

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**  
[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

**30-Nov-10**

Board-approved Release Date

## TABLE OF CONTENTS

	<b>Page</b>
<b>AUDITORS' REPORT INSERT</b>	<b>3</b>
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>4</b>
<b>STATEMENT OF REVENUES AND EXPENSES</b>	<b>5</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>6</b>
<b>STATEMENT OF CHANGES IN NET ASSETS</b>	<b>7</b>
<b>STATEMENT OF CAPITAL ALLOCATIONS</b>	<b>8</b>
<b>NOTES TO THE FINANCIAL STATEMENTS INSERT</b>	<b>9</b>



**Joly, McCarthy & Dion**

**CHARTERED  
ACCOUNTANTS**

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## AUDITORS' REPORT

TO THE BOARD OF TRUSTEES

### East Central Francophone Education Region No. 3

We have audited the statement of financial position of the East Central Francophone Education Region No. 3 as at August 31, 2010 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. 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 plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2010 and the results of its 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 24, 2010

*Joly McCarthy & Dion*  
CHARTERED ACCOUNTANT



Members of  
The Institute of Chartered Accountants of Alberta

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2010

(in dollars)

		2010	2009 (Note)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and temporary investments	(Note 4)	\$518,950	\$1,388,460
Accounts receivable (net after allowances)	(Note 5)	\$1,027,872	\$324,065
Prepaid expenses		\$2,182	\$2,374
Other current assets		\$0	\$0
<b>Total current assets</b>		<b>\$1,549,004</b>	<b>\$1,714,899</b>
<b>School generated assets</b>			
Trust assets	(Note 12)	\$83,748	\$102,834
Long term accounts receivable		\$174,111	\$155,517
Long term investments	(Note 6)	\$0	\$0
Capital assets	(Note 7)	\$176,115	\$351,115
Land		\$1,255,002	\$1,243,748
Construction in Progress		\$6,354,778	\$8,344,468
Buildings		\$29,486,342	
Less: accumulated amortization		(\$4,564,118)	\$24,922,224
Equipment		\$3,234,806	\$12,823,240
Less: accumulated amortization		(\$921,134)	
Vehicles		\$224,452	\$986,653
Less: accumulated amortization		(\$125,679)	
<b>Total capital assets</b>		<b>\$34,944,449</b>	<b>\$23,506,874</b>
<b>TOTAL ASSETS</b>		<b>\$36,927,427</b>	<b>\$25,831,239</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank indebtedness	(Note 8)	\$0	\$130,998
Accounts payable and accrued liabilities	(Note 9)	\$118,287	\$93,987
Deferred revenue	(Note 10)	\$183,208	\$326,869
Deferred capital allocations	(Note 11)	\$1,031,588	\$914,410
Current portion of long term debt		\$0	\$0
<b>Total current liabilities</b>		<b>\$1,333,083</b>	<b>\$1,466,264</b>
<b>School generated liabilities</b>			
Trust liabilities	(Note 12)	\$83,748	\$102,834
Employee future benefit liabilities		\$174,111	\$155,517
Long term debt		\$0	\$0
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 13)	\$33,264,880	\$21,845,825
<b>Total long term liabilities</b>		<b>\$33,522,739</b>	<b>\$22,104,176</b>
<b>TOTAL LIABILITIES</b>		<b>\$34,855,822</b>	<b>\$23,570,440</b>
<b>NET ASSETS</b>			
Unrestricted net assets		\$242,096	\$431,920
Operating Reserves		\$150,000	\$167,830
Accumulated Operating Surplus (Deficit)		\$392,036	\$599,750
Investment in capital assets		\$1,679,569	\$1,661,049
Capital Reserves		\$0	\$0
<b>Total Capital Funds</b>		<b>\$1,679,569</b>	<b>\$1,661,049</b>
<b>Total net assets</b>		<b>\$2,071,605</b>	<b>\$2,260,799</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$36,927,427</b>	<b>\$25,831,239</b>

**Note:** Please input "(Restated)" in 2009 column heading where comparatives are not taken from the finalized 2008-2009 Audited Financial Statements filed with Alberta Education.

## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2010

(in dollars)

	Actual 2010	Budget 2010 (Note)	Actual 2009 (Note)
<b>REVENUES</b>			
Government of Alberta	\$10,100,044	\$9,590,003	\$9,332,457
Federal Government and First Nations	\$508,714	\$273,000	\$422,953
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	\$49,619	\$38,330	\$42,043
Transportation fees	\$2,955	\$2,500	\$3,585
Other sales and services		\$252,128	\$0
Investment income	\$20,323	\$10,000	\$26,435
Gifts and donations	\$0	\$500	\$1,200
Rental of facilities	\$0	\$1,000	\$0
Gross school generated funds	\$351,043	\$50,000	\$55,506
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$620,344	\$614,065	\$602,809
Other revenue	\$15,000	\$0	\$41,353
<b>Total Revenues</b>	<b>\$11,668,042</b>	<b>\$10,831,526</b>	<b>\$10,528,341</b>
<b>EXPENSES</b>			
Certificated salaries (Note 21)	\$5,198,965	\$5,252,799	\$4,904,735
Certificated benefits (Note 21)	\$558,310	\$570,984	\$531,835
Non-certificated salaries and wages (Note 21)	\$1,485,186	\$1,160,088	\$1,172,720
Non-certificated benefits (Note 21)	\$351,279	\$365,675	\$258,438
Services, contracts and supplies	\$3,244,117	\$2,830,022	\$2,971,215
Gross school generated funds	\$351,043	\$50,000	\$55,506
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$620,344	\$614,065	\$602,809
Unsupported	\$55,238	\$49,336	\$46,813
Total Amortization of capital assets	\$675,582	\$663,401	\$649,622
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$0	\$0	\$0
Other interest and charges	\$6,008	\$0	\$2,419
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$11,868,490</b>	<b>\$10,892,969</b>	<b>\$10,547,590</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	(\$200,448)	(\$61,443)	(\$19,249)
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$200,448)</b>	<b>(\$61,443)</b>	<b>(\$19,249)</b>

Note: Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statements filed with Alberta Education. Budget 2010 comparatives presented are final budget amounts formally approved by the Board.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2010

(in dollars)

	2010	2009 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	(\$200,448)	(\$19,249)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$620,344)	(\$602,809)
Total amortization expense	\$675,582	\$649,622
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	(\$703,807)	\$97,608
Prepays and other current assets	\$192	\$153,901
Long term accounts receivable	\$0	\$0
Long term investments	\$175,000	(\$351,115)
Accounts payable and accrued liabilities	\$24,300	\$3,587
Deferred revenue	(\$143,661)	(\$208,508)
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Operations	(\$793,186)	(\$276,963)
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	(\$11,254)	(\$1,117,194)
Buildings	(\$10,596,274)	(\$5,606,064)
Equipment	(\$1,353,156)	(\$203,982)
Vehicles	(\$19,000)	(\$71,287)
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$11,979,684)	(\$6,998,527)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$12,034,358	\$7,644,444
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	(\$21,545)
Add back: supported portion	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$12,034,358	\$7,622,899
Net cash flows from during the year	(\$738,512)	\$347,409
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$1,257,462	\$910,053
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$518,950	\$1,257,462

Note: Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2010**

(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)-(11) INTERNALLY RESTRICTED NET ASSETS										(12)	(13)	(14)	(15)		
				(4)  TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	(5)  TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	(6)-(7) School & Instruction Related		(8)-(9) Operations & Maintenance		(10)-(11) Board & System Admin.		(12)-(13) Transportation						(14)-(15) External Services	
						(6)  Operating Reserves	(7)  Capital Reserves	(8)  Operating Reserves	(9)  Capital Reserves	(10)  Operating Reserves	(11)  Capital Reserves	(12)  Operating Reserves	(13)  Capital Reserves					(14)  Operating Reserves	(15)  Capital Reserves
Balance at August 31, 2009	\$2,260,799	\$1,661,049	\$431,920	\$167,830	\$0	\$17,830	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Prior period adjustments (describe)																			
	\$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, 2009	\$2,260,799	\$1,661,049	\$431,920	\$167,830	\$0	\$17,830	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Excess (deficiency) of revenues over expenses																			
Board funded capital additions		\$62,504	\$62,504	\$0	\$0	\$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		\$0		
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Direct credits to net assets	\$11,254	\$11,254	\$0																
Amortization of capital assets		(\$675,582)	\$675,582																
Amortization of capital allocations		\$620,344	(\$620,344)																
Debt principal repayments (unsupported)		\$0	\$0																
Net transfers to operating reserves			\$0	\$0		\$0		\$0				\$0		\$0		\$0			
Net transfers from operating reserves			(\$17,830)	(\$17,830)		(\$17,830)		\$0				\$0		\$0		\$0			
Net transfers to capital reserves			\$0		\$0		\$0		\$0			\$0		\$0		\$0			
Net transfers from capital reserves			\$0		\$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	\$0	\$0		
Balance at August 31, 2010	\$2,071,605	\$1,879,569	\$242,036	\$150,000	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2010  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2009	\$914,410	\$21,845,825
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2009	\$914,410	\$21,845,825
<b>Add:</b>		
Restricted capital allocations from: Alberta Education including school and modular projects	\$12,034,358	
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)		\$133,473
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$0
Expended capital allocations - current year	(\$11,917,180)	\$11,917,180
<b>Deduct:</b>		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$11,254
Capital allocations amortized to revenue		\$620,344
Balance at August 31, 2010	\$1,031,588	\$33,264,880

