

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**East Central Francophone Education Region No. 3**

Legal Name of School Jurisdiction

**P.O. Box 249, St-Paul, Alberta, T0A 3A0**

Mailing Address

**780-645-3888 780-645-2045**

Telephone and Fax Numbers

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

The financial statements of East Central Francophone Education Region No. 3 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

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

**Board of Trustees Responsibility**

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

**External Auditors**

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

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements prescribed by Alberta Education.

**BOARD CHAIR**

**Guy Genereux**

Name

Signature

**SUPERINTENDENT**

**Marc Dumont**

Name

Signature

**SECRETARY TREASURER OR TREASURER**

**Lise Dechaine Gratton**

Name

Signature

**29-Nov-11**

Board-approved Release Date

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## INDEPENDENT AUDITOR'S REPORT

To The board of Trustees of the East Central Francophone Education Region No. 3,

We have audited the accompanying financial statements of the East Central Francophone Education Region No.3, which comprise the statement of financial position as at August 31, 2011, and the statements of revenue and expenses, cash flows, changes in net assets and capital allocations for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2011, and the results of operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

ST. PAUL, ALBERTA  
November 29, 2011

*Joly McCarthy & Dion*  
CHARTERED ACCOUNTANTS

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2011

(in dollars)

	2011	2010
<b>ASSETS</b>		
Current assets		
Cash and temporary investments (Note 3)	\$273,057	\$518,950
Accounts receivable (net after allowances) (Note 4)	\$266,049	\$1,027,872
Prepaid expenses	\$16,647	\$2,182
Other current assets	\$0	\$0
<b>Total current assets</b>	<b>\$555,753</b>	<b>\$1,549,004</b>
School generated assets	\$107,286	\$83,748
Trust assets (Note 11)	\$292,999	\$174,111
Long term accounts receivable	\$0	\$0
Long term investments (Note 5)	\$0	\$176,115
Capital assets (Note 6)		
Land	\$1,255,002	\$1,255,002
Construction in progress	\$0	\$6,354,778
Buildings	\$41,720,192	
Less: accumulated amortization	(\$5,345,559)	\$36,374,633
Equipment	\$4,203,651	
Less: accumulated amortization	(\$1,222,175)	\$2,981,476
Vehicles	\$267,769	
Less: accumulated amortization	(\$110,154)	\$157,615
<b>Total capital assets</b>	<b>\$40,768,726</b>	<b>\$34,944,449</b>
<b>TOTAL ASSETS</b>	<b>\$41,724,764</b>	<b>\$36,927,427</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness (Note 7)	\$235,701	\$0
Accounts payable and accrued liabilities (Note 8)	\$159,859	\$118,287
Deferred revenue (Note 9)	\$163,035	\$183,208
Deferred capital allocations (Note 10)	\$201,099	\$1,031,588
Current portion of long term debt	\$0	\$0
<b>Total current liabilities</b>	<b>\$759,694</b>	<b>\$1,333,083</b>
School generated liabilities	\$107,286	\$83,748
Trust liabilities (Note 11)	\$292,999	\$174,111
Employee future benefit liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$0	\$0
Less: Current portion	\$0	\$0
Unsupported: Debentures and capital loans	\$0	\$0
Capital leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 12)	\$38,769,438	\$33,264,880
<b>Total long term liabilities</b>	<b>\$39,169,721</b>	<b>\$33,522,739</b>
<b>TOTAL LIABILITIES</b>	<b>\$39,929,415</b>	<b>\$34,855,822</b>
<b>NET ASSETS</b>		
Unrestricted net assets	(\$203,941)	\$242,036
Operating reserves	\$0	\$150,000
Accumulated operating surplus (deficit)	(\$203,941)	\$392,036
Investment in capital assets	\$1,999,290	\$1,679,569
Capital reserves	\$0	\$0
Total capital funds	\$1,999,290	\$1,679,569
<b>Total net assets</b>	<b>\$1,795,349</b>	<b>\$2,071,605</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$41,724,764</b>	<b>\$36,927,427</b>

