

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2012 and AUGUST 31, 2013**
[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

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Telephone & Fax Numbers, and Email Address

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 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

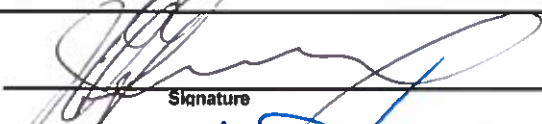
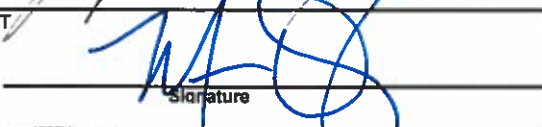
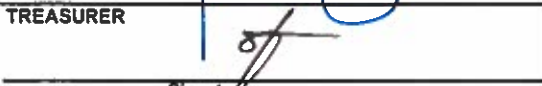
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and approved the financial statements for release.

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 Chairman

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.

<p>BOARD CHAIR</p> <p>Guy Genereux</p> <p>Name</p>	 <p>Signature</p>
<p>SUPERINTENDENT</p> <p>Marc Dumont</p> <p>Name</p>	 <p>Signature</p>
<p>SECRETARY-TREASURER OR TREASURER</p> <p>Marc Labonte</p> <p>Name</p>	 <p>Signature</p>

November 26, 2013

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 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, 2013, August 31, 2012 and September 1, 2011 and the statements of operations, cash flows, changes in net assets (net debt) and remeasurement gains and losses for the years ended August 31, 2013 and August 31, 2012 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 these financial statements in accordance with Canadian public sector accounting standards, 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 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 in our audit 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 East Central Francophone Education Region No. 3 as at August 31, 2013, August 31, 2012 and September 1, 2011 and its operations, its cash flows, change in its net financial assets (net debt) and remeasurement gains and losses for the years ended August 31, 2013 and August 31, 2012 in accordance with Canadian public sector accounting standards.

Without modifying our opinion, we draw attention to note 2 to the financial statements which mentions that East Central Francophone Education Region No. 3 adopted Canadian public sector accounting standards on September 1, 2012 with a transition date of September 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at August 31, 2012 and September 1, 2011 and the statements of operations, cash flows, changes in net financial assets (net debt) and remeasurement gains and losses for the year ended August 31, 2012 and related disclosures.

ST. PAUL, ALBERTA
November 26, 2013

Joly McCarthy & Dion
CHARTERED ACCOUNTANTS

STATEMENTS OF FINANCIAL POSITION
As at (in dollars)

	August 31		September 1
	2013	2012	2011
FINANCIAL ASSETS			
Cash and cash equivalents (Note 4)	\$1,161,857	\$218,091	\$673,342
Accounts receivable (net after allowances) (Note 5)	\$121,646	\$220,171	\$266,049
Portfolio investments	\$0	\$0	\$0
Other financial assets	\$0	\$0	\$0
Total financial assets	\$1,283,503	\$438,262	\$939,391
LIABILITIES			
Bank indebtedness (Note 6)	\$0	\$0	\$235,701
Accounts payable and accrued liabilities (Note 7)	\$208,017	\$203,102	\$159,859
Deferred revenue (Note 8)	\$37,389,807	\$38,384,168	\$39,533,855
Employee future benefit liabilities	\$0	\$0	\$0
Other liabilities	\$0	\$0	\$0
Debt			
Supported: Debentures and other supported debt	\$0	\$0	\$0
Unsupported: Debentures and capital loans	\$0	\$0	\$0
Capital leases	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Total liabilities	\$37,597,824	\$38,587,270	\$39,929,415
Net financial assets (debt)	(\$36,314,321)	(\$38,149,008)	(\$38,990,024)
NON-FINANCIAL ASSETS			
Tangible capital assets (Note 9)			
Land	\$1,255,002	\$1,255,002	\$1,255,002
Construction in progress	\$0	\$0	\$0
Buildings	\$42,142,232		
Less: Accumulated amortization	(\$7,509,738)	\$34,632,494	\$35,627,440
Equipment	\$4,582,067		
Less: Accumulated amortization	(\$1,963,696)	\$2,618,371	\$2,909,834
Vehicles	\$239,853		
Less: Accumulated amortization	(\$160,813)	\$79,040	\$116,160
Computer Equipment	\$74,937		\$0
Less: Accumulated amortization	(\$24,844)	\$50,093	\$65,080
Total tangible capital assets	\$38,635,000	\$39,973,516	\$40,768,726
Prepaid expenses	\$59,226	\$21,531	\$16,647
Other non-financial assets	\$0	\$0	\$0
Total non-financial assets	\$38,694,226	\$39,995,047	\$40,785,373
Accumulated surplus (Note 10)	\$2,379,905	\$1,846,039	\$1,795,349
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	\$2,379,905	\$1,846,039	\$1,795,349
Accumulated remeasurement gains (losses)	\$0	\$0	\$0
	\$2,379,905	\$1,846,039	\$1,795,349
Contractual obligations			
Contingent liabilities			

