

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2007**
[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, AB, T0A 3A0

Mailing Address

Tel: (780) 645-3888 Fax: (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 budgetary system of 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 the Board 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 have full and free 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 for Alberta school jurisdictions.

BOARD CHAIRMAN

Reginald Roy

Name

"original signed"

Signature

SUPERINTENDENT

Donald Michaud

Name

"original signed"

Signature

SECRETARY TREASURER OR TREASURER

Claude Lampron

Name

"original signed"

Signature

11-Dec-07

Board-approved Release Date

TABLE OF CONTENTS

| | Page |
|---|-------------|
| AUDITORS' REPORT INSERT | 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 INSERT | 9 |

Maurice R. Joly, CA, CFP
Barbara K. M^cCarthy, CA
Claude R. Dion, CA, CMA

St. Paul
5002 - 51 Ave.
Ph: (780) 645-4611
Fax: (780) 645-6644

Mailing Address:
P.O. Box 1452,
St. Paul, AB.
T0A 3A0

B.N. 135822831
Elk Point
4906 - 48 St.
Ph: (780) 724-3300

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, 2007 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, 2007 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 21, 2007

Joly McCarthy & Dion
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
as at August 31, 2007

(in dollars)

| | 2007 | 2006 (Note) |
|--|---------------|----------------|
| ASSETS | | |
| Current assets | | |
| Cash and temporary investments | \$690,965 | \$326,265 |
| Accounts receivable (net after allowances) | \$328,967 | \$243,196 |
| Prepaid expenses | \$4,835 | \$6,037 |
| Other current assets | \$0 | \$0 |
| Total current assets | \$1,024,767 | \$575,498 |
| School generated assets | \$72,971 | \$78,321 |
| Trust assets | \$174,057 | \$0 |
| Long term accounts receivable | \$0 | \$0 |
| Long term investments | \$0 | \$0 |
| Capital assets | | |
| Land | \$126,554 | \$126,554 |
| Buildings | \$16,903,489 | |
| Less: accumulated amortization | (\$3,103,181) | \$13,800,308 |
| Equipment | \$1,515,862 | |
| Less: accumulated amortization | (\$533,295) | \$982,567 |
| Vehicles | \$134,165 | \$859,479 |
| Less: accumulated amortization | (\$49,537) | \$84,628 |
| Total capital assets | \$14,994,057 | \$15,343,148 |
| TOTAL ASSETS | \$16,265,852 | \$15,996,967 |
| LIABILITIES | | |
| Current liabilities | | |
| Bank indebtedness | \$0 | \$0 |
| Accounts payable and accrued liabilities | \$102,070 | \$125,833 |
| Deferred revenue | \$256,332 | \$256,310 |
| Deferred capital allocations | \$97,480 | \$167,383 |
| Current portion of all long term debt | \$24,486 | \$24,073 |
| Total current liabilities | \$480,368 | \$573,599 |
| School generated liabilities | \$72,971 | \$78,321 |
| Trust liabilities | \$174,057 | \$0 |
| Employee future benefits liability | \$0 | \$0 |
| Long term payables and accrued liabilities | \$0 | \$0 |
| Long term debt | | |
| Supported: Debentures and other supported debt | \$0 | \$0 |
| Less: Current portion of supported debt | \$0 | \$0 |
| Unsupported: Debentures and Capital Loans | \$45,500 | \$56,849 |
| Capital Leases | \$0 | \$0 |
| Mortgages | \$0 | \$0 |
| Less: Current portion of unsupported debt | (\$24,486) | (\$24,073) |
| Other long term liabilities | \$0 | \$0 |
| Unamortized capital allocations | \$14,459,075 | \$14,980,127 |
| Total long term liabilities | \$14,727,117 | \$15,091,224 |
| TOTAL LIABILITIES | \$15,207,485 | \$15,664,823 |
| NET ASSETS | | |
| Unrestricted net assets | \$526,300 | \$25,972 |
| Operating Reserves | \$42,585 | \$0 |
| Accumulated Operating Surplus (Deficit) | \$568,885 | \$25,972 |
| Investment in capital assets | \$489,482 | \$306,172 |
| Capital Reserves | \$0 | \$0 |
| Total Capital Funds | \$489,482 | \$306,172 |
| Total net assets | \$1,058,367 | \$332,144 |
| TOTAL LIABILITIES AND NET ASSETS | \$16,265,852 | \$15,996,967 |

