	\$0	\$0	\$218,044	\$18,811	\$0
Surplus(def) of revenue over expenses	\$340,037		\$340,037											
Board funded capital transactions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Direct credits to net assets	\$0	\$0												
Amortization of capital assets		(\$214,913)	\$214,913											
Amortization of capital allocations		\$180,396	(\$180,396)											
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0
Debt principal payments (unsupported)		\$0	\$0											
Net transfers to operating reserves			\$0	\$0	\$0		\$0		\$0		\$0		\$0	
Net transfers from operating reserves			(\$172,998)	\$172,998	\$172,998		\$0		\$0		\$0		\$0	
Net transfers to capital reserves			(\$8,136)	\$8,136		\$8,136		\$0		\$0		\$0		\$0
Net transfers from capital reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0
Balance at August 31, 2005	\$1,338,722	\$410,658	\$242,169	\$685,895	\$315,000	\$134,040	\$0	\$0	\$0	\$0	\$0	\$218,044	\$18,811	\$0

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)
for the Year Ended August 31, 2005
(in dollars)**

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 20	\$0	\$4,080,899
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2004	\$0	\$4,080,899
Add:		
Capital allocations from: Infrastructure and Transportation-New/Modernization Projects	\$23,781	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (amortizable, at Fair Market Value)		\$0
Transferred in capital assets (amortizable, at Net Book Value)		\$0
Current Year Debenture Principal Repayment		\$0
Expended capital allocations - current year	(\$23,781)	\$23,781
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$180,396
Balance at August 31, 2005	\$0	\$3,924,284

REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE
EDUCATION REGION NO. 1
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2005

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 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been 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:

a) Revenue Recognition

Revenue is recognized as follows:

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.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

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

REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE
EDUCATION REGION NO. 1
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - con't

b) **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 - masonry and cement	2.5%
- wood frame or renovations	4.0%
Building site improvements	5.0%
Vehicles & buses	10.0%
Equipment	20.0%

Only 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.

c) **School Generated Funds**

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

d) **Vacation Pay**

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

e) **Pensions**

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Regional Authority of the Northwest Francophone Education Region No. 1 does not make pension contributions for certificated staff.

f) **Inventories**

Inventories are recorded at the lesser of cost or net realizable value.

**REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE
EDUCATION REGION NO. 1
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**
For the year ended August 31, 2005

g) Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

h) 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.

i) Financial Instruments

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

j) Operating and Capital Reserves

Reserves are established and the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

k) Investments

Short-term investments are recorded at the lower of cost and market value. Long term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE
EDUCATION REGION NO. 1
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2005

3. ACCOUNTS RECEIVABLE

	2005	2004
	\$	\$
		Restated
Province of Alberta	144,157	188,189
Province of Alberta - federal language program	92,088	31,787
Federal Government	30,226	82,676
Alberta Municipalities	-	-
Other Alberta School Jurisdictions	-	-
Other	16,444	20,969
	282,915	323,621

4. CAPITAL ASSETS AND ACCUMULATED AMORTIZATION

	2004			2005
	\$	\$	\$	\$
CAPITAL ASSETS	Cost	Additions	Disposals	Cost
Land	75,000	-	-	75,000
Buildings	5,399,953	23,781	-	5,423,734
Equipment	100,433	-	-	100,433
Vehicles	339,907	-	50,957	288,950
	5,915,293	23,781	50,957	5,888,117
ACCUMULATED AMORTIZATION	Balance	Additions	Deductions	Balance
Buildings	1,037,261	189,094	-	1,226,355
Equipment	69,527	9,327	-	78,854
Vehicles	282,431	16,492	50,957	247,966
	1,389,219	214,913	50,957	1,553,175
Net book value	4,526,074			4,334,942

5. 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 savings account. There was no balance outstanding on the overdraft agreement at August 31, 2005.

REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE
 EDUCATION REGION NO. 1
 AUDITORS' NOTES TO THE FINANCIAL STATEMENTS
 For the year ended August 31, 2005

6. ACCOUNTS PAYABLE AND LIABILITIES

	2005	2004
	\$	\$
Province of Alberta	15,508	14,215
Federal Government	-	-
Alberta Municipalities	-	-
Other Alberta School Jurisdictions	-	-
Other Trade Payables and Accrued Liabilities	212,557	55,381
	228,065	69,596

7. DEFERRED REVENUE

	2005	2004
	\$	\$
Unspent portion 2003 - 2004 O&M funding	72,416	75,000
Video-conferencing grant	60,000	-
Class size initiative grant	30,510	-
Infrastructure Maintenance Program	25,791	12,793
Block BQRP funding	-	5,752
Other	6,131	-
	194,848	93,545