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

**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2011**  
(in dollars)

	Actual 2011	Budget 2011	Actual 2010
<b>REVENUES</b>			
Government of Alberta	\$11,104,534	\$10,625,125	\$10,100,044
Federal Government and First Nations	\$2,304	\$380,220	\$508,714
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$64,626	\$57,680	\$49,819
Transportation fees	\$5,085	\$2,500	\$2,955
Other sales and services	\$0	\$0	\$0
Investment income	\$23,293	\$0	\$20,323
Gifts and donations	\$1,725	\$500	\$0
Rental of facilities	\$650	\$8,000	\$0
Gross school generated funds	\$246,156	\$350,000	\$351,043
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,054,061	\$620,344	\$620,344
Other revenue	\$0	\$46,758	\$15,000
<b>Total Revenues</b>	<b>\$12,502,434</b>	<b>\$12,091,127</b>	<b>\$11,668,042</b>
<b>EXPENSES</b>			
Certificated salaries (Note 20)	\$5,567,996	\$5,504,306	\$5,198,965
Certificated benefits (Note 20)	\$607,301	\$639,552	\$556,310
Non-certificated salaries and wages (Note 20)	\$1,579,978	\$1,339,319	\$1,485,186
Non-certificated benefits (Note 20)	\$388,549	\$415,642	\$351,279
Services, contracts and supplies	\$3,276,239	\$3,199,943	\$3,244,117
Gross school generated funds	\$246,156	\$350,000	\$351,043
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$1,054,061	\$620,344	\$620,344
Unsupported	\$50,815	\$61,212	\$55,238
<b>Total Amortization of capital assets</b>	<b>\$1,104,876</b>	<b>\$681,556</b>	<b>\$675,582</b>
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Other interest and charges	\$4,164	\$0	\$6,008
Losses on disposal of capital assets	\$3,431	\$0	\$0
Other expense	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$12,778,690</b>	<b>\$12,130,318</b>	<b>\$11,868,490</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	(\$276,256)	(\$39,191)	(\$200,448)
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$276,256)</b>	<b>(\$39,191)</b>	<b>(\$200,448)</b>

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

## STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2011

(in dollars)

	2011	2010
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	(\$276,256)	(\$200,448)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,054,061)	(\$820,344)
Total amortization expense	\$1,104,876	\$675,582
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$3,431	\$0
Changes in:		
Accounts receivable	\$761,823	(\$703,807)
Prepays and other current assets	(\$14,465)	\$192
Long term accounts receivable	\$0	\$0
Long term investments	\$176,115	\$175,000
Accounts payable and accrued liabilities	\$41,572	\$24,300
Deferred revenue	(\$20,173)	(\$143,661)
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Operations	\$722,862	(\$793,186)
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	(\$11,254)
Buildings	(\$5,879,071)	(\$10,596,274)
Equipment	(\$945,871)	(\$1,353,156)
Vehicles	(\$95,307)	(\$19,000)
Net proceeds from disposal of capital assets	\$10,640	\$0
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$6,909,609)	(\$11,979,684)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$5,705,153	\$12,034,358
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 cash flows from financing activities	\$5,705,153	\$12,034,358
Net cash flows from during the year	(\$481,594)	(\$738,512)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$518,950	\$1,257,462
Cash and temporary investments, net of bank indebtedness, at Aug. 31/11	\$37,356	\$518,950

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



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

School Jurisdiction Code: 0090

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)		
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	INTERNALLY RESTRICTED NET ASSETS										External Services	
						School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		Operating Reserves	Capital Reserves		
						Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves				
Balance at August 31, 2010 (Prior period adjustments, (describe))	\$2,071,605	\$1,679,569	\$242,036	\$150,000	\$0	\$0	\$0	\$150,000	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Adjusted Balance, Aug. 31, 2010	\$2,071,605	\$1,679,569	\$242,036	\$150,000	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Excess (deficiency) of revenues over expenses	(\$276,256)		(\$276,256)														
Board funded capital additions		\$373,967	(\$373,967)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Disposal of unsupported capital assets	\$0	(\$3,431)	\$3,431		\$0		\$0		\$0		\$0		\$0		\$0		
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Direct credits to net assets	\$0	\$0	\$0														
Amortization of capital assets		(\$1,104,876)	\$1,104,876														
Amortization of capital allocations		\$1,054,061	(\$1,054,061)														
Debt principal repayments (unsupported)		\$0	\$0														
Net transfers to operating reserves			\$0	\$0		\$0											
Net transfers from operating reserves			\$100,000	(\$150,000)	\$0	\$0		(\$150,000)		\$0		\$0		\$0	\$0		
Net transfers to capital reserves			\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Net transfers from capital reserves			\$0														
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Balance at August 31, 2011	\$1,795,349	\$1,999,290	(\$203,941)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2011  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2010	\$1,031,588	\$33,264,880
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2010	\$1,031,588	\$33,264,880
<b>Add:</b>		
Restricted capital allocations from: Alberta Education school building and modular projects	\$5,705,153	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$22,975
P3, other ASAP and Alberta Infrastructure managed projects		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current year supported debenture principal repayment		\$0
Expended capital allocations - current year	(\$6,535,642)	\$6,535,642
<b>Deduct:</b>		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,054,061
Balance at August 31, 2011	\$201,099	\$38,769,436

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



EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

**1. Authority and Purpose**

The School Jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under 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 Income Tax Act.