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2007

(in dollars)

| | Actual 2007 | Budget 2007 (Note) | Actual 2006 (Note) |
|--|--------------------|--------------------------|--------------------------|
| REVENUES | | | |
| Government of Alberta | \$8,281,758 | \$7,670,029 | \$7,521,140 |
| Federal Government and/or First Nations | \$488,345 | \$17,135 | \$303,331 |
| Other Alberta school authorities | \$0 | \$0 | \$55,285 |
| Out of province authorities | \$0 | \$0 | \$0 |
| Alberta Municipalities (excluding supplementary requisitions) | \$0 | \$0 | \$0 |
| Instruction resource fees | \$25,784 | \$26,240 | \$24,096 |
| Transportation fees | \$6,055 | \$2,300 | \$4,960 |
| Other sales and services | \$24,246 | \$79,600 | \$39,628 |
| Investment income | \$25,450 | \$0 | \$2,096 |
| Gifts and donations | \$5,843 | \$0 | \$5,843 |
| Rentals of facilities | \$0 | \$0 | \$0 |
| Net school generated funds | \$58,362 | \$30,000 | \$69,655 |
| Gains on disposal of capital assets | \$0 | \$0 | \$0 |
| Amortization of capital allocations | \$594,065 | \$344,646 | \$535,962 |
| Total Revenues | \$9,509,908 | \$8,169,950 | \$8,561,996 |
| EXPENSES | | | |
| Certificated salaries | \$3,960,643 | \$4,023,679 | \$3,526,132 |
| Certificated benefits | \$446,400 | \$469,226 | \$407,570 |
| Non-certificated salaries and wages | \$798,257 | \$687,048 | \$789,015 |
| Non-certificated benefits | \$204,707 | \$197,426 | \$168,092 |
| Services, contracts and supplies | \$2,680,862 | \$2,242,676 | \$2,108,262 |
| Net school generated funds | \$58,362 | \$30,000 | \$69,655 |
| Capital and debt services | | | |
| Amortization of capital assets | | | |
| Supported | \$594,065 | \$344,646 | \$535,962 |
| Unsupported | \$39,336 | \$39,634 | \$37,368 |
| Total Amortization of capital assets | \$633,401 | \$384,280 | \$573,330 |
| Interest on capital debt | | | |
| Supported | \$0 | \$0 | \$0 |
| Unsupported | \$0 | \$0 | \$0 |
| Total Interest on capital debt | \$0 | \$0 | \$0 |
| Other interest charges | \$545 | \$40,000 | \$35,748 |
| Losses on disposal of capital assets | \$508 | \$0 | \$0 |
| Total Expenses | \$8,783,685 | \$8,074,335 | \$7,677,804 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM | \$726,223 | \$95,615 | \$884,192 |
| Extraordinary Item | \$0 | \$0 | \$0 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | \$726,223 | \$95,615 | \$884,192 |

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2007

(in dollars)

