

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**The Southern Francophone Education Region No. 4**

Legal Name of School Jurisdiction

**Suite 230, 6940 Fisher Road SE Calgary AB T2H 0W3**

Mailing Address

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Telephone & Fax Numbers, and Email Address

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of The Southern Francophone Education Region No. 4 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**

Louis Arseneault

Name

"Original Signed"

Signature

**SUPERINTENDENT**

Jacqueline Lessard

Name

"Original Signed"

Signature

**SECRETARY-TREASURER OR TREASURER**

Jacqueline Marchand

Name

"Original Signed"

Signature

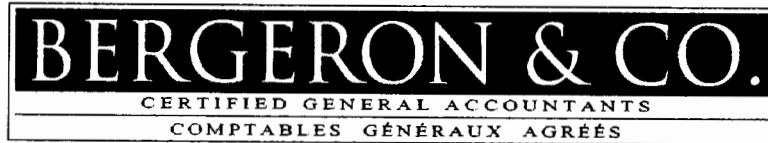
November 24, 2015

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch  
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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees of:  
The Southern Francophone Education Region No. 4**

We have audited the accompanying financial statements of **The Southern Francophone Education Region No. 4**, which comprise the statement of financial position as at August 31, 2015, and the statements of operations, cash flows, changes in accumulated surplus, changes in net financial assets and related schedules for the year ending August 31, 2015, 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 this statement in accordance with Canadian Public Sector Accounting standards excluding the PS 4200 series, 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 this statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, 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 statement 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 statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Unqualified opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2015, and the results of its operations, changes in cash flows, changes in accumulated surplus and changes in net financial assets for the year ended August 31, 2015 in accordance with Canadian Public Sector Accounting standards excluding the PS 4200 series.

November 24, 2015  
Calgary, Alberta

*Bergeron & Co.*

**Bergeron & Co., CGA**  
Certified General Accountants

GARY DORAN, CGA  
SIMON BELZILE, CGA  
MATHIEU LEPAGE, CGA  
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**STATEMENT OF FINANCIAL POSITION**  
As at August 31, 2015 (in dollars)

		2015	2014 Restated
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	(Note 3)	\$ 4,999,033	\$ 4,509,639
Accounts receivable (net after allowances)	(Note 4)	\$ 1,039,302	\$ 586,045
Portfolio investments	(Note 5)	\$ 5,115,682	\$ 4,790,798
Other financial assets	(Note 6)	\$ -	\$ -
<b>Total financial assets</b>		\$ 11,154,017	\$ 9,886,482
<b>LIABILITIES</b>			
Bank indebtedness	(Note 7)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 8)	\$ 819,437	\$ 659,850
Deferred revenue	(Note 9)	\$ 52,984,928	\$ 49,613,243
Employee future benefit liabilities	(Note 10)	\$ -	\$ -
Liability for contaminated sites	(Note 11)	\$ -	\$ -
Other liabilities	(Note 12)	\$ -	\$ -
Debt	(Note 13)		
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases	(Note 14)	\$ -	\$ -
<b>Total liabilities</b>		\$ 53,804,365	\$ 50,273,093
<b>Net financial assets (debt)</b>		\$ (42,650,348)	\$ (40,386,611)
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	(Note 15)		
Land		\$ 148,786	\$ 148,786
Construction in progress		\$ 3,005,092	\$ 40,334
Buildings		\$ 55,583,362	
Less: Accumulated amortization		\$ (10,060,549)	\$ 45,522,813
Equipment		\$ 4,025,516	
Less: Accumulated amortization		\$ (2,453,455)	\$ 1,572,061
Vehicles		\$ 134,906	
Less: Accumulated amortization		\$ (103,821)	\$ 31,085
Computer Equipment		\$ 1,566,138	
Less: Accumulated amortization		\$ (1,551,714)	\$ 14,424
<b>Total tangible capital assets</b>		\$ 50,294,261	\$ 47,313,038
Prepaid expenses		\$ 64,184	\$ 141,064
Other non-financial assets	(Note 16)	\$ -	\$ -
<b>Total non-financial assets</b>		\$ 50,358,445	\$ 47,454,102
<b>Accumulated surplus</b>	(Note 17)	\$ 7,708,097	\$ 7,067,491
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 7,712,341	\$ 7,013,958
Accumulated remeasurement gains (losses)		\$ (4,244)	\$ 53,533
		\$ 7,708,097	\$ 7,067,491
<b>Contractual obligations</b>	(Note 18)		
<b>Contingent liabilities</b>	(Note 19)		

