

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

East Central Francophone Education Region No. 3

Legal Name of School Jurisdiction

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Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of East Central Francophone Education Region No. 3 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with Canadian Public Sector Accounting Standards and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong system of budgetary control.

Board of Trustees Responsibility

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

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors were given full access to school jurisdiction records.

Declaration of Management and Board Chair

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position, results of operations, remeasurement gains and losses, changes in net financial assets (debt), and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

BOARD CHAIR

Mr. Reginald Roy

Name


Signature

SUPERINTENDENT

Mr. Marc Dumont

Name


Signature

SECRETARY-TREASURER OR TREASURER

Mrs. Josea Gagnon

Name


Signature

November 28, 2017

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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INDEPENDENT AUDITOR'S REPORT

To The board of Trustees of the East Central Francophone Education Region No. 3;

We have audited the accompanying financial statements of the East Central Francophone Education Region No. 3, which comprise the statement of financial position as at August 31, 2017, and the statements of operations, cash flows, change in net financial assets, remeasurement gains and losses and schedules (pages 9 – 16) for the year ended August 31, 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the East Central Francophone Education Region No. 3 as at August 31, 2017 and its operations, its cash flows, change in net financial assets and remeasurement gains and losses for the year ended August 31, 2017 in accordance with Canadian public sector accounting standards.

ST. PAUL, ALBERTA
November 28, 2017

JMD Group LLP
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
As at August 31, 2017 (in dollars)

		2017	2016
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5)	\$ 462,777	\$ 505,981
Accounts receivable (net after allowances)	(Note 3)	\$ 323,823	\$ 388,525
Portfolio investments	(Schedule 5)	\$ -	\$ -
Other financial assets		\$ -	\$ -
Total financial assets		\$ 786,600	\$ 894,506
LIABILITIES			
Bank indebtedness	(Note 4)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 5)	\$ 303,710	\$ 297,219
Deferred revenue	(Note 6)	\$ 31,864,024	\$ 33,179,932
Employee future benefits liabilities		\$ -	\$ -
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt	(Note 7)		
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ 136,395	\$ -
Mortgages		\$ 342,731	\$ 419,103
Capital leases		\$ -	\$ -
Total liabilities		\$ 32,646,860	\$ 33,896,254
Net financial assets (debt)		\$ (31,860,260)	\$ (33,001,748)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)		
Land		\$ 1,255,002	\$ 1,255,002
Construction in progress		\$ -	\$ -
Buildings		\$ 42,989,042	
Less: Accumulated amortization		\$ (11,795,697)	\$ 31,193,345
Equipment		\$ 4,914,069	
Less: Accumulated amortization		\$ (3,384,134)	\$ 1,529,935
Vehicles		\$ 301,884	
Less: Accumulated amortization		\$ (150,011)	\$ 151,873
Computer Equipment		\$ 74,937	
Less: Accumulated amortization		\$ (74,937)	\$ 5,131
Total tangible capital assets		\$ 34,130,155	\$ 35,433,601
Prepaid expenses	(Note 8)	\$ 297,153	\$ 248,767
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 34,427,308	\$ 35,682,368
Accumulated surplus	(Schedule 1, Note 9)	\$ 2,567,048	\$ 2,680,620
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 2,567,048	\$ 2,680,620
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 2,567,048	\$ 2,680,620
Contractual obligations			
Contingent liabilities			

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

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2017 (in dollars)

	Budget 2017	Actual 2017	Actual 2016
REVENUES			
Alberta Education	\$ 14,712,996	\$ 15,145,369	\$ 14,969,380
Other - Government of Alberta	\$ -	\$ 28,052	\$ -
Federal Government and First Nations	\$ 18,500	\$ -	\$ -
Other Alberta school authorities	\$ 140,000	\$ 54,652	\$ 46,304
Out of province authorities	\$ 20,000	\$ 3,252	\$ 4,902
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ 235,380	\$ 240,867	\$ 194,290
Other sales and services	\$ 155,178	\$ 350,535	\$ 283,955
Investment income	\$ 12,000	\$ 7,463	\$ 9,300
Gifts and donations	\$ 15,000	\$ 48,669	\$ 46,369
Rental of facilities	\$ 16,200	\$ 17,833	\$ 26,505
Fundraising	\$ 100,000	\$ 112,107	\$ 156,161
Gains on disposal of capital assets	\$ -	\$ -	\$ 6,000
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 15,425,254	\$ 16,008,799	\$ 15,743,166
EXPENSES			
Instruction - ECS	\$ 946,542	\$ 1,172,460	\$ 1,046,461
Instruction - Grades 1 - 12	\$ 8,870,447	\$ 9,207,632	\$ 8,955,447
Plant operations and maintenance	\$ 2,646,976	\$ 2,382,310	\$ 2,626,915
Transportation	\$ 1,452,219	\$ 1,440,034	\$ 1,401,645
Board & system administration	\$ 779,971	\$ 847,175	\$ 876,707
External services	\$ 916,293	\$ 1,072,760	\$ 982,639
Total expenses	\$ 15,612,448	\$ 16,122,371	\$ 15,889,814
Operating surplus (deficit)	\$ (187,194)	\$ (113,572)	\$ (146,648)

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

STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2017 (in dollars)