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



EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**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 77/2003. 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, 2010

**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 \$103,566 for the year ended August 31, 2010 (2009 - \$53,752).

i) Investments

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

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**3. 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(d) of the School Act.

**4. Cash and Temporary Investments**

	2010			2009		
	Effective Yield	Cost	Fair Value	Effective Yield	Cost	Fair Value
Cash and cash equivalents		\$ 274,950	\$ 274,950	\$	--	--
Term deposits	2.47%	<u>244,000</u>	<u>244,000</u>	1.47%	<u>1,388,460</u>	<u>1,388,460</u>
		<u>\$ 518,950</u>	<u>\$ 518,950</u>		<u>\$ 1,388,460</u>	<u>\$ 1,388,460</u>

**5. Accounts Receivable**

	2010	2009
Alberta Education	\$ 587,211	\$ 121,127
Alberta Finance	--	5,500
Federal Government	357,323	82,143
Other	<u>83,338</u>	<u>115,295</u>
	<u>\$ 1,027,872</u>	<u>\$ 324,065</u>

**6. Long-Term Investments**

	2010			2009		
	Effective Yield	Cost	Fair Value	Effective Yield	Cost	Fair Value
Term deposits						
Due 2012	2.91%	<u>\$ 176,115</u>	<u>\$ 176,115</u>	2.71%	<u>\$ 351,115</u>	<u>\$ 351,115</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**7. Tangible Capital Assets**

	Land	Construction In Progress	Buildings 25-40 Years	Other Equipments 5-10 Years	Vehicles 5-10 Years	Total Aug. 31 2010	Total Aug. 31 2009
Estimated Useful Life							
Historical cost							
September 1, 2009	\$ 1,243,748	\$ 8,344,468	\$ 16,900,378	\$ 1,760,625	\$ 205,452	\$ 28,454,671	\$ 21,486,709
Additions	11,254	10,596,274	--	1,486,629	19,000	12,113,157	6,998,527
Completed construction	--	(12,585,964)	12,585,964	--	--	--	--
Less disposals including write-offs	--	--	--	(12,448)	--	(12,448)	(30,565)
August 31, 2010	<u>1,255,002</u>	<u>6,354,778</u>	<u>29,486,342</u>	<u>3,234,806</u>	<u>224,452</u>	<u>40,555,380</u>	<u>28,454,671</u>
Accumulated amortization							
September 1, 2009	--	--	4,077,138	773,972	96,687	4,947,797	4,328,740
Amortization expense	--	--	486,980	159,610	28,992	675,582	649,622
Effect of disposals	--	--	--	(12,448)	--	(12,448)	(30,565)
August 31, 2010	<u>--</u>	<u>--</u>	<u>4,564,118</u>	<u>921,134</u>	<u>125,679</u>	<u>5,610,931</u>	<u>4,947,797</u>
Net Book Value at							
August 31, 2010	<u>\$ 1,255,002</u>	<u>\$ 6,354,778</u>	<u>\$ 24,922,224</u>	<u>\$ 2,313,672</u>	<u>\$ 98,773</u>	<u>\$ 34,944,449</u>	<u>\$ 23,506,874</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**8. 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 February 28, 2011.