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

**STATEMENT OF OPERATIONS**  
For the Year Ended August 31, 2015 (in dollars)

	Budget 2015	Actual 2015	Actual 2014 Restated
<b>REVENUES</b>			
Alberta Education	\$ 39,558,313	\$ 42,453,724	\$ 38,486,121
Other - Government of Alberta	\$ 380,402	\$ 367,570	\$ 383,545
Federal Government and First Nations	\$ -	\$ -	\$ -
Other Alberta school authorities	\$ -	\$ 48,047	\$ 39,482
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Note 10)	\$ 271,725	\$ 575,473	\$ 272,680
Other sales and services	\$ -	\$ 119,337	\$ 66,089
Investment income	\$ 60,000	\$ 233,111	\$ 190,403
Gifts and donations	\$ 18,000	\$ -	\$ 200
Rental of facilities	\$ -	\$ -	\$ -
Fundraising	\$ 488,000	\$ 363,100	\$ 433,961
Gains on disposal of capital assets	\$ -	\$ -	\$ -
Other revenue	\$ 33,000	\$ 65,486	\$ 89,249
<b>Total revenues</b>	<b>\$ 40,809,440</b>	<b>\$ 44,225,848</b>	<b>\$ 39,961,730</b>
<b>EXPENSES</b>			
Instruction - ECS	\$ -	\$ 2,113,794	\$ 2,228,275
Instruction - Grades 1 - 12	\$ 29,735,837	\$ 28,975,866	\$ 25,859,852
Plant operations and maintenance	\$ 4,698,111	\$ 5,424,742	\$ 3,964,344
Transportation	\$ 4,514,320	\$ 4,839,724	\$ 4,724,518
Board & system administration	\$ 2,059,924	\$ 2,173,339	\$ 2,075,127
External services	\$ -	\$ -	\$ -
<b>Total expenses</b>	<b>\$ 41,008,192</b>	<b>\$ 43,527,465</b>	<b>\$ 38,852,116</b>
<b>Operating surplus (deficit)</b>	<b>\$ (198,752)</b>	<b>\$ 698,383</b>	<b>\$ 1,109,614</b>

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

**STATEMENT OF CASH FLOWS**  
For the Year Ended August 31, 2015 (in dollars)

	2015	2014 Restated
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	\$ 698,383	\$ 1,109,614
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 2,229,090	\$ 1,655,432
Gains on disposal of tangible capital assets	\$ -	\$ -
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (2,075,265)	\$ (1,421,439)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (453,257)	\$ (263,211)
Prepays	\$ 76,880	\$ (10,490)
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ 159,587	\$ 108,853
Deferred revenue (excluding EDCR)	\$ 5,446,950	\$ 1,537,665
Employee future benefit liabilities	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from operating transactions</b>	<b>\$ 6,082,368</b>	<b>\$ 2,716,424</b>
<b>B. CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (4,423,100)	\$ (133,260)
Equipment	\$ (787,213)	\$ (842,481)
Vehicles	\$ -	\$ (34,650)
Computer equipment	\$ -	\$ -
Net proceeds from disposal of unsupported capital assets	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from capital transactions</b>	<b>\$ (5,210,313)</b>	<b>\$ (1,010,391)</b>
<b>C. INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	\$ (382,661)	\$ (3,743,197)
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Change in endowments	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from investing transactions</b>	<b>\$ (382,661)</b>	<b>\$ (3,743,197)</b>
<b>D. FINANCING TRANSACTIONS</b>		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ -	\$ -
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other factors affecting capital leases (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from financing transactions</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>\$ 489,394</b>	<b>\$ (2,037,164)</b>
<b>Cash and cash equivalents, at beginning of year</b>	<b>\$ 4,509,639</b>	<b>\$ 6,546,803</b>
<b>Cash and cash equivalents, at end of year</b>	<b>\$ 4,999,033</b>	<b>\$ 4,509,639</b>

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

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)**  
**For the Year Ended August 31, 2015 (in dollars)**

	2015	2014
Operating surplus (deficit)	\$ 698,383	\$ 1,109,614
<b>Effect of changes in tangible capital assets</b>		
Acquisition of tangible capital assets	\$ (5,210,313)	\$ (11,799,385)
Amortization of tangible capital assets	\$ 2,229,090	\$ 1,655,432
Net carrying value of tangible capital assets disposed of	\$ -	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
<b>Total effect of changes in tangible capital assets</b>	<b>\$ (2,981,223)</b>	<b>\$ (10,143,953)</b>
<b>Changes in:</b>		
Prepaid expenses	\$ 76,880	\$ (10,490)
Other non-financial assets	\$ -	\$ -
Net remeasurement gains and (losses)	\$ (57,777)	\$ 47,532
Endowments	\$ -	\$ -
<b>Increase (decrease) in net financial assets (net debt)</b>	<b>\$ (2,263,737)</b>	<b>\$ (8,997,297)</b>
<b>Net financial assets (net debt) at beginning of year</b>	<b>\$ (40,386,611)</b>	<b>\$ (31,389,314)</b>
<b>Net financial assets (net debt) at end of year</b>	<b>\$ (42,650,348)</b>	<b>\$ (40,386,611)</b>

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

**STATEMENT OF REMEASUREMENT GAINS AND LOSSES**

For the Year Ended August 31, 2015 (in dollars)

	2015	2014
<b>Accumulated remeasurement gains (losses) at beginning of year</b>	\$ 53,533	\$ 6,001
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ (57,777)	\$ 47,532
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ (57,777)	\$ 47,532
<b>Accumulated remeasurement gains (losses) at end of year</b>	\$ (4,244)	\$ 53,533