| | 2007 | 2006 (Note) |
|--|--------------------|--------------------|
| CASH FLOWS FROM: | | |
| A. OPERATIONS | | |
| Excess (deficiency) of revenues over expenses for the year | \$726,223 | \$884,192 |
| Add (Deduct) items not affecting cash: | | |
| Amortization of capital allocations revenue | (\$594,065) | (\$535,962) |
| Total amortization expense | \$633,401 | \$573,330 |
| Gains on disposal of capital assets | \$0 | \$0 |
| Losses on disposal of capital assets | \$508 | \$0 |
| Changes in accrued accounts: | | |
| Accounts receivable | (\$85,771) | \$1,055,116 |
| Prepays and other current assets | \$1,202 | \$135,097 |
| Long term accounts receivable | \$0 | \$0 |
| Long term investments | \$0 | \$0 |
| Payables and accrued liabilities | (\$23,763) | (\$1,222,853) |
| Deferred revenue | \$22 | (\$11,910) |
| Employee future benefit expense (recovery) | \$0 | \$0 |
| Other (describe) | \$0 | \$0 |
| Total sources (uses) of cash from Operations | \$657,757 | \$877,010 |
| B. INVESTING ACTIVITIES | | |
| Purchases of capital assets | | |
| Land | \$0 | \$0 |
| Buildings | (\$3,110) | (\$367,249) |
| Equipment | (\$250,685) | (\$527,608) |
| Vehicles | (\$40,033) | \$0 |
| Net proceeds from disposal of capital assets | \$9,010 | \$0 |
| Other (describe) | \$0 | \$0 |
| Total sources (uses) of cash from Investing activities | (\$284,818) | (\$894,857) |
| C. FINANCING ACTIVITIES | | |
| Capital allocations | \$3,110 | \$362,994 |
| Issue of long term debt | \$19,086 | \$33,638 |
| Repayment of long term debt | (\$30,435) | (\$12,709) |
| Add back: supported portion | \$0 | \$0 |
| Other (describe) | \$0 | \$0 |
| Total sources (uses) of cash from Financing activities | (\$8,239) | \$383,923 |
| Net sources (uses) of cash during year | \$364,700 | \$366,076 |
| Cash and temporary investments, net of bank indebtedness, at Aug. 31/06 | \$326,265 | (\$39,811) |
| Cash and temporary investments, net of bank indebtedness, at Aug. 31/07 | \$690,965 | \$326,265 |

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2007
(in dollars)

| | TOTAL NET ASSETS | INVESTMENT IN CAPITAL ASSETS | UNRESTRICTED NET ASSETS | RESTRICTED NET ASSETS | |
|---|------------------------|------------------------------------|-------------------------------|--------------------------|---------------------|
| | | | | OPERATING RESERVES | CAPITAL RESERVES |
| Balance at August 31, 2006 | \$332,144 | \$306,172 | \$25,972 | \$0 | \$0 |
| <u>Prior period adjustments (describe)</u> | | | | | |
| | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | \$0 | \$0 | \$0 |
| Adjusted Balance, Aug. 31, 2006 | \$332,144 | \$306,172 | \$25,972 | \$0 | \$0 |
| Excess(def) of revenue over expenses | \$726,223 | | \$726,223 | | |
| Board funded capital transactions | | \$220,815 | (\$220,815) | \$0 | \$0 |
| Direct credits to net assets | \$0 | \$0 | | | |
| Amortization of capital assets | | (\$633,401) | \$633,401 | | |
| Amortization of capital allocations | | \$594,065 | (\$594,065) | | |
| Disposal of unsupported capital assets | \$0 | (\$9,518) | \$9,518 | | \$0 |
| Disposal of supported capital assets (board funded portion) | \$0 | \$0 | \$0 | | \$0 |
| Debt principal payments (unsupported) | | \$11,349 | (\$11,349) | | |
| Net transfers to operating reserves | | | (\$42,585) | \$42,585 | |
| Net transfers from operating reserves | | | \$0 | \$0 | |
| Net transfers to capital reserves | | | \$0 | | \$0 |
| Net transfers from capital reserves | | | \$0 | | \$0 |
| Assumption/transfer of other operations's net assets | \$0 | \$0 | \$0 | \$0 | \$0 |
| Balance at August 31, 2007 | \$1,058,367 | \$489,482 | \$526,300 | \$42,585 | \$0 |

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2007
(in dollars)

| | Deferred Capital Allocations | Unamortized Capital Allocations |
|--|------------------------------------|---------------------------------------|
| Balance at August 31, 2006 | \$167,383 | \$14,980,127 |
| Prior period adjustment | \$0 | \$0 |
| Adjusted balance, August 31, 2006 | \$167,383 | \$14,980,127 |
| Add: | | |
| Restricted capital allocations from: Alberta Education-School/Modular Project Capital * | \$3,110 | |
| Infrastructure & Transportation-School/Modular Project Capital * | \$0 | |
| Other Government of Alberta | \$0 | |
| Federal Government and/or 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) | | \$0 |
| Transferred in capital assets (amortizable, @ net book value) | | \$0 |
| Current Year Debenture Principal Repayment | | \$0 |
| Expended capital allocations - current year | (\$73,013) | \$73,013 |
| Less: | | |
| Net book value of supported capital assets disposition, write-off, or transfer; Other | \$0 | \$0 |
| Capital allocations amortized to revenue | | \$594,065 |
| Balance at August 31, 2007 | \$97,480 | \$14,459,075 |

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations 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, 2007

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.