8. OTHER REVENUE FROM ALBERTA EDUCATION

	2005	2004
	\$	\$
Operations & maintenance - base support Apr-Aug/05	131,708	-
Microsoft license	378	-
Classroom resources - one time funding	869	9,293
2003-2004 One time identified shortfalls payment	-	16,171
	132,955	25,464

9. DEFERRED CAPITAL ALLOCATIONS

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

REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE
 EDUCATION REGION NO. 1
 AUDITORS' NOTES TO THE FINANCIAL STATEMENTS
 For the year ended August 31, 2005

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. INTERNALLY RESTRICTED NET ASSETS

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the board.

	2004			2005
	Balance	Appropriated	Utilized	Balance
	\$	\$	\$	\$
Operating				
School - instruction	142,002	172,998	-	315,000
School - operation and maintenance	-	-	-	-
System administration	-	-	-	-
Transportation	-	-	-	-
External services	18,811	-	-	18,811
	160,813	172,998	-	333,811
Capital				
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	125,904	8,136	-	134,040
Vehicles	218,044	-	-	218,044
	343,948	8,136	-	352,084
	504,761	181,134	-	685,895

12. COMMITMENTS

- a) An operating lease agreement for a Canon photocopier was signed in December 2003. The quarterly lease payments of \$407.07 plus G.S.T. total \$6,097.84 over a forty-two month period (last payment due May 1, 2007).
- b) An operating lease agreement for office space was signed in August 2002. The annual lease payments of \$16,000 total \$48,000 over a three year period (lease in effect to August 31, 2005).

REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE
EDUCATION REGION NO. 1
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS
For the year ended August 31, 2005

13. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Regional Authority of the Northwest Francophone Education Region No. 1 primary source of income is from the Alberta Government. The Regional Authority's ability to continue viable operations is dependent on this funding.

14. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction management with Board of Trustees approval of the revised version on August 18, 2004. It is presented for information purposes only and has not been audited.

15. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to actual 2005 presentation. Federal french language funding for 2004/05 is shown as provincial revenue because it is received via Alberta Education and is included with provincial funding under schedule B. The 2003/04 provincial revenues have been restated to show an increase of \$100,932. The federal revenues (2004 \$118,200) have been also restated to \$17,268, showing an offsetting decrease of \$100,932.

16. PRIOR PERIOD ADJUSTMENTS

Accounts receivable (2004 \$302,277) has been restated to \$323,261 to reflect an increase of \$21,344 in provincial francisation funding for 2003/04. Therefore the deficit of revenues over expenses (2004 \$108,852) has been restated to \$87,508.

SCHEDULE A to the AFS

School Jurisdiction Code 8050

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2004-2005

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education Revenues	\$3,805,970	\$2,730,354	\$131,708	\$535,908	\$408,000	\$0
Alberta Infrastructure and Transportation						
(2) Infrastructure Maintenance Program & Portable Relocations support	\$39,674	\$0	\$39,674			
(3) Regular Operations & Maintenance support	\$184,391		\$184,391			
(4) Other support	\$57,262	\$0	\$57,262			
(5) Total Alberta Infrastructure and Transportation Revenues	\$281,327	\$0	\$281,327			
(6) Alberta Finance	\$0		\$0			\$0
(7) Other - Government of Alberta	\$900	\$0	\$900	\$0	\$0	\$0
(8) Federal Government and/or First Nations	\$15,338	\$14,435	\$903	\$0	\$0	\$0
(9) Other Alberta school authorities	\$0		\$0	\$0	\$0	\$0
(10) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(11) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(12) Instruction resource fees	\$13,394	\$13,394				
(13) Transportation fees	\$0			\$0		
(14) Other sales and services	\$15,420	\$225	\$533	\$14,662	\$0	\$0
(15) Investment income	\$13,760	\$13,760	\$0	\$0	\$0	\$0
(16) Gifts and donations	\$0	\$0	\$0			\$0
(17) Rentals of facilities	\$0	\$0	\$0	\$0	\$0	\$0
(18) Net school generated funds	\$27,365	\$27,365			\$0	
(19) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(20) Amortization of capital allocations	\$180,396	\$0	\$177,449	\$2,947		\$0
(21) TOTAL REVENUES	\$4,353,870	\$2,799,533	\$592,820	\$553,517	\$408,000	\$0
EXPENSES						
(22) Certificated salaries	\$1,720,244	\$1,616,798			\$103,446	\$0
(23) Certificated benefits	\$200,405	\$190,550			\$9,855	\$0
(24) Uncertificated salaries and wages	\$498,850	\$352,103	\$27,936	\$16,795	\$102,016	\$0
(25) Uncertificated benefits	\$80,018	\$56,454	\$4,228	\$2,894	\$16,442	\$0
(26) SUB - TOTAL	\$2,499,517	\$2,215,905	\$32,164	\$19,689	\$231,759	\$0
(27) Services, contracts & supplies	\$1,270,680	\$373,938	\$371,562	\$400,307	\$124,873	\$0
(28) Cost recoveries & charges to programs	\$0	\$0	\$0	\$0	\$0	\$0
(29) Net school generated funds	\$27,365	\$27,365				
Capital and debt services						
Amortization of capital assets						
(30) Supported	\$180,396	\$0	\$177,449	\$2,947	\$0	\$0
(31) Unsupported	\$34,517	\$9,327	\$11,645	\$13,545	\$0	\$0
(32) Total Amortization	\$214,913	\$9,327	\$189,094	\$16,492	\$0	\$0
Interest on capital debt						
(33) Supported	\$0	\$0	\$0	\$0	\$0	\$0
(34) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(35) Other interest charges	\$1,358	\$0	\$0	\$0	\$1,358	\$0
(36) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(37) TOTAL EXPENSES	\$4,013,833	\$2,626,535	\$592,820	\$436,488	\$357,990	\$0
(38) SURPLUS (DEFICIT) BEFORE EXTRAORDINARY ITEM	\$340,037	\$172,998	\$0	\$117,029	\$50,010	\$0