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

STATEMENTS OF OPERATIONS
For the Years Ended August 31 (in dollars)

	Budget 2013	Actual 2013	Actual 2012
REVENUES			
Alberta Education	\$13,453,864	\$13,697,473	\$13,469,441
Other - Government of Alberta	\$0	\$0	\$0
Federal Government and First Nations	\$0	\$0	\$0
Other Alberta school authorities	\$0	\$61,319	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees (Note 11)	\$44,850	\$147,077	\$177,886
Other sales and services	\$34,715	\$77,447	\$64,467
Investment income	\$0	\$8,438	\$7,856
Gifts and donations	\$0	\$52,613	\$16,045
Rental of facilities	\$13,200	\$14,172	\$14,138
Fundraising	\$250,000	\$100,123	\$143,305
Gains (losses) on disposal of capital assets	\$0	\$11,412	\$0
Other revenue	\$0	\$0	\$0
Total revenues	\$13,796,629	\$14,170,074	\$13,893,138
EXPENSES			
Instruction	\$8,192,462	\$8,605,209	\$8,888,638
Plant operations and maintenance	\$2,757,462	\$2,279,033	\$2,230,003
Transportation	\$1,365,186	\$1,344,240	\$1,325,911
Administration	\$796,823	\$805,795	\$815,419
External services	\$578,581	\$601,931	\$582,477
Total expenses	\$13,690,514	\$13,636,208	\$13,842,448
Operating surplus (deficit)	\$106,115	\$533,866	\$50,690

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

STATEMENTS OF CASH FLOWS
For the Years Ended August 31 (in dollars)

	2013	2012
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$533,866	\$50,690
Add (Deduct) items not affecting cash:		
Total amortization expense	\$1,524,392	\$1,496,087
Gains on disposal of tangible capital assets	(\$11,412)	\$0
Losses on disposal of tangible capital assets	\$0	\$0
Changes in:		
Accounts receivable	\$98,525	\$45,878
Prepays	(\$37,695)	(\$4,884)
Other financial assets	\$0	\$0
Non-financial assets	\$0	\$0
Accounts payable and accrued liabilities	\$4,915	\$43,243
Deferred revenue	(\$994,361)	(\$1,149,687)
Employee future benefit liabilities	\$0	\$0
Other (describe) <small>less donated tangible capital assets</small>	(\$32,091)	(\$229,650)
Total cash flows from operating transactions	\$1,086,139	\$251,677
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$0	\$0
Buildings	(\$91,184)	(\$330,856)
Equipment	(\$62,602)	(\$114,718)
Vehicles	\$0	\$0
Computer equipment	\$0	(\$25,653)
Net proceeds from disposal of unsupported capital assets	\$11,413	\$0
Other (describe)	\$0	\$0
Total cash flows from capital transactions	(\$142,373)	(\$471,227)
C. INVESTING TRANSACTIONS		
Changes in portfolio investments	\$0	\$0
Remeasurement gains (losses) reclassified to the statement of operations	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from investing transactions	\$0	\$0
D. FINANCING TRANSACTIONS		
Issue of debt	\$0	\$0
Repayment of debt	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from financing transactions	\$0	\$0
Increase (decrease) in cash and cash equivalents	\$943,766	(\$219,550)
Cash and cash equivalents, at beginning of year	\$218,091	\$437,641
Cash and cash equivalents, at end of year	\$1,161,857	\$218,091

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

STATEMENTS OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
For the Years Ended August 31 (in dollars)