Capital allocations from the province or other agencies are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the contributions.

Unrestricted contributions are recognized as revenue when received and 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.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2007

2. Summary of Significant Accounting Policies (continued)

b) Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis, at the following rates:

| | |
|-----------|--------|
| Buildings | 2.5-4% |
| Equipment | 10-20% |
| Vehicles | 20% |

Only 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. Any capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

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.

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) 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 of the School Act and Section 5 of the Trustees Act.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2007

2. Summary of Significant Accounting Policies (continued)

h) Operating and Capital Reserves

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

i) Pensions

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

The current service 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 certified staff.

The school board along with the active uncertified members contribute to an RRSP plan. The employer expense for this pension plan is \$ 45,777 for the year ended August 31, 2007 (2006 - \$35,931).

j) Investments

Short-term investments are valued at the lower of cost or market.

3. Accounts Receivable

| | <u>2007</u> | <u>2006</u> |
|---------------------------|-------------------|-------------------|
| Alberta Education | \$ 121,948 | \$ 53,968 |
| Other Province of Alberta | -- | 6,550 |
| Federal Government | 139,692 | 113,459 |
| Other | <u>67,327</u> | <u>69,219</u> |
| | <u>\$ 328,967</u> | <u>\$ 243,196</u> |

4. Bank Indebtedness

The jurisdiction has negotiated a line of credit in the amount of \$1,000,000 that bears interest at the bank prime. This line of credit is secured by a borrowing resolution and a general security agreement. The maximum line of credit limit will be reduced as follows:

| | |
|-------------------|------------|
| September 1, 2007 | \$ 800,000 |
| September 1, 2008 | 600,000 |
| September 1, 2009 | 400,000 |

5. Accounts Payable and Accrued Liabilities

| | <u>2007</u> | <u>2006</u> |
|-------|-------------------|-------------------|
| Other | \$ <u>102,070</u> | \$ <u>125,833</u> |

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2007

6. Deferred Revenue

| | <u>2007</u> | <u>2006</u> |
|---|-------------------|-------------------|
| Infrastructure Maintenance Program (from AI & T) | \$ 5,883 | \$ 182,510 |
| Infrastructure Maintenance Renewal (from Education) | 233,253 | 38,990 |
| Minor modernization funding | 9,636 | 9,636 |
| HR & E contract funding | <u>7,560</u> | <u>25,174</u> |
| | <u>\$ 256,332</u> | <u>\$ 256,310</u> |

7. 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 has not been made at year end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

8. Long Term Debt

| | <u>2007</u> | <u>2006</u> |
|---|------------------|------------------|
| Loans - Unsupported | | |
| a) GMAC loan, due in year 2009 payable \$487 monthly without interest. Secured by vehicle. | \$ 10,712 | \$ 16,555 |
| b) GMAC loan, due in year 2008 payable \$541 monthly without interest. Secured by vehicle. | 541 | 7,031 |
| c) GMAC loan, due in year 2009 payable \$978 monthly without interest. Secured by vehicle. | 21,523 | 33,263 |
| d) Ford Credit loan, due in year 2009 payable \$530 monthly without interest. Secured by vehicle. | <u>12,724</u> | <u>---</u> |
| | 45,500 | 56,849 |
| Less current portion of long term debt | <u>24,486</u> | <u>24,073</u> |
| | <u>\$ 21,014</u> | <u>\$ 32,776</u> |

The principal due over the next two years are as follows:

| | |
|------|-----------|
| 2008 | \$ 24,486 |
| 2009 | 21,014 |

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2007

9. 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.

10. 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.

11. 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.

12. Commitments

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

| | |
|------|------------------|
| 2008 | \$ 7,800 |
| 2009 | 7,800 |
| 2010 | 7,800 |
| 2011 | <u>1,300</u> |
| | <u>\$ 24,700</u> |

13. 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.

14. Comparative Figures

The comparative figures have been reclassified where necessary to conform to the 2007 presentation.

