

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2009**  
[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 <sup>East Central Francophone Education Region No. 3</sup> 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**

Réginald Roy

Name

"original signed"

Signature

**SUPERINTENDENT**

Donald Michaud

Name

"original signed"

Signature

**SECRETARY TREASURER OR TREASURER**

Claude Lampron

Name

"original signed"

Signature

8-Dec-09

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>

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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, 2009 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, 2009 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 17, 2009

*Joly McCarthy & Dion*  
CHARTERED ACCOUNTANTS

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2009

(in dollars)

		2009	2008 (Note)
<b>ASSETS</b>			
Current assets			
Cash and temporary investments	(Note 4)	\$1,388,460	\$910,053
Accounts receivable (net after allowances)	(Note 5)	\$324,065	\$421,673
Prepaid expenses		\$2,374	\$6,275
Other current assets	(Note 6)	\$0	\$150,000
<b>Total current assets</b>		\$1,714,899	\$1,488,001
School generated assets			
Trust assets	(Note 13)	\$155,517	\$444,905
Long term accounts receivable		\$0	\$0
Long term investments	(Note 7)	\$351,115	\$0
Capital assets (Note 8)			
Land		\$1,243,748	\$126,554
Construction in Progress		\$8,344,468	\$2,738,404
Buildings	\$16,900,378		
Less: accumulated amortization	(\$4,077,138)	\$12,823,240	\$13,310,219
Equipment	\$1,760,625		
Less: accumulated amortization	(\$773,972)	\$986,653	\$924,997
Vehicles	\$205,452		
Less: accumulated amortization	(\$96,687)	\$108,765	\$57,795
<b>Total capital assets</b>		\$23,506,874	\$17,157,969
<b>TOTAL ASSETS</b>		\$25,831,239	\$19,183,990
<b>LIABILITIES</b>			
Current liabilities			
Bank indebtedness	(Note 9)	\$130,998	\$0
Accounts payable and accrued liabilities	(Note 10)	\$93,987	\$90,400
Deferred revenue	(Note 11)	\$326,869	\$535,377
Deferred capital allocations	(Note 12)	\$914,410	\$180,442
Current portion of long term debt		\$0	\$21,545
<b>Total current liabilities</b>		\$1,466,264	\$827,764
School generated liabilities			
Trust liabilities	(Note 13)	\$102,834	\$93,115
Employee future benefit liabilities		\$155,517	\$444,905
Other long term liabilities		\$0	\$0
Long term debt (Note 14)			
Supported: Debentures and other supported debt		\$0	\$0
Less: Current portion		\$0	\$0
Unsupported: Debentures and Capital Loans		\$0	\$21,545
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		\$0	(\$21,545)
Other long term liabilities			
Unamortized capital allocations	(Note 15)	\$21,845,825	\$16,655,352
<b>Total long term liabilities</b>		\$22,104,176	\$17,193,372
<b>TOTAL LIABILITIES</b>		\$23,570,440	\$18,021,136
<b>NET ASSETS</b>			
Unrestricted net assets		\$431,920	\$524,167
Operating Reserves		\$167,830	\$157,615
Accumulated Operating Surplus (Deficit)		\$599,750	\$681,782
Investment in capital assets		\$1,661,049	\$481,072
Capital Reserves		\$0	\$0
Total Capital Funds		\$1,661,049	\$481,072
<b>Total net assets</b>		\$2,260,799	\$1,162,854
<b>TOTAL LIABILITIES AND NET ASSETS</b>		\$25,831,239	\$19,183,990

**Note:** Please input "(Restated)" in 2008 column heading where comparatives are not taken from the finalized 2007-2008 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2009**  
(in dollars)