	2013	2012
Operating surplus (deficit)	\$533,866	\$50,690
Effect of changes in tangible capital assets		
Aquisition of tangible capital assets	(\$185,876)	(\$700,877)
Amortization of tangible capital assets	\$1,524,392	\$1,496,087
Net carrying value of tangible capital assets disposed of	\$0	\$0
Write-down carrying value of tangible capital assets	\$0	\$0
Total effect of changes in tangible capital assets	\$1,338,516	\$795,210
Changes in:		
Prepaid expenses	(\$37,695)	(\$4,884)
Other non-financial assets	\$0	\$0
Net remeasurement gains and (losses)	\$0	\$0
Increase (decrease) in net financial assets (net debt)	\$1,834,687	\$841,016
Net financial assets (net debt) at beginning of year	(\$38,149,008)	(\$38,990,024)
Net financial assets (net debt) at end of year	(\$36,314,321)	(\$38,149,008)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended August 31, 2013 (in dollars)

	2013
Opening accumulated remeasurement gains and (losses) upon adoption on September 1, 2012	\$0
Unrealized gains (losses) attributable to:	
Portfolio Investments	\$0
Other	\$0
Amounts reclassified to the statement of operations:	
Portfolio Investments	\$0
Other	\$0
Net remeasurement gains (losses) for the year	\$0
Accumulated remeasurement gains (losses) at end of year	\$0

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

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2013 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2012	\$1,846,039	\$0	\$1,846,039	\$1,945,463	\$0	(\$99,424)	\$0	\$0
Prior period adjustments:								
	\$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	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2012	\$1,846,039	\$0	\$1,846,039	\$1,945,463	\$0	(\$99,424)	\$0	\$0
Operating surplus (deficit)	\$533,866		\$533,866			\$533,866		
Board funded tangible capital asset additions				\$38,958		(\$33,459)	\$0	(\$5,497)
Disposal of unsupported tangible capital assets	\$0		\$0	\$0		(\$11,413)		\$11,413
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Net reeasement gains (losses) for the year	\$0	\$0						
Endowment expenses	\$0		\$0		\$0			
Direct credits to accumulated surplus	\$0		\$0		\$0	\$0		
Amortization of tangible capital assets	\$0			(\$1,524,392)		\$1,524,392		
Capital revenue recognized	\$0			\$1,438,763		(\$1,438,763)		
Debt principal repayments (unsupported)	\$0			\$0		\$0		
Externally imposed endowment restrictions	\$0				\$0	\$0	\$0	
Net transfers to operating reserves	\$0					\$0	\$0	
Net transfers from operating reserves	\$0					\$0	\$0	
Net transfers to capital reserves	\$0					\$0		\$0
Net transfers from capital reserves	\$0					\$0		\$0
Assumption/transfer of other operations' surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2013	\$2,379,905	\$0	\$2,379,905	\$1,898,790	\$0	\$475,199	\$0	\$5,918

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2013 (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
Balance at August 31, 2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior period adjustments:										
	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$0	\$0	\$0	\$0	\$0	(\$5,497)	\$0	\$0	\$0	\$0
Disposal of unsupported tangible capital assets		\$5,916		\$0		\$5,497		\$0		\$0
Disposal of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Write-down of unsupported tangible capital assets		\$0		\$0		\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus										
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$0		\$0		\$0		\$0		\$0	
Net transfers to operating reserves	\$0		\$0		\$0		\$0		\$0	
Net transfers from operating reserves	\$0		\$0		\$0		\$0		\$0	
Net transfers to capital reserves		\$0		\$0		\$0		\$0		\$0
Net transfers from capital reserves		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2013	\$0	\$5,916	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012 (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
Balance at August 31, 2011	\$1,795,349	\$0	\$1,795,349	\$1,999,290	\$0	(\$203,941)	\$0	\$0
Prior period adjustments:								
	\$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	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2012	\$1,795,349	\$0	\$1,795,349	\$1,999,290	\$0	(\$203,941)	\$0	\$0
Operating surplus (deficit)	\$50,690		\$50,690			\$50,690		
Board funded tangible capital asset additions				\$33,279		(\$33,279)	\$0	\$0
Disposal of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Net remeasurement gains (losses) for the year	\$0	\$0						
Endowment expenses	\$0		\$0		\$0			
Direct credits to accumulated surplus	\$0		\$0		\$0	\$0		
Amortization of tangible capital assets	\$0			(\$1,496,087)		\$1,496,087		
Capital revenue recognized	\$0			\$1,408,981		(\$1,408,981)		
Debt principal repayments (unsupported)	\$0			\$0		\$0		
Externally imposed endowment restrictions	\$0				\$0	\$0	\$0	
Net transfers to operating reserves	\$0					\$0	\$0	
Net transfers from operating reserves	\$0					\$0	\$0	
Net transfers to capital reserves	\$0					\$0		\$0
Net transfers from capital reserves	\$0					\$0		\$0
Assumption/transfer of other operations' surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2012	\$1,848,039	\$0	\$1,848,039	\$1,945,463	\$0	(\$99,424)	\$0	\$0

