

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2020**
[Education Act, Sections 139, 140, 244]

The East Central Francophone Education Region

Legal Name of School Jurisdiction

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of The East Central Francophone Education Region 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

Mme Dolorèse Nolette

Name


Signature

SECRETARY-TREASURER OR TREASURER

Mlle Isabelle Poulin

Name


Signature

November 24, 2020

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:

Opinion

We have audited the accompanying financial statements of The East Central Francophone Education Region, which comprise the statement of financial position as at August 31, 2020, and the statements of operations, cash flows, and change in net financial assets, and the supporting schedules for the year then ended, along with a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The East Central Francophone Education Region as at August 31, 2020, and its financial performance and its cash flows for the year ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of The East Central Francophone Education Region in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Schedule


Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing The East Central Francophone Education Region's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate The East Central Francophone Education Region or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The East Central Francophone Education Region's financial reporting process.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the



basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 East Central Francophone Education Region's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The East Central Francophone Education Region's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause The East Central Francophone Education Region to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, AB
November 24, 2020



Bergeron & Co. Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION
As at August 31, 2020 (in dollars)

		2020	2019
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5; Note 3)	\$ 1,066,108	\$ 898,138
Accounts receivable (net after allowances)	(Note 4)	\$ 445,839	\$ 322,670
Portfolio investments			
Operating		\$ -	\$ -
Endowments		\$ -	\$ -
Inventories for resale		\$ -	\$ -
Other financial assets		\$ -	\$ -
Total financial assets		\$ 1,511,947	\$ 1,220,808
LIABILITIES			
Bank indebtedness	(Note 5)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 808,778	\$ 430,903
Unspent deferred contributions	(Schedule 2)	\$ 845,885	\$ 1,542,642
Employee future benefits liabilities		\$ -	\$ -
Environmental liabilities		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt			
Supported: Debentures		\$ -	\$ -
Unsupported: Debentures	(Note 7)	\$ 36,899	\$ 82,426
Mortgages and capital loans	(Note 7)	\$ 126,889	\$ 181,554
Capital leases		\$ -	\$ -
Total liabilities		\$ 1,818,451	\$ 2,237,525
Net financial assets		\$ (306,504)	\$ (1,016,716)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)	\$ 31,243,454	\$ 31,682,206
Inventory of supplies	(Note 8)	\$ 10,118	\$ -
Prepaid expenses	(Note 9)	\$ 134,463	\$ 364,933
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 31,388,035	\$ 32,047,139
Net assets before spent deferred capital contributions		\$ 31,081,531	\$ 31,030,423
Spent deferred capital contributions	(Schedule 2)	\$ 28,669,974	\$ 28,959,089
Net assets		\$ 2,411,557	\$ 2,071,334
Net assets	(Note 11)		
Accumulated surplus (deficit)	(Schedule 1)	\$ 2,411,557	\$ 2,071,333
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 2,411,557	\$ 2,071,333
Contractual rights	(Note 12)		
Contingent assets			
Contractual obligations	(Note 13)		
Contingent liabilities	(Note 17)		

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

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2020 (in dollars)

	Budget 2020	Actual 2020	Actual 2019
REVENUES			
Government of Alberta	\$ 16,123,899	\$ 16,072,140	\$ 15,953,284
Federal Government and other government grants	\$ 33,500	\$ 410,253	\$ 250,432
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ 162,824	\$ 148,167	\$ 192,622
Sales of services and products	\$ 352,701	\$ 421,205	\$ 502,091
Investment income	\$ 12,000	\$ 3,159	\$ 3,333
Donations and other contributions	\$ 115,000	\$ 166,389	\$ 280,515
Other revenue	\$ 16,200	\$ 37,896	\$ 32,803
Total revenues	\$ 16,816,124	\$ 17,259,209	\$ 17,215,079
EXPENSES			
Instruction - ECS	\$ 949,419	\$ 887,083	\$ 1,155,513
Instruction - Grades 1 - 12	\$ 9,470,296	\$ 9,335,795	\$ 8,941,605
Plant operations and maintenance (Schedule 4)	\$ 2,756,924	\$ 2,742,888	\$ 3,135,558
Transportation	\$ 1,501,070	\$ 1,225,126	\$ 1,390,932
Board & system administration	\$ 883,431	\$ 988,608	\$ 1,147,580
External services	\$ 1,381,678	\$ 1,739,485	\$ 1,615,881
Total expenses	\$ 16,942,818	\$ 16,918,985	\$ 17,387,070
Annual operating surplus (deficit)	\$ (126,694)	\$ 340,223	\$ (171,992)
Endowment contributions and reinvested income	\$ -	\$ -	\$ -
Annual surplus (deficit)	\$ (126,694)	\$ 340,223	\$ (171,992)
Accumulated surplus (deficit) at beginning of year	\$ 2,071,333	\$ 2,071,333	\$ 2,243,325
Accumulated surplus (deficit) at end of year	\$ 1,944,639	\$ 2,411,557	\$ 2,071,333

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

STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2020 (in dollars)