15. 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, 2007 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, 2007

15. Related Party Transactions (continued)

| | <u>Balances</u> | | <u>Transactions</u> | |
|---------------------------------------|--|---------------------------------------|---------------------|-------------------|
| | <u>Assets (@ cost or net realizable value)</u> | <u>Liabilities (@ fair value)</u> | <u>Revenue</u> | <u>Expenses</u> |
| <u>2006-2007</u> | | | | |
| Government of Alberta: | | | | |
| Education | \$ 121,948 | \$ -- | \$ 8,201,605 | \$ -- |
| Finance | -- | -- | 2,289 | -- |
| Human Resources/Employment | -- | -- | 77,864 | -- |
| Other: | | | | |
| Post-secondary institutions | 5,833 | -- | -- | -- |
| Other Alberta school jurisdictions | <u> --</u> | <u> --</u> | <u> --</u> | <u>268,115</u> |
| Total 2006-2007 | \$ <u>127,781</u> | \$ <u> --</u> | \$ <u>8,281,758</u> | \$ <u>268,115</u> |
| Total 2005-2006 | \$ <u>60,518</u> | \$ <u> --</u> | \$ <u>7,576,425</u> | \$ <u>36,921</u> |

16. Remuneration and Monetary Incentives

The East Central Francophone Education Region No. 3 has paid or accrued expenses for the year ended August 31, 2007 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 | \$ 7,060 | \$ 70 | \$ 7,130 | \$ 4,656 |
| Other Board Members | | | | | |
| Murielle St. Arnault | 1.00 | 4,295 | 18 | 4,313 | 1,028 |
| Leo Piquette | 1.00 | 6,800 | 104 | 6,904 | 7,824 |
| Allain Dallaire | 1.00 | 4,275 | 18 | 4,293 | 2,471 |
| Ernest Piquette | 1.00 | <u>5,010</u> | <u>20</u> | <u>5,030</u> | <u>958</u> |
| Subtotal | | <u>27,440</u> | <u>230</u> | <u>27,670</u> | <u>16,937</u> |
| Superintendent | | | | | |
| Donald Michaud | 1.00 | 126,533 | 10,074 | 136,607 | 17,011 |
| Secretary/Treasurer | | | | | |
| Claude Lampron | .60 | 53,667 | 8,314 | 61,981 | 3,941 |
| Certified Teachers | 55.10 | 3,834,110 | 436,326 | 4,270,436 | |
| Non-certified - other | 28.25 | <u>717,150</u> | <u>196,163</u> | <u>913,313</u> | |
| Total | | \$ <u>4,758,900</u> | \$ <u>651,107</u> | \$ <u>5,410,007</u> | |

UNAUDITED SCHEDULES
TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2007
[School Act, Section 276]

East Central Francophone Education Region No. 3

Legal Name of School Jurisdiction

Box 249 St-Paul, Alberta T0A 3A0

Mailing Address

(780) 645-3888 (780) 645-2045

Telephone and Fax Numbers

Declaration of Secretary-Treasurer / Chief Financial Officer

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

Claude Lampron
Name

"ORIGINAL SIGNED"
Signature

11-Dec-07

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

TABLE OF CONTENTS

| | | Page |
|-------------------|--|-------------|
| SCHEDULE A | Allocation of Revenues and Expenses to Programs | 3 |
| SCHEDULE B | Alberta Education Revenues | 4 |
| SCHEDULE C | ECS to Grade 12 Instruction Programs Expense Details | 4 |
| SCHEDULE D | 2006-2007 Board and System Administration Expenses Under (Over) Maximum Limit | 5 |
| SCHEDULE E | School Generated Funds (SGF) | 5 |

