

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Holy Family Catholic Regional Division No. 37**

Legal Name of School Jurisdiction

**10307 - 99 Street, Peace River, Alberta T8S 1R5**

Mailing Address

**780-624-3956      780-624-1154**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of Holy Family Catholic Regional Division No. 37 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

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

***Board of Trustees Responsibility***




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

***External Auditors***

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

***Declaration of Management and Board Chairman***

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements prescribed by Alberta Education.

<b>BOARD CHAIR</b>	
<p style="text-align: center;"><b>Dianne Lavole</b></p> <p style="text-align: center;">Name</p>	 <p style="text-align: center;">Signature</p>
<b>SUPERINTENDENT</b>	
<p style="text-align: center;"><b>Elizabeth (Betty) Turpin</b></p> <p style="text-align: center;">Name</p>	 <p style="text-align: center;">Signature</p>
<b>SECRETARY TREASURER OR TREASURER</b>	
<p style="text-align: center;"><b>Helen Diaz</b></p> <p style="text-align: center;">Name</p>	 <p style="text-align: center;">Signature</p>
<p style="text-align: center;"><b>November 29, 2011</b></p> <p>Board-approved Release Date</p>	

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## Independent Auditors' Report

To the Board of Trustees  
Holy Family Catholic Regional Division No. 37

We have audited the accompanying financial statements of Holy Family Catholic Regional Division No. 37 which comprise the statement of financial position as at August 31, 2011, and the statements of revenues and expenses, changes in net assets and capital allocations and cash flows for the year then ended, 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 generally accepted accounting principles, 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' 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 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 Holy Family Catholic Regional Division No. 37 as at August 31, 2011 and the results of its operations, changes in net assets and capital allocations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Peace River, Alberta

November 29, 2011

  
Chartered Accountants

**STATEMENT OF FINANCIAL POSITION**  
**as at August 31, 2011**  
(in dollars)

	2011	2010
<b>ASSETS</b>		
Current assets		
Cash and temporary investments (Note 3)	\$8,716,413	\$8,725,883
Accounts receivable (net after allowances) (Note 4)	\$783,024	\$856,354
Prepaid expenses	\$101,294	\$63,793
Other current assets	\$2,169	\$2,201
<b>Total current assets</b>	<b>\$9,602,900</b>	<b>\$9,648,231</b>
School generated assets		
Trust assets (Note 8)	\$356,668	\$335,131
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 5)		
Land	\$965,754	\$965,754
Construction in progress	\$0	\$190,101
Buildings	\$40,769,217	
Less: accumulated amortization	-\$21,474,654	\$19,294,563
Equipment	\$5,187,702	
Less: accumulated amortization	-\$3,459,704	\$1,727,998
Vehicles	\$495,901	
Less: accumulated amortization	-\$317,417	\$178,484
<b>Total capital assets</b>	<b>\$22,166,799</b>	<b>\$23,117,099</b>
<b>TOTAL ASSETS</b>	<b>\$32,441,429</b>	<b>\$33,377,534</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities (Note 6)	\$1,603,456	\$2,407,075
Deferred revenue (Note 7)	\$135,905	\$358,741
Deferred capital allocations (Note 10)	\$0	\$85,811
Current portion of long term debt	\$325,982	\$349,687
<b>Total current liabilities</b>	<b>\$2,065,343</b>	<b>\$3,201,314</b>
School generated liabilities		
Trust liabilities (Note 8)	\$356,668	\$335,131
Employee future benefit liabilities	\$0	\$0
Long term debt (Note 9)		
Supported: Debentures and other supported debt	\$985,096	\$1,334,783
Less: Current portion	-\$325,982	-\$349,687
Unsupported: Debentures and capital loans	\$0	\$0
Capital leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 11)	\$17,211,794	\$17,888,585
<b>Total long term liabilities</b>	<b>\$18,542,638</b>	<b>\$19,485,885</b>
<b>TOTAL LIABILITIES</b>	<b>\$20,607,981</b>	<b>\$22,687,199</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$241,242	\$241,241
Operating reserves	\$5,164,218	\$4,441,814
Accumulated operating surplus (deficit)	\$5,405,460	\$4,683,055
Investment in capital assets	\$3,969,902	\$3,893,723
Capital reserves	\$2,458,086	\$2,113,557
<b>Total capital funds</b>	<b>\$6,427,988</b>	<b>\$6,007,280</b>
<b>Total net assets</b>	<b>\$11,833,448</b>	<b>\$10,690,335</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$32,441,429</b>	<b>\$33,377,534</b>