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012 (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
Balance at August 31, 2011	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior period adjustments:										
	\$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	\$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, 2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported tangible capital assets		\$0		\$0		\$0		\$0		\$0
Disposal of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Write-down of unsupported tangible capital assets		\$0		\$0		\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus										
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$0		\$0		\$0		\$0		\$0	
Net transfers to operating reserves	\$0		\$0		\$0		\$0		\$0	
Net transfers from operating reserves	\$0		\$0		\$0		\$0		\$0	
Net transfers to capital reserves		\$0		\$0		\$0		\$0		\$0
Net transfers from capital reserves		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2013 (in dollars)**

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2012	\$87,055	\$0	\$0	\$0	\$38,028,053
Prior period adjustments	\$0	\$0	\$0	\$0	\$0
Adjusted balance, August 31, 2012	\$87,055	\$0	\$0	\$0	\$38,028,053
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$210,055				
Infrastructure Maintenance & Renewal capital related to school facilities	\$0				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$0	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$0				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$1,015	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$32,090
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$0
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$114,831)	\$0	\$0	\$0	\$114,831
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognized					\$1,438,763
Balance at August 31, 2013	\$183,294	\$0	\$0	\$0	\$36,736,211
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2013 (A) + (B) + (C) + (D)				\$183,294	

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 tangible 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 CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2012 (in dollars)**

	Unexpended Deferred Capital Revenue				Expended Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2011	\$201,099	\$0	\$0	\$0	\$38,769,436
Prior period adjustments	\$0	\$0	\$0	\$0	\$0
Adjusted balance, August 31, 2011	\$201,099	\$0	\$0	\$0	\$38,769,436
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$323,230				
Infrastructure Maintenance & Renewal capital related to school facilities	\$0				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$0	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$0				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$674	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$229,650
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$0
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$437,948)	\$0	\$0	\$0	\$437,948
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognition					\$1,408,981
Balance at August 31, 2012	\$87,055	\$0	\$0	\$0	\$38,028,053
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2012 (A) + (B) + (C) + (D)				\$87,055	

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 tangible 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, 2013 (in dollars)

REVENUES	2013					2012
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	
(1) Alberta Education	\$8,783,332	\$2,121,228	\$1,439,624	\$812,676	\$540,612	\$13,697,473
(2) Other - Government of Alberta	\$0	\$0	\$0	\$0	\$0	\$0
(3) Federal Government and First Nations	\$0	\$0	\$0	\$0	\$0	\$0
(4) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$61,319	\$61,319
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0
(7) Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
(8) Fees	\$147,077	\$0	\$0	\$0	\$0	\$147,077
(9) Other sales and services	\$77,447	\$0	\$0	\$0	\$0	\$77,447
(10) Investment income	\$8,438	\$0	\$0	\$0	\$0	\$8,438
(11) Gifts and donations	\$52,613	\$0	\$0	\$0	\$0	\$52,613
(12) Rental of facilities	\$0	\$14,172	\$0	\$0	\$0	\$14,172
(13) Fundraising	\$100,123	\$0	\$0	\$0	\$0	\$100,123
(14) Gains on disposal of tangible capital assets	\$5,916	\$0	\$0	\$5,486	\$0	\$11,412
(15) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0
(16) TOTAL REVENUES	\$9,174,946	\$2,135,401	\$1,439,624	\$818,172	\$601,931	\$14,170,074
EXPENSES						
(17) Certificated salaries	\$5,265,216			\$176,276	\$178,177	\$5,622,669
(18) Certificated benefits	\$1,114,885			\$28,654	\$37,106	\$1,180,645
(19) Non-certificated salaries and wages	\$760,213	\$241,028	\$83,907	\$252,874	\$82,493	\$1,440,515
(20) Non-certificated benefits	\$178,204	\$51,475	\$19,188	\$53,809	\$17,210	\$339,065
(21) SUB - TOTAL	\$7,336,518	\$292,503	\$103,095	\$513,613	\$315,986	\$8,561,715
(22) Services, contracts and supplies	\$697,328	\$873,269	\$1,241,145	\$260,424	\$285,945	\$3,548,111
(23) Amortization of supported tangible capital assets	\$353,463	\$1,085,300	\$0	\$0	\$0	\$1,438,763
(24) Amortization of unsupported tangible capital assets	\$27,900	\$27,961	\$0	\$20,768	\$0	\$95,829
(25) Supported interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0
(26) Unsupported interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0
(27) Other interest and finance charges	\$0	\$0	\$0	\$1,890	\$0	\$1,990
(28) Losses on disposal of tangible capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$8,605,209	\$2,279,033	\$1,344,240	\$805,795	\$601,931	\$13,636,208
(31) OPERATING SURPLUS (DEFICIT)	\$569,737	(\$143,632)	\$95,384	\$12,377	\$0	\$533,866
						\$50,690