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



**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
for the Year Ended August 31, 2015 (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
<b>Balance at August 31, 2014</b>	\$ 7,004,673	\$ 47,532	\$ 6,957,141	\$ 378,052	\$ -	\$ 4,532,148	\$ 2,014,668	\$ 32,273
<b>Prior period adjustments:</b>								
Adj to prior year SGF	\$ 35,000	\$ -	\$ 35,000	\$ -	\$ -	\$ 35,000	\$ -	\$ -
	\$ 27,818	\$ -	\$ 27,818	\$ -	\$ -	\$ 27,818	\$ -	\$ -
<b>Adjusted Balance, August 31, 2014</b>	\$ 7,067,491	\$ 47,532	\$ 7,019,959	\$ 378,052	\$ -	\$ 4,594,966	\$ 2,014,668	\$ 32,273
Operating surplus (deficit)	\$ 698,383		\$ 698,383			\$ 698,383		
Board funded tangible capital asset additions				\$ 78,583		\$ (78,583)	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ (57,777)	\$ (57,777)						
Endowment expenses & disbursements	\$ -		\$ -		\$ -	\$ -		
Endowment contributions	\$ -		\$ -		\$ -	\$ -		
Investment income & realized capital gains on endowments	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (2,229,090)		\$ 2,229,090		
Capital revenue recognized	\$ -			\$ 2,075,265		\$ (2,075,265)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ (53,251)	\$ 53,251	
Net transfers from operating reserves	\$ -					\$ -	\$ -	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
(Other Changes)	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
<b>Balance at August 31, 2015</b>	\$ 7,708,097	\$ (10,245)	\$ 7,718,342	\$ 302,810	\$ -	\$ 5,315,340	\$ 2,067,919	\$ 32,273

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
for the Year Ended August 31, 2015 (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	Operating Reserves	Capital Reserves
<b>Balance at August 31, 2014</b>	\$ 630,229	\$ 32,273	\$ 1,147,254	\$ -	\$ 237,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Prior period adjustments:</b>												
Adj to prior year SGF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2014</b>	\$ 630,229	\$ 32,273	\$ 1,147,254	\$ -	\$ 237,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported assets		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported assets		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year												
Endowment expenses & disbursements												
Endowment contributions												
Investment income & realized capital gains on endowments												
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets												
Capital revenue recognized												
Debt principal repayments (unsupported)												
Additional capital debt or capital leases												
Net transfers to operating reserves	\$ 53,251		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers from operating reserves	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2015</b>	\$ 683,480	\$ 32,273	\$ 1,147,254	\$ -	\$ 237,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF CAPITAL REVENUE**  
**(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)**  
for the Year Ended August 31, 2015 (in dollars)

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects <sup>(A)</sup>	Surplus from Provincially Approved Projects <sup>(B)</sup>	Proceeds on Disposal of Provincially Funded Tangible Capital Assets <sup>(C)</sup>	Unexpended Deferred Capital Revenue from Other Sources <sup>(D)</sup>	
<b>Balance at August 31, 2014</b>	\$ 571,758	\$ -	\$ -	\$ -	\$ 46,934,985
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2014	\$ 571,758	\$ -	\$ -	\$ -	\$ 46,934,985
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 5,408,654				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Other sources: <i>(Describe)</i> :	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ 190,154				
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue: <i>(Describe)</i>				\$ -	
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	\$ (5,131,730)	\$ -	\$ -	\$ -	\$ 5,131,730
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Deduct:</b>					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 2,075,265
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
<b>Balance at August 31, 2015</b>	\$ 1,038,836	\$ -	\$ -	\$ -	\$ 49,991,450
	(A)	(B)	(C)	(D)	
<b>Balance of Unexpended Deferred Capital Revenue at August 31, 2015 (A) + (B) + (C) + (D)</b>				\$ 1,038,836	