**2. Summary of Significant Accounting Policies**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. 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 or 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.

**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	2.5-4%
Equipment	10-20%
Vehicles	20%

Capital assets with costs in excess of \$5,000 are capitalized. The amortization of the asset will commence in the fiscal year following the year of acquisition. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

**2. Summary of Significant Accounting Policies (continued)**

c) School Generated Funds

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

d) Vacation Pay

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

e) Prepaid expenses

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

f) 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.

g) Operating and Capital Reserves

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

h) Pensions

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

The current 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 East Central Francophone Education Region No. 3 does not make pension contributions for certificated staff.

The school board along with the active uncertified members contribute to an RRSP plan. The employer expense for this pension plan is \$128,202 for the year ended August 31, 2011 (2010 - \$103,566).

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

i) Investments

Investments in term deposits are recorded at cost as they are held to maturity.

j) Financial Instruments

These 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(2)(d) of the School Act.

3. Cash and Temporary Investments

	2011			2010		
	Average Effective Yield	Cost	Fair Value	Average Effective Yield	Cost	Fair Value
Cash and cash equivalents		\$ --	\$ --		\$ 274,950	\$ 274,950
Term deposits	4.07%	<u>273,057</u>	<u>273,057</u>	2.47%	<u>244,000</u>	<u>244,000</u>
		<u>\$ 273,057</u>	<u>\$ 273,057</u>		<u>\$ 518,950</u>	<u>\$ 518,950</u>

4. Accounts Receivable

	2011	2010
Alberta Education	\$ 148,955	\$ 587,211
Other Alberta school jurisdictions	15,925	--
Federal Government	--	357,323
Other	<u>101,169</u>	<u>83,338</u>
	<u>\$ 266,049</u>	<u>\$ 1,027,872</u>

5. Long-Term Investments

	2011			2010		
	Average Effective Yield	Cost	Fair Value	Average Effective Yield	Cost	Fair Value
Term deposits						
Due 2012	n/a	\$ --	\$ --	2.91%	<u>\$ 176,115</u>	<u>\$ 176,115</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

**6. Tangible Capital Assets**

	Land	Construction In Progress	Buildings 25-40 Years	Other Equipments 5-10 Years	Vehicles 5-10 Years	Total Aug. 31 2011	Total Aug. 31 2010
Estimated Useful Life							
Historical cost							
September 1, 2010	\$ 1,255,002	\$ 6,354,778	\$ 29,486,342	\$ 3,234,806	\$ 224,452	\$ 40,555,380	\$ 28,454,671
Additions	--	5,739,709	139,363	968,845	95,307	6,943,224	12,113,157
Completed construction	--	(12,094,487)	12,094,487	--	--	--	--
Less disposals including write-offs	--	--	--	--	(51,990)	(51,990)	(12,448)
August 31, 2011	<u>1,255,002</u>	--	<u>41,720,192</u>	<u>4,203,651</u>	<u>267,769</u>	<u>47,446,614</u>	<u>40,555,380</u>
Accumulated amortization							
September 1, 2010	--	--	4,564,118	921,134	125,679	5,610,931	4,947,797
Amortization expense	--	--	781,441	301,041	22,394	1,104,876	675,582
Effect of disposals	--	--	--	--	(37,919)	(37,919)	(12,448)
August 31, 2011	--	--	<u>5,345,559</u>	<u>1,222,175</u>	<u>110,154</u>	<u>6,677,888</u>	<u>5,610,931</u>
Net Book Value at August 31, 2011	<u>\$ 1,255,002</u>	<u>\$ --</u>	<u>\$ 36,374,633</u>	<u>\$ 2,981,476</u>	<u>\$ 157,615</u>	<u>\$ 40,768,726</u>	<u>\$ 34,944,449</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

**7. Bank Indebtedness**

The jurisdiction has negotiated a line of credit in the amount of \$400,000 that bears interest at the bank prime plus .5%. This line of credit is secured by a borrowing resolution and assignment of term deposits and is due May 31, 2012.

