

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012**
[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.

<p style="text-align: center;">BOARD CHAIR</p> <p style="text-align: center;">Guy Genereux</p> <p style="text-align: center;">Name</p>	<p style="text-align: center;">SUPERINTENDENT</p> <p style="text-align: center;">Marc Dumont</p> <p style="text-align: center;">Name</p>
<p style="text-align: center;">SECRETARY TREASURER OR TREASURER</p> <p style="text-align: center;">Marc Labonte</p> <p style="text-align: center;">Name</p>	<p style="text-align: center;">Signature</p> <p style="text-align: center;">Signature</p> <p style="text-align: center;">Signature</p>

27-Nov-12

Board-approved Release Date

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF REVENUES AND EXPENSES	5
STATEMENT OF CASH FLOWS	6
STATEMENT OF CHANGES IN NET ASSETS	7
STATEMENT OF CAPITAL ALLOCATIONS	8
NOTES TO THE FINANCIAL STATEMENTS	9

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, 2012, 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, 2012, 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 27, 2012

Joly McCarthy & Dion
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

as at August 31, 2012

(In dollars)

		2012	2011
ASSETS			
Current assets			
Cash and temporary investments	(Note 3)	\$173,818	\$380,343
Accounts receivable (net after allowances)	(Note 4)	\$220,171	\$286,049
Prepaid expenses		\$21,631	\$16,647
Other current assets		\$0	\$0
Total current assets		\$415,520	\$663,039
Trust assets	(Note 10)	\$44,273	\$292,999
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
	(Note 5)		
Land		\$1,255,002	\$1,256,002
Construction in progress		\$0	\$0
Buildings	\$42,051,048		
Less: accumulated amortization	(\$6,423,608)	\$35,627,440	\$36,374,633
Equipment	\$4,573,672		
Less: accumulated amortization	(\$1,596,758)	\$2,974,914	\$2,981,476
Vehicles	\$267,769		
Less: accumulated amortization	(\$151,609)	\$116,160	\$157,615
Total capital assets		\$39,973,516	\$40,768,726
TOTAL ASSETS		\$40,433,309	\$41,724,764
LIABILITIES			
Current liabilities			
Bank indebtedness	(Note 6)	\$0	\$235,701
Accounts payable and accrued liabilities	(Note 7)	\$203,102	\$169,859
Deferred revenue	(Note 8)	\$224,787	\$270,321
Deferred capital allocations	(Note 9)	\$87,055	\$201,099
Current portion of long term debt		\$0	\$0
Total current liabilities		\$514,944	\$866,980
Trust liabilities	(Note 10)	\$44,273	\$292,999
Employee future benefit liabilities		\$0	\$0
Long term debt			
Supported:			
Debtentures and other supported debt		\$0	\$0
Less: Current portion		\$0	\$0
Unsupported:			
Debtentures 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 11)	\$38,028,053	\$38,769,436
Total long term liabilities		\$38,072,326	\$39,062,435
TOTAL LIABILITIES		\$38,587,270	\$39,929,415
NET ASSETS			
Unrestricted net assets		(\$99,424)	(\$203,941)
Operating reserves		\$0	\$0
Accumulated operating surplus (deficit)		(\$99,424)	(\$203,941)
Investment in capital assets		\$1,945,463	\$1,999,290
Capital reserves		\$0	\$0
Total capital funds		\$1,945,463	\$1,999,290
Total net assets		\$1,846,039	\$1,795,349
TOTAL LIABILITIES AND NET ASSETS		\$40,433,309	\$41,724,764

Note: Please input "(Restated)" in 2011 column heading where comparatives are not taken from the finalized 2010/2011 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2012

(in dollars)

