

Commission scolaire francophone Territoires du Nord-Ouest

Financial Statements

June 30, 2010

Auditors' Report	3
Balance Sheet	4
Statement of Operations	5
Statement of Accumulated Surplus	6
Statement of Cash Flows	7
Notes to Financial Statements	8
Schedule 1 - Details of Expenditures	14
Schedule 2 - Details of Inclusive Schooling Expenditures	15
Schedule 3 - Details of Aboriginal Language and Culture Expenditures	16
Schedule 4 - French Language Funding	17
Schedule 5 - Student Success Initiative	18
Schedule 6 - Infrastructure Revenues and Expenditures	19

Auditors' Report

**To the Minister of Education, Culture and Employment
Government of the Northwest Territories**

We have audited the balance sheet of the Commission scolaire francophone Territoires du Nord-Ouest (the "Commission") as at June 30, 2010, the statement of operations, statement of accumulated surplus and the statement of cash flows for the year then ended. These financial statements have been prepared to comply with the financial guidelines of the Government of the Northwest Territories - Department of Education, Culture and Employment. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount 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.

Salaries and benefits paid to employees of the Commission are administered by the Government of the Northwest Territories. Our audit scope was limited as we did not audit the components of salaries and benefits expenditures. Accordingly, we were not able to determine whether any adjustments might be necessary to salaries and employee benefits, employee leave and termination benefits, employee deductions payable or vacation payable.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to the issue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Commission as at June 30, 2010, and the results of its operations and cash flows for the year then ended in accordance with the basis of accounting described in Note 1 to the financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Government of the Northwest Territories - Department of Education, Culture and Employment. The revenue and expenditures from schools funds are not reflected on the financial statements. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

Further, in our opinion, Schedule 1, when considered in relation to the aforementioned financial statements, presents fairly the additional information shown therein.

We report further, in accordance with the *Financial Administration Act*, in our opinion, proper books of account have been kept by the Commission, the financial statements are in agreement therewith and the transactions that have come under our notice have, in all material respects, been within the statutory powers of the Commission.



**Yellowknife, Northwest Territories
September 10, 2010**

Chartered Accountants

Commission scolaire francophone Territoires du Nord-Ouest

Balance Sheet

As at June 30, 2010 2009

Assets

Current

Cash	\$ 715,467	\$ 1,044,402
Restricted cash (Note 2)	60,671	-
Temporary investment (Note 3)	11,452	11,452
Due from the Government of the Northwest Territories	48,342	63,290
Other accounts receivable	46,747	59,779
Prepaid expenses and deposits	32,622	19,386
	\$ 915,301	\$ 1,198,309

Liabilities

Current

Accounts payable and accrued liabilities	\$ 202,757	\$ 410,568
Employee deductions payable	2,731	5,318
Vacation payable	203,775	141,468
Current portion of employee leave and termination benefits (Note 4)	3,242	2,150
Deferred revenue (Note 5)	60,671	182,732
	473,176	742,236
Employee leave and termination benefits (Note 4)	46,635	30,926
	519,811	773,162

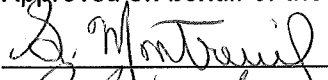

Net Assets

Accumulated surplus (Note 6)	395,490	425,147
	\$ 915,301	\$ 1,198,309

Commitments (Note 7)

Contingencies (Note 8)

Approved on behalf of the Board

 Trustee
 Trustee

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Operations

For the year ended June 30,	2010 Budget	2010 Actual	2009 Actual
Revenue			
Government of the Northwest Territories			
Regular contributions	\$ 3,693,941	\$ 3,802,197	\$ 3,415,892
French minority language	1,098,048	1,152,850	1,242,682
Other contributions	-	109,342	52,958
Infrastructure adjustment	-	9,520	63,290
	4,791,989	5,073,909	4,774,822
Government of Canada			
Other contributions	43,400	44,543	44,550
Board Generated Funds			
Other contributions	55,000	60,223	45,686
Interest	-	-	123
School fees	7,250	17,285	11,865
	62,250	77,508	57,674
	4,897,639	5,195,960	4,877,046
Expenditures (Schedule 1)			
School programs	3,017,895	3,321,108	3,158,753
Inclusive schooling	789,047	731,482	642,127
Operations and maintenance	314,755	260,451	311,353
Administration	668,395	829,170	708,116
Aboriginal languages	82,557	83,406	76,303
	4,872,649	5,225,617	4,896,652
Surplus (deficit)	\$ 24,990	\$ (29,657)	\$ (19,606)