	2020	2019
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 340,223	\$ (171,992)
Add (Deduct) items not affecting cash:		
Amortization of tangible capital assets	\$ 1,516,856	\$ 1,553,385
Net (gain)/loss on disposal of tangible capital assets	\$ (2,811)	\$ (11,250)
Transfer of tangible capital assets (from)/to other entities	\$ -	\$ -
(Gain)/Loss on sale of portfolio investments	\$ -	\$ -
Spent deferred capital recognized as revenue	\$ (1,368,913)	\$ (1,392,776)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Increase/(Decrease) in employee future benefit liabilities	\$ -	\$ -
Donations in kind	\$ -	\$ -
	\$ -	\$ -
	\$ 485,355	\$ (22,633)
(Increase)/Decrease in accounts receivable	\$ (123,169)	\$ 24,318
(Increase)/Decrease in inventories for resale	\$ -	\$ -
(Increase)/Decrease in other financial assets	\$ -	\$ -
(Increase)/Decrease in inventory of supplies	\$ (10,118)	\$ -
(Increase)/Decrease in prepaid expenses	\$ 230,473	\$ (89,262)
(Increase)/Decrease in other non-financial assets	\$ -	\$ -
Increase/(Decrease) in accounts payable, accrued and other liabilities	\$ 377,875	\$ (212,834)
Increase/(Decrease) in unspent deferred contributions	\$ (696,756)	\$ 940,986
Increase/(Decrease) in environmental liabilities	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 263,660	\$ 640,575
B. CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	\$ (1,102,571)	\$ (247,955)
Net proceeds from disposal of unsupported capital assets	\$ 27,275	\$ 11,250
0	\$ -	\$ -
Total cash flows from capital transactions	\$ (1,075,296)	\$ (236,705)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ -	\$ -
Proceeds on sale of portfolio investments	\$ -	\$ -
Other (Describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ -	\$ -
D. FINANCING TRANSACTIONS		
Debt issuances	\$ -	\$ -
Debt repayments	\$ (100,192)	\$ (110,619)
Increase (decrease) in spent deferred capital contributions	\$ 1,079,798	\$ 155,417
Capital lease issuances	\$ -	\$ -
Capital lease payments	\$ -	\$ -
Other (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ 979,606	\$ 44,798
Increase (decrease) in cash and cash equivalents	\$ 167,969	\$ 448,668
Cash and cash equivalents, at beginning of year	\$ 898,138	\$ 449,470
Cash and cash equivalents, at end of year	\$ 1,066,108	\$ 898,138

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

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended August 31, 2020 (in dollars)

	2020	2019
Annual surplus (deficit)	\$ 340,223	\$ (171,992)
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (1,102,571)	\$ (247,955)
Amortization of tangible capital assets	\$ 1,516,856	\$ 1,553,385
Net (gain)/loss on disposal of tangible capital assets	\$ (2,811)	\$ (11,250)
Net proceeds from disposal of unsupported capital assets	\$ 27,275	\$ 11,250
Write-down carrying value of tangible capital assets	\$ -	\$ -
Transfer of tangible capital assets (from)/to other entities	\$ -	\$ -
Other changes	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 438,749	\$ 1,305,430
Acquisition of inventory of supplies	\$ (10,118)	\$ -
Consumption of inventory of supplies	\$ -	\$ -
(Increase)/Decrease in prepaid expenses	\$ 230,473	\$ (89,262)
(Increase)/Decrease in other non-financial assets	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -
Change in spent deferred capital contributions (Schedule 2)	\$ (289,115)	\$ -
Other changes	\$ -	\$ -
Increase (decrease) in net financial assets	\$ 710,212	\$ 1,044,176
Net financial assets at beginning of year	\$ (1,016,717)	\$ (2,060,893)
Net financial assets at end of year	\$ (306,504)	\$ (1,016,717)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2020 (in dollars)

	2020	2019
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Derivatives	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Derivatives	\$ -	\$ -
Other	\$ -	\$ -
Other Adjustment (Describe)	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
Accumulated remeasurement gains (losses) at end of year	\$ -	\$ -

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

SCHEDULE 1

SCHEDULE OF NET ASSETS
For the Year Ended August 31, 2020 (in dollars)

	NET ASSETS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED SURPLUS (DEFICIT)	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2019	\$ 2,071,333	\$ -	\$ 2,071,333	\$ 2,459,136	\$ -	\$ (387,803)	\$ -	\$ -
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2019	\$ 2,071,333	\$ -	\$ 2,071,333	\$ 2,459,136	\$ -	\$ (387,803)	\$ -	\$ -
Operating surplus (deficit)	\$ 340,223		\$ 340,223			\$ 340,223		
Board funded tangible capital asset additions				\$ 22,772		\$ (22,772)		\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (24,459)		\$ 24,459		\$ -
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	\$ -			\$ (1,516,856)		\$ 1,516,856		
Capital revenue recognized	\$ -			\$ 1,368,913		\$ (1,368,913)		
Debt principal repayments (unsupported)	\$ -			\$ 100,191		\$ (100,191)		
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	\$ -					\$ -		\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2020	\$ 2,411,557	\$ -	\$ 2,411,557	\$ 2,409,697	\$ -	\$ 1,860	\$ -	\$ -

SCHEDULE 1

**SCHEDULE OF NET ASSETS
For the Year Ended August 31, 2020 (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, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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												
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2020 (in dollars)
2020