**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, 2015 (in dollars)

REVENUES	2015							2014 Restated
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 2,049,094	\$ 27,860,426	\$ 5,513,672	\$ 4,874,481	\$ 2,156,051	\$ -	\$ 42,453,724	\$ 38,486,121
(2) Other - Government of Alberta	-	\$ 367,570	\$ -	\$ -	\$ -	\$ -	\$ 367,570	\$ 383,545
(3) Federal Government and First Nations	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Other Alberta school authorities	-	\$ 48,047	\$ -	\$ -	\$ -	\$ -	\$ 48,047	\$ 39,482
(5) Out of province authorities	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 30,433	\$ 545,040	\$ -	\$ -	\$ -	\$ -	\$ 575,473	\$ 272,680
(9) Other sales and services	-	\$ 112,796	\$ 6,541	\$ -	\$ -	\$ -	\$ 119,337	\$ 66,089
(10) Investment income	-	\$ 175,790	\$ -	\$ -	\$ 57,321	\$ -	\$ 233,111	\$ 190,403
(11) Gifts and donations	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
(12) Rental of facilities	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(13) Fundraising	-	\$ 363,100	\$ -	\$ -	\$ -	\$ -	\$ 363,100	\$ 433,961
(14) Gains on disposal of tangible capital assets	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(15) Other revenue	-	\$ 62,486	\$ 3,000	\$ -	\$ -	\$ -	\$ 65,486	\$ 89,249
<b>(16) TOTAL REVENUES</b>	\$ 2,079,527	\$ 29,535,255	\$ 5,523,213	\$ 4,874,481	\$ 2,213,372	\$ -	\$ 44,225,848	\$ 39,961,730
<b>EXPENSES</b>								
(17) Certificated salaries	\$ 1,541,316	\$ 17,007,457			\$ 294,068	\$ -	\$ 18,842,841	\$ 17,494,298
(18) Certificated benefits	\$ 188,374	\$ 4,419,988			\$ 29,411	\$ -	\$ 4,637,773	\$ 4,114,478
(19) Non-certificated salaries and wages	\$ 111,736	\$ 2,548,661	\$ 230,118	\$ 182,458	\$ 820,069	\$ -	\$ 3,893,042	\$ 3,519,598
(20) Non-certificated benefits	\$ 33,632	\$ 578,298	\$ 63,921	\$ 40,478	\$ 199,986	\$ -	\$ 916,315	\$ 807,356
(21) SUB - TOTAL	\$ 1,875,058	\$ 24,554,404	\$ 294,039	\$ 222,936	\$ 1,343,534	\$ -	\$ 28,289,971	\$ 25,935,730
(22) Services, contracts and supplies	\$ 238,736	\$ 4,299,522	\$ 3,035,282	\$ 4,616,788	\$ 732,434	\$ -	\$ 12,922,762	\$ 11,259,386
(23) Amortization of supported tangible capital assets	\$ -	\$ 6,883	\$ 2,068,382	\$ -	\$ -	\$ -	\$ 2,075,265	\$ 1,421,439
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 99,064	\$ 27,039	\$ -	\$ 27,722	\$ -	\$ 153,825	\$ 233,993
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ 556	\$ -	\$ 556	\$ 1,568
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ 15,993	\$ -	\$ -	\$ 69,093	\$ -	\$ 85,086	\$ -
<b>(30) TOTAL EXPENSES</b>	\$ 2,113,794	\$ 28,975,866	\$ 5,424,742	\$ 4,839,724	\$ 2,173,339	\$ -	\$ 43,527,465	\$ 38,852,116
<b>(31) OPERATING SURPLUS (DEFICIT)</b>	\$ (34,267)	\$ 559,389	\$ 98,471	\$ 34,757	\$ 40,033	\$ -	\$ 698,383	\$ 1,109,614

**SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES**  
for the Year Ended August 31, 2015 (in dollars)

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2015 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ -	\$ 47,520	\$ -	\$ -	\$ 182,598		\$ 230,118		\$ 230,118
Uncertificated benefits	\$ -	\$ 18,382	\$ -	\$ -	\$ 45,539		\$ 63,921		\$ 63,921
Sub-total Remuneration	\$ -	\$ 65,902	\$ -	\$ -	\$ 228,137		\$ 294,039		\$ 294,039
Supplies and services	\$ 798,538	\$ 608,546	\$ 58,303	\$ 790,512	\$ 91,148		\$ 2,347,047		\$ 2,347,047
Electricity			\$ 295,180				\$ 295,180		\$ 295,180
Natural gas/heating fuel			\$ 143,065				\$ 143,065		\$ 143,065
Sewer and water			\$ 61,032				\$ 61,032		\$ 61,032
Telecommunications			\$ 35				\$ 35		\$ 35
Insurance					\$ 131,988		\$ 131,988		\$ 131,988
ASAP maintenance & renewal payments								\$ -	\$ -
Amortization of tangible capital assets									
Supported								\$ 2,068,382	\$ 2,068,382
Unsupported						\$ 27,039	\$ 27,039		\$ 27,039
Total Amortization						\$ 27,039	\$ 27,039	\$ 2,068,382	\$ 2,095,421
Interest on capital debt									
Supported								\$ -	\$ -
Unsupported						\$ -	\$ -		\$ -
Lease payments for facilities				\$ 56,935			\$ 56,935		\$ 56,935
Other interest charges									\$ -
Losses on disposal of capital assets									\$ -
<b>TOTAL EXPENSES</b>	\$ 798,538	\$ 674,448	\$ 557,615	\$ 847,447	\$ 451,273	\$ 27,039	\$ 3,356,360	\$ 2,068,382	\$ 5,424,742

SQUARE METRES									
School buildings									35,330.0
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 Relocation & Lease Pmts:** 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.

**UNAUDITED SCHEDULE OF FEE REVENUE**  
for the Year Ending August 31, 2015 (in dollars)

	<b>Actual 2014/2015</b>	<b>Actual 2013/2014</b>
<b>FEES</b>		
Transportation fees	\$0	\$0
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$175,166	\$109,598
Technology user fees	\$0	\$0
Alternative program fees	\$0	\$0
Fees for optional courses (band, art, etc.)	\$0	\$0
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$0	\$0
Kindergarten & preschool	\$30,433	\$12,396
Extracurricular fees (sports teams and clubs)	\$78,749	\$150,686
Field trips (related to curriculum)	\$215,529	\$0
Lunch supervision fees	\$0	\$0
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$0	\$0
Other (describe)* General school fees	\$75,596	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
<b>TOTAL FEES</b>	<b>\$575,473</b>	<b>\$272,680</b>

*\*PLEASE DO NOT USE "SCHOOL GENERATED FUNDS" AS A CATEGORY*

<b>Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):</b>	<b>Actual 2014/2015</b>	<b>Actual 2013/2014</b>
Cafeteria sales, hot lunch, milk programs	\$0	\$0
Special events, graduation, tickets	\$0	\$0
Student travel (international, recognition trips, non-curricular)	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$0	\$0
Adult education revenue	\$0	\$0
Child care & before and after school care	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>