	Actual 2012	Budget 2012	Actual 2011 Restated (Note 18)
REVENUES			
Government of Alberta	\$12,076,104	\$12,201,612	\$11,653,788
Federal Government and/or First Nations	\$0	\$0	\$2,304
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Fees (Note 12)	\$177,886	\$56,480	\$119,746
Other sales and services	\$64,467	\$39,506	\$68,663
Investment income	\$7,856	\$10,000	\$23,325
Gifts and donations	\$401	\$500	\$1,725
Fundraising	\$143,305	\$360,000	\$127,426
Rental of facilities	\$14,138	\$0	\$650
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,408,981	\$1,444,573	\$1,054,061
Other revenue	\$0	\$0	\$0
Total Revenues	\$13,893,138	\$14,102,651	\$13,051,688
EXPENSES			
Certificated salaries (Note 21)	\$5,658,567	\$5,605,293	\$5,567,996
Certificated benefits (Note 21)	\$1,155,696	\$1,053,432	\$1,156,555
Non-certificated salaries and wages (Note 21)	\$1,450,818	\$1,450,332	\$1,579,978
Non-certificated benefits (Note 21)	\$339,066	\$418,112	\$388,549
Services, contracts and supplies	\$3,735,314	\$3,748,063	\$3,522,395
Capital and debt services			
Amortization of capital assets			
Supported	\$1,408,981	\$1,444,573	\$1,054,061
Unsupported	\$87,106	\$83,439	\$50,815
Total Amortization of capital assets	\$1,496,087	\$1,528,012	\$1,104,876
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$0	\$0	\$0
Other interest and charges	\$6,901	\$0	\$4,164
Losses on disposal of capital assets	\$0	\$0	\$3,431
Other expense	\$0	\$0	\$0
Total Expenses	\$13,842,448	\$13,803,244	\$13,327,944
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$50,690	\$299,407	(\$276,256)
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$50,690	\$299,407	(\$276,256)

Note: Please input "(Restated)" where Actual 2011 comparatives are not as presented in the finalized 2010/2011 Audited Financial Statements filed with Alberta Education. Budget 2012 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2012

(In dollars)

	2012	2011
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	\$50,690	(\$276,256)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,408,981)	(\$1,054,081)
Total amortization expense	\$1,496,087	\$1,104,876
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$3,431
Changes in:		
Accounts receivable	\$45,878	\$761,823
Prepays and other current assets	(\$4,884)	(\$14,455)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$176,116
Accounts payable and accrued liabilities	\$43,243	\$41,572
Deferred revenue	(\$45,534)	\$3,365
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Operations	\$176,499	\$746,400
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$330,856)	(\$5,879,071)
Equipment	(\$140,371)	(\$945,871)
Vehicles	\$0	(\$95,307)
Net proceeds from disposal of capital assets	\$0	\$10,640
Other (describe)	\$0	\$0
Total cash flows from investing activities	(\$471,227)	(\$6,909,609)
C. FINANCING ACTIVITIES		
Capital allocations	\$323,904	\$5,705,153
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	\$323,904	\$5,705,153
Net cash flows from during the year	\$29,176	(\$458,056)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/11	\$144,642	\$602,698
Cash and temporary investments, net of bank indebtedness, at Aug. 31/12	\$173,818	\$144,642

Note: Please input "(Restated)" where Actual 2011 comparatives are not as presented in the finalized 2010/2011 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2012

(in dollars)

School Jurisdiction Code: 8080

	(1) TOTAL NET ASSETS Cols. 2+3+4+5	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15)											
				INTERNALLY RESTRICTED NET ASSETS											
				TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	(6) School & Instruction Related		(8) Operations & Maintenance		(10) Board & System Administration		(12) Transportation		(14) External Services	
				Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2011 Prior period adjustments (describe)	\$1,795,349	\$1,989,290	(\$203,941)	\$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, 2011	\$1,795,349	\$1,999,290	(\$203,941)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Excess (deficiency) of revenues over expenses	\$50,690		\$50,690												
Board funded capital additions		\$33,279	(\$33,279)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$1,496,067)	\$1,496,067												
Amortization of capital allocations		\$1,408,981	(\$1,408,981)												
Debt principal repayments (unsupported)		\$0	\$0												
Net transfers to operating reserves			\$0	\$0				\$0					\$0		
Net transfers from operating reserves			\$0	\$0				\$0					\$0		
Net transfers to capital reserves			\$0		\$0		\$0		\$0				\$0		\$0
Net transfers from capital reserves			\$0		\$0		\$0		\$0				\$0		\$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, 2012	\$1,846,039	\$1,945,463	(\$99,424)	\$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, 2012
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2011	\$201,099	\$38,769,436
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2011	\$201,099	\$38,769,436
Add:		
Restricted capital allocations from: Alberta Education school building and modular projects	\$323,230	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$674	
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)		\$229,650
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	(\$437,948)	\$437,948
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,408,981
Balance at August 31, 2012	\$87,055	\$38,028,053

* 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, 2012

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 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 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) Cash and cash equivalents

Cash is defined as cash and short-term investments with maturity dates of less than 90 days including bank indebtedness.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012