REVENUES	2020						2019	
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 619,052	\$ 8,553,511	\$ 1,647,828	\$ 1,527,294	\$ 936,548	\$ 1,194,763	\$ 14,476,997	\$ 14,377,025
(2) Alberta Infrastructure	-	\$ 291,232	\$ 1,071,504	-	-	-	\$ 1,362,736	\$ 1,390,583
(3) Other - Government of Alberta	-	-	-	-	-	\$ 197,111	-	\$ 185,578
(4) Federal Government and First Nations	\$ 260,241	\$ 138,249	-	-	\$ 3,393	-	\$ 401,882	\$ 231,472
(5) Other Alberta school authorities	-	-	-	-	-	\$ 33,296	\$ 33,296	\$ 100
(6) Out of province authorities	-	-	-	-	-	\$ 8,371	\$ 8,371	\$ 18,960
(7) Alberta municipalities-special tax levies	-	-	-	-	-	-	-	-
(8) Property taxes	-	-	-	-	-	-	-	-
(9) Fees	\$ 45,147	\$ 103,020	-	-	-	-	\$ 148,167	\$ 192,622
(10) Sales of services and products	-	\$ 93,080	-	-	\$ 45,000	\$ 283,124	\$ 421,205	\$ 502,091
(11) Investment income	-	\$ 3,157	-	-	-	-	\$ 3,159	\$ 3,333
(12) Gifts and donations	-	\$ 23,592	-	-	\$ 1,198	-	\$ 24,790	\$ 56,679
(13) Rental of facilities	-	-	\$ 22,369	-	-	-	\$ 22,369	\$ 21,563
(14) Fundraising	-	\$ 141,599	-	-	-	-	\$ 141,599	\$ 223,836
(15) Gains on disposal of tangible capital assets	-	-	\$ 2,811	-	-	-	\$ 2,811	\$ 11,250
(16) Other revenue	-	\$ 12,716	-	-	-	-	\$ 12,716	\$ -
(17) TOTAL REVENUES	\$ 924,440	\$ 9,360,155	\$ 2,744,512	\$ 1,527,294	\$ 986,139	\$ 1,716,668	\$ 17,259,209	\$ 17,215,079
EXPENSES								
(18) Certificated salaries	\$ 521,085	\$ 5,551,989	-	-	\$ 209,520	\$ 360,444	\$ 6,643,039	\$ 6,277,890
(19) Certificated benefits	\$ 120,368	\$ 1,218,039	-	-	\$ 50,639	\$ 75,725	\$ 1,464,771	\$ 1,397,988
(20) Non-certificated salaries and wages	\$ 184,464	\$ 784,058	\$ 361,596	\$ 48,193	\$ 212,883	\$ 528,260	\$ 2,119,455	\$ 2,439,018
(21) Non-certificated benefits	\$ 38,582	\$ 186,627	\$ 63,369	\$ 10,203	\$ 46,555	\$ 99,802	\$ 445,138	\$ 454,887
(22) SUB - TOTAL	\$ 864,499	\$ 7,740,714	\$ 424,965	\$ 58,396	\$ 519,597	\$ 1,064,231	\$ 10,672,402	\$ 10,569,784
(23) Services, contracts and supplies	\$ 22,584	\$ 1,254,431	\$ 1,203,902	\$ 1,154,692	\$ 411,669	\$ 675,254	\$ 4,722,531	\$ 5,252,132
(24) Amortization of supported tangible capital assets	-	\$ 291,232	\$ 1,077,681	-	-	-	\$ 1,368,913	\$ 1,392,776
(25) Amortization of unsupported tangible capital assets	-	\$ 49,419	\$ 33,749	\$ 10,887	\$ 53,888	-	\$ 147,943	\$ 160,609
(26) Supported interest on capital debt	-	-	-	-	-	-	-	-
(27) Unsupported interest on capital debt	-	-	\$ 2,590	\$ 1,151	\$ 3,454	-	\$ 7,195	\$ 11,770
(28) Other interest and finance charges	-	-	-	-	-	-	-	-
(29) Losses on disposal of tangible capital assets	-	-	-	-	-	-	-	-
(30) Other expense	-	-	-	-	-	-	-	-
(31) TOTAL EXPENSES	\$ 887,083	\$ 9,335,795	\$ 2,742,868	\$ 1,225,126	\$ 986,608	\$ 1,739,485	\$ 16,918,985	\$ 17,387,070
(32) OPERATING SURPLUS (DEFICIT)	\$ 37,357	\$ 24,360	\$ 1,625	\$ 302,168	\$ (2,469)	\$ (22,817)	\$ 340,223	\$ (171,992)

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE
for the Year Ended August 31, 2020 (in dollars)

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR/CMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	Supported Capital & Debt Services	2020 TOTAL Operations and Maintenance	2019 TOTAL Operations and Maintenance
Non-certificated salaries and wages	\$ -	\$ 147,280	\$ 121,756	\$ -	\$ 82,560			\$ 361,596	\$ 366,054
Non-certificated benefits	\$ -	\$ 26,958	\$ 26,103	\$ -	\$ 10,308			\$ 63,369	\$ 71,057
Sub-total Remuneration	\$ -	\$ 174,238	\$ 147,859	\$ -	\$ 102,868			\$ 424,965	\$ 437,112
Supplies and services	\$ 273,593	\$ 245,799	\$ 86,032	\$ 82,418	\$ 1,983			\$ 689,825	\$ 1,120,967
Electricity			\$ 180,270					\$ 180,270	\$ 251,497
Natural gas/heating fuel			\$ 67,728					\$ 67,728	\$ 84,017
Sewer and water			\$ 20,677					\$ 20,677	\$ 24,094
Telecommunications			\$ 1,738					\$ 1,738	\$ 5,156
Insurance					\$ 281,027			\$ 281,027	\$ 64,995
ASAP maintenance & renewal payments									
Amortization of tangible capital assets									
Supported							\$ 1,368,913	\$ 1,368,913	\$ 1,084,504
Unsupported						\$ 147,943		\$ 147,943	\$ 52,321
Total Amortization						\$ 147,943	\$ 1,368,913	\$ 1,516,856	\$ 1,136,905
Interest on capital debt									
Supported									
Unsupported						\$ 7,195		\$ 7,195	\$ 4,276
Lease payments for facilities				\$ 26,939				\$ 26,939	\$ 6,540
Other interest charges									
Losses on disposal of capital assets									
TOTAL EXPENSES	\$ 273,593	\$ 420,037	\$ 504,304	\$ 109,357	\$ 385,879	\$ 155,138	\$ 1,368,913	\$ 3,197,222	\$ 3,135,558