	2017	2016
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (113,572)	\$ (146,648)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 1,489,757	\$ 1,556,950
Gains on disposal of tangible capital assets	\$ -	\$ (6,000)
Losses on disposal of tangible capital assets	\$ 27,692	\$ -
Expended deferred capital revenue recognition	\$ (1,391,785)	\$ (1,418,539)
Deferred capital revenue write-down / adjustment	\$ -	\$ 21,444
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 64,702	\$ (305,314)
Prepays	\$ (48,386)	\$ (162,333)
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ 6,491	\$ 66,828
Deferred revenue (excluding EDCR)	\$ 75,877	\$ (508,627)
Employee future benefit liabilities	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 110,776	\$ (902,239)
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets:		
Land	\$ -	\$ -
Buildings	\$ (149,176)	\$ (134,497)
Equipment	\$ (1,000)	\$ (42,692)
Vehicles	\$ (135,027)	\$ (4,500)
Computer equipment	\$ -	\$ -
Net proceeds from disposal of unsupported capital assets	\$ 71,200	\$ 6,000
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (214,003)	\$ (175,689)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ -	\$ -
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Other (Describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ -	\$ -
D. FINANCING TRANSACTIONS		
Issue of debt	\$ 139,793	\$ -
Repayment of debt	\$ (79,770)	\$ (74,357)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ 60,023	\$ (74,357)
Increase (decrease) in cash and cash equivalents	\$ (43,204)	\$ (1,152,285)
Cash and cash equivalents, at beginning of year	\$ 505,981	\$ 1,658,266
Cash and cash equivalents, at end of year	\$ 462,777	\$ 505,981

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

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)

For the Year Ended August 31, 2017 (in dollars)

	2017	2016
Operating surplus (deficit)	\$ (113,572)	\$ (146,648)
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (285,203)	\$ (181,689)
Amortization of tangible capital assets	\$ 1,489,757	\$ 1,556,950
Net carrying value of tangible capital assets disposed of	\$ 98,892	\$ 21,444
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 1,303,446	\$ 1,396,705
Changes in:		
Prepaid expenses	\$ (48,386)	\$ (162,333)
Other non-financial assets	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -
Endowments	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ 1,141,488	\$ 1,087,724
Net financial assets (net debt) at beginning of year	\$ (33,001,748)	\$ (34,089,472)
Net financial assets (net debt) at end of year	\$ (31,860,260)	\$ (33,001,748)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2017 (in dollars)

	2017	2016
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
Prior Period Adj. (Explain) - Linked to Sch. 1	\$ -	\$ -
Prior Period Adjustment (Explain)	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
Accumulated remeasurement gains (losses) at end of year	\$ -	\$ -

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

SCHEDULE 1

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2017 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2016	\$ 2,680,620	\$ -	\$ 2,680,620	\$ 2,308,126	\$ -	\$ 372,494	\$ -	\$ -
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ 2,680,620	\$ -	\$ 2,680,620	\$ 2,308,126	\$ -	\$ 372,494	\$ -	\$ -
Operating surplus (deficit)	\$ (113,572)		\$ (113,572)			\$ (113,572)		
Board funded tangible capital asset additions				\$ 284,203		\$ (284,203)		\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (98,892)		\$ 98,892		\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -			\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -						
Endowment expenses & disbursements	\$ -		\$ -		\$ -	\$ -		
Endowment contributions	\$ -		\$ -		\$ -	\$ -		
Reinvested endowment income	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus (Describe)	\$ -		\$ -		\$ -	\$ -		\$ -
Amortization of tangible capital assets	\$ -		\$ -	\$ (1,489,757)		\$ 1,489,757		
Capital revenue recognized	\$ -			\$ 1,391,785		\$ (1,391,785)		
Debt principal repayments (unsupported)	\$ -			\$ 79,770		\$ (79,770)		
Additional capital debt or capital leases	\$ -			\$ (139,793)		\$ 139,793		
Net transfers to operating reserves	\$ -					\$ -	\$ -	
Net transfers from operating reserves	\$ -					\$ -	\$ -	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -		\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -		\$ -
Balance at August 31, 2017	\$ 2,567,048	\$ -	\$ 2,567,048	\$ 2,335,442	\$ -	\$ 231,606	\$ -	\$ -

SCHEDULE 1

School Jurisdiction Code:

8060

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2017 (in dollars)

	INTERNALLY RESTRICTED RESERVES BY PROGRAM											
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services			
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported												
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net remeasurement gains (losses) for the year												
Endowment expenses & disbursements												
Endowment contributions												
Reinvested endowment income												
Direct credits to accumulated surplus (Describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets												
Capital revenue recognized												
Debt principal repayments (unsupported)												
Additional capital debt or capital leases												
Net transfers to operating reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers from operating reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers to capital reserves												
Net transfers from capital reserves												
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2017 (in dollars)**

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2016	\$ 135,787	\$ -	\$ -	\$ -	\$ 32,708,373
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2016	\$ 135,787	\$ -	\$ -	\$ -	\$ 32,708,373
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ -				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ -				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:					\$ -
Alberta Infrastructure managed projects					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (1,000)	\$ -	\$ -	\$ -	\$ 1,000
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments:		\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 1,391,785
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2017	\$ 134,787	\$ -	\$ -	\$ -	\$ 31,315,588
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2017 (A) + (B) + (C) + (D)				\$ 134,787	