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Accumulated Surplus

For the year ended June 30,	2010	2009
Accumulated surplus, beginning of year	\$ 425,147	\$ 444,753
Deficit	(29,657)	(19,606)
Accumulated surplus, end of year	\$ 395,490	\$ 425,147

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Cash Flows

For the year ended June 30,	2010	2009
Operating transactions		
Cash received from:		
Government of Canada	\$ 67,593	\$ 12,000
Government of the Northwest Territories	4,887,453	5,014,344
Recoveries and general revenue	146,833	122,664
	5,101,879	5,149,008
Cash paid for:		
Compensation and benefits	(3,889,994)	(3,421,802)
Operations and maintenance	(1,480,149)	(1,549,848)
	(5,370,143)	(4,971,650)
Cash provided by operating transactions	(268,264)	177,358
Investing transaction		
Restricted cash	(60,671)	-
Temporary investments	-	(115)
Cash used for investing transactions	(60,671)	(115)
Change in cash position	(328,935)	177,243
Cash, beginning of year	1,044,402	867,159
Cash, end of year	\$ 715,467	\$ 1,044,402

June 30, 2010

1. Accounting Policies

The financial statements of the Commission scolaire francophone Territoires du Nord-Ouest ("the Commission") have been prepared in accordance with accounting principles that are considered appropriate for organizations of this type and in accordance with the legislative directives and requirements of the Government of the Northwest Territories - Department of Education, Culture and Employment, ("the Department"). The financial statements have, in the administration's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

(a) Reporting entity and services offered

The Commission was established under the *Education Act* of the Government of the Northwest Territories ("GNWT") by order of the Minister dated November 7, 2000. A full range of instructional programs ranging from pre-kindergarten through Grade 12 is offered by the Commission in both Yellowknife and Hay River.

The Commission is an independent legal and accounting entity with an elected Board of Trustees as stipulated in Section 82 of the *Education Act*. The Board of Trustees has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

Section 81 of the *Education Act* outlines the powers of a Board of Education which for the Commission includes all aspects of operation and management. The Commission is the lowest (and sole) level of government exercising oversight responsibility.

(b) Temporary investments

Temporary investments are recorded at the lower of cost or net realizable value.

(c) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Commission are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

(d) Employee leave and termination benefits

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Annual leave is payable within one fiscal year. Employees also earn retirement and severance remuneration based on number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Payment of the removal and termination is dependent on employees leaving the Commission and other criteria as outlined in the negotiated collective agreements and management handbook guidelines of the GNWT.

June 30, 2010

1. Accounting Policies (continued)

(e) Revenue recognition

GNWT - regular contributions

The regular contributions from the GNWT is determined by a funding formula, based on student enrolment and price and volume fluctuation, and is received in monthly installments. The Commission retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the GNWT. The contribution revenue is recognize when received or receivable.

The Commission is economically dependent on the GNWT to provide funding for continued operations.

Other contributions

The Commission follows the deferral method of accounting for contributions from funding arrangements. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Funds received that are not expended at year-end are either deferred revenue or contributions repayable depending upon the terms of the contribution agreement.

School funds

Schools in the system administer funds which arise from certain school and student activities. Such funds, although subject to internal review, are not recorded in the accounts or in the financial statements of the Commission as they do not constitute any part of the approved budget and are available for use at the discretion of each individual school.

Interest

Interest income is recognized when received or receivable, if amount can be reasonably estimated.

(f) Inventory

Inventories of books, supplies and other expendables purchased by the Commission are treated as expenditures during the year of acquisition and are not recorded on the balance sheet.

(g) Capital assets

The Commission does not carry any tangible capital assets. All tangible capital assets used by the Commission are purchased by and remain the property of the GNWT.

(h) Donated goods and services

The school buildings occupied by the Commission are the property of the GNWT. The fair value of the use of the building can not be readily determined and, accordingly, has not been reported in the financial statements.

Notes to Financial Statements

June 30, 2010

1. Accounting Policies (continued)

(i) Budget data

Section 117 of the *Education Act* of the Northwest Territories requires that Boards of Education prepare an annual budget.

The final priorities and funding allocations are determined by the Commission Trustees at a special meeting called for the purposes of reviewing budget proposals, recommending changes, additions or deletions and adopting the proposed budget.

This annual budget includes estimates of revenue and expenditures for operations. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Commission.