SQUARE METRES	School buildings	Non school buildings
	16,477.6	2,498.8

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, 2020 (in dollars)

Cash & Cash Equivalents

	2020		2019
	Average Effective (Market) Yield	Cost	Amortized Cost
Cash		\$ 1,066,108	\$ 1,066,108
Cash equivalents			898,138
Government of Canada, direct and guaranteed	0.00%	-	-
Provincial, direct and guaranteed	0.00%	-	-
Corporate	0.00%	-	-
Other, including GIC's	0.00%	-	-
Total cash and cash equivalents		\$ 1,066,108	\$ 1,964,246

See Note 3 for additional detail.

Out of Balance

Portfolio Investments

	Average Effective (Market) Yield	2020		2019	
		Cost	Fair Value	Balance	Balance
Interest-bearing securities					
Deposits and short-term securities	0.00%	\$ -	\$ -	\$ -	\$ -
Bonds and mortgages	0.00%	-	-	-	-
	0.00%	-	-	-	-
Equities					
Canadian equities	0.00%	\$ -	\$ -	\$ -	\$ -
Global developed equities	0.00%	-	-	-	-
Emerging markets equities	0.00%	-	-	-	-
Private equities	0.00%	-	-	-	-
Pooled investment funds	0.00%	-	-	-	-
Total fixed income securities	0.00%	-	-	-	-
Other					
Other (Specify)	0.00%	\$ -	\$ -	\$ -	\$ -
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Total equities	0.00%	-	-	-	-
Total portfolio investments	0.00%	\$ -	\$ -	\$ -	\$ -

See Note 5 for additional detail.

Portfolio Investments

Operating

Cost
Unrealized gains and losses

Endowments

Cost
Unrealized gains and losses
Deferred revenue

Total portfolio investments

	2020	2019
Cost	\$ -	\$ -
Unrealized gains and losses	-	-
Cost	\$ -	\$ -
Unrealized gains and losses	-	-
Deferred revenue	-	-
Total portfolio investments	\$ -	\$ -

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

	2020	2019
Under 1 year	0.0%	0.0%
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%
	0.0%	0.0%

SCHEDULE 6

School Jurisdiction Code: 8060

SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended August 31, 2020 (in dollars)

	2020						2019	
	Land	Work in Progress*	Buildings** 25-50 Years	Equipment 5-10 Years	Vehicles 5-10 Years	Computer Hardware & Software 3-5 Years	Total	Total
Tangible Capital Assets								
Estimated useful life								
Historical cost								
Beginning of year	\$ 1,255,002	\$ -	\$ 43,424,954	\$ 4,445,186	\$ 301,884	\$ 74,937	\$ 49,501,963	\$ 49,254,010
Prior period adjustments	-	-	-	-	-	-	-	-
Additions	-	949,297	-	183,264	-	-	1,102,561	247,953
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	(127,043)	-	(127,043)	-
Historical cost, August 31, 2020	\$ 1,255,002	\$ 949,297	\$ 43,424,954	\$ 4,598,450	\$ 174,841	\$ 74,937	\$ 50,477,481	\$ 49,501,963
Accumulated amortization								
Beginning of year	\$ -	\$ -	\$ 14,050,479	\$ 3,476,473	\$ 217,868	\$ 74,937	\$ 17,819,757	\$ 16,266,372
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	1,121,244	374,658	20,952	-	1,516,854	1,553,385
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	(102,584)	-	(102,584)	-
Accumulated amortization, August 31, 2020	\$ -	\$ -	\$ 15,171,723	\$ 3,851,131	\$ 136,236	\$ 74,937	\$ 19,234,027	\$ 17,819,757
Net Book Value at August 31, 2020	\$ 1,255,002	\$ 949,297	\$ 28,253,231	\$ 747,319	\$ 38,605	\$ -	\$ 31,243,454	\$ -
Net Book Value at August 31, 2019	\$ 1,255,002	\$ -	\$ 29,374,475	\$ 968,713	\$ 84,016	\$ -	\$ 31,682,206	\$ -

	2020	2019
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, 2020 (in dollars)**

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other Paid	Other Accrued Unpaid Benefits	Expenses
Roy, Reginald	1.00	\$8,945	\$282	\$0	\$0	\$0	\$0	\$6,725
Gagné, Mario	1.00	\$7,430	\$204	\$0	\$0	\$0	\$0	\$6,232
Béland, Natalie	1.00	\$5,990	\$130	\$0	\$0	\$0	\$0	\$4,284
Vincent, Sonya	1.00	\$3,990	\$43	\$0	\$0	\$0	\$0	\$555
Ryan, Caleb	1.00	\$4,155	\$44	\$0	\$0	\$0	\$0	\$1,005
-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-	-	\$0	\$0	\$0	\$0	\$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	\$30,410	\$703	\$0	\$0	\$0	\$0	\$18,801
Nolte, Dolores - Superintendent	1.00	\$185,377	\$25,500	\$0	\$0	\$0	\$0	\$12,977
Poulin, Isabelle - Secretary Treasurer	1.00	\$135,060	\$25,286	\$0	\$0	\$0	\$0	\$3,661
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$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		\$6,457,662	\$1,439,271	\$0	\$0	\$0	\$0	\$0
School based	61.00							
Non-School based	4.00							
Non-certificated		\$1,953,985	\$419,149	\$0	\$0	\$0	\$0	\$0
Instructional	31.00							
Plant Operations & Maintenance	2.20							
Transportation	0.20							
Other	4.60							
TOTALS	110.00	\$6,762,493	\$1,909,909	\$0	\$0	\$0	\$0	\$35,433