<b>UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING</b> for the Year Ended August 31, 2015 (in dollars)					
	<b>PROGRAM AREA</b>				
	<b>First Nations, Metis &amp; Inuit (FNMI)</b>	<b>ECS Program Unit Funding (PUF)</b>	<b>English as a Second Language (ESL)</b>	<b>Inclusive Education</b>	<b>Small Schools by Necessity (Revenue only)</b>
<b>Funded Students in Program</b>	5	13	657		
<b>REVENUES</b>					
Alberta Education allocated funding	\$ 5,891	\$ 272,520	\$ 774,601	\$ 1,524,191	\$ 1,774,930
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 5,891</b>	<b>\$ 272,520</b>	<b>\$ 774,601</b>	<b>\$ 1,524,191</b>	<b>\$ 1,774,930</b>
<b>EXPENSES (Not allocated from BASE, Transportation, or other funding)</b>					
Instructional certificated salaries & benefits	\$ -	\$ 24,655	\$ 708,734	\$ 738,789	
Instructional non-certificated salaries & benefits	\$ -	\$ 170,591	\$ 40,876	\$ 625,860	
<b>SUB TOTAL</b>	<b>\$ -</b>	<b>\$ 195,246</b>	<b>\$ 749,610</b>	<b>\$ 1,364,649</b>	
Supplies, contracts and services	\$ -	\$ 13,800	\$ 8,389	\$ 17,062	
Program planning, monitoring & evaluation	\$ -	\$ 62,109	\$ -	\$ 114,931	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ 4,551	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL EXPENSES</b>	<b>\$ -</b>	<b>\$ 271,155</b>	<b>\$ 757,999</b>	<b>\$ 1,501,193</b>	
<b>NET FUNDING SURPLUS (SHORTFALL)</b>	<b>\$ 5,891</b>	<b>\$ 1,365</b>	<b>\$ 16,602</b>	<b>\$ 22,998</b>	

**UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES**  
for the Year Ended August 31, 2015 (in dollars)

EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs			
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	TOTAL
1 Office of the superintendent	\$ 176,660	\$ 12,784	\$ -	\$ 189,444	\$ -	\$ -	\$ -	\$ 189,444
2 Educational administration (excluding superintendent)	\$ 146,819	\$ 13,588	\$ -	\$ 160,407	\$ -	\$ -	\$ -	\$ 160,407
3 Business administration	\$ 609,964	\$ 344,298	\$ -	\$ 954,262	\$ -	\$ -	\$ -	\$ 954,262
4 Board governance (Board of Trustees)	\$ 78,803	\$ 33,171	\$ -	\$ 111,974	\$ -	\$ -	\$ -	\$ 111,974
5 Information technology	\$ -	\$ 81,440	\$ -	\$ 81,440	\$ -	\$ -	\$ -	\$ 81,440
6 Human resources	\$ 277,038	\$ 18,804	\$ -	\$ 295,842	\$ -	\$ -	\$ -	\$ 295,842
7 Central purchasing, communications, marketing	\$ -	\$ 228,349	\$ -	\$ 228,349	\$ -	\$ -	\$ -	\$ 228,349
8 Payroll	\$ 54,250	\$ -	\$ -	\$ 54,250	\$ -	\$ -	\$ -	\$ 54,250
9 Administration - insurance			\$ 69,093	\$ 69,093				\$ 69,093
10 Administration - amortization			\$ -	\$ -				\$ -
11 Administration - other (admin building, interest)			\$ 556	\$ 556				\$ 556
12 Other (describe)	\$ -	\$ -	\$ 27,722	\$ 27,722	\$ -	\$ -	\$ -	\$ 27,722
13 Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 1,343,534</b>	<b>\$ 732,434</b>	<b>\$ 97,371</b>	<b>\$ 2,173,339</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,173,339</b>



**THE SOUTHERN FRANCOPHONE EDUCATION REGION NO. 4**  
**Notes to the Financial Statements**  
**August 31, 2015**

**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 funding for instruction and support 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.

The jurisdiction is exempt from tax under the Canada Income Tax Act.

**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 District has investments in GIC's, term deposits, bonds, equity instruments and mutual funds that have no maturity dates or have a maturity greater than 3 months. GIC's, term deposits and other investments not quoted in an active market are reported 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.

Detailed information regarding portfolio investments is disclosed in Note 5.

**THE SOUTHERN FRANCOPHONE EDUCATION REGION NO. 4**  
**Notes to the Financial Statements**  
**August 31, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)**

d) Tangible Capital Assets

The following criterion applies:

- 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.
- 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 capital assets from related parties are recorded at original cost less accumulated amortization.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Unamortized Deferred Capital Contributions.
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets in excess of \$5,000 are capitalized.
- Leases that, from the point of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the Board are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School Districts rate for incremental borrowing or the interest rate implicit in the lease.
- The amortization of the assets will commence in the fiscal year following the year of acquisition.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	2.5% - 4%
Equipment	10% - 20%
Vehicles	20%
Computer Hardware	10% - 20%

e) Deferred revenues

Deferred revenue includes contributions received with stipulations that meet the definition of a liability per Section PS 3200. These contributions are recognized by the School District 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:

**THE SOUTHERN FRANCOPHONE EDUCATION REGION NO. 4**  
**Notes to the Financial Statements**  
**August 31, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)**

- Unexpended Deferred Capital Revenue

Unexpended Deferred Capital Revenue represents 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 PS 3200 when expended.