The budget may be amended within a given fiscal year in accordance with Commission policy, regulations and approved budget procedures. The budget data presented in the financial statements reflect the amended budget for the fiscal year, and therefore, include any amendments that may have been made during the year. The budget has not been audited.

(j) Financial instruments

All significant financial assets and financial liabilities of the Commission are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed..

(k) Use of estimates

The preparation of these financial statements in conformity with the directives of the Department requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses during the period. Actual results could differ from these estimates.

2. Restricted Cash

Restricted cash represents funds held in trust for the purpose of covering legal costs related to legal action against the GNWT for the provision of additional classroom space in Hay River (Note 8).

3. Temporary Investment

The temporary investment is a prime linked GIC with the Royal Bank of Canada which accrues interest at 0.001%. The investment matures on June 2011.

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Financial Statements

June 30, 2010

4. Employee Leave and Termination Benefits

	2010	2009
Leave and termination benefits	\$ 49,877	\$ 33,076
Less: current portion of employee leave and termination benefits	3,242	2,150
	<u>\$ 46,635</u>	<u>\$ 30,926</u>

5. Deferred Revenue

Deferred revenue consists of funding received from the Programme d'appui aux droits linguistiques / Language Rights Support Program of Canada for expenditures not yet incurred.

6. Operating Surplus

Under block funding agreements the Commission does not receive funding for the leave and termination liability and is excluded from any funding advances to the Commission. For management purposes, the Department recalculates the surplus as shown below.

	2010	2009
Accumulated surplus per balance sheet	\$ 395,490	\$ 425,147
Accrual for leave and termination benefits	49,877	33,076
	<u>\$ 445,367</u>	<u>\$ 458,223</u>

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Financial Statements

June 30, 2010

7. Commitments

The Commission is committed to a photocopier lease agreement. The lease agreement is with IOS Financial Services and expires in 2014.

The Commission is committed to a rental agreement with Dundee Canada West (GP) Inc. for the Commission's head office. The agreement expires in 2012.

The Commission is committed to a rental agreement for living space for the French Monitors in Hay River. The agreement expires in 2011.

The Commission is committed to a busing services agreement with Cardinal Coach Lines Ltd. The agreement expires in 2012.

The leases are payable in varying monthly installments. The future minimum payments are as follows:

2011	\$ 108,846
2012	10,140
2013	10,140
2014	10,140

\$ 139,266

8. Contingencies

The Commission brought legal action against the GNWT to provide additional classroom space in Hay River. The case has not yet been heard by the court.

The L'Association des Parents Ayants Droit has brought legal action against the GNWT to provide additional classroom space in Yellowknife. The case has not yet been heard by the court. The Commission is providing support in this action.

The Commission does not expect any loss or gain from these legal actions against the GNWT.

9. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Notes to Financial Statements

June 30, 2010

10. Financial Instruments

Financial instruments consist of recorded amounts of temporary investments, amounts due from the Government of the Northwest Territories and other accounts receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities, employee deductions payable, vacation payable, employee leave and termination benefits and contributions repayable which will result in future cash outlays.

The Commission is exposed to the following risks in respect of certain of the financial instruments held:

a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Commission is exposed to credit risk from government funding departments and agencies. This risk is minimized due to the credit worthiness of the territorial and federal government.

b) Fair value

The Commission's carrying value of cash, temporary investments, due from the GNWT, other accounts receivable, accounts payable and accrued liabilities, employee deductions payable, vacations payable, employee leave and termination benefits and contribution repayable approximates its fair value due to the immediate or short-term maturity of these instruments.

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 1 - Details of Expenditures

For the year ended June 30, 2010

	School Programs	Inclusive Schooling	Operation & Maintenance	Administration	Aboriginal Languages	Total
Salaries						
Teachers salaries	\$ 2,233,496	\$ 268,559	\$ -	\$ -	\$ 25,385	\$ 2,527,440
Instruction assistants	123,402	285,485	-	-	-	408,887
Non-instructional staff	388,851	77,295	-	456,133	-	922,279
Board/trustee honorarium	-	-	-	30,750	23,736	54,486
	2,745,749	631,339	-	486,883	49,121	3,913,092
Employee benefits						
Employee benefits	-	-	9,751	-	-	9,751
Leave and termination benefits	-	-	43,672	-	-	43,672
	-	-	53,423	-	-	53,423
Services purchased						
Advertising/printing	-	-	9,661	30,557	-	40,218
Communications	11,510	664	-	12,069	-	24,243
Contracted services	49,222	6,618	-	149,156	-	204,996
Maintenance/repair	12,107	6,572	-	-	-	18,679
Other	52,075	40,917	-	22,953	-	115,945
Rental/leases	63,306	-	-	68,584	-	131,890
Student travel	50,628	-	-	-	-	50,628
Travel	31,596	22,427	-	38,044	3,930	95,997
Utilities	-	-	197,367	-	-	197,367
	270,444	77,198	207,028	321,363	3,930	879,963
Supplies and materials						
Freight	1,297	-	-	3,065	-	4,362
Materials	303,618	22,945	-	17,859	30,355	374,777
	304,915	22,945	-	20,924	30,355	379,139
	\$ 3,321,108	\$ 731,482	\$ 260,451	\$ 829,170	\$ 83,406	\$ 5,225,617