2. Summary of Significant Accounting Policies (continued)

c) 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.

d) 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.).

e) Vacation pay

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

f) 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.

g) 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.

h) 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.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012

i) Teachers' Retirement Fund contributions by the Province of Alberta

Teachers' Retirement Fund (TRF) contributions by the Province for current service are a component part of education system costs and are formally recognized in the accounts of the school jurisdictions, even though the jurisdiction has no legal obligation to pay these costs. The amount of current service contributions are recognized as revenue from the Province and as certificated benefits expense. Previously, the Provincial contributions were not included in the accounts of the jurisdiction. The prior year's comparative figures have been restated to conform to this change in accounting policy.

j) Pensions

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

For the school year ended August 31, 2012, the amount contributed to the Teachers' Retirement Fund by the Province was \$549,200 (2011 - \$549,254).

The school board along with the active uncertified members contribute to an RRSP plan. The employer expense for this pension plan is \$117,423 for the year ended August 31, 2012 (2011 - \$128,202).

k) Investments

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

l) Financial instruments

These consist of cash, accounts receivable, accounts payable and accrued liabilities. 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.

m) Future accounting policies

The school board will adopt public sector accounting standards for the year ending August 31, 2013 with retrospective application and restatement of the prior school year. The transition is intended to enhance the public accountability and comparability of the financial reporting of the government controlled entities with those of other government organizations.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012

3. Cash and Temporary Investments

	<u>2012</u>		<u>2011</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Average Effective Yield</u>	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 173,818	\$ 173,818		\$ 107,286	\$ 107,286
Term deposits	<u>--</u>	<u>--</u>	4.07%	<u>273,057</u>	<u>273,057</u>
	<u>\$ 173,818</u>	<u>\$ 173,818</u>		<u>\$ 380,343</u>	<u>\$ 380,343</u>

4. Accounts Receivable

	<u>2012</u>	<u>2011</u>
Alberta Education	\$ 145,855	\$ 148,955
Other Alberta school jurisdictions	1,042	15,925
Other	<u>73,274</u>	<u>101,169</u>
	<u>\$ 220,171</u>	<u>\$ 266,049</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012

5. Tangible Capital Assets

	<u>Land</u>	<u>Buildings</u> 25-40 Years	<u>Other Equipments</u> 5-10 Years	<u>Vehicles</u> 5-10 Years	<u>Total Aug. 31 2012</u>	<u>Total Aug. 31 2011</u>
Estimated Useful Life						
Historical cost						
September 1, 2011	\$ 1,255,002	\$ 41,720,192	\$ 4,203,651	\$ 267,769	\$ 47,446,614	\$ 40,555,380
Additions	--	330,856	370,021	--	700,877	6,943,224
Less disposals including write-offs	--	--	--	--	--	(51,990)
August 31, 2012	<u>1,255,002</u>	<u>42,051,048</u>	<u>4,573,672</u>	<u>267,769</u>	<u>48,147,491</u>	<u>47,446,614</u>
Accumulated amortization						
September 1, 2011	--	5,345,559	1,222,175	110,154	6,677,888	5,610,931
Amortization expense	--	1,078,049	376,583	41,455	1,496,087	1,104,876
Effect of disposals	--	--	--	--	--	(37,919)
August 31, 2012	--	<u>6,423,608</u>	<u>1,598,758</u>	<u>151,609</u>	<u>8,173,975</u>	<u>6,677,888</u>
Net Book Value at						
August 31, 2012	<u>\$ 1,255,002</u>	<u>\$ 35,627,440</u>	<u>\$ 2,974,914</u>	<u>\$ 116,160</u>	<u>\$ 39,973,516</u>	<u>\$ 40,768,726</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012

6. Bank Indebtedness

The jurisdiction has negotiated a line of credit in the amount of \$400,000 that bears interest at the bank prime. This line of credit is secured by a borrowing resolution and a general security agreement and is due November 30, 2012.