- Expended Deferred Capital Revenue

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

f) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School Division accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include a defined-benefit retirement plans, vested or accumulating sick leave, early retirement, retirement/severance, job-training and counseling, post-employment benefit continuation, vacation, overtime, death benefits, and various qualifying compensated absences, early retirement, retirement/severance, vacation, overtime, death benefit and non-vested sick leave. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, benefit usage, termination and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

There is no financial impact on the school jurisdiction at this time.

g) Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs are capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount of timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included on the Statement of Operations.

**THE SOUTHERN FRANCOPHONE EDUCATION REGION NO. 4**  
**Notes to the Financial Statements**  
**August 31, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)**

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 Change in Accumulated Surplus.

i) Revenue Recognition

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

Eligible criteria are criteria that the School District has to meet in order to receive the contributions. *Stipulations* describe how the School District must use the contributions or the actions it 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.

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 the 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.

k) Pensions

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

**THE SOUTHERN FRANCOPHONE EDUCATION REGION NO. 4**  
**Notes to the Financial Statements**  
**August 31, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)**

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 Plan Act, the School Division does not make pension contributions for 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 by the Government was \$2,413,584 (2014 \$2,180,315).

The school board 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 \$362,615 for the year ended August 31, 2015 (2014 \$306,915). At December 31, 2014, the Local Authorities Pension Plan reported an actuarial deficiency of \$2,454,636 (2013 \$4,861,516,000).

l) Program Reporting

The Division's operations have been segmented as follows:

- **ECS-Grade 12 Instruction.** The provision of Early Childhood Services education and grades 1-12 instructional services that fall under the basis 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/from school), whether contracted or board operated, including transportation facilities.
- **Board & 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.

The allocation of revenues and expenses are reported by program, source, object and type on the Schedule of Program Operations.

m) Trusts Under Administration

The School Division has property that has been transferred or assigned to it to be administered or directed by a trust agreement or statute. The Division holds title to the property for the benefit of the beneficiary.

Trusts under administration have been excluded from the financial reporting of the Division. Trust balances can be found in Note 6.

**THE SOUTHERN FRANCOPHONE EDUCATION REGION NO. 4**  
**Notes to the Financial Statements**  
**August 31, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)**

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 School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, bank overdrafts, accounts payable and accrued liabilities, long term debt and other liabilities. Unless otherwise noted, it is management's opinion that the School District is not exposed to significant credit and liquidity risks, or market risks, which includes currency, interest rate and other price risks.

Portfolio investments in equity instruments quoted in an active market and derivatives are recorded at fair value. All other financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of items in the cost or amortized cost upon initial recognition. The gain or loss arising from derecognition of a financial instrument is recognized in the Statement of Operations. Impairment losses such as write-downs or write-offs are reported in the Statement of Operations.

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 relate to the potential impairment of assets, rates for amortization and estimated employee future benefits.

**3. CASH AND CASH EQUIVALENTS**

		<b>2015</b>		<b>2014</b>	
	<b>Average Effective (Market) Yield</b>	<b>Cost</b>	<b>Amortized Cost</b>	<b>Amortized Cost</b>	<b>Cost</b>
Cash and cash equivalents	0.00%	\$ 4,999,033	\$ 4,999,033	\$ 4,411,724	
Fixed income securities	1.00%	-	-	97,915	
		4,999,033	4,999,033	4,509,639	

**THE SOUTHERN FRANCOPHONE EDUCATION REGION NO. 4**  
**Notes to the Financial Statements**  
**August 31, 2015**

**4. ACCOUNTS RECEIVABLE**

	<b>2015</b>		<b>2014</b>	
	<b>Gross Amount</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net Realizable Value</b>	<b>Net Realizable Value</b>
	\$	\$	\$	\$
Alberta Education	103,977	-	103,977	114,070
Federal Government	422,126	-	422,126	198,315
Other	513,199	-	513,199	273,660
	<u>1,039,302</u>	<u>-</u>	<u>1,039,302</u>	<u>586,045</u>

**5. PORTFOLIO INVESTMENTS**

	<b>Average Effective (Market) Yield</b>	<b>2015</b>			<b>2014</b>
		<b>Cost</b>	<b>Fair Value</b>	<b>Balance</b>	<b>Balance</b>
		\$	\$	\$	\$
Fixed Income Securities					
Corporate	4.35%	5,111,438	5,115,682	5,115,682	4,281,998
Equities					
Canadian	0.00%	-	-	-	508,800
		<u>5,111,438</u>	<u>5,115,682</u>	<u>5,115,682</u>	<u>4,790,798</u>

Portfolio Investments: Maturity Structure for fixed income securities based on principal amount.

	<b>2015</b>	<b>2014</b>
3 months to 5 years	57.8%	26.8%
6 to 10 years	42.2%	73.2%
11 to 20 years	0.0%	0.0%
Over 20 years	<u>0.0%</u>	<u>0.0%</u>
	<u>100.0%</u>	<u>100.0%</u>

It is management's opinion that there has been no impairment during the year.