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUES 2004-2005

	TOTAL
Base Funding	
Early Childhood Services (ECS)	\$94,316
Base Instruction (Gr 1-12)	\$1,323,235
Outreach Programs	\$0
Home Education	\$2,482
Differential Cost Funding *	\$1,987,354
Other Provincial Support	
Institutional Programs	\$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	\$0
Learning Resources Credit	\$2,177
Federal French Funding	\$221,049
Provincial Priority Targeted Funding	
Class Size Initiative	\$6,206
Student Health Initiative (SHI)	\$0
Alberta Initiative for School Improvement (AIS)	\$34,686
High Speed Networking	\$1,510
Children and Youth with Complex Needs	\$0
Other Alberta Education Revenues (describe): O&M base support 5/12, Microsoft license, texts(social studies program)	\$132,955
Total Alberta Education Revenues	\$3,805,970

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for students with severe disabilities, English as a second language students, Francisation and support services for immigrant students, aboriginal students, gifted & talented early childhood services children and those with mild or moderate or severe disabilities, the percentage of the student population experiencing low socio-economic status, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and cost differences among school jurisdictions for purchasing goods and services.

SCHEDULE C the AFS
ECS to Grade 12 INSTRUCTION PROGRAMS Expense Details - 2004-2005

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies ¹	Learning Resources	Cost Recoveries & Transfers	Other Expenses ²	TOTAL EXPENSES
School Administration & All Instruction Support	\$179,000	\$72,976	\$161,799		\$0	\$0	\$413,775
Mild & Moderate Disabilities/Gifted & Talented(ECS-12)	\$114,361	\$0	\$11,166		\$0		\$125,527
ECS Program Unit (PUF)	\$0	\$4,602	\$4,177		\$0		\$8,779
Severe Disabilities (Gr 1-12)	\$55,628	\$44,588	\$15,409		\$0		\$115,625
English as a Second Language	\$34,824	\$0	\$0		\$0		\$34,824
French Language Program & Francisation (all jurisdictions)	\$276,614	\$44,390	\$4,485		\$0		\$325,489
First Nations, Metis and Inuit Education(ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
Home Education	\$0	\$0	\$728		\$0		\$728
Institutional Programs	\$0	\$0	\$0		\$0		\$0
Alberta Initiative for School Improvement	\$9,962	\$0	\$24,954	\$0	\$0		\$34,916
Student Health Initiative	\$0	\$0	\$0		\$0		\$0
High Speed Networking			\$1,511		\$0		\$1,511
Class Size	\$6,206	\$0	\$0	\$0	\$0		\$6,206
Children and Youth with Complex Needs(ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses(ECS - Gr 12)	\$1,130,753	\$242,001	\$88,971	\$60,738	\$0	\$36,692	\$1,559,155
TOTAL EXPENSES	\$1,807,348	\$408,557	\$313,200	\$60,738	\$0	\$36,692	\$2,626,535

FULL-TIME-EQUIVALENCIES(Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	1.7	0.0
ECS Program Unit (PUF)	0.0	0.2
Severe Disabilities (Gr 1-12)	0.7	1.4

Note 1 Excludes Learning Resources.