Unexpended Deferred Capital Revenue

- (A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only. Please specify department if funds received from a source other than Alberta Education.
- (B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.
- (C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved capital assets per 10(2)(a) of Disposition of Property Reg. 181/2010.
- (D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2017 (in dollars)

REVENUES	2017						2016	
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 989,825	\$ 8,374,536	\$ 2,351,653	\$ 1,598,093	\$ 870,608	\$ 960,654	\$ 15,145,369	\$ 14,969,380
(2) Other - Government of Alberta	-	-	-	-	8,050	20,002	-	-
(3) Federal Government and First Nations	-	-	-	-	-	-	-	-
(4) Other Alberta school authorities	-	38,279	-	-	-	16,373	54,652	46,304
(5) Out of province authorities	-	-	-	-	-	3,252	-	4,902
(6) Alberta municipalities-special tax levies	-	-	-	-	-	-	-	-
(7) Property taxes	-	-	-	-	-	-	-	-
(8) Fees	\$ 54,180	\$ 186,687	-	-	-	-	\$ 240,867	\$ 194,290
(9) Other sales and services	-	280,905	6,000	-	-	63,630	350,535	283,955
(10) Investment income	-	214	3,400	-	-	3,849	7,463	9,300
(11) Gifts and donations	-	43,669	-	-	-	5,000	48,669	46,369
(12) Rental of facilities	-	-	17,833	-	-	-	17,833	26,505
(13) Fundraising	-	112,107	-	-	-	-	112,107	156,161
(14) Gains on disposal of tangible capital assets	-	-	-	-	-	-	-	6,000
(15) Other revenue	-	-	-	-	-	-	-	-
(16) TOTAL REVENUES	\$ 1,044,005	\$ 9,036,397	\$ 2,378,886	\$ 1,598,093	\$ 878,658	\$ 1,072,760	\$ 16,008,799	\$ 15,743,166
EXPENSES								
(17) Certificated salaries	\$ 568,135	\$ 4,972,634	-	-	\$ 210,049	\$ 203,008	\$ 5,953,826	\$ 5,914,717
(18) Certificated benefits	\$ 133,109	\$ 1,109,206	-	-	\$ 32,351	\$ 46,222	\$ 1,320,888	\$ 1,294,253
(19) Non-certificated salaries and wages	\$ 347,574	\$ 1,079,368	\$ 203,228	\$ 45,283	\$ 241,121	\$ 202,541	\$ 2,119,115	\$ 1,845,695
(20) Non-certificated benefits	\$ 59,926	\$ 230,140	\$ 46,224	\$ 8,143	\$ 40,560	\$ 28,819	\$ 413,832	\$ 376,272
(21) SUB - TOTAL	\$ 1,108,744	\$ 7,391,348	\$ 249,452	\$ 53,426	\$ 524,101	\$ 480,590	\$ 9,807,661	\$ 9,430,937
(22) Services, contracts and supplies	\$ 63,716	\$ 1,478,421	\$ 1,007,117	\$ 1,368,693	\$ 267,777	\$ 591,845	\$ 4,777,569	\$ 4,883,384
(23) Amortization of supported tangible capital assets	-	\$ 308,095	\$ 1,083,690	-	-	-	\$ 1,391,785	\$ 1,418,539
(24) Amortization of unsupported tangible capital assets	-	\$ 13,731	\$ 33,084	\$ 14,041	\$ 37,116	-	\$ 97,972	\$ 138,411
(25) Supported interest on capital debt	-	-	-	-	-	-	-	-
(26) Unsupported interest on capital debt	-	-	\$ 2,085	\$ 2,085	\$ 6,253	-	\$ 10,423	\$ 12,301
(27) Other interest and finance charges	-	-	\$ 1,789	\$ 1,789	\$ 5,366	\$ 325	\$ 9,269	\$ 6,242
(28) Losses on disposal of tangible capital assets	-	\$ 16,037	\$ 5,093	-	\$ 6,562	-	\$ 27,692	\$ -
(29) Other expense	-	-	-	-	-	-	-	-
(30) TOTAL EXPENSES	\$ 1,172,460	\$ 9,207,632	\$ 2,382,310	\$ 1,440,034	\$ 847,175	\$ 1,072,760	\$ 16,122,371	\$ 15,869,814
(31) OPERATING SURPLUS (DEFICIT)	\$ (128,455)	\$ (171,235)	\$ (3,424)	\$ 158,059	\$ 31,483	\$ -	\$ (113,572)	\$ (146,648)

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES
for the Year Ended August 31, 2017 (in dollars)