UNAUDITED SCHEDULE OF FEES
For the Year Ended August 31, 2020 (in dollars)

SCHEDULE 8

	Actual Fees Collected 2018/2019	Budgeted Fee Revenue 2019/2020	(A) Actual Fees Collected 2019/2020	(B) Unspent September 1, 2019*	(C) Funds Raised to Defray Fees 2019/2020	(D) Expenditures 2019/2020	(A) + (B) + (C) - (D) Unspent Balance at August 31, 2020*
Transportation Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Basic Instruction Fees							
Basic instruction supplies	\$0	\$20,860	\$0	\$0	\$0	\$0	\$0
Fees to Enhance Basic Instruction							
Technology user fees	\$44,838	\$10,070	\$44,136	\$0	\$0	\$0	\$44,136
Alternative program fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fees for optional courses	\$100	\$16,025	\$12,954	\$0	\$0	\$0	\$12,954
Activity fees	\$0	\$23,755	\$19,432	\$0	\$0	\$0	\$19,432
Early childhood services	\$47,293	\$6,500	\$45,147	\$0	\$0	\$0	\$45,147
Other fees to enhance education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Curricular fees							
Extracurricular fees	\$100,391	\$32,109	\$26,498	\$0	\$0	\$0	\$26,498
Non-curricular travel	\$0	\$53,505	\$0	\$0	\$0	\$0	\$0
Lunch supervision and noon hour activity fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-curricular goods and services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL FEES	\$192,622	\$162,824	\$148,167	\$0	\$0	\$0	\$148,167

*Unspent balances cannot be less than \$0

	Actual 2020	Actual 2019
Please disclose amounts paid by parents of students that are recorded as "Sales of services and products", "Fundraising", or "Other revenue" (rather than fee revenue):		
Cafeteria sales, hot lunch, milk programs	\$30,743	\$47,588
Special events, graduation, tickets	\$25,567	\$7,737
International and out of province student revenue	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$81,771	\$89,331
Adult education revenue	\$0	\$0
Preschool	\$0	\$0
Child care & before and after school care	\$283,124	\$357,435
Lost item replacement fee	\$0	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
TOTAL	\$421,205	\$502,091

SCHEDULE 9

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES
For the Year Ended August 31, 2020 (in dollars)

EXPENSES	Allocated to Board & System Administration			
	Salaries & Benefits	Supplies & Services	Other	TOTAL
Office of the superintendent	\$ 233,253	\$ 25,091	\$ -	\$ 258,344
Educational administration (excluding superintendent)	\$ 117,966	\$ 12,155	\$ -	\$ 130,120
Business administration	\$ 84,374	\$ 15,775	\$ -	\$ 100,149
Board governance (Board of Trustees)	\$ 31,113	\$ 20,730	\$ -	\$ 51,843
Information technology	\$ -	\$ 92,515	\$ -	\$ 92,515
Human resources	\$ -	\$ 31,515	\$ -	\$ 31,515
Central purchasing, communications, marketing	\$ -	\$ 47,060	\$ -	\$ 47,060
Payroll	\$ 52,892	\$ 12,115	\$ -	\$ 65,007
Administration - insurance			\$ 44,303	\$ 44,303
Administration - amortization			\$ 53,888	\$ 53,888
Administration - other (admin building, interest)			\$ 42,463	\$ 42,463
Legal fees (Bill 24)	\$ -	\$ 71,402	\$ -	\$ 71,402
Other (describe)	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 519,597	\$ 328,357	\$ 140,654	\$ 988,608

THE EAST CENTRAL FRANCOPHONE EDUCATION REGION
Notes to the Financial Statements
August 31, 2020

1. AUTHORITY AND PURPOSE

The East Central Francophone Education Region (the "School Jurisdiction") delivers education programs under the authority of the Education Act, 2012, Chapter E-0.3

The jurisdiction receives funding for instruction and support under the 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 School Jurisdiction is registered as a charitable organization under the *Income Tax Act* (Canada) and, therefore, is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 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:

Valuation of Financial Assets and Liabilities

The organization's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost
Debt	Amortized cost

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are the school jurisdiction's financial claims on external organizations and individuals.

Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid, investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term commitments rather than for investments purposes.

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities are present obligations of the school jurisdiction to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include unearned revenue collected from external organizations and individuals for which goods and services have yet to be provided.

Deferred contributions

Deferred contributions includes contributions received for operations which have stipulations that meet the definition of a liability per PSAS PS 3200. These contributions are recognized by the School Jurisdiction 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 contributions also include contributions for capital expenditures, spent and unspent. Unspent Deferred Capital Contributions (UDCC) represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the school 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.

Spent Deferred Capital Contributions (SDCC) represent externally restricted supported capital funds that have been spent but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require the School Jurisdiction to use the asset in a prescribed manner over the life of the associated asset.

THE EAST CENTRAL FRANCOPHONE EDUCATION REGION
Notes to the Financial Statements
August 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

Environmental Liability

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment.