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013

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 Income Tax Act.

2. Conversion to Public Sector Accounting Standards

Commencing with the 2012/13 fiscal year, the school jurisdiction has adopted Canadian Public Sector Accounting (PSA) standards without not-for-profit provisions. These financial statements are the first financial statements for which the school jurisdiction has applied PSA standards with retroactive application.

As a result of the adoption of Public Sector Accounting Standards, comparative information has been restated as follows:

(a) Reconciliation of opening Statement of Financial Position:

	September 1, 2011		September 1, 2011
	<u>Not-for-Profit</u>	<u>Adjustment</u>	<u>PSAS</u>
Financial Assets			
Cash and cash equivalents	\$ 380,343	\$ 292,999	\$ 673,342
Accounts receivable	266,049	--	266,049
Trust assets	<u>292,999</u>	<u>(292,999)</u>	<u>--</u>
	<u>939,391</u>	<u>--</u>	<u>939,391</u>
Liabilities			
Bank indebtedness	235,701	--	235,701
Accounts payable and accrued liabilities	159,859	--	159,859
Deferred revenue	270,321	39,263,534	39,533,855
Deferred capital allocations	201,099	(201,099)	--
Trust liabilities	292,999	(292,999)	--
Unamortized capital allocations	<u>38,769,436</u>	<u>(38,769,436)</u>	<u>--</u>
	<u>39,929,415</u>	<u>--</u>	<u>39,929,415</u>
Net debt	<u>(38,990,024)</u>	<u>--</u>	<u>(38,990,024)</u>
Non-Financial Assets			
Land	1,255,002		1,255,002
Buildings	41,720,192		41,720,192
Less accumulated amortization	(5,345,559)	--	(5,345,559)
Equipment	4,203,651	(49,284)	4,154,367
Less accumulated amortization	(1,222,175)	--	(1,222,175)
Vehicles	267,769	--	267,769
Less accumulated amortization	(110,154)	--	(110,154)
Computer equipment	--	49,284	49,284
Prepaid expenses	<u>16,647</u>	<u>--</u>	<u>16,647</u>
	<u>40,785,373</u>	<u>--</u>	<u>40,785,373</u>
Total Accumulated Surplus	\$ <u>1,795,349</u>	\$ <u>--</u>	\$ <u>1,795,349</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013

2. Conversion to Public Sector Accounting Standards (continued)

(b) Reconciliation of Statement of Financial Position:

	August 31, 2012		August 31, 2012
	<u>Not-for-Profit</u>	<u>Adjustment</u>	<u>PSAS</u>
Financial Assets			
Cash and cash equivalents	\$ 173,818	\$ 44,273	\$ 218,091
Accounts receivable	220,171	--	220,171
Trust assets	<u>44,273</u>	<u>(44,273)</u>	<u>--</u>
	<u>438,262</u>	<u>--</u>	<u>438,262</u>
Liabilities			
Accounts payable and accrued liabilities	203,102	--	203,102
Deferred revenue	224,787	38,159,381	38,384,168
Deferred capital allocations	87,055	(87,055)	--
Trust liabilities	44,273	(44,273)	--
Unamortized capital allocations	<u>38,028,053</u>	<u>(38,028,053)</u>	<u>--</u>
	<u>38,587,270</u>	<u>--</u>	<u>38,587,270</u>
Net debt	<u>(38,149,008)</u>	<u>--</u>	<u>(38,149,008)</u>
Non-Financial Assets			
Land	1,255,002	--	1,255,002
Buildings	42,051,048	--	42,051,048
Less accumulated amortization	(6,423,608)	--	(6,423,608)
Equipment	4,573,672	(74,937)	4,498,735
Less accumulated amortization	(1,598,758)	9,857	(1,588,901)
Vehicles	267,769	--	267,769
Less accumulated amortization	(151,609)	--	(151,609)
Computer equipment	--	74,937	74,937
Less accumulated amortization	--	(9,857)	(9,857)
Prepaid expenses	<u>21,531</u>	<u>--</u>	<u>21,531</u>
	<u>39,995,047</u>	<u>--</u>	<u>39,995,047</u>
Total Accumulated Surplus	\$ <u>1,846,039</u>	\$ <u>--</u>	\$ <u>1,846,039</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013