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	Supported Capital & Debt Services	2017 TOTAL Operations and Maintenance	2016 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ -	\$ 104,977	\$ -	\$ -	\$ 99,251			\$ 203,228	\$ 311,815
Uncertificated benefits	\$ -	\$ 28,269	\$ -	\$ -	\$ 19,955			\$ 48,224	\$ 54,940
Sub-total Remuneration	\$ -	\$ 131,246	\$ -	\$ -	\$ 119,206			\$ 249,472	\$ 366,755
Supplies and services	\$ 316,222	\$ 281,344	\$ 35,179	\$ -	\$ 28,418			\$ 643,163	\$ 812,380
Electricity			\$ 194,026					\$ 194,026	\$ 181,782
Natural gas/heating fuel			\$ 74,021					\$ 74,021	\$ 61,481
Sewer and water			\$ 6,997					\$ 6,997	\$ 4,995
Telecommunications			\$ -					\$ -	\$ -
Insurance				\$ 50,618				\$ 50,618	\$ 57,607
ASAP maintenance & renewal payments								\$ -	\$ -
Amortization of tangible capital assets								\$ -	\$ -
Supported							\$ 1,083,690	\$ 1,083,690	\$ 1,083,690
Unsupported							\$ 33,084	\$ 33,084	\$ 38,475
Total Amortization							\$ 33,084	\$ 1,116,774	\$ 1,122,165
Interest on capital debt								\$ -	\$ -
Supported							\$ -	\$ -	\$ -
Unsupported							\$ 2,085	\$ 2,085	\$ 2,460
Lease payments for facilities				\$ 38,282				\$ 38,282	\$ 16,042
Other interest charges								\$ 1,789	\$ 1,248
Losses on disposal of capital assets								\$ 5,093	\$ -
TOTAL EXPENSES	\$ 316,222	\$ 392,590	\$ 310,223	\$ 38,292	\$ 197,242	\$ 42,051	\$ 1,083,690	\$ 2,382,310	\$ 2,628,915
SQUARE METRES									
School buildings								16,477.6	16,477.6
Non school buildings								2,496.8	2,496.8

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 Relocation & Lease Pmts: All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects, modular unit (portable) relocation, and payments on leased facilities.
 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.
 Unsupported Amortization & Other Expenses: All expenses related to unsupported capital assets amortization and interest on unsupported capital debt.
 Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt.

**SCHEDULE OF CASH, CASH EQUIVALENTS, AND PORTFOLIO INVESTMENTS
for the Year Ended August 31, 2017 (in dollars)**

<u>Cash & Cash Equivalents</u>	2017			2016
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 462,777	\$ 462,777	\$ 505,981
Cash equivalents				
Government of Canada, direct and guaranteed	0.00%	-	-	-
Provincial, direct and guaranteed	0.00%	-	-	-
Corporate	0.00%	-	-	-
Municipal	0.00%	-	-	-
Pooled investment funds	0.00%	-	-	-
Other, including GIC's	0.00%	-	-	-
Total cash and cash equivalents	0.00%	\$ 462,777	\$ 462,777	\$ 505,981

<u>Portfolio Investments</u>	2017			2016	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -	\$ -	\$ -	\$ -
Guaranteed investment certificates	0.00%	-	-	-	-
Fixed income securities					
Government of Canada, direct and guaranteed	0.00%	\$ -	\$ -	\$ -	\$ -
Provincial, direct and guaranteed	0.00%	-	-	-	-
Municipal	0.00%	-	-	-	-
Corporate	0.00%	-	-	-	-
Pooled investment funds	0.00%	-	-	-	-
Total fixed income securities	0.00%	-	-	-	-
Equities					
Canadian	0.00%	\$ -	\$ -	\$ -	\$ -
Foreign	0.00%	-	-	-	-
Total equities	0.00%	-	-	-	-
Supplemental integrated pension plan assets	0.00%	\$ -	\$ -	\$ -	\$ -
Restricted investments	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Total portfolio investments	0.00%	\$ -	\$ -	\$ -	\$ -

The following represents the maturity structure for portfolio investments based on principal amount:

	2017	2016
Under 1 year	100.0%	100.0%
1 to 5 years	0.0%	0.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	100.0%	100.0%

SCHEDULE 6

School Jurisdiction Code: **8060**

**SCHEDULE OF CAPITAL ASSETS
for the Year Ended August 31, 2017 (in dollars)**

	2017						2016
	Land	Construction In Progress	Buildings 25-50 Years	Equipment 5-10 Years	Vehicles 5-10 Years	Computer Hardware & Software 3-5 Years	Total
Tangible Capital Assets							
Estimated useful life							
Historical cost							
Beginning of year	\$ 1,255,002	\$ -	\$ 42,839,866	\$ 4,913,069	\$ 306,784	\$ 74,937	\$ 49,389,658
Prior period adjustments	-	-	-	-	-	-	-
Additions	-	-	149,176	1,000	135,027	-	285,203
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	(139,927)	-	(139,927)
Historical cost, August 31, 2017	\$ 1,255,002	\$ -	\$ 42,989,042	\$ 4,914,069	\$ 301,884	\$ 74,937	\$ 49,389,658
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 10,674,720	\$ 3,027,409	\$ 184,122	\$ 69,806	\$ 13,956,057
Prior period adjustments	-	-	-	-	-	-	-
Amortization	-	-	1,120,977	356,725	6,924	5,131	1,489,757
Other additions	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	(41,035)	-	(41,035)
Accumulated amortization, August 31, 2017	\$ -	\$ -	\$ 11,795,697	\$ 3,384,134	\$ 150,011	\$ 74,937	\$ 15,404,779
Net Book Value at August 31, 2017	\$ 1,255,002	\$ -	\$ 31,193,345	\$ 1,529,935	\$ 151,873	\$ -	\$ 34,130,155
Net Book Value at August 31, 2016	\$ 1,255,002	\$ -	\$ 32,165,146	\$ 1,885,660	\$ 122,662	\$ 5,131	\$ 35,433,601