Contaminated sites no longer in productive use

The liability is recognized net of any expected recoveries. A liability for remediation of contaminated sites normally results from an operation(s) that is no longer in productive use and is recognized when all of the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the school jurisdiction is directly responsible for
- iv. it is expected that future economic benefits will be given up; and
- v. a reasonable estimate of the amount can be made

Other environmental liabilities

A liability for remediation of contaminated sites from an operation(s) that is in productive use and may be due to unexpected events resulting in contamination, is recognized net of any expected recoveries, when all of the following criteria are met:

- i. the School jurisdiction has a duty or responsibility to others, leaving little or no discretion to avoid the obligation;
- ii. the duty or responsibility to others entails settlement by future transfer or use of assets, or a provision of services at a specified or determinable date, or on demand;
- iii. the transaction or events obligating the School Jurisdiction have already occurred, and
- iv. a reasonable estimate of the amount can be made.

Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs are capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included on the Statement of Operations.

Debt

Notes, debentures, and mortgages are recognized at their face amount less unamortized discount, which includes issue expenses.

Non-Financial Assets

Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Tangible Capital Assets

The following criteria applies:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- 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.
- Construction-in-progress is recorded as a transfer to the applicable asset class at substantial completion.
- Buildings include site and leasehold improvements as well as assets under capital leases.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the school jurisdiction 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 Spent Deferred Capital Contributions (SDCC).
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets in excess of \$5,000 are capitalized.
- Leases that, from the point of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School Jurisdiction are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the school jurisdiction's rate for incremental borrowing or the interest rate implicit in the lease.
- The amortization of the assets will commence in the fiscal year following the year of acquisition.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	2.5% - 5%
Equipment	5% - 20%
Vehicles	20%
Computer Hardware	20%

THE EAST CENTRAL FRANCOPHONE EDUCATION REGION
Notes to the Financial Statements
August 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

Inventory of supplies

Inventory of supplies are valued at the lower of cost and replacement cost. Cost is determined on a first-in, first-out basis.

Prepaid expenses

Prepaid expenses are recognized at cost and amortized based on the terms of the agreement or using a methodology that reflects use of the resource.

Basis of Financial Reporting

Other Assets

Intangible assets, assets acquired by right, works of art, historical treasures, collections, certain land, and construction-in-progress managed by Alberta Infrastructure are not recognized in these financial statements.

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.

Eligible criteria are criteria that the jurisdiction has to meet in order to receive certain contributions. *Stipulations* describe what the school jurisdiction 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 where 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 contributions.

Expenses

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

Allocation of costs:

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

Program Reporting

The School Jurisdiction's operations have been segmented as follows:

- **ECS Instruction:** The provision of Early Childhood Services education instructional services that fall under the basic public education mandate.
- **Grade 1-12 Instruction:** The provision of instructional services for grades 1 - 12 that fall under the basic public education mandate.
- **Plant Operations and Maintenance:** The operation and maintenance of all school buildings and maintenance shop facilities.
- **Transportation:** The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facilities.
- **Board & System Administration:** The provision of board governance and system-based/central office administration.
- **External Services:** All projects, activities, and services offered outside the public education mandate for ECS children and students in grades 1-12. Services offered beyond the mandate for public education are to be self-supporting, and Alberta Education funding may not be utilized to support these programs. Daycare service programs and the Francophone Distance Learning Network are reported as external services.

The allocation of revenues and expenses are reported by program, source, object, and type on the Schedule of Program Operations. Respective instruction expenses include the cost of certificated teachers, non-certificated teaching assistants, as well as proportionate share of supplies & services, school administration & instruction support, and System Instructional Support.

Trust Under Administration

The School Jurisdiction has property that has been transferred or assigned to it to be administered or directed by a trust agreement or statute. The School Jurisdiction holds title to the property for the benefit of the beneficiary. Trusts under administration have been included in the financial reporting of the School Jurisdiction. Trust balances can be found in Note 15.

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 Jurisdiction recognizes a financial instrument when it becomes a party to a financial instrument contract.

THE EAST CENTRAL FRANCOPHONE EDUCATION REGION
Notes to the Financial Statements
August 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. 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, rates for amortization and estimated employee future benefits.

Change in Accounting Policy

The division has prospectively adopted the following standards from September 1, 2018: PS 3430 Restructuring transactions.

Future Accounting Changes

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

- **PS 3280 Asset Retirement Obligations (effective September 1, 2022)**

Effective April 1, 2022, this standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

- **PS 3400 Revenue (effective September 1, 2023)**

This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

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

3. RESTRICTED CASH AND CASH EQUIVALENTS

	2020	2019
Externally restricted cash		
Deferred revenue - Alberta Education	478,821	1,258,059
Deferred revenue - Alberta Infrastructure Unspent Deferred Capital Contributions	-	134,787
Deferred revenue - Alberta Children's Services	100,079	110,937
Deferred revenue - Federal government	246,607	-
Deferred revenue - School Generated Funds	20,378	38,858
	<u>845,885</u>	<u>1,542,641</u>
Unrestricted cash ⁽¹⁾	220,223	(644,503)
Cash and cash equivalents	<u>\$ 1,066,108</u>	<u>\$ 898,138</u>
⁽¹⁾ Unrestricted cash consists of:		
School Jurisdiction	\$ 134,309	\$ (723,055)
School Generated Funds	85,914	78,550
	<u>\$ 220,223</u>	<u>\$ (644,505)</u>

4. ACCOUNTS RECEIVABLE

	2020		2019	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 132,100	\$ -	\$ 132,100	\$ 208,625
Alberta Education - CMR	179,229	-	179,229	-
Alberta Education - Secondment & other	8,316	-	8,316	-
Other Alberta school jurisdictions	2,355	-	2,355	15,760
Post-secondary institutions	10,890	-	10,890	-
Alberta Childrens Services	13,534	-	13,534	4,127
Federal Government	80,441	-	80,441	67,422
Other	18,974	-	18,974	26,736
	<u>\$ 445,839</u>	<u>\$ -</u>	<u>\$ 445,839</u>	<u>\$ 322,670</u>

5. BANK INDEBTEDNESS

The School Jurisdiction has negotiated a line of credit in the amount of \$322,670 that bears interest at Lakeland Credit Union's prime rate. This line of credit is secured by a borrowing resolution and a general security agreement that covers all revenues of the School Jurisdiction. There was no balance outstanding on the line of credit at August 31, 2020 (2019 - nil).