2. Conversion to Public Sector Accounting Standards (continued)

(c) Reconciliation of Statement of Operations:

	August 31, 2012 <u>Not-for-Profit</u>	<u>Adjustment</u>	August 31, 2012 <u>PSAS</u>
Revenues			
Alberta Education	\$ 12,076,104	\$ 1,393,337	\$ 13,469,441
Fees	177,886	--	177,886
Other sales and services	64,467	--	64,467
Investment income	7,856	--	7,856
Gifts and donations	401	15,644	16,045
Rental of facilities	14,138	--	14,138
Fundraising	143,305	--	143,305
Amortization of capital contributions	<u>1,408,981</u>	<u>(1,408,981)</u>	<u>--</u>
	<u>13,893,138</u>	<u>--</u>	<u>13,893,138</u>
Expenses			
Instruction	8,888,638	--	8,888,638
Plant operations and maintenance	2,230,003	--	2,230,003
Transportation	1,325,911	--	1,325,911
Administration	815,419	--	815,419
External services	<u>582,477</u>	<u>--</u>	<u>582,477</u>
	<u>13,842,448</u>	<u>--</u>	<u>13,842,448</u>
Total Operating Surplus (Deficit)	\$ <u>50,690</u>	\$ <u>--</u>	\$ <u>50,690</u>

(d) Reconciliation of Schedule of Expenses by Object:

	August 31, 2012 <u>Not-for-Profit</u>	<u>Adjustment</u>	August 31, 2012 <u>PSAS</u>
Expenses			
Certificated salaries	\$ 5,658,567	\$ --	\$ 5,658,567
Certificated benefits	1,155,696	--	1,155,696
Non-certificated salaries and wages	1,450,818	--	1,450,818
Non-certificated benefits	339,065	--	339,065
Services, contracts and supplies	3,735,314	--	3,735,314
Amortization of supported tangible capital assets	1,408,981	--	1,408,981
Amortization of unsupported tangible capital assets	87,106	--	87,106
Other interest and finance charges	<u>6,901</u>	<u>--</u>	<u>6,901</u>
Total Expenses	\$ <u>13,842,448</u>	\$ <u>--</u>	\$ <u>13,842,448</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013

3. 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) Tangible capital assets

The following criteria applies:

- i) 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. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- ii) 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 tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- iii) Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- iv) 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 Expended Deferred Capital Revenue.
- v) Buildings that are demolished or destroyed are written-off.
- vi) Tangible capital assets with costs in excess of \$5,000 are capitalized.
- vii) Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 4%
Vehicles	10% to 20%
Computer hardware and software	20% to 25%
Other equipment and furnishings	10% to 20%

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013

3. Summary of Significant Accounting Policies (continued)

d) Deferred revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per "Public Sector Accounting Standard (PSAP) 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 include contributions for capital expenditure, unexpended and expended:

i) Unexpended deferred capital revenue

Unexpended deferred capital revenue represent 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;

ii) Expended deferred capital revenue

Expended deferred capital revenue 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. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require the school jurisdiction to use the asset in the prescribed manner over the life of the associated asset.

e) Asset retirement obligations

The School Division has determined that it has a conditional asset retirement obligation relating to certain school sites. These obligations will be discarded in the future by funding through the Alberta Government. The School Division believes that there is insufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates has not been determined and information is not available to apply an expected present value technique.

f) 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 Changes in Accumulated Surplus.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013

3. Summary of Significant Accounting Policies (continued)

g) Revenue recognition

Revenues are recorded on an accrual basis. 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.

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.

Eligibility criteria are criteria that the School District has to meet in order to receive certain contributions. *Stipulations* describe what the School District 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. The following items fall under this category:

- i) Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year the stipulated related expenses are incurred;
- ii) Unexpended deferred capital revenue; or
- iii) Expended deferred capital revenue.

h) 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:

- i) Actual salaries of personnel assigned to two or more programs are allocated based on the time spent in each program.
- ii) Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- iii) Supply and services are allocated based on actual program identification.

**EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

3. Summary of Significant Accounting Policies (continued)

i) 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 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 East Central Francophone Education Region No. 3 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, 2013, the amount contributed by the Government was \$582,051 (2012 - \$549,200).

The school board along with the active non-certificated members contribute to an RRSP plan. The employer expense for this pension plan is \$110,429 for the year ended August 31, 2013 (2012 - \$117,423).

j) Program reporting

The Division's operations have been segmented as follows:

i) ECS-Grade 12 instruction

The provision of Early Childhood Services education and grades I – 12 instructional services that fall under the basic public education mandate.

ii) Plant operations and maintenance

The operation and maintenance of all school buildings and maintenance shop facilities.

iii) Transportation

The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facilities.

iv) Board and system administration

The provision of board governance and system-based/central office administration.

v) 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 and object on the Schedule of Program Operations.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2013

3. Summary of Significant Accounting Policies (continued)

k) 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, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the School District is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

l) 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 and rates for amortization.

4. Cash and Cash Equivalents

	<u>2013</u>		<u>2012</u>
	<u>Cost</u>	Amortized <u>Cost</u>	Amortized <u>Cost</u>
Cash	\$ <u>1,161,857</u>	\$ <u>1,161,857</u>	\$ <u>218,091</u>

5. Accounts Receivable

	<u>2013</u>			<u>2012</u>
	<u>Gross Amount</u>	Allowance For Doubtful <u>Accounts</u>	Net Realizable <u>Value</u>	Net Realizable <u>Value</u>
Alberta Education - Grants	\$ 65,156	\$ --	\$ 65,156	\$ 145,855
Other Alberta school jurisdictions	--	--	--	1,042
Other	<u>56,490</u>	<u>--</u>	<u>56,490</u>	<u>73,274</u>
Total	\$ <u>121,646</u>	\$ <u>--</u>	\$ <u>121,646</u>	\$ <u>220,171</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013

6. Bank Indebtedness

The jurisdiction has negotiated a line of credit in the amount of \$400,000 that bears interest at bank prime. This line of credit is secured by a borrowing resolution and a general security agreement and is due November 30, 2013.

7. Accounts Payable and Accrued Liabilities

	<u>2013</u>	<u>2012</u>
Other Alberta school jurisdictions	\$ 20,706	\$ 20,862
Other trade payables and accrued liabilities	<u>187,311</u>	<u>182,240</u>
	<u>\$ 208,017</u>	<u>\$ 203,102</u>

8. Deferred Revenue

	Deferred Revenue as at <u>Aug. 31, 2012</u>	Add: 2012/2013 Restricted Funds Received/ <u>Receivable</u>	Deduct: 2012/2013 Restricted Funds Expended <u>Paid/Payable</u>	Deferred Revenue as at <u>Aug. 31, 2013</u>
Unexpended deferred operating revenue				
Alberta Education:				
Infrastructure Maintenance Renewal \$	118,061	\$ 121,343	\$ --	\$ 239,404
SuperNet Service	--	48,000	(48,000)	--
Other Government of Alberta:				
Francophone Distance Learning	44,273	593,227	(521,978)	115,522
Other Deferred Revenue:				
School Generated Funds	<u>106,726</u>	<u>265,431</u>	<u>(256,781)</u>	<u>115,376</u>
Total unexpended deferred operating revenue	269,060	1,028,001	(826,759)	470,302
Unexpended deferred capital revenue	87,055	211,070	(114,831)	183,294
Expended deferred capital revenue	<u>38,028,053</u>	<u>146,921</u>	<u>(1,438,763)</u>	<u>36,736,211</u>
Total	<u>\$ 38,384,168</u>	<u>\$ 1,385,992</u>	<u>\$ (2,380,353)</u>	<u>\$ 37,389,807</u>

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FOR THE YEAR ENDED AUGUST 31, 2013