**Note:** Please input \*(Restated)\* in 2010 column heading where comparatives are not taken from the finalized 2009/2010 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2011**  
(in dollars)

	Actual 2011	Budget 2011	Actual 2010
<b>REVENUES</b>			
<b>Government of Alberta</b>	\$23,555,523	\$23,378,547	\$21,993,592
<b>Federal Government and First Nations</b>	\$2,749,923	\$2,486,875	\$2,587,853
<b>Other Alberta school authorities</b>	\$86,799	\$28,284	\$124,209
<b>Out of province authorities</b>	\$0	\$0	\$0
<b>Alberta Municipalities-special tax levies</b>	\$0	\$0	\$0
<b>Instruction resource fees</b>	\$49,604	\$32,687	\$53,563
<b>Transportation fees</b>	\$0	\$0	\$0
<b>Other sales and services</b>	\$71,805	\$20,000	\$56,312
<b>Investment income</b>	\$111,126	\$47,580	\$54,247
<b>Gifts and donations</b>	\$9,891	\$0	\$52,923
<b>Rental of facilities</b>	\$14,303	\$12,030	\$14,695
<b>Gross school generated funds</b>	\$681,780	\$500,000	\$546,455
<b>Gains on disposal of capital assets</b>	\$0	\$0	\$0
<b>Amortization of capital allocations</b>	\$1,216,029	\$1,216,029	\$1,187,232
<b>Other revenue</b>	\$12,772	\$9,425	\$0
<b>Total Revenues</b>	\$28,559,555	\$27,731,457	\$26,671,081
<b>EXPENSES</b>			
<b>Certificated salaries</b> (Note 14)	\$13,397,951	\$13,357,928	\$12,902,181
<b>Certificated benefits</b> (Note 14)	\$1,465,991	\$1,609,451	\$1,377,231
<b>Non-certificated salaries and wages</b> (Note 14)	\$4,672,239	\$4,893,584	\$4,657,216
<b>Non-certificated benefits</b> (Note 14)	\$964,217	\$960,989	\$942,017
<b>Services, contracts and supplies</b>	\$4,181,118	\$6,263,886	\$4,492,713
<b>Gross school generated funds</b>	\$681,780	\$500,000	\$546,455
<b>Capital and debt services</b>			
<b>Amortization of capital assets</b>			
Supported	\$1,216,029	\$1,216,029	\$1,187,232
Unsupported	\$692,157	\$846,023	\$482,451
<b>Total Amortization of capital assets</b>	\$1,908,186	\$2,062,052	\$1,669,683
<b>Interest on capital debt</b>			
Supported	\$144,960	\$144,960	\$196,998
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	\$144,960	\$144,960	\$196,998
<b>Other interest and charges</b>	\$0	\$0	\$0
<b>Losses on disposal of capital assets</b>	\$0	\$0	\$0
<b>Other expense</b>	\$0	\$0	\$0
<b>Total Expenses</b>	\$27,416,442	\$29,792,850	\$26,784,494
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	\$1,143,113	-\$2,061,393	-\$113,413
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$1,143,113	-\$2,061,393	-\$113,413

**Note:** Please input "(Restated)" where Actual 2010 comparatives are not as presented in the finalized 2009/2010 Audited Financial Statements filed with Alberta Education. Budget 2011 comparatives presented are final budget amounts formally approved by the Board.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2011  
(in dollars)

	2011	2010
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	\$1,143,113	-\$113,413
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	-\$1,216,029	-\$1,187,232
Total amortization expense	\$1,908,186	\$1,669,683
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	\$73,330	\$170,729
Prepays and other current assets	-\$37,469	-\$20,750
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	-\$803,619	\$373,262
Deferred revenue	-\$222,836	-\$12,146
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Operations</b>	<b>\$844,676</b>	<b>\$880,133</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	-\$618,534	-\$767,007
Equipment	-\$307,948	-\$906,165
Vehicles	-\$31,404	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from investing activities</b>	<b>-\$957,886</b>	<b>-\$1,673,172</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$103,740	\$58,892
Issue of long term debt	\$0	\$0
Repayment of long term debt	-\$349,687	-\$472,537
Add back: supported portion	\$349,687	\$472,537
Other (describe)	\$0	\$0
<b>Total cash flows from financing activities</b>	<b>\$103,740</b>	<b>\$58,892</b>
<b>Net cash flows from during the year</b>	<b>-\$9,470</b>	<b>-\$734,147</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/10</b>	<b>\$8,725,883</b>	<b>\$9,460,030</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/11</b>	<b>\$8,716,413</b>	<b>\$8,725,883</b>