7. Accounts Payable and Accrued Liabilities

	<u>2012</u>	<u>2011</u>
Other Alberta School Jurisdictions	\$ 20,862	\$ 18,102
Other	<u>182,240</u>	<u>141,757</u>
	<u>\$ 203,102</u>	<u>\$ 159,859</u>

8. Deferred Revenue

	<u>Deferred Revenue Aug. 31, 2011</u>	<u>Restricted Funds Received</u>	<u>Restricted Funds Expended</u>	<u>Deferred Revenue Aug.31,2012</u>
Alberta Education Restricted Operational Funding:				
Infrastructure Maintenance Renewal	\$ 163,035	\$ 112,716	\$ 157,690	\$ 118,061
Alberta Initiative for School Improvements	--	71,957	71,957	--
SuperNet Service	--	38,070	38,070	--
Other Deferred Revenue:				
School Generated Funds (note 13)	<u>107,286</u>	<u>325,451</u>	<u>326,011</u>	<u>106,726</u>
	<u>\$ 270,321</u>	<u>\$ 548,194</u>	<u>\$ 593,728</u>	<u>\$ 224,787</u>

9. 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.

10. Trust Assets and Liabilities

This balance represents cash held in trust by the jurisdiction.

	<u>2012</u>	<u>2011</u>
Francophone Distance Learning (Banker Board)	\$ <u>44,273</u>	\$ <u>292,999</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012

11. 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.

12. Fees

	<u>2012</u>	<u>2011</u>
Transportation fees	\$ --	\$ 5,085
Fees charged for instruction material and supplies	62,941	64,626
Other fees	<u>114,945</u>	<u>50,035</u>
	<u>\$ 177,886</u>	<u>\$ 119,746</u>

13. School Generated Funds

Unexpended School Generated Revenues, opening balance August 31, 2011 \$ 107,286

Current year activities – gross receipts:

Fees	\$ 114,945	
Fundraising	142,745	
Other sales and services	64,467	
Donations	401	
Rent	2,820	
Interest	<u>73</u>	
		325,451

Current year activities – total direct costs including
cost of goods sold to raise funds (46,948)

Current year activities – uses of funds (279,063)

Unexpended School Generated Revenues, closing balance August 31, 2012 \$ 106,726

14. Economic Dependence on Related Third Party

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

15. 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.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012

16. Commitments

Capital Projects:

The jurisdiction is committed to capital expenditures for the construction of the following new school. 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>
St. Paul school	\$ 12,029,490	\$ 3,874,629

17. 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.

18. Comparative Figures

The comparative figures have been reclassified where necessary to conform to the 2012 presentation.

19. Prior Period Adjustment

Revenue from Government of Alberta and certificated benefits expense for the year ended August 31, 2011 expense have been restated to \$11,653,788 from \$11,104,534 and to \$1,156,555 from \$607,301 respectively. These restatements reflect the retroactive application of inclusion of Government contributions to the Alberta Teachers Retirement Fund in the statement of revenues and expenses.

20. 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, 2012 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.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012

20. Related Party Transactions (continued)

	<u>Balances</u>		<u>Transactions</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Expenses</u>
<u>2011-2012</u>				
Government of Alberta:				
Education	\$ 145,855	\$ 118,061	\$ 12,076,104	\$ --
Other departments	--	87,055	--	38,950
Other:				
Other Alberta school jurisdictions	<u>1,042</u>	<u>20,862</u>	<u>--</u>	<u>317,819</u>
Total 2011-2012	\$ <u>146,897</u>	\$ <u>225,978</u>	\$ <u>12,076,104</u>	\$ <u>356,769</u>
Total 2010-2011	\$ <u>164,880</u>	\$ <u>382,236</u>	\$ <u>11,653,788</u>	\$ <u>262,826</u>

21. Remuneration and Monetary Incentives

The East Central Francophone Education Region No. 3 has paid or accrued expenses for the year ended August 31, 2012 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	\$ 10,480	\$ 170	\$ 10,650	\$ 7,475
Other Board Members					
Réal Jodoin	1.00	4,792	18	4,810	2,545
Ernest Piquette	1.00	6,565	59	6,624	3,607
François Trepanier	1.00	5,655	54	5,709	4,624
Michelle Dallaire	1.00	<u>6,020</u>	<u>43</u>	<u>6,063</u>	<u>3,290</u>
Subtotal		33,512	344	33,856	21,541
Superintendent					
Marc Dumont	1.00	170,375	27,088	197,463	39,685
Secretary/Treasurer					
Lise Dechaine Gratton	0.80	111,610	24,246	135,856	4,365
Certified Teachers	58.78	5,488,192	1,128,608	6,616,800	
Non-certified - other	35.45	<u>1,305,696</u>	<u>314,475</u>	<u>1,620,171</u>	
Total		\$ <u>7,109,385</u>	\$ <u>1,494,761</u>	\$ <u>8,604,146</u>	