	2017	2016
Total cost of assets under capital lease	\$ -	\$ -
Total amortization of assets under capital lease	\$ -	\$ -

SCHEDULE 7

School Jurisdiction Code: 8060

**SCHEDULE OF REMUNERATION AND MONETARY INCENTIVES
for the Year Ended August 31, 2017 (in dollars)**

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other Paid	Other Accrued Unpaid Benefits	Expenses
Chair	-	\$0	\$0	\$0	\$0		\$0	\$0
Michelle Dallaire	1.00	\$12,305	\$233	\$0	\$0		\$0	\$14,206
Other members	-	\$0	\$0	\$0	\$0		\$0	\$0
Reginekl Roy	1.00	\$5,100	\$16	\$0	\$0		\$0	\$2,621
Natale Beland	1.00	\$6,275	\$67	\$0	\$0		\$0	\$3,592
Sonia Vincent	1.00	\$4,325	\$18	\$0	\$0		\$0	\$2,375
Mario Gagne	1.00	\$3,525	\$20	\$0	\$0		\$0	\$2,354
	-	\$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
Subtotal	5.00	\$31,530	\$354	\$0	\$0		\$0	\$25,148
Marc Dumont, Superintendent	1.00	\$210,049	\$32,351	\$0	\$0	\$0	\$0	\$21,537
Jannick Roy-Plante, Secretary/Treasurer	1.00	\$127,358	\$17,942	\$0	\$0	\$0	\$0	\$15,791
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated teachers	58.39	\$5,743,777	\$1,288,537	\$0	\$0	\$0	\$0	\$0
Non-certificated - other	40.70	\$1,960,227	\$395,536	\$0	\$0	\$0	\$0	\$0
TOTALS	106.09	\$8,072,941	\$1,734,720	\$0	\$0	\$0	\$0	\$62,476

UNAUDITED SCHEDULE OF FEES
for the Year Ending August 31, 2017 (in dollars)

	Budgeted Fee Revenues 2016/2017	Actual Fees Collected 2016/2017	Unexpended Balance at September 1, 2016*	Actual Fee Expenditures 2016/2017	Unexpended Balance at August 31, 2017*
Transportation Fees	\$0	\$0	\$0	\$0	\$0
Basic Instruction Fees	\$40,880	\$45,435	\$0	\$45,435	\$0
Basic instruction supplies					
Fees to Enhance Basic Instruction	\$35,000	\$10,781	\$0	\$10,781	\$0
Technology user fees	\$0	\$0	\$0	\$0	\$0
Alternative program fees	\$0	\$13,791	\$0	\$13,791	\$0
Fees for optional courses	\$80,000	\$14,695	\$0	\$14,695	\$0
Activity fees	\$4,500	\$54,180	\$0	\$54,180	\$0
Early childhood services	\$0	\$0	\$0	\$0	\$0
Other fees to enhance education	\$0	\$0	\$0	\$0	\$0
Other Enhancement fees (describe)	\$0	\$0	\$0	\$0	\$0
Other Enhancement fees (describe)	\$0	\$0	\$0	\$0	\$0
Non-Curricular fees	\$50,000	\$54,478	\$0	\$54,478	\$0
Extracurricular fees	\$25,000	\$47,507	\$0	\$47,507	\$0
Non-curricular travel	\$0	\$0	\$0	\$0	\$0
Lunch supervision and noon hour activity fees	\$0	\$0	\$0	\$0	\$0
Non-curricular goods and services	\$0	\$0	\$0	\$0	\$0
Other Fees (describe)	\$0	\$0	\$0	\$0	\$0
Other Fees (describe)	\$0	\$0	\$0	\$0	\$0
TOTAL FEES	\$235,380	\$240,867	\$0	\$240,867	\$0

*Unexpended balances cannot be less than \$0

	Actual 2017	Actual 2016
Please disclose amounts paid by parents of students that are recorded as "Other sales and services", "Fundraising", or "Other revenue" (rather than fee revenue):		
Cafeteria sales, hot lunch, milk programs	\$45,856	\$40,469
Special events, graduation, tickets	\$11,570	\$22,384
International and out of province student revenue	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$146,250	\$70,548
Adult education revenue	\$0	\$0
Preschool	\$0	\$0
Child care & before and after school care	\$77,229	\$52,213
Lost item replacement fee	\$0	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
TOTAL	\$280,905	\$185,614

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2017 (in dollars)					
	PROGRAM AREA				
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)
Funded Students in Program	13	3	71		
Federally Funded Students					
REVENUES					
Alberta Education allocated funding	\$ 12,959	\$ 75,154	\$ 81,289	\$ 461,596	\$ 1,481,327
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 12,959	\$ 75,154	\$ 81,289	\$ 461,596	\$ 1,481,327
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ -	\$ 13,964	\$ 68,243	\$ 30,010	
Instructional non-certificated salaries & benefits	\$ 13,937	\$ 49,839	\$ 21,722	\$ 449,487	
SUB TOTAL	\$ 13,937	\$ 63,803	\$ 89,965	\$ 479,497	
Supplies, contracts and services	\$ 6,393	\$ 13,388	\$ 2,239	\$ 107,840	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 20,330	\$ 77,191	\$ 92,204	\$ 587,337	
NET FUNDING SURPLUS (SHORTFALL)	\$ (7,371)	\$ (2,037)	\$ (10,915)	\$ (125,741)	