8. Deferred Revenue (continued)

<u>Source and Grant or Fund Type</u>	<u>Deferred Revenue as at Aug. 31, 2011</u>	<u>Add: Restricted Funds Received/ Receivable</u>	<u>Deduct: Restricted Funds Expended Paid/Payable</u>	<u>Deferred Revenue as at Aug. 31, 2012</u>
Unexpended deferred operating revenue				
Alberta Education:				
Alberta Initiative for School	\$ --	\$ 71,957	\$ (71,957)	\$ --
Infrastructure Maintenance Renewal	163,035	112,716	(157,690)	118,061
SuperNet Service	--	38,070	(38,070)	--
Other Government of Alberta:				
Francophone Distance Learning	292,999	316,110	(564,836)	44,273
Other Deferred Revenue:				
School Generated Funds	<u>107,286</u>	<u>325,451</u>	<u>(326,011)</u>	<u>106,726</u>
Total unexpended deferred operating revenue	563,320	864,304	(1,158,564)	269,060
Unexpended deferred capital revenue	201,099	323,904	(437,948)	87,055
Expended deferred capital revenue	<u>38,769,436</u>	<u>667,597</u>	<u>(1,408,980)</u>	<u>38,028,053</u>
Total	\$ <u>39,533,855</u>	\$ <u>1,855,805</u>	\$ <u>(3,005,492)</u>	\$ <u>38,384,168</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
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10. Accumulated Surplus

Detailed information related to accumulated surplus is available on the Schedule of Changes in Accumulated Surplus. Accumulated surplus may be summarized as follows:

	<u>2013</u>	<u>2012</u>
Unrestricted surplus (deficit)	\$ <u>475,199</u>	\$ <u>(99,424)</u>
Accumulated surplus (deficit) from operations	475,199	(99,424)
Investment in tangible capital assets	1,898,790	1,945,463
Capital reserves	<u>5,916</u>	<u>--</u>
Accumulated surplus	\$ <u>2,379,905</u>	\$ <u>1,846,039</u>

11. Fees

	<u>2013</u>	<u>2012</u>
Fees charged for instruction materials and supplies	\$ 79,856	\$ 62,942
Other fees	<u>67,221</u>	<u>114,944</u>
Total	\$ <u>147,077</u>	\$ <u>177,886</u>

12. School Generated Funds

	<u>2013</u>	<u>2012</u>
Balance included in Deferred Revenue	\$ <u>115,376</u>	\$ <u>106,726</u>

13. Related Party Transactions

All entities that are consolidated in the accounts of the Government of Alberta are related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	<u>Balances</u>		<u>Transactions</u>	
	Financial Assets (at cost or net) (realizable)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Education				
Accounts receivable/Accounts payable	\$ 65,156	\$ --	\$ --	\$ --
Deferred revenue	--	239,404	--	--
Unexpended deferred capital revenue	--	183,294	--	--
Expended deferred capital revenue	--	36,385,616	--	--
Grant revenue	--	--	13,697,473	--
Other Alberta school jurisdictions	<u>--</u>	<u>20,706</u>	<u>--</u>	<u>302,889</u>
Total 2012/2013	\$ <u>65,156</u>	\$ <u>36,829,020</u>	\$ <u>13,697,473</u>	\$ <u>302,889</u>
Total 2011/12	\$ <u>146,897</u>	\$ <u>37,896,917</u>	\$ <u>13,469,411</u>	\$ <u>356,769</u>

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14. Economic Dependence on Related Party

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

15. Remuneration and Monetary Incentives

The East Central Francophone Education Region No. 3 has paid or accrued expenses for the year ended August 31, 2013 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	\$ 10,895	\$ 186	\$ 11,081	\$ 8,665
Other Board Members					
Réal Jodoin	1	5,890	43	5,933	3,994
Ernest Piquette	1	7,385	80	7,465	2,036
Daniel Aubertin	1	4,395	80	4,475	2,024
Michelle Dallaire	1	<u>6,620</u>	<u>66</u>	<u>6,686</u>	<u>6,180</u>
Subtotal		35,185	455	35,640	22,899
Superintendent					
Marc Dumont	1	178,276	28,654	206,930	25,612
Secretary/Treasurer					
Marc Labonte	1	101,674	24,062	125,736	7,887
Lise Dechaine Gratton	.8	40,671	5,405	46,076	834
Certificated teachers	58.48	5,444,393	1,151,991	6,596,384	
Non-certificated - other	32.43	<u>1,262,985</u>	<u>287,964</u>	<u>1,550,949</u>	
Total		\$ <u>7,063,184</u>	\$ <u>1,498,531</u>	\$ <u>8,561,715</u>	

16. Budget Amounts

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on May 14, 2012. It is presented for information purposes only and has not been audited.

17. Comparative Figures

The comparative figures have been reclassified where necessary to conform to the 2012/2013 presentation.