Lakeland Credit Union's prime rate as at August 31, 2020 was 2.45%.

THE EAST CENTRAL FRANCOPHONE EDUCATION REGION
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6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Other Alberta school jurisdictions	\$ 213,405	\$ 170,353
Other salaries and benefit costs	10,304	40,576
Accrued interest on long-term debt	-	609
Other trades payable and accrued liabilities	585,069	219,365
	\$ 808,778	\$ 430,903

7. DEBT

	2020	2019
Unsupported mortgage:		
Lakeland Credit Union mortgage bearing interest at prime per annum, repayable in monthly blended payments of \$2,931. The mortgage is due on demand and is secured by a first collateral mortgage in the amount of \$750,000 and assignment of rents.	\$ 126,889	\$ 181,554
Unsupported debentures:		
Two vehicle loans bearing interest at rates of 0% to 4.023% per annum, repayable in bi-weekly and monthly blended payments of \$350 to \$940. Secured by Vehicles having a net book value of \$108,022. Terms of repayment are 2 years.	36,899	82,426
	\$ 163,788	\$ 263,980

Unsupported mortgage

The following is a summary of the principal and interest payments on the unsupported mortgage outstanding at August 31, 2020:

	Principal	Interest	Total
2020-2021	32,421	2,746	35,167
2021-2022	33,224	1,943	35,167
2022-2023	34,047	1,120	35,167
2023-2024	27,197	290	27,487
	\$ 126,889	\$ 6,099	\$ 132,988

Unsupported debentures:

The following is a summary of the principal and interest payments on the unsupported capital loans outstanding at August 31, 2020:

	Principal	Interest	Total
2020-2021	19,859	526	20,385
2021-2022	17,040	174	17,214
	\$ 36,899	\$ 700	\$ 37,599

8. INVENTORY OF SUPPLIES

	2020	2019
Personal protective equipment	\$ 10,118	-

9. PREPAID EXPENSES

	2020	2019
School supplies and licenses	\$ 83,443	\$ 282,740
Insurance	-	25,082
Prepaid power rebate program	51,020	57,111
	\$ 134,463	\$ 364,933

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10. BENEFIT PLANS

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

Current and past service costs of the Alberta Teachers Retirement Fund are met by contributions of active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the school jurisdiction 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 school jurisdiction is included in both revenues and expenses. For the school year ended August 31, 2019, the amount contributed by the Government was \$716,384 (2019 - \$737,054).

The school jurisdiction maintains a defined contribution plan under which amounts are contributed to employees' RRSP accounts. The expense for this plan is equivalent to the annual contribution of \$121,884 for the year ended August 31, 2020 (2019 - \$110,559).

11. 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:

	2020	2019
Unrestricted surplus (deficit)	\$ 1,860	\$ (387,803)
Operating Reserves	-	-
Accumulated surplus (deficit) from operations	1,860	(387,803)
Investment in tangible capital assets	2,409,697	2,459,136
Capital reserves	-	-
	\$ 2,411,557	\$ 2,071,333

Included in Accumulated surplus (deficit) from operations are school generated funds which are not available to spend at board level. The school jurisdiction's adjusted surplus (deficit) from operations is calculated as follows:

Accumulated surplus (deficit) from operations	\$ 1,860	\$ (387,803)
Deduct: School generated funds included in accumulated surplus (Note 13)	85,914	78,550
Trusts under administration included in accumulated surplus (Note 15)	25,089	-
Adjusted accumulated surplus (deficit) from operations	\$ (112,863)	\$ (466,353)

12. CONTRACTUAL RIGHTS

Contractual rights are rights of the School Jurisdiction to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

	2020	2019
Contractual rights from operating leases	\$ 39,192	\$ 55,599

Estimated amounts that will be received or receivable for each of the next four years are as follows:

	Operating leases
2020-2021	11,598
2021-2022	9,198
2022-2023	9,198
2023-2024	9,198
Total	\$ 39,192

13. CONTRACTUAL OBLIGATIONS

	2020	2019
Equipment leases	\$ 78,295	\$ 95,105

Estimated payment requirements for each of the next three years are as follows:

	Equipment Leases
2020-2021	30,433
2021-2022	30,433
2022-2023	17,429
Total	\$ 78,295

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14. SCHOOL GENERATED FUNDS

	2020	2019
School Generated Funds, Beginning of Year	\$ 117,408	\$ 72,047
Gross Receipts:		
Fees	45,403	100,391
Fundraising	142,264	248,318
Gifts and donations	23,592	55,660
Interest	-	-
Other sales and services	74,600	92,079
Total gross receipts	<u>285,859</u>	<u>496,448</u>
Total Related Expenses and Uses of Funds	205,031	329,976
Total Direct Costs Including Cost of Goods Sold to Raise Funds	<u>91,945</u>	<u>121,111</u>
School Generated Funds, End of Year	<u>\$ 106,291</u>	<u>\$ 117,408</u>
Balance included in Deferred Revenue	\$ 20,377	\$ 38,858
Balance included in Accumulated Surplus (Operating Reserves)	\$ 85,914	\$ 78,550

15. TRUST UNDER ADMINISTRATION

The School division is the banker of the Francophone Distance Learning Network. The operations of the network are included in the external services of its operations. Operating surpluses are deferred to be expended in future years. The assets and liabilities of the Network are as follows:

	2020	2019
Cash	\$ 235,529	\$ 965,382
Accounts receivable	-	10,229
Total Assets	<u>\$ 235,529</u>	<u>\$ 975,611</u>
Accounts payable	\$ 170,927	\$ 100,495
Deferred surpluses for future years	39,513	875,116
Net asset	<u>25,089</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 235,529</u>	<u>\$ 975,611</u>

16. RELATED PARTY TRANSACTIONS

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta Consolidated Financial Statements. Related parties also include key management personnel in division and their close family members.