SCHEDULE 10

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2017 (in dollars)									
EXPENSES	Allocated to Board & System Administration			Allocated to Other Programs			TOTAL	TOTAL	TOTAL
	Salaries & Benefits	Supplies & Services	Other	Salaries & Benefits	Supplies & Services	Other			
Office of the superintendent	\$ 242,400	\$ 22,457	\$ -	\$ 264,857	\$ -	\$ -	\$ 264,857	\$ -	\$ 264,857
Educational administration (excluding superintendent)	\$ 73,551	\$ 45,250	\$ -	\$ 118,801	\$ -	\$ -	\$ 118,801	\$ -	\$ 118,801
Business administration	\$ 72,650	\$ 53,726	\$ -	\$ 126,376	\$ 72,650	\$ 54,526	\$ 253,552	\$ -	\$ 253,552
Board governance (Board of Trustees)	\$ 31,884	\$ 25,453	\$ -	\$ 57,337	\$ -	\$ -	\$ 57,337	\$ -	\$ 57,337
Information technology	\$ -	\$ 16,967	\$ -	\$ 16,967	\$ -	\$ -	\$ 16,967	\$ -	\$ 16,967
Human resources	\$ 29,951	\$ 35,298	\$ -	\$ 65,249	\$ 101,834	\$ 3,688	\$ 170,771	\$ -	\$ 170,771
Central purchasing, communications, marketing	\$ 48,014	\$ 43,372	\$ -	\$ 91,386	\$ 17,101	\$ 62,842	\$ 171,329	\$ -	\$ 171,329
Payroll	\$ 25,651	\$ 22,848	\$ -	\$ 48,499	\$ 17,101	\$ -	\$ 65,600	\$ -	\$ 65,600
Administration - insurance		\$ 2,406	\$ -	\$ 2,406	\$ -	\$ -	\$ 2,406	\$ 3,607	\$ 6,013
Administration - amortization		\$ 37,116	\$ -	\$ 37,116	\$ -	\$ -	\$ 37,116	\$ 28,082	\$ 65,198
Administration - other (admin building, interest)		\$ 11,619	\$ -	\$ 11,619	\$ -	\$ -	\$ 11,619	\$ 7,748	\$ 19,367
Losses on disposal of tangible capital assets	\$ -	\$ -	\$ 6,562	\$ 6,562	\$ -	\$ -	\$ 6,562	\$ -	\$ 6,562
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 524,101	\$ 265,371	\$ 57,703	\$ 847,175	\$ 208,686	\$ 121,056	\$ 1,216,354	\$ 39,437	\$ 1,216,354

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

1. Authority and Purpose

The School Jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives funding for instruction and support under Education Grants Regulation (AR 120/2008). The regulation allows for the setting of conditions and use of grant monies. The school jurisdiction is limited on certain funding allocations and administration expenses.

The jurisdiction is exempt from tax under the Income Tax Act.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with the CICA Canadian public sector accounting standards (PSAS). The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Cash and cash equivalents

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

b) Accounts receivable

Accounts receivable are shown net of allowance for doubtful accounts.

c) Tangible capital assets

The following criteria apply:

- i) Tangible capital assets acquired or constructed are recorded at cost, including amounts directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- ii) Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- iii) Work-in-progress is recorded as a transfer to the applicable asset class at substantial completion.
- iv) Buildings include site and leasehold improvements as well as assets under capital lease.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

2. Summary of Significant Accounting Policies (continued)

c) Tangible capital assets (continued)

- v) Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue.
- vi) Buildings that are demolished or destroyed are written-off.
- vii) Tangible capital assets with costs in excess of \$5,000 are capitalized.
- viii) Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

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

d) Deferred revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per “Public Sector Accounting Standard (PSAP) PS 3200”. These contributions are recognized by the School District once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

Deferred revenue also includes contributions for capital expenditure, unexpended and expended. Unexpended deferred capital revenue represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per PS 3200 when expended.

Expended deferred capital revenue represent externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require that the school jurisdiction to use the asset in the prescribed manner over the life of the associated asset.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

2. Summary of Significant Accounting Policies (continued)

e) Asset retirement obligations

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

f) Operating and capital reserves

Certain amounts are internally or externally restricted for future operating or capital purposes. Transfers to and from reserves are recorded when approved by the Board of Trustees. Capital reserves are restricted to capital purposes and may only be used for operating purposes with approval by the Minister of Education. Reserves are disclosed in the Schedule of Changes in Accumulated Surplus.

g) Revenue recognition

Revenues are recorded on an accrual basis. Instruction and support allocations are recognized in the year to which they relate. Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Contributed services are not recognized in the financial statements.

Eligibility criteria are criteria that the School District has to meet in order to receive certain contributions. *Stipulations* describe what the School District must perform in order to keep the contributions. Contributions without eligibility criteria or stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity. Contributions with eligibility criteria but without stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity and all eligibility criteria have been met.