	Actual 2009	Budget 2009 (Note)	Actual 2008 (Note)
<b>REVENUES</b>			
Government of Alberta	\$9,332,457	\$9,138,175	\$8,556,833
Federal Government and First Nations	\$422,953	\$273,958	\$374,028
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	\$42,043	\$35,840	\$27,503
Transportation fees	\$3,585	\$2,300	\$3,333
Other sales and services	\$0	\$108,396	\$50,316
Investment income	\$26,435	\$25,000	\$39,433
Gifts and donations	\$1,200	\$0	\$5,518
Rental of facilities	\$0	\$0	\$0
Net school generated funds	\$55,506	\$50,000	\$47,774
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$602,809	\$594,065	\$607,113
Other revenue	\$41,353	\$0	\$0
<b>Total Revenues</b>	<b>\$10,528,341</b>	<b>\$10,227,734</b>	<b>\$9,711,851</b>
<b>EXPENSES</b>			
Certificated salaries (Note 23)	\$4,904,735	\$4,819,806	\$4,387,354
Certificated benefits (Note 23)	\$531,935	\$548,088	\$499,211
Non-certificated salaries and wages (Note 23)	\$1,172,720	\$935,697	\$857,782
Non-certificated benefits (Note 23)	\$259,438	\$219,826	\$213,229
Services, contracts and supplies	\$2,971,215	\$3,104,952	\$2,941,279
Net school generated funds	\$55,506	\$50,000	\$47,774
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$602,809	\$594,065	\$607,113
Unsupported	\$46,813	\$39,336	\$51,973
<b>Total Amortization of capital assets</b>	<b>\$649,622</b>	<b>\$633,401</b>	<b>\$659,086</b>
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Other interest and charges	\$2,419	\$2,000	\$1,649
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Other expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Expenses</b>	<b>\$10,547,590</b>	<b>\$10,313,770</b>	<b>\$9,607,364</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>(\$19,249)</b>	<b>(\$86,036)</b>	<b>\$104,487</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$19,249)</b>	<b>(\$86,036)</b>	<b>\$104,487</b>

**Note:** Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statements filed with Alberta Education. Budget 2009 comparatives presented are final budget amounts formally approved by the Board.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2009

(in dollars)

	2009	2008 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	(\$19,249)	\$104,487
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$602,809)	(\$607,113)
Total amortization expense	\$649,622	\$659,086
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	\$97,608	(\$92,706)
Prepays and other current assets	\$153,901	(\$151,440)
Long term accounts receivable	\$0	\$0
Long term investments	(\$351,115)	\$0
Accounts payable and accrued liabilities	\$3,587	(\$11,670)
Deferred revenue	(\$208,508)	\$279,045
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Operations</b>	(\$276,963)	\$179,689
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	(\$1,117,194)	\$0
Buildings	(\$5,606,064)	(\$2,735,294)
Equipment	(\$203,982)	(\$87,704)
Vehicles	(\$71,287)	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Investing activities</b>	(\$6,998,527)	(\$2,822,998)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$7,644,444	\$2,886,352
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$21,545)	(\$23,955)
Add back: supported portion	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from financing activities</b>	\$7,622,899	\$2,862,397
<b>Net cash flows from during the year</b>	\$347,409	\$219,088
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/08</b>	\$910,053	\$690,965
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/09</b>	\$1,257,462	\$910,053

**Note:** Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2009**

School Jurisdiction Code: 8060

(in dollars)

	(1)	(2)	(3)	(4)	(5)	INTERNALLY RESTRICTED NET ASSETS												(15)
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	School & Instruction Related		Operations & Maintenance		Board & System Admin.		Transportation		External Services		(14)		
						Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	(13)		
<b>Balance at August 31, 2008</b>	\$1,162,854	\$481,072	\$524,167	\$157,615	\$0	\$7,615	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(12)		
Prior period adjustments (describe)																(11)		
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(10)		
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(9)		
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(8)		
<b>Adjusted Balance, Aug. 31, 2008</b>	\$1,162,854	\$481,072	\$524,167	\$157,615	\$0	\$7,615	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(7)		
Excess (deficiency) of revenue over expenses	(\$19,249)		(\$19,249)													(6)		
Board funded capital additions		\$88,051	(\$88,051)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(5)		
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0											(4)		
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0											(3)		
Direct credits to net assets	\$1,117,194	\$1,117,194														(2)		
Amortization of capital assets		(\$649,622)	\$649,622													(1)		
Amortization of capital allocations		\$602,809	(\$602,809)															
Debt principal repayments (unsupported)		\$21,545	(\$21,545)															
Net transfers to operating reserves			(\$10,215)	\$10,215		\$10,215		\$0						\$0				
Net transfers from operating reserves			\$0	\$0		\$0		\$0						\$0				
Net transfers to capital reserves			\$0		\$0									\$0				
Net transfers from capital reserves			\$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			
<b>Balance at August 31, 2009</b>	\$2,260,799	\$1,661,049	\$431,920	\$167,830	\$0	\$17,830	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(15)		