**6. TRUST UNDER ADMINISTRATION**

These balances represent assets that are held in trust by the jurisdiction. They are not recorded on the statements of the School Division.

	<b>2015</b>	<b>2014</b>
	\$	\$
CPFPP consortium (Banker Board)	<u>180,641</u>	<u>147,236</u>

**THE SOUTHERN FRANCOPHONE EDUCATION REGION NO. 4**  
**Notes to the Financial Statements**  
**August 31, 2015**

**7. ACCOUNTS PAYABLE**

	<b>2015</b>	<b>2014</b>
	\$	\$
Other Alberta school jurisdictions	64,251	71,887
Accrued vacation pay liability	43,989	68,652
Other salaries & benefit costs	15,613	43,236
Other trade payables and accrued liabilities	695,584	476,075
	819,437	659,850

**8. DEFERRED REVENUE**

	DEFERRED REVENUE as at Aug. 31, 2014	ADD: 2014/2015 Restricted Funds Received/ Receivable	DEDUCT: 2014/2015 Restricted Funds Expended (Paid/Payable)	ADD (DEDUCT): 2014/2015 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2015
Unexpended deferred operating revenue					
Alberta Education:					
Infrastructure Maintenance Renewal	1,884,899	760,569	794,933	-	1,850,535
AB initiative for School Improvement	16,432	-	16,432	-	-
Student Health Initiative (School Auth)	82,785	-	-	-	82,785
Other AB Education deferred revenue	40,031	-	23,917	-	16,114
Other Deferred Revenues:					
Fees	79,065	-	74,627	-	4,438
School Generated Funds	1,353	770	1,353	-	770
Mentoring Program	1,347	-	1,347	-	-
All other deferred revenues	588	-	588	-	-
Total unexpended deferred operating revenue	2,106,500	761,339	913,197	-	1,954,642
Unexpended deferred capital revenue	571,758	5,598,808	5,131,730	-	1,038,836
Expended deferred capital revenue	46,934,985	5,131,730	2,075,265	-	49,991,450
Total	49,613,243	11,491,877	8,120,192	-	52,984,928



**THE SOUTHERN FRANCOPHONE EDUCATION REGION NO. 4**  
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**9. TANGIBLE CAPITAL ASSETS**

	2015						2014	
	Construction		Buildings		Computer			
	In progress -	Buildings	Development	Equipment	Vehicles	Software	Hardware &	Total
Land	Buildings	Development	Equipment	Vehicles	Software	Hardware &	Total	Total
\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated useful life		20 - 40 Years	5 - 10 Years	5 Years	5 - 10 Years			
<b>Historical cost</b>								
Beginning of year	148,786	40,334	54,125,020	3,238,304	134,906	1,566,138	59,253,488	48,164,155
Prior period adjustments	-	-	-	-	-	-	-	-
Additions	-	2,980,301	1,442,799	787,212	-	-	5,210,312	13,969,069
Transfers in (out)	-	(15,543)	15,543	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	-	-	(2,879,736)
	<u>148,786</u>	<u>3,005,092</u>	<u>55,583,362</u>	<u>4,025,516</u>	<u>134,906</u>	<u>1,566,138</u>	<u>64,463,800</u>	<u>59,253,488</u>
<b>Accumulated amortization</b>								
Beginning of year	-	-	8,197,582	2,108,685	96,891	1,537,292	11,940,450	10,983,508
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	1,862,967	344,770	6,930	14,422	2,229,089	1,667,003
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	-	-	(710,061)
	<u>-</u>	<u>-</u>	<u>10,060,549</u>	<u>2,453,455</u>	<u>103,821</u>	<u>1,551,714</u>	<u>14,169,539</u>	<u>11,940,450</u>
<b>Net book value at end of year</b>	<u>148,786</u>	<u>3,005,092</u>	<u>45,522,813</u>	<u>1,572,061</u>	<u>31,085</u>	<u>14,424</u>	<u>50,294,261</u>	<u>47,313,038</u>

The School Division operates a school in Canmore jointly with the Christ the Redeemer School Division which is not reflected in its capital assets. The funding for the school was received and managed by the Christ the Redeemer School Division and therefore is reflected in their capital assets.

**THE SOUTHERN FRANCOPHONE EDUCATION REGION NO. 4**  
**Notes to the Financial Statements**  
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**10. SCHOOL GENERATED FUNDS**

	\$
Unexpended School Generated Revenues, Opening Balance August 31, 2014 (A):	240,536
Current Year Activities - Gross Receipts:	
Fees	261,181
Fundraising	359,210
Gifts and donations	5,059
Grants to schools	-
Other sales and services	5,249
Total gross receipts (B)	<u>630,699</u>
Current year activities - Total Direct Costs Including Cost of Goods Sold to Raise Funds (C)	<u>328,972</u>
Current Year Activities - Uses of Funds (D)	<u>291,686</u>
Prior Period Adjustment (E)	<u>35,000</u>
Unexpended School Generated Revenues, Closing Balance August 31, 2015 (F) *	<u><u>285,577</u></u>

\* F = A + B - C - D + E

**11. ACCUMULATED SURPLUS**

Accumulated surplus 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.