Contributions with stipulations are recognized as revenue in the period the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with Section PS 3200. Such liabilities are recorded as deferred revenue.

h) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

2. Summary of Significant Accounting Policies (continued)

h) Expenses (continued)

Allocation of Costs:

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

i) Pensions

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

The current and past service costs of the Alberta Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the East Central Francophone Education Region No. 3 does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the jurisdiction is included in both revenues and expenses. For the school year ended August 31, 2017, the amount contributed by the Government was \$686,664 (2016 - \$677,376).

The school board along with the active non-certificated members contribute to an RRSP plan. The employer expense for this pension plan is \$131,027 for the year ended August 31, 2017 (2016 - \$141,120).

j) Program reporting

The Division's operations have been segmented as follows:

i) ECS instruction

The provision of Early Childhood Services education instructional services that fall under the basic public education mandate.

ii) Grade 1-12 instruction

The provision of instructional services for grades 1 – 12 that fall under the basic public education mandate.

iii) Plant operations and maintenance

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

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

2. Summary of Significant Accounting Policies (continued)

j) Program reporting (continued)

iv) Transportation

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

v) Board and system administration

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

vi) External services

All projects, activities, and services offered outside the public education mandate for ECS children and students in grades 1-12. Services offered beyond the mandate for public education must be self-supporting, and Alberta Education funding may not be utilized to support these programs.

The allocation of revenues and expenses are reported by program, source and object on the Schedule of Program Operations. Respective instruction expenses include the cost of certified teachers, non-certified teaching assistants as well as a proportionate share of supplies and services, school administration and support, and system instructional support.

k) Financial instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and debt. Unless otherwise noted, it is management's opinion that the School District is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

l) Measurement uncertainty

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the potential impairment of assets and rates for amortization.

EAST CENTRAL FRANCOPHONE EDUCATION REGION NO. 3
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

2. Summary of Significant Accounting Policies (continued)

m) Future accounting changes

The Public Sector Accounting Board has issued the following accounting standards:

- PS 2200 Related Party Disclosures and PS 3420 Inter-Entry Transactions (effective April 1, 2017)

PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

- PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights (effective April 1, 2017)

PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; and PS 3380 defines and establishes disclosure standards on contractual rights.

- PS 3430 Restructuring Transactions (effective April 1, 2018)

This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

- PS 3450 Financial Instruments (effective April 1, 2019)

Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3401 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments, standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principals and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

Management is currently assessing the impact of these standards on the financial statements.

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3. Accounts Receivable

	<u>2017</u>			<u>2016</u>
	<u>Gross</u>	Allowance	Net	Net
	<u>Amount</u>	<u>For Doubtful</u>	<u>Realizable</u>	<u>Realizable</u>
		<u>Accounts</u>	<u>Value</u>	<u>Value</u>
Alberta Education - Grants	\$ 232,615	\$ --	\$ 232,615	\$ 306,172
Other Alberta school jurisdictions	3,252	--	3,252	--
Other	<u>87,956</u>	<u>--</u>	<u>87,956</u>	<u>82,353</u>
Total	\$ <u>323,823</u>	\$ <u>--</u>	\$ <u>323,823</u>	\$ <u>388,525</u>

4. Bank Indebtedness

The jurisdiction has negotiated a line of credit in the amount of \$83,211 that bears interest at bank prime. This line of credit is secured by a borrowing resolution and a general security agreement and is due November 30, 2017. There was no balance at August 31, 2017 (2016 - \$nil).

5. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Other Alberta school jurisdictions	\$ 86,387	\$ 83,450
Accrued vacation pay	13,246	--
Other salaries and benefits cost	1,726	1,864
Interest on long-term debt	859	973
Other trade payables and accrued liabilities	<u>201,492</u>	<u>210,932</u>
	\$ <u>303,710</u>	\$ <u>297,219</u>

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6. Deferred Revenue

<u>Source and Grant or Fund Type</u>	<u>Deferred Revenue as at Aug. 31, 2016</u>	<u>Add: 2016/2017 Restricted Funds Received/ Receivable</u>	<u>Deduct: 2016/2017 Restricted Funds Expended Paid/Payable</u>	<u>Deferred Revenue as at Aug. 31, 2017</u>
Unexpended deferred operating revenue				
Alberta Education:				
Infrastructure Maintenance Renewal	\$ 276,687	\$ 100,596	\$ --	\$ 377,283
SuperNet Service	--	48,000	(48,000)	--
Other Government of Alberta:				
Francophone Distance Learning	3,209	897,951	(899,147)	2,013
Other Deferred Revenue:				
School Generated Funds	<u>57,876</u>	<u>373,613</u>	<u>(397,136)</u>	<u>34,353</u>
Total unexpended deferred operating revenue	337,772	1,420,160	(1,344,283)	413,649
Unexpended deferred capital revenue (schedule 2)	135,787	--	(1,000)	134,787
Expended deferred capital revenue (schedule 2)	<u>32,706,373</u>	<u>1,000</u>	<u>(1,391,785)</u>	<u>31,315,588</u>
Total	\$ <u>33,179,932</u>	\$ <u>1,421,160</u>	\$ <u>(2,737,068)</u>	\$ <u>31,864,024</u>