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2009  
(in dollars)

	<b>Deferred Capital Allocations</b>	<b>Unamortized Capital Allocations</b>
<b>Balance at August 31, 2008</b>	\$180,442	\$16,655,352
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2008</b>	\$180,442	\$16,655,352
<b>Add:</b>		
<b>Restricted capital allocations from:</b> Alberta Education including school and modular projects	\$7,639,762	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$4,682	
<b>Other capital grants and donations</b>	\$0	
<b>Net proceeds on disposal of supported capital assets</b>	\$0	
<b>Insurance proceeds (and related interest)</b>	\$0	
<b>Donated capital assets (amortizable, @ fair market value)</b>		\$0
<b>Transferred in capital assets (amortizable, @ net book value)</b>		\$0
<b>Current Year Debenture Principal Repayment</b>		\$0
<b>Expended capital allocations - current year</b>	(\$6,910,476)	\$6,910,476
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	\$1,117,194
<b>Capital allocations amortized to revenue</b>		\$602,809
<b>Balance at August 31, 2009</b>	<b>\$914,410</b>	<b>\$21,845,825</b>

\* 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, 2009

**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 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, 2009

**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 jurisdictions 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 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 certificated staff.

The school board along with the active uncertified members contribute to an RRSP plan. The employer expense for this pension plan is \$53,752 for the year ended August 31, 2009 (2008 - \$50,027).

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, 2009

**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 of the School Act.

**4. Cash and Temporary Investments**

	2009			2008		
	Effective Yield	Cost	Fair Value	Effective Yield	Cost	Fair Value
Cash and cash equivalents		\$ --	\$ --		\$ 204,050	\$ 204,050
Term deposits	1.47%	<u>1,388,460</u>	<u>1,388,460</u>	3.6%	<u>706,003</u>	<u>706,003</u>
		<u>\$ 1,388,460</u>	<u>\$ 1,388,460</u>		<u>\$ 910,053</u>	<u>\$ 910,053</u>

**5. Accounts Receivable**

	<u>2009</u>	<u>2008</u>
Alberta Education	\$ 121,127	\$ 209,895
Alberta Finance	5,500	19,350
Federal Government	82,143	101,123
Other	<u>115,295</u>	<u>91,305</u>
	<u>\$ 324,065</u>	<u>\$ 421,673</u>

**6. Other Current Assets**

	<u>2009</u>	<u>2008</u>
Deposit on land for new St. Paul school	\$ <u>--</u>	\$ <u>150,000</u>

**7. Long-Term Investments**

	2009			2008		
	Effective Yield	Cost	Fair Value	Effective Yield	Cost	Fair Value
Term deposits						
Due 2011 - 12	2.71%	<u>\$ 351,115</u>	<u>\$ 351,115</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>--</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2009

**8. Tangible Capital Assets**

	Land	Construction In Progress New Buildings	Buildings 25-40 Years	Other Equipments 5-10 Years	Vehicles 5-10 Years	Total Aug. 31 2009	Total Aug. 31 2008
Estimated Useful Life							
Historical cost							
September 1, 2008	\$ 126,554	\$ 2,738,404	\$ 16,900,378	\$ 1,587,208	\$ 134,165	\$ 21,486,709	\$ 18,680,069
Additions	1,117,194	5,606,064	--	203,982	71,287	6,998,527	2,822,998
Less disposals including write-offs	--	--	--	(30,565)	--	(30,565)	(16,358)
August 31, 2009	<u>1,243,748</u>	<u>8,344,468</u>	<u>16,900,378</u>	<u>1,760,625</u>	<u>205,452</u>	<u>28,454,671</u>	<u>21,486,709</u>
Accumulated amortization							
September 1, 2008	--	--	3,590,160	662,210	76,370	4,328,740	3,686,012
Amortization expense	--	--	486,978	142,327	20,317	649,622	659,086
Effect of disposals	--	--	--	(30,565)	--	(30,565)	(16,358)
August 31, 2009	--	--	<u>4,077,138</u>	<u>773,972</u>	<u>96,687</u>	<u>4,947,797</u>	<u>4,328,740</u>
Net Book Value at August 31, 2009	<u>\$ 1,243,748</u>	<u>\$ 8,344,468</u>	<u>\$ 12,823,240</u>	<u>\$ 986,653</u>	<u>\$ 108,765</u>	<u>\$ 23,506,874</u>	<u>\$ 17,157,969</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2009