SCHEDULE A

School Jurisdiction Code: 8060

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007

| REVENUES | TOTAL | ECS to Grade 12 Instruction | Operations and Maintenance of Schools & Maintenance Shops | Transportation | Board & System Admin. | External Services |
|---|--------------------|------------------------------------|--|-----------------------|----------------------------------|--------------------------|
| (1) Alberta Education | \$8,201,605 | \$5,449,647 | \$1,054,429 | \$1,070,345 | \$523,184 | \$104,000 |
| (2) Alberta Infrastructure & Transportation | \$0 | \$0 | | | | |
| (3) Alberta Finance | \$0 | | \$0 | | | \$0 |
| (4) Other - Government of Alberta | \$80,153 | \$77,864 | \$2,289 | \$0 | \$0 | \$0 |
| (5) Federal Government and/or First Nations | \$488,345 | \$204,917 | \$43,202 | \$0 | \$0 | \$240,226 |
| (6) Other Alberta school authorities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (7) Out of province authorities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (8) Alberta municipalities (excl. supplementary requisitions) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (9) Instruction resource fees | \$25,784 | \$25,784 | | | | |
| (10) Transportation fees | \$6,055 | | | \$6,055 | | |
| (11) Other sales and services | \$24,246 | \$22,668 | \$0 | \$0 | \$1,578 | \$0 |
| (12) Investment income | \$25,450 | \$25,352 | \$98 | \$0 | \$0 | \$0 |
| (13) Gifts and donations | \$5,843 | \$5,843 | \$0 | \$0 | | \$0 |
| (14) Rentals of facilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (15) Net school generated funds | \$58,362 | \$58,362 | | | \$0 | |
| (16) Gains on disposal of capital assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (17) Amortization of capital allocations | \$594,065 | \$106,386 | \$487,679 | \$0 | | \$0 |
| (18) TOTAL REVENUES | \$9,509,908 | \$5,976,823 | \$1,587,697 | \$1,076,400 | \$524,762 | \$344,226 |
| EXPENSES | | | | | | |
| (19) Certificated salaries | \$3,960,643 | \$3,809,860 | | | \$150,783 | \$0 |
| (20) Certificated benefits | \$446,400 | \$434,147 | | | \$12,253 | \$0 |
| (21) Non-certificated salaries and wages | \$798,257 | \$524,325 | \$125,611 | \$27,332 | \$96,021 | \$24,968 |
| (22) Non-certificated benefits | \$204,707 | \$144,658 | \$31,779 | \$6,248 | \$16,894 | \$5,128 |
| (23) SUB - TOTAL | \$5,410,007 | \$4,912,990 | \$157,390 | \$33,580 | \$275,951 | \$30,096 |
| (24) Services, contracts & supplies | \$2,680,862 | \$677,764 | \$567,686 | \$879,693 | \$241,589 | \$314,130 |
| (25) Cost recoveries between programs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (26) Net school generated funds | \$58,362 | \$58,362 | | | | |
| Capital and debt services | | | | | | |
| Amortization of capital assets | | | | | | |
| (27) Supported | \$594,065 | \$106,386 | \$487,679 | \$0 | \$0 | \$0 |
| (28) Unsupported | \$39,336 | \$21,350 | \$9,336 | \$1,682 | \$6,968 | \$0 |
| (29) Total Amortization | \$633,401 | \$127,736 | \$497,015 | \$1,682 | \$6,968 | \$0 |
| Interest on capital debt | | | | | | |
| (30) Supported | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (31) Unsupported | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (32) Other interest charges | \$545 | \$545 | \$0 | \$0 | \$0 | \$0 |
| (33) Losses on disposal of capital assets | \$508 | \$0 | \$127 | \$127 | \$254 | \$0 |
| (34) TOTAL EXPENSES | \$8,783,685 | \$5,777,397 | \$1,222,218 | \$915,082 | \$524,762 | \$344,226 |
| (35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM | \$726,223 | \$199,426 | \$365,479 | \$161,318 | \$0 | \$0 |

**SCHEDULE B
ALBERTA EDUCATION REVENUE 2006-2007**

| | TOTAL |
|--|-------------|
| Base Funding | \$2,937,021 |
| Additional Funding for Differential Cost Factors | \$4,803,791 |
| Targeted Funding for Provincial Initiatives | |
| Class Size Initiative | \$69,748 |
| Student Health Initiative (SHI) | \$0 |
| Alberta Initiative for School Improvement (AISi) | \$64,944 |
| SuperNet Services | \$24,168 |
| Children and Youth with Complex Needs | \$0 |
| Other Provincial Support Funding | |
| Institutional Programs | \$0 |
| Regional Consortium and Regional Educational Consulting Services | \$0 |
| Learning Resources Credit Allocation | \$5,723 |
| Infrastructure Maintenance Renewal (IMR) | \$192,210 |
| Other Funding from Alberta Education (describe): online francophone support | \$104,000 |
| Total Alberta Education Revenues | \$8,201,605 |