7. Debt

	<u>2017</u>	<u>2016</u>
a) Unsupported mortgage:		
Lakeland Credit Union mortgage bearing interest at prime per annum, repayable in monthly blended payments of \$7,232. The mortgage is due on demand and is secured by a first collateral mortgage in the amount of \$750,000 and assignment of rents.	\$ 342,731	\$ 419,103
b) Unsupported capital loans:		
Three Scotiabank vehicle loans bearing interest at 0% to 3.99% per annum, repayable in bi-weekly and monthly blended payments of \$350 to \$940. Secured by vehicles having a net book value of \$135,027. The terms are all 5 years.	<u>136,395</u>	<u>--</u>
	\$ <u>479,126</u>	\$ <u>419,103</u>

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7. Debt (continued)

Unsupported mortgage:

The following is a summary of principal and interest payments on the unsupported mortgage outstanding at August 31, 2017:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017 - 2018	\$ 76,934	\$ 9,846	\$ 86,780
2018 - 2019	79,433	7,347	86,780
2019 - 2020	82,012	4,768	86,780
2020 - 2021	84,676	2,104	86,780
2021 - 2022	<u>19,676</u>	<u>86</u>	<u>19,762</u>
Total	\$ <u>342,731</u>	\$ <u>24,151</u>	\$ <u>366,882</u>

Unsupported capital loans:

The following is a summary of principal and interest payments on the unsupported capital loans outstanding at August 31, 2017:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017 - 2018	\$ 26,669	\$ 3,037	\$ 29,706
2018 - 2019	27,300	2,406	29,706
2019 - 2020	27,958	1,748	29,706
2020 - 2021	28,642	1,064	29,706
2021 - 2022	<u>25,826</u>	<u>352</u>	<u>26,178</u>
Total	\$ <u>136,395</u>	\$ <u>8,607</u>	\$ <u>145,002</u>

8. Prepaid Expenses

Prepaid expenses consist of the following:

	<u>2017</u>	<u>2016</u>
Prepaid insurance	\$ 24,194	\$ 23,737
Prepaid school supplies	219,755	165,762
Prepaid power rebate program	52,768	58,557
Other	<u>436</u>	<u>711</u>
Total	\$ <u>297,153</u>	\$ <u>248,767</u>

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9. Accumulated Surplus

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

	<u>2017</u>	<u>2016</u>
Unrestricted surplus	\$ <u>231,606</u>	\$ <u>372,494</u>
Accumulated surplus from operations	231,606	372,494
Investment in tangible capital assets	<u>2,335,442</u>	<u>2,308,126</u>
Accumulated surplus	\$ <u>2,567,048</u>	\$ <u>2,680,620</u>

Accumulated surplus from operations include funds of \$78,509 that are raised at school level and are not available to spend at board level. The school jurisdiction's adjusted surplus from operations is calculated as follows:

	<u>2017</u>	<u>2016</u>
Accumulated surplus from operations	\$ 231,606	\$ 372,494
Deduct school generated funds included in accumulated surplus (note 10)	<u>(78,509)</u>	<u>(108,489)</u>
Adjusted accumulated surplus from operations	\$ <u>153,097</u>	\$ <u>264,005</u>

10. School Generated Funds

	<u>2017</u>	<u>2016</u>
School Generated Funds, beginning of year	\$ <u>166,365</u>	\$ <u>174,205</u>
Gross Receipts:		
Fundraising	112,107	156,161
Fees	116,679	68,473
Gifts and donations	1,200	2,000
Other sales and services	143,450	205,244
Interest	<u>177</u>	<u>14</u>
Total gross receipts	<u>373,613</u>	<u>431,892</u>
Total related expenses and uses of funds	(289,082)	(219,953)
Total direct costs including cost of goods sold to raise funds	<u>(138,034)</u>	<u>(219,779)</u>
	<u>(427,116)</u>	<u>(439,732)</u>
School Generated Funds, end of year	\$ <u>112,862</u>	\$ <u>166,365</u>
Balance included in Deferred Revenue	\$ <u>34,353</u>	\$ <u>57,876</u>
Balance included in Accumulated Surplus	\$ <u>78,509</u>	\$ <u>108,489</u>

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11. Related Party Transactions

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

	<u>Balances</u>		<u>Transactions</u>	
	<u>Financial Assets at cost or net realizable value</u>	<u>Liabilities at amortized cost</u>	<u>Revenues</u>	<u>Expenses</u>
Government of Alberta (GOA):				
Education				
Accounts receivable/Accounts payable	\$ 232,615	\$ --	\$ --	\$ --
Deferred revenue	--	377,283	--	--
Unexpended deferred capital revenue	--	134,787	--	--
Expended deferred capital revenue	--	31,315,588	--	--
Grant revenue	--	--	15,145,369	--
Other Alberta school jurisdictions	<u>3,252</u>	<u>86,387</u>	<u>54,652</u>	<u>481,375</u>
Total 2016/2017	\$ <u>235,867</u>	\$ <u>31,914,045</u>	\$ <u>15,200,021</u>	\$ <u>481,375</u>
Total 2015/2016	\$ <u>306,172</u>	\$ <u>33,202,297</u>	\$ <u>15,015,684</u>	\$ <u>500,625</u>

12. Economic Dependence on Related Party

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

13. Budget Amounts

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 14, 2016. It is presented for information purposes only and has not been audited.

14. Comparative Figures

The comparative figures have been reclassified where necessary to conform to the 2016/2017 presentation.