**9. Bank Indebtedness**

The jurisdiction has negotiated a line of credit in the amount of \$600,000 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, 2009                      \$ 400,000

**10. Accounts Payable and Accrued Liabilities**

	<u>2009</u>	<u>2008</u>
Alberta Education	\$ 11,443	\$ --
Other Province of Alberta	--	48,053
Other	<u>82,544</u>	<u>42,347</u>
	<u>\$ 93,987</u>	<u>\$ 90,400</u>

**11. Deferred Revenue**

	<u>Deferred Revenue Aug. 31, 2008</u>	<u>Restricted Funds Received</u>	<u>Restricted Funds Expended</u>	<u>Deferred Revenue Aug. 31, 2009</u>
Alberta Education Restricted Operational Funding:				
Infrastructure Maintenance Renewal	\$ 227,952	\$ 96,514	\$ 160,776	\$ 163,690
Alberta Initiative for School Improvements	20,731	75,279	93,008	3,002
Small Class Size Initiative	--	78,306	78,306	--
SuperNet Service	--	25,727	25,727	--
Other Government of Alberta Restricted Funding:				
H R & E Contract	9,031	80,000	82,549	6,482
Skills Canada Alberta	<u>277,663</u>	<u>--</u>	<u>123,968</u>	<u>153,695</u>
	<u>\$ 535,377</u>	<u>\$ 355,826</u>	<u>\$ 564,334</u>	<u>\$ 326,869</u>

**12. 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.

**13. Trust Assets and Liabilities**

This balance represents cash held in trust by the jurisdiction.

	<u>2009</u>	<u>2008</u>
Francophone Distance Learning	<u>\$ 155,517</u>	<u>\$ 444,905</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2009

**14. Long Term Debt**

	<u>2009</u>	<u>2008</u>
Loans - Unsupported		
a) GMAC loan, due in year 2009 payable \$487 monthly without interest. Secured by vehicle.	\$ --	\$ 4,869
b) GMAC loan, due in year 2009 payable \$978 monthly without interest. Secured by vehicle.	--	9,783
c) Ford Credit loan, due in year 2009 payable \$530 monthly without interest. Secured by vehicle.	<u>--</u>	<u>6,893</u>
	--	21,545
Less current portion of long term debt	<u>--</u>	<u>21,545</u>
	\$ <u>--</u>	\$ <u>--</u>

**15. 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.

**16. 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.

**17. 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.

**18. Commitments**

a) Operating Lease:

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

2010	\$ 7,800
2011	<u>1,300</u>
	\$ <u>9,100</u>

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2009

**18. Commitments (continued)**

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	\$ 7,595,370	\$ 6,717,011
St. Paul school	749,098	16,530,943

**19. 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.

**20. Comparative Figures**

The comparative figures have been reclassified where necessary to conform to the 2009 presentation.