**8. Accounts Payable and Accrued Liabilities**

	<u>2011</u>	<u>2010</u>
Other Province of Alberta	\$ --	\$ 26,379
Other Alberta School Jurisdictions	18,102	16,873
Other	<u>141,757</u>	<u>75,035</u>
	<u>\$ 159,859</u>	<u>\$ 118,287</u>

**9. Deferred Revenue**

	<u>Deferred Revenue Aug. 31, 2010</u>	<u>Restricted Funds Received</u>	<u>Restricted Funds Expended</u>	<u>Deferred Revenue Aug. 31, 2011</u>
Alberta Education Restricted Operational Funding:				
Infrastructure Maintenance Renewal	\$ 171,051	\$ 138,334	\$ 146,350	\$ 163,035
Alberta Initiative for School Improvements	9,853	85,592	95,445	--
SuperNet Service	--	30,210	30,210	--
Other Government of Alberta Restricted Funding:				
Skills Canada Alberta	<u>2,304</u>	<u>--</u>	<u>2,304</u>	<u>--</u>
	<u>\$ 183,208</u>	<u>\$ 254,136</u>	<u>\$ 274,309</u>	<u>\$ 163,035</u>

**10. Deferred Capital Allocations**

Deferred capital allocations represent externally-restricted supported 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.

**11. Trust Assets and Liabilities**

This balance represents cash held in trust by the jurisdiction.

	<u>2011</u>	<u>2010</u>
Francophone Distance Learning	<u>\$ 292,999</u>	<u>\$ 174,111</u>

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**12. 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.

**13. Economic Dependence on Related Third Party**

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

**14. Budget Amounts**

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

**15. Commitments**

a) Capital Projects:

The jurisdiction is committed to capital expenditures for the construction of the following new schools. It is anticipated that the full amount of the projects will be funded by capital allocations from Alberta Education.

	<u>Expended to date</u>	<u>Commitments</u>
Bonnyville school	\$ 13,931,548	\$ 380,833
St. Paul school	11,706,261	4,197,858

b) Letter of Credit:

On behalf of the jurisdiction, the bank has provided a letter of credit to the Minister of Public Works and Government Services "Her Majesty" in the amount of \$28,191, as a form of security against a lease to provide office space. The lease has now been cancelled and the letter of credit is in the process of being removed.

**16. Contingent Asset**

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.

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**17. Comparative Figures**

The comparative figures have been reclassified where necessary to conform to the 2011 presentation.

**18. Capital Disclosures**

The jurisdiction defines capital as the sum of its net assets. The jurisdiction objectives when managing capital is to hold sufficient net assets to withstand unexpected negative financial events. The jurisdiction minimizes its exposure to external financial obligations and holds cash to ensure sufficient liquidity. The jurisdiction overall strategy with respect to capital risk management remains unchanged from the year ended August 31, 2010.

**19. Related Party Transactions**

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB1300. All entities that are consolidated in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The East Central Francophone Education Region No. 3 had related party transactions for the year ended August 31, 2011 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.

	<u>Balances</u>		<u>Transactions</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Expenses</u>
<b>2010-2011</b>				
Government of Alberta:				
Education	\$ 148,955	\$ 163,035	\$ 11,079,534	\$ --
Other departments	--	201,099	25,000	18,727
Other:				
Other Alberta school jurisdictions	<u>15,925</u>	<u>18,102</u>	<u>--</u>	<u>244,099</u>
Total 2010-2011	\$ <u>164,880</u>	\$ <u>382,236</u>	\$ <u>11,104,534</u>	\$ <u>262,826</u>
Total 2009-2010	\$ <u>593,878</u>	\$ <u>1,234,324</u>	\$ <u>10,100,044</u>	\$ <u>478,196</u>



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**20. Remuneration and Monetary Incentives**

The East Central Francophone Education Region No. 3 has paid or accrued expenses for the year ended August 31, 2011 to or on behalf of the following positions and persons in groups as follows:

	<u>FTE</u>	<u>Remuneration</u>	<u>Benefits</u>	<u>Total</u>	<u>Expenses</u>
Board Members					
Chairperson					
Guy Genereux	1.00	\$ 12,400	\$ 238	\$ 12,638	\$ 10,668
Other Board Members					
Réal Jodoin	1.00	4,710	38	4,748	3,798
Allain Dallaire	1.00	3,375	5	3,380	2,001
Ernest Piquette	1.00	8,091	75	8,166	3,224
Reginald Roy	1.00	682	6	688	50
Michelle Dallaire	1.00	<u>6,300</u>	<u>64</u>	<u>6,364</u>	<u>5,247</u>
Subtotal		35,558	426	35,984	24,988
Superintendent					
Marc Dumont	1.00	158,627	11,671	170,298	37,118
Secretary/Treasurer					
Lise Dechaine Gratton	1.00	128,782	27,956	156,738	7,182
Certified Teachers	62.40	5,409,369	595,630	6,004,999	
Non-certified - other	40.20	<u>1,415,638</u>	<u>360,167</u>	<u>1,775,805</u>	
Total		\$ <u>7,147,974</u>	\$ <u>995,850</u>	\$ <u>8,143,824</u>	