**9. Accounts Payable and Accrued Liabilities**

	<u>2010</u>	<u>2009</u>
Alberta Education	\$ --	\$ 11,443
Other Province of Alberta	26,379	--
Other Alberta School Jurisdictions	16,873	--
Other	<u>75,035</u>	<u>82,544</u>
	<u>\$ 118,287</u>	<u>\$ 93,987</u>

**10. Deferred Revenue**

	<u>Deferred Revenue Aug. 31, 2009</u>	<u>Restricted Funds Received</u>	<u>Restricted Funds Expended</u>	<u>Deferred Revenue Aug.31,2010</u>
Alberta Education Restricted Operational Funding:				
Infrastructure Maintenance Renewal	\$ 163,690	\$ 131,384	\$ 124,023	\$ 171,051
Alberta Initiative for School Improvements	3,002	79,667	72,816	9,853
Small Class Size Initiative	--	82,997	82,997	--
SuperNet Service	--	32,078	32,078	--
Other Government of Alberta Restricted Funding:				
H R & E Contract	6,482	66,156	72,638	--
Skills Canada Alberta	<u>153,695</u>	<u>--</u>	<u>151,391</u>	<u>2,304</u>
	<u>\$ 326,869</u>	<u>\$ 392,282</u>	<u>\$ 535,943</u>	<u>\$ 183,208</u>

**11. 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.

**12. Trust Assets and Liabilities**

This balance represents cash held in trust by the jurisdiction.

	<u>2010</u>	<u>2009</u>
Francophone Distance Learning	<u>\$ 174,111</u>	<u>\$ 155,517</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**13. 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.

**14. 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.

**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.

**16. Commitments**

a) Operating Lease:

The school jurisdiction currently leases its administration offices. The future minimum payments under this operating lease is as follows:

2011	\$ <u>1,300</u>
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b) 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	\$ 12,585,965	\$ 471,414
St. Paul school	6,354,777	9,549,342

c) 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 \$69,000, as a form of security against a lease to provide office space and a commitment to expend \$445,000 to modernize the leased area. The lease term commences March 1, 2011 and expires February 28, 2021 with a five year renewal option.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**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 2010 presentation.

**19. 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, 2009.

**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 consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The East Central Francophone Education Region No. 3 had related party transactions for the year ended August 31, 2010 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, 2010

**20. Related Party Transactions (continued)**

	<u>Balances</u>		<u>Transactions</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Expenses</u>
<u>2009-2010</u>				
Government of Alberta:				
Education	\$ 587,211	\$ 174,053	\$ 10,022,406	\$ --
Other departments	--	1,060,271	77,638	175,174
Other:				
Post-secondary institutions	6,667	--	--	--
Other Alberta school jurisdictions	--	--	--	<u>303,022</u>
Total 2009-2010	<u>\$ 593,878</u>	<u>\$ 1,234,324</u>	<u>\$ 10,100,044</u>	<u>\$ 478,196</u>
Total 2008-2009	<u>\$ 139,960</u>	<u>\$ 1,252,722</u>	<u>\$ 9,322,457</u>	<u>\$ 242,255</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, 2010 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					
Reginald Roy	1.00	\$ 9,775	\$ 149	\$ 9,924	\$ 7,056
Other Board Members					
Allain Dallaire	1.00	5,970	42	6,012	4,598
Ernest Piquette	1.00	5,515	18	5,533	717
Guy Genereux	1.00	7,760	99	7,859	4,664
Michelle Dallaire	1.00	<u>6,375</u>	<u>64</u>	<u>6,439</u>	<u>4,526</u>
Subtotal		35,395	372	35,767	21,561
Superintendent					
Donald Michaud	.25	33,700	5,537	39,237	13,927
Marc Dumont	.75	96,000	7,923	103,923	21,334
Secretary/Treasurer					
Claude Lampron	.60	74,899	9,519	84,418	3,391
Certified Teachers	57.90	5,069,265	542,850	5,612,115	
Non-certified - other	33.55	<u>1,374,892</u>	<u>341,388</u>	<u>1,716,280</u>	
Total		<u>\$ 6,684,151</u>	<u>\$ 907,589</u>	<u>\$ 7,591,740</u>	