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 2 - Details of Inclusive Schooling Expenditures

For the year ended June 30, 2010

	Staff Development	Student Resources	General Inclusive Schooling	Total
Function Salaries				
Consultants	\$ -	\$ -	\$ 77,295	\$ 77,295
Program support teachers	40,917	-	268,559	309,476
Supportive assistants	-	-	285,485	285,485
	40,917	-	631,339	672,256
Services Purchased/Contracted				
Other contracted	-	-	7,282	7,282
Travel	-	-	22,427	22,427
	-	-	29,709	29,709
Materials/Supplies/Freight				
Freight	-	6,572	-	6,572
Materials	-	22,945	-	22,945
	-	29,517	-	29,517
	\$ 40,917	\$ 29,517	\$ 661,048	\$ 731,482

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 3 - Details of Aboriginal Language and Culture Expenditures

For the year ended June 30, 2010

	Student Instructions	School Activities & Integrated Community Programs	Total
Function Salaries			
ALCBE teachers	\$ 25,385	\$ -	\$ 25,385
Honoraria	23,736	-	23,736
	49,121	-	49,121
Services Purchased/Contracted			
Travel	-	3,930	3,930
Materials/Supplies/Freight			
Materials	-	30,355	30,355
	\$ 49,121	\$ 34,285	\$ 83,406

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 4 - French Language Funding

For the year ended June 30, 2010

	Contributions from GNWT	Commitments from Commission	Expenditures	(Under) Over Funding
2 grade level per class (salary)	\$ 250,350	\$ 1,537,859	\$ 2,411,682	\$ (623,473)
2 secretaries / librarian (salary)	117,500	39,155	172,685	(16,030)
Assistant-superintendent pedagogy (O&M)	40,000	-	6,550	33,450
Assistant-superintendent pedagogy (salary)	115,000	15,000	159,575	(29,575)
Cultural activities	40,000	-	32,080	7,920
Cyber pedagogy (salary)	115,000	-	102,789	12,211
French resource purchase	10,000	25,000	40,516	(5,516)
Music projects (ÉASC)	30,000	-	28,644	1,356
Partnership early childhood	30,000	-	20,866	9,134
Professional development	10,000	48,000	72,355	(14,355)
Retention bursaries	10,000	-	9,250	750
School administration (salary)	225,000	-	-	225,000
Teacher assistants for francisation (salary)	120,000	187,878	114,966	192,912
Technology resources	40,000	30,000	50,308	19,692
Total	\$ 1,152,850	\$ 1,882,892	\$ 3,222,266	\$ (186,524)

Regular GNWT Funding

Total \$ 3,802,197

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 5 - Student Success Initiative

For the year ended June 30, 2010

	Total
Revenue	\$ 46,530
Expenditures	
Salaries/Wages	
Facilitator fees	12,831
Travel	
Daily per diems & other expenses	3,339
Facilitator travel	6,581
Staff travel	8,727
	18,647
Workshop expense	
Material	5,524
Total Expenditures	37,002
Surplus	\$ 9,528

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 6 - Infrastructure Revenues and Expenditures

For the year ended June 30, 2010

	Total
Personnel Infrastructure	
Contributions	\$ 110,852
Expenditures	
Removal in/transfer	43,672
Staff advertising	9,661
WCB premiums	9,751
	63,084
Personnel infrastructure net	47,768
Utilities & Leases Infrastructure	
Contributions	190,291
Expenditures	
Electricity	46,168
Fuel	65,517
Leases	65,618
Other	22,867
Water/sewer	7,094
Maintenance	56,753
	264,017
Utilities & leases infrastructure net	(73,726)
Deficit	\$ (25,958)