**21. 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, 2008.

**22. 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, 2009 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, 2009

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

	<u>Balances</u>		<u>Transactions</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Expenses</u>
<u>2008-2009</u>				
Government of Alberta:				
Education	\$121,127	\$ 178,135	\$ 9,249,909	\$ --
Other departments	5,500	1,074,587	82,548	113,347
Other:				
Post-secondary institutions	13,333	--	--	--
Other Alberta school jurisdictions	--	--	--	<u>128,908</u>
Total 2008-2009	<u>\$ 139,960</u>	<u>\$ 1,252,722</u>	<u>\$ 9,332,457</u>	<u>\$ 242,255</u>
Total 2007-2008	<u>\$ 236,531</u>	<u>\$ 763,872</u>	<u>\$ 8,556,833</u>	<u>\$ 199,262</u>

**23. Remuneration and Monetary Incentives**

The East Central Francophone Education Region No. 3 has paid or accrued expenses for the year ended August 31, 2009 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	\$ 9,515	\$ 141	\$ 9,656	\$ 9,476
Other Board Members					
Allain Dallaire	1.00	3,955	2	3,957	1,393
Ernest Piquette	1.00	5,580	20	5,600	1,651
Guy Genreux	1.00	5,835	44	5,879	4,090
Michelle Dallaire	1.00	<u>5,905</u>	<u>49</u>	<u>5,954</u>	<u>5,079</u>
Subtotal		30,790	256	31,046	21,689
Superintendent					
Donald Michaud	1.00	143,500	10,660	154,160	28,996
Secretary/Treasurer					
Claude Lamperon	.60	73,000	8,971	81,971	3,665
Certified Teachers	59.08	4,761,235	521,275	5,282,510	
Non-certified - other	28.02	<u>1,068,930</u>	<u>250,211</u>	<u>1,319,141</u>	
Total		<u>\$ 6,077,455</u>	<u>\$ 791,373</u>	<u>\$ 6,868,828</u>	

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2009

**24. Subsequent Events**

For the 2009/10 fiscal year, a grievance has been filed by the ATA against the school jurisdiction arguing that the calculation (re: Alberta Average Weekly Earnings Index) proposed by the jurisdiction contravenes the collective agreement. The remuneration owed should the claim be successful has not been calculated by our office but is believed to be substantial. This matter has been placed in abeyance pending negotiations between the Alberta Teachers' Association and the Province of Alberta.

**UNAUDITED SCHEDULES**  
TO THE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2009  
[School Act, Section 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

***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. These schedules were submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

**Claude Lampron**  
Name

**"DATED AND SIGNED ELECTRONICALLY"**  
Signature

**Novembre 27, 2009**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: [Cindy.Wang@gov.ab.ca](mailto:Cindy.Wang@gov.ab.ca)  
PHONE: (780) 644-5672 FAX: (780) 422-6996

## TABLE OF CONTENTS

		<b>Page</b>
<b>SCHEDULE A</b>	<b>Allocation of Revenues and Expenses to Programs</b>	<b>3</b>
<b>SCHEDULE B</b>	<b>School Generated Funds (SGF)</b>	<b>4</b>
<b>SCHEDULE C</b>	<b>Operations and Maintenance Program Expenses</b>	<b>5</b>

**SCHEDULE A  
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2008-2009**

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$357,015	\$5,652,756	\$1,061,403	\$1,144,519	\$632,855	\$401,361	\$9,249,909
(2) Other - Government of Alberta	\$0	\$82,548	\$0	\$0	\$0	\$0	\$82,548
(3) Federal Government and First Nations	\$156,064	\$166,889	\$0	\$0	\$0	\$100,000	\$422,953
(4) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Instruction resource fees	\$0	\$42,043					\$42,043
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$3,585			\$3,585
(10) Other sales and services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(11) Investment income	\$0	\$26,435	\$0	\$0	\$0	\$0	\$26,435
(12) Gifts and donations	\$0	\$1,200	\$0	\$0	\$0	\$0	\$1,200
(13) Rental of facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(14) Net school generated funds	\$0	\$55,506	\$0		\$0	\$0	\$55,506
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Amortization of capital allocations	\$0	\$114,818	\$487,991	\$0	\$0	\$0	\$602,809
(17) Other revenue	\$41,353	\$41,353	\$0	\$0	\$0	\$0	\$41,353
(18) TOTAL REVENUES	\$513,079	\$6,183,548	\$1,549,394	\$1,148,104	\$632,855	\$501,361	\$10,528,341
<b>EXPENSES</b>							
(19) Certificated salaries	\$362,729	\$4,239,556			\$170,350	\$132,100	\$4,904,735
(20) Certificated benefits	\$40,359	\$463,722			\$15,860	\$11,994	\$531,935
(21) Non-certificated salaries and wages	\$129,324	\$591,247	\$194,753	\$33,756	\$169,565	\$54,075	\$1,172,720
(22) Non-certificated benefits	\$26,562	\$150,782	\$38,452	\$6,730	\$28,968	\$7,944	\$259,438
(23) SUB - TOTAL	\$558,974	\$5,445,307	\$233,205	\$40,486	\$384,743	\$206,113	\$6,868,828
(24) Services, contracts and supplies	\$46,087	\$650,236	\$773,394	\$974,837	\$231,413	\$295,248	\$2,971,215
(25) Net school generated funds	\$0	\$55,506					\$55,506
(26) Amortization of capital assets	\$0	\$124,895	\$507,800	\$3,684	\$13,243	\$0	\$649,622
(27) Interest and charges	\$0	\$0	\$0	\$0	\$2,419	\$0	\$2,419
(28) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$605,061	\$6,275,944	\$1,514,399	\$1,019,007	\$631,818	\$501,361	\$10,547,590
(31) OVER EXPENSES BEFORE EXTRAORDINARY ITEM	(\$91,982)	(\$92,396)	\$34,995	\$129,097	\$1,037	\$0	(\$19,249)