**SCHEDULE C
ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

| SUB-PROGRAMS & INITIATIVES | ECS to GRADE 12 Instruction | | | | | | |
|---|-----------------------------|-------------------------------|--------------------------------|--------------------|----------------------------------|----------------|----------------|
| | Certificated Remuneration | Non-certificated Remuneration | Services, Contracts & Supplies | Learning Resources | Cost Recoveries between programs | Other Expenses | TOTAL EXPENSES |
| School Administration & Instruction Support | \$423,204 | \$221,680 | \$126,046 | | \$0 | \$0 | \$770,930 |
| Mild & Moderate Disabilities/Gifted & Talented (ECS-12) | \$60,630 | \$52,314 | \$0 | | \$0 | | \$112,944 |
| ECS Program Unit (PUF) | \$0 | \$51,919 | \$4,001 | | \$0 | | \$55,920 |
| Severe Disabilities (Gr 1-12) | \$60,630 | \$165,282 | \$0 | | \$0 | | \$225,912 |
| English as a Second Language (ESL) | \$62,400 | \$22,982 | \$286 | | \$0 | | \$85,668 |
| French Language & Francisation | \$245,920 | \$56,800 | \$8,009 | | \$0 | | \$310,729 |
| Enhanced ESL/Francisation & Supports for Immigrant Students | \$0 | \$0 | \$0 | | \$0 | | \$0 |
| First Nations, Metis and Inuit Education | \$0 | \$0 | \$0 | | \$0 | | \$0 |
| Alberta Initiative for School Improvement | \$38,756 | \$0 | \$22,503 | \$4,537 | \$0 | | \$65,796 |
| Student Health Initiative | \$0 | \$0 | \$0 | | \$0 | | \$0 |
| SuperNet Service | | | \$24,168 | | \$0 | | \$24,168 |
| Class Size Initiative | \$69,748 | \$0 | \$0 | \$0 | \$0 | | \$69,748 |
| Children and Youth with Complex Needs (ECS - Gr 12) | \$0 | \$0 | \$0 | | \$0 | | \$0 |
| All Other Student Instruction Expenses (ECS - Gr 12) | \$3,282,719 | \$98,006 | \$370,136 | \$118,078 | \$0 | \$186,643 | \$4,055,582 |
| TOTAL EXPENSES | \$4,244,007 | \$668,983 | \$555,149 | \$122,615 | \$0 | \$186,643 | \$5,777,397 |

| FULL-TIME-EQUIVALENCIES (Board/Contract) | FTE | FTE |
|--|--------------|------------------|
| | Certificated | Non-certificated |
| Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12) | 0.7 | 2.2 |
| ECS Program Unit (PUF) | 0.0 | 2.0 |
| Severe Disabilities (Gr 1-12) | 0.7 | 6.0 |

**SCHEDULE D
BOARD AND SYSTEM ADMINISTRATION
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

| | |
|---|--------------------|
| TOTAL EXPENSES | \$8,783,685 |
| STEP 1 | |
| Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense: | |
| If "Total Net Enrolled Students" are 6,000 and over | = 4% |
| If "Total Net Enrolled Students" are 2,000 and less | = 6% |
| The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%). | |
| STEP 2 | |
| Calculate maximum expense limit AMOUNTS for Board and System Administration expense: | |
| Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES | \$527,021 |
| Considerations for Charter Schools and Small School Boards | |
| If Charter School , enter \$58,366 | \$0 |
| If School Board , please enter your 2006-2007 Gr 1 - 12 funded enrolmen | 530 |
| | \$424,483 |
| 2006-2007 MAXIMUM EXPENSE LIMIT | \$527,021 |
| Less: 2006/2007 Board and System Administration expenses | -\$524,762 |
| 2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT | \$2,259 |