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

	BALANCES		TRANSACTIONS	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta				
Alberta Education				
Accounts receivable / Accounts payable	\$ 319,645	\$ -		
Prepaid expenses / Deferred operating revenue	-	478,822		
Unexpended deferred capital revenue		-		
Expended deferred capital revenue		1,309,507	6,177	
Grant revenue & expenses			14,044,691	
ATRF payments made on behalf of jurisdiction			716,384	
Other revenue & expenses			-	-
Other Alberta school jurisdictions	2,355	213,405	-	513,504
Alberta Infrastructure	-	27,351,480	1,362,736	-
Ministry of Children Services	13,534	100,078	197,111	-
Other Related Parties	10,890	1,048	-	-
Total 2019 - 2020	<u>\$ 346,424</u>	<u>\$ 29,453,292</u>	<u>\$ 16,327,099</u>	<u>\$ 513,504</u>
Total 2018 - 2019	<u>\$ 278,512</u>	<u>\$ 30,818,012</u>	<u>\$ 16,186,849</u>	<u>\$ 479,802</u>

The division and its employees paid or collected certain taxes and amounts set by regulation or local policy. These amounts were incurred in the normal course of business, reflect charges applicable to all users and have been excluded from this schedule.

THE EAST CENTRAL FRANCOPHONE EDUCATION REGION
Notes to the Financial Statements
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17. CONTINGENT LIABILITIES

The jurisdiction is a member of Alberta School Boards Insurance Exchange (ASBIE). Under the terms of its membership, the jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. The jurisdiction's share of the pool as at December 31, 2019 is \$45,517 (2018 - \$53,681).

The School District has been named in 1 (2019 - 1) claims, 2 (2019 - 1) of which the outcome is not determinable. This claim (2019 - 1) has no amounts specified. The resolution of this indeterminable claim may result in a liability, if any. None of these contingent liabilities involve related parties.

18. NUTRITION PROGRAM

	Budget 2020	2020	2019
Revenues	\$ -	\$ -	-
Alberta Education	166,000	166,000	166,000
Other	-	-	-
Total Revenue	166,000	166,000	166,000
Expenses	166,000	168,700	166,000
Annual Surplus/deficit	\$ -	\$ (2,700)	\$ -

The average estimated number of students served per meal are 189.

19. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world.

This pandemic is evolving and the School Jurisdiction continues to respond with public health measures and financial assistance as necessary. The duration and potential impacts of COVID-19 are unknown at this time. As a result, we are unable to estimate the effect of these developments on the financial statements.

20. 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.

21. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 24, 2019. It is presented for information purposes only and has not been audited.

22. COMPARATIVE FIGURES

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

November 19, 2020

East Central Francophone Education Region No. 3
PO Box 249
St. Paul, Alberta T0A 3A0

Dear Trustees,

Re: Audit findings

This letter has been prepared to assist you with your review of the financial statements of the East Central Francophone Education Region No. 3 for the year ending on August 31, 2020.

Significant Matters Arising from Our Audit

Changes to Audit Plan

There were no changes to the audit plan (as previously presented to you).

Other Matters

We have not identified any significant matters that would be of interest to those charged with governance.

Significant Difficulties Encountered

There were no significant difficulties encountered during our audit as the finance team had prepared the necessary working papers and year end documents in time for our field work.

Comments on Accounting Practices

Accounting Policies

With regards to the significant accounting policies used by the organization, we draw your attention to Note 2 to the financial statements where:

- We did not identify any significant changes in accounting policies.
- We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- We did not identify any significant accounting policies in controversial or emerging areas.

Significant Accounting Estimates

The following significant estimates/judgements are contained in the financial statements:

- Allowance for doubtful accounts;
- Book value of tangible capital assets;
- Accrued liabilities;
- Deferred revenue.

Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgements, that we believe should be specifically drawn to your attention.

Significant Deficiencies in Internal Controls

A deficiency in internal control exists when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgement, is of sufficient importance to merit the attention of those charged with governance.

We did not identify any control deficiencies that, in our judgement, would be considered significant deficiencies apart from those outlined below:

- i) The accruals at month ends and year end are not always accurate for the receivables, payables, deferred revenues, and deferred capital contributions. This entails the requirement of many year end adjusting entries to ensure the accuracy of the accounts on the statement of financial position. We recommend that the finance team receive training on the use of the receivable and payable modules of Serenic which would facilitate the management of the receivable and payable accounts. For the other balance sheet accrual accounts monthly general journal entries will be required to ensure their proper cut-off.
- ii) Criminal record checks should be renewed every five years for all staff requiring one upon hiring; or an annual attestation by the employees should be received confirming that their personal status has not changed.

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this audit findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

This letter was prepared for the sole use of those charged with governance of the East Central Francophone Education Region No. 3 to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,
Bergeron & Co. Chartered Professional Accountants



Per: Pierre Bergeron, CPA CGA