	Balance Aug 31/14	Appropriated	Used	Balance Aug 31/15
	\$	\$	\$	\$
Operating Reserves:				
Transportation	-	-	-	-
Board and system administration	237,185	-	-	237,185
School	630,229	87,489	34,238	683,480
Operation and maintenance	1,147,254	-	-	1,147,254
	<u>2,014,668</u>	<u>87,489</u>	<u>34,238</u>	<u>2,067,919</u>
Capital Reserves:.				
Transportation	-	-	-	-
Board and system administration	-	-	-	-
School	32,273	-	-	32,273
Operation and maintenance	-	-	-	-
	<u>32,273</u>	<u>-</u>	<u>-</u>	<u>32,273</u>

**THE SOUTHERN FRANCOPHONE EDUCATION REGION NO. 4**  
**Notes to the Financial Statements**  
**August 31, 2015**

**12. CONTRACTUAL OBLIGATIONS**

Administration offices:

The school jurisdiction has a 7 year lease expiring on August 31, 2021, with annual lease payments of \$116,557 until August 31, 2017; \$120,150 until August 31, 2018 and \$123,743 until August 31, 2021.

Building projects:

The school jurisdiction has a new school being built in north-east Calgary to replace the current school located in north-east Calgary. The Government of Alberta will finance the entirety of the project.

The school jurisdiction has a new school being built in north-west of Calgary. The Government of Alberta will finance the entirety of the project.

The school jurisdiction has a new school being built in Okotoks to replace the current school located in Okotoks. The Government of Alberta will finance the entirety of the project.

The school jurisdiction has an addition project to an existing school in Canmore. The project will be financed by the Government of Alberta.

The school jurisdiction has an addition project to an existing school in Calgary. The project will be financed by the Government of Alberta.

**13. CONTINGENT LIABILITIES**

The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

**THE SOUTHERN FRANCOPHONE EDUCATION REGION NO. 4**  
**Notes to the Financial Statements**  
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**14. RELATED PARTY TRANSACTIONS**

Effective 2006/2007, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Southern Francophone Education Region No. 4 had related party transactions for the year ended August 31, 2015 with the following entities recorded on the statement of Revenues and Expenses and Statement of Financial Position, at the amount of consideration agreed upon between the related parties.

	BALANCES		TRANSACTIONS	
	Assets	Liabilities	Revenues	Expenses
	\$	\$	\$	\$
2014 - 2015				
Government of Alberta				
Education	103,977	52,794,037	42,453,724	-
Alberta Health Services	-	-	367,570	-
Other Alberta School Jurisdictions	-	64,251	48,047	170,210
	<u>103,977</u>	<u>52,858,288</u>	<u>42,869,341</u>	<u>170,210</u>
Total 2014 - 2015	<u>103,977</u>	<u>52,858,288</u>	<u>42,869,341</u>	<u>170,210</u>
Total 2013 - 2014	<u>255,063</u>	<u>49,612,104</u>	<u>38,997,231</u>	<u>82,198</u>

**THE SOUTHERN FRANCOPHONE EDUCATION REGION NO. 4**  
**Notes to the Financial Statements**  
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**15. REMUNERATION AND MONETARY INCENTIVES**

The Southern Francophone Education Region No. 4 has paid or accrued expenses for the year ended August 31, 2015 to or on behalf of the following positions and persons in groups as follows:

	FTE	Remuneration	Benefits	Bonus	Total	Expenses
		\$	\$	\$	\$	\$
<b>Board members</b>						
Chairperson						
Louis Arseneault	1.0	7,280	3,519	-	10,799	1,257
Other Board members						
Marco Bergeron	1.0	14,437	3,745	-	18,182	18,077
Anne-Marie Boucher	1.0	16,266	3,812	-	20,078	8,209
Geneviève Poulin	1.0	6,240	3,481	-	9,721	2,190
Paul Bourassa	1.0	8,513	701	-	9,214	1,657
Oumar Lamana	1.0	7,293	3,516	-	10,809	1,781
		<u>60,029</u>	<u>18,774</u>	<u>-</u>	<u>78,803</u>	<u>33,171</u>
<b>Superintendent</b>						
Daniel Therrien	0.920	159,006	12,540	-	171,546	20,537
Jacqueline Lessard	0.080	16,313	2,167	-	18,480	2,633
<b>Secretary</b>						
Yvan Beaubien	1.0	142,100	32,411	-	174,511	12,423
<b>Treasurer</b>						
Michel Guindon	1.0	164,775	29,799	-	194,574	24,147
<b>Certificated Teachers</b>	204.71	18,611,371	4,621,831	-	23,233,202	-
<b>Non-certificated-other</b>	107.59	3,604,097	814,758	-	4,418,855	-
<b>Total</b>		<u>22,757,691</u>	<u>5,532,280</u>	<u>-</u>	<u>28,289,971</u>	<u>92,911</u>

\* Benefits include government portion of the current service contribution to the Alberta Teachers Pension Fund on behalf of the school jurisdiction.

**16. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

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

**17. BUDGET AMOUNTS**

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on November 14, 2014. It is presented for information purposes only and has not been audited.

**18. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified in order to conform to the presentation of the current year amounts.