**SCHEDULE B  
SCHOOL GENERATED FUNDS (SGF) - 2008-2009**

<b>Unexpended SGF - Opening Balance August 31, 2008</b> (Note 1)				\$93,115
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>	
Fundraising activities	\$224,980	\$161,069	\$63,911	
Student fees (Non-Instructional) (Note 1)	\$0	\$0	\$0	
Donations and grants to schools	\$1,200	\$0	\$1,200	
Other (describe): Interest	\$114	\$0	\$114	
<b>Net Additions to SGF</b>	\$226,294	\$161,069		\$65,225
<b>Net SGF Available</b>				\$158,340
<b>Uses of Net School Generated Funds:</b>				
Extra-curricular activities			\$55,506	
Field Trips			\$0	
Other (describe):			\$0	
<b>Total Uses of Net SGF</b> (Note 2)				\$55,506
<b>Unexpended SGF - Closing Balance August 31, 2009</b> (Note 3)				\$102,834

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.

**Notes:**

- 1 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
- 2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.
- 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.

**SCHEDULE C  
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2008-2009**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$0	\$126,851	\$0	\$0	\$67,902		\$194,753		\$194,753
Uncertificated benefits	\$0	\$16,170	\$0	\$0	\$22,282		\$38,452		\$38,452
Sub-total Remuneration	\$0	\$143,021	\$0	\$0	\$90,184		\$233,205		\$233,205
Supplies and services	\$237,286	\$136,486	\$14,152	\$160,777	\$26,613		\$575,314		\$575,314
Electricity			\$109,563				\$109,563		\$109,563
Natural Gas/Heating Fuel			\$59,091				\$59,091		\$59,091
Sewer and Water			\$4,288				\$4,288		\$4,288
Telecommunications			\$0				\$0		\$0
Insurance					\$25,138		\$25,138		\$25,138
Amortization of capital assets									
Supported								\$487,991	\$487,991
Unsupported						\$19,809	\$19,809		\$19,809
Total Amortization						\$19,809	\$19,809	\$487,991	\$507,800
Interest on capital debt									
Supported								\$0	\$0
Unsupported							\$0		\$0
Other interest charges							\$0		\$0
Losses on disposal of capital assets							\$0		\$0
<b>TOTAL EXPENSES</b>	\$237,286	\$279,507	\$187,094	\$160,777	\$141,935	\$19,809	\$1,026,408	\$487,991	\$1,514,399
<b>SQUARE METRES</b>									
School Buildings									12,614.0
Non School Buildings									0.0

**Note:**

- Custodial:** All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
- Maintenance:** All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
- Utilities & Telecommunications:** All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
- Expensed IMR & Modular Unit Relocations:** All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
- Facility Planning & Operations Administration:** All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project administration, administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.
- Supported Capital & Debt Services:** All expenses related to supported capital assets amortization and interest on supported capital debt.