Note 2 Includes Net School Generated Funds, Amortization, Interest, and Losses on Disposal of Instruction Program Capital Assets.

**SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMIT FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION - 2004-2005**

TOTAL EXPENSES		\$4,013,833
STEP 1		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	6.00%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
<p>The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE. EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%. Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.</p>		
STEP 2		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		\$240,830
Considerations for Charter Schools and Small School Boards:		
If Charter School , enter \$56,100	\$0	\$0
If School Board , please enter your 04-05 Gr 1- 12 funded enrolment	303	
	\$408,000	\$408,000
MAXIMUM EXPENSE LIMIT		\$408,000
STEP 3		
Compare maximum expense limit amounts calculated in Step 2 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$357,990
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$0
LESS: transfers from Restricted - Operating (Board/System Administration)		\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$357,990
MAXIMUM EXPENSE LIMIT		\$408,000
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		-\$50,010

**SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2004-2005**

Unexpended SGF - Opening Balance August 31, 2004 (Note 1)			\$68,169
Source of Net School Generated Funds:			
	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$138,417	\$100,061	\$38,356
Student fees (Non-Instructional) (Note 2)	\$3,830		\$3,830
Donations and grants to schools	\$495		\$495
Other (describe):	\$0	\$0	\$0
Net Additions to SGF	\$142,742	\$100,061	\$42,681
Net SGF Available for Discretionary Spending			\$110,850
Application of Net School Generated Funds:			
Extra-curricular activities			\$16,831
School beautification			\$0
Field Trips			\$0
Equipment			\$0
Family literacy and other community resources			\$0
Other (describe): school instruction expenses			\$10,534
Net SGF Expended for Discretionary Purposes (Note 3)			\$27,365
Unexpended SGF - Closing Balance August 31, 2005 (Note 4)			\$83,485
<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 fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the <i>School Act</i>, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)</p>			
<p>Note 1 Input "(Restated)" beside Balance at August 31, 2004 where not taken from the finalized 2003-2004 Audited Financial Statements.</p>			
<p>Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.</p>			
<p>Note 3 Net SGF Expended for Discretionary Purposes is recorded as revenue and expense in the Statement of Revenues & Expenses.</p>			
<p>Note 4 Unexpended SGF is carried forward to the Statement of Financial Position.</p>			

**SCHEDULE F to the AFS
Operations and Maintenance Program Expenses - 2004-2005**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed Mod./I.M.P. & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$0	\$8,119	\$0	\$1,966	\$17,851	\$27,936		\$27,936
Uncertificated benefits	\$0	\$625	\$0	\$290	\$3,313	\$4,228		\$4,228
Sub-total Remuneration	\$0	\$8,744	\$0	\$2,256	\$21,164	\$32,164		\$32,164
Contracted Services	\$99,060	\$66,174	\$0	\$69,865	\$15,716	\$250,815		\$250,815
Supplies	\$9,164	\$0	\$0	\$7,414	\$0	\$16,578		\$16,578
Electricity			\$54,291			\$54,291		\$54,291
Natural Gas/Heating Fuel			\$38,023			\$38,023		\$38,023
Sewer and Water			\$7,121			\$7,121		\$7,121
Telecommunications			\$0			\$0		\$0
Insurance					\$4,734	\$4,734		\$4,734
Amortization of capital assets								
Supported							\$177,449	\$177,449
Unsupported						\$11,645		\$11,645
Total Amortization						\$11,645	\$177,449	\$189,094
Interest on capital debt								
Supported							\$0	\$0
Unsupported				\$0		\$0		\$0
Other interest charges						\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$108,224	\$74,918	\$99,435	\$79,535	\$41,614	\$415,371	\$177,449	\$592,820
SQUARE METRES								
School Buildings								6,043.5
Non School Buildings								495.0
UNCERTIFICATED FTE'S (Board/Contract)	2.1	0.7						

- Notes:**
- Custodial:** All expenses related to activities undertaken to keep the school environment clean and safe.
 - Maintenance:** All expenses associated with the repair, replacement 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.
 - Utilities & Telecommunications:** All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
 - Expensed Block Mod/I.M.P. & Portable Relocations:** All expenses associated with non-capital activities related to Block Modernization, Infrastructure Maintenance Programs (AKA Building Quality Restoration Program) and 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 and contractors, administration of capital projects (including new schools, I.M.P., block modernization and portable relocations), 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.

**SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2004-2005
(SECTION 148.1 OF THE SCHOOL ACT)**

	FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:								
Name								
CHANTAL MONFETTE	1.0	\$6,310	\$28	\$0			\$6,338	\$2,669
Name	0.0	\$0	\$0	\$0			\$0	\$0
Other Board Members:								
Name	1.0	\$5,060	\$2,126	\$0			\$7,186	\$4,448
Name	1.0	\$2,310	\$28	\$0			\$2,338	\$327
Name	1.0	\$3,805	\$28	\$0			\$3,833	\$3,332
Name	0.8	\$3,640	\$28	\$0			\$3,668	\$2,258
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Subtotal	4.8	\$21,125	\$2,238	\$0			\$23,363	\$13,034
Superintendent								
DENISE BOURASSA	0.0	\$3,614	\$0	\$0	\$0	\$0	\$3,614	\$0
Superintendent	1.0	\$103,446	\$9,855	\$0	\$0	\$0	\$113,301	\$13,211
Secretary/Treasurer	0.5	\$34,484	\$6,654	\$0	\$0	\$0	\$41,138	\$1,936
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	25.3	\$1,616,798	\$190,550	\$0	\$0	\$0	\$1,807,348	
Uncertificated Salaries & Wages	14.3	\$443,241	\$71,126	\$0	\$0	\$0	\$514,367	
TOTALS		\$2,222,708	\$280,423	\$0	\$0	\$0	\$2,503,131	

Note: Please refer to completion information on page 15.

Denise Bourassa received \$3614 for contractual superintendent services (Sept 1/04 to Dec 31/04) equaling an FTE of .033. This amount of \$3614 is shown as contract expenses on Schedule A.

SCHEDULE G1 to the AFS
DISCLOSURE OF SALARIES AND BENEFITS (SECTION 148.1 OF THE SCHOOL ACT)
COMPLETION INFORMATION

(1)	Salary and benefits consist of and agree with the amounts properly recorded in the school jurisdiction's payroll records and related object codes for salaries, wages and benefits.
(2)	Remuneration includes regular base salaries, certificated school-based employee allowances outlined in collective agreements, overtime, honoraria, deferred salary leave accruals, lump sum payments EXCEPTING TERMINATION BENEFITS (See #10A below), any other direct cash remuneration EXCEPTING PERFORMANCE PAY (See #10 below).
(3)	Certificated salaries include the aggregate of all payments for certificated staff regardless of the length, nature or definition of the employment agreement. The number of full time equivalent (FTE) staff should be measured as at September 30.
(4)	Uncertificated salaries and wages should be measured in terms of the number of FTE staff employed as at September 30.
(5)	Salary and benefits information should be the aggregate amount covering the same fiscal period as the audited financial statements.
(6)	Salary must include deferred salary accruals.
(7)	Salary includes only payments for services subject to an employer-employee relationship.
(8)	Benefits include the employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pensions, Canada pension plan (CPP), employment insurance (EI), health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans.
(9)	Allowances include all monies paid to an employee as miscellaneous negotiated allowances. This category will include car or travel allowances, isolation allowances, relocation expenses, sabbaticals, special leave with pay, financial and retirement planning services, and club memberships. CERTIFICATED SCHOOL-BASED EMPLOYEE ALLOWANCES , as outlined in collective agreements, are included in Remuneration - NOT Allowances.
(10)	Performance Bonuses include those monies paid to employees of the school authority that are tied to the achievement of some specified goal or objective.
(10A)	Other includes termination benefits ((severance pay, retiring allowances (ERIP's), sick leave and other settlement costs due to loss of employment).
(11)	Expenses will include the reimbursements of travel, subsistence, moving costs, conference fees, etc., paid by the employee or on his/her behalf in performing the responsibilities of employment.
(12)	The superintendent's position disclosure is in terms of one individual who is the Chief Executive Officer. Benefits for the superintendent do not include Alberta Learning contributions to the Teachers Retirement Fund pension plan.
(13)	The secretary-treasurer's position disclosure is in terms of one individual who is the Chief Financial Officer. If the board has not appointed one person to act as secretary-treasurer, then the disclosure is in terms of separate individuals appointed to the Board Treasurer and Board Secretary positions. Benefits for the secretary-treasurer include the Local Authorities Pension Plan contributions.
(13)	A position should include salary, benefits and allowances earned and expenses accrued by an individual who officially acted in a position while it was vacant or was appointed to the position. If a position was vacant and no one acted in the position, the position should not be disclosed.
(14)	Benefits and allowances need not include an amount for automobile, housing or other benefits for which a value cannot be reasonably estimated.
(15)	If a position is occupied by more than one individual during a year, each of those individual's specific expenses and salary, benefits and allowances earned by each of the individuals in the position need be disclosed separately.