**SCHEDULE E
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

| Unexpended SGF - Opening Balance August 31, 2006 | \$78,321 | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-----------------------------|-----------------|----------------------------|---------|------------------------|-----------|-----------|----------|---|-------|-------------------|-----|---------------------------------------|-----------------|-----|---------|----------------------------|-------|-----|-------|-----------------------------|------------------|------------------|-----------------|
| Sources of School Generated Funds: | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th></th> <th>Gross SGF</th> <th>Related Expenses</th> <th>Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td align="right">\$262,223</td> <td align="right">\$211,758</td> <td align="right">\$50,465</td> </tr> <tr> <td>Student fees (Non-Instructional) (Note 1)</td> <td align="right">\$0</td> <td align="right">\$0</td> <td align="right">\$0</td> </tr> <tr> <td>Donations and grants to schools</td> <td align="right">\$2,431</td> <td align="right">\$0</td> <td align="right">\$2,431</td> </tr> <tr> <td>Other (describe): interest</td> <td align="right">\$117</td> <td align="right">\$0</td> <td align="right">\$117</td> </tr> <tr> <td>Net Additions to SGF</td> <td align="right">\$264,771</td> <td align="right">\$211,758</td> <td align="right">\$53,013</td> </tr> </tbody> </table> | | Gross SGF | Related Expenses | Net SGF | Fundraising activities | \$262,223 | \$211,758 | \$50,465 | Student fees (Non-Instructional) (Note 1) | \$0 | \$0 | \$0 | Donations and grants to schools | \$2,431 | \$0 | \$2,431 | Other (describe): interest | \$117 | \$0 | \$117 | Net Additions to SGF | \$264,771 | \$211,758 | \$53,013 |
| | Gross SGF | Related Expenses | Net SGF | | | | | | | | | | | | | | | | | | | | | | |
| Fundraising activities | \$262,223 | \$211,758 | \$50,465 | | | | | | | | | | | | | | | | | | | | | | |
| Student fees (Non-Instructional) (Note 1) | \$0 | \$0 | \$0 | | | | | | | | | | | | | | | | | | | | | | |
| Donations and grants to schools | \$2,431 | \$0 | \$2,431 | | | | | | | | | | | | | | | | | | | | | | |
| Other (describe): interest | \$117 | \$0 | \$117 | | | | | | | | | | | | | | | | | | | | | | |
| Net Additions to SGF | \$264,771 | \$211,758 | \$53,013 | | | | | | | | | | | | | | | | | | | | | | |
| Net SGF Available | \$131,334 | | | | | | | | | | | | | | | | | | | | | | | | |
| Uses of Net School Generated Funds: | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <tbody> <tr> <td>Extra-curricular activities</td> <td align="right">\$43,377</td> </tr> <tr> <td>School site beautification</td> <td align="right">\$0</td> </tr> <tr> <td>Field Trips</td> <td align="right">\$14,457</td> </tr> <tr> <td>Equipment</td> <td align="right">\$0</td> </tr> <tr> <td>Family literacy and other community resources</td> <td align="right">\$528</td> </tr> <tr> <td>Other (describe):</td> <td align="right">\$0</td> </tr> <tr> <td>Total Uses of Net SGF (Note 2)</td> <td align="right">\$58,362</td> </tr> </tbody> </table> | Extra-curricular activities | \$43,377 | School site beautification | \$0 | Field Trips | \$14,457 | Equipment | \$0 | Family literacy and other community resources | \$528 | Other (describe): | \$0 | Total Uses of Net SGF (Note 2) | \$58,362 | | | | | | | | | | |
| Extra-curricular activities | \$43,377 | | | | | | | | | | | | | | | | | | | | | | | | |
| School site beautification | \$0 | | | | | | | | | | | | | | | | | | | | | | | | |
| Field Trips | \$14,457 | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment | \$0 | | | | | | | | | | | | | | | | | | | | | | | | |
| Family literacy and other community resources | \$528 | | | | | | | | | | | | | | | | | | | | | | | | |
| Other (describe): | \$0 | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Uses of Net SGF (Note 2) | \$58,362 | | | | | | | | | | | | | | | | | | | | | | | | |
| Unexpended SGF - Closing Balance August 31, 2007 (Note 3) | \$72,972 | | | | | | | | | | | | | | | | | | | | | | | | |

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)

Notes:

- Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.
- Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.
- Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.