**Note:** Please input "(Restated)" where Actual 2010 comparatives are not as presented in the finalized 2009/2010 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2011**

(in dollars)

School Jurisdiction Code: 21

	INTERNALLY RESTRICTED NET ASSETS														
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
					Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	
<b>Balance at August 31, 2010</b>	\$10,690,395	\$3,893,723	\$241,241	\$4,441,814	\$2,113,557	\$2,557,582	\$1,025,919	\$1,046,969	\$198,051	\$456,148	\$427,792	\$381,115	\$0	\$0	\$481,795
Prior period adjustments (describe)															
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Balance, Aug. 31, 2010</b>	\$10,690,395	\$3,893,723	\$241,241	\$4,441,814	\$2,113,557	\$2,557,582	\$1,025,919	\$1,046,969	\$198,051	\$456,148	\$427,792	\$381,115	\$0	\$0	\$481,795
Excess (deficiency) of revenues over expenses	\$1,143,113		\$1,143,113												
Board funded capital additions		\$768,336	\$0	-\$716,617	-\$51,719	-\$213,658	-\$31,404	-\$502,981	\$0	\$0	-\$20,315	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Direct credits to net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amortization of capital assets		-\$1,908,186	\$1,908,186												
Amortization of capital allocations		\$1,216,029	-\$1,216,029												
Debt principal repayments (unsupported)		\$0	\$0												
Net transfers to operating reserves			-\$1,439,021	\$1,439,021		\$792,909		\$651,573		\$0		-\$5,461			
Net transfers from operating reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0	
Net transfers to capital reserves			-\$388,248		\$396,248		\$310,830		\$27,705	\$24,780			\$0		\$32,833
Net transfers from capital reserves			\$0		\$0		\$0		\$0	\$0			\$0		\$0
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Balance at August 31, 2011</b>	\$11,853,448	\$3,969,902	\$241,242	\$5,164,218	\$2,458,086	\$3,136,835	\$1,305,445	\$1,195,581	\$225,756	\$456,148	\$432,257	\$375,654	\$0	\$0	\$494,628

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
**for the Year Ended August 31, 2011**  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
<b>Balance at August 31, 2010</b>	\$85,811	\$17,888,585
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2010</b>	\$85,811	\$17,888,585
<b>Add:</b>		
<b>Restricted capital allocations from:</b>		
Alberta Education school building and modular projects	\$103,740	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$0	
<b>Other capital grants and donations</b>	\$0	
<b>Net proceeds on disposal of supported capital assets</b>	\$0	
<b>Insurance proceeds (and related interest)</b>	\$0	
<b>Donated capital assets (amortizable, @ fair market value)</b>		\$0
<b>P3, other ASAP and Alberta Infrastructure managed projects</b>		\$0
<b>Transferred in capital assets (amortizable, @ net book value)</b>		\$0
<b>Current year supported debenture principal repayment</b>		\$349,687
<b>Expended capital allocations - current year</b>	-\$189,551	\$189,551
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	\$0
<b>Capital allocations amortized to revenue</b>		\$1,216,029
<b>Balance at August 31, 2011</b>	\$0	\$17,211,794

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

# HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37

## Notes to the Financial Statements

### Year ended August 31, 2011

#### 1. Authority and Purpose

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

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

#### 2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Education for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

##### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand and balances on deposit with banks.

##### **Prepaid Expenses**

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

##### **Revenue Recognition**

Revenue is recognized as follows:

1. Instruction and support allocations are recognized in the year to which they relate.
2. Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.
3. Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to the unamortized capital allocation balance and are recognized as revenue in the periods in which the amortization expense for these capital assets is recorded. Amounts invested in unamortized capital assets are recorded as direct increases in net assets.
4. Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.
5. Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received.

**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
**Notes to the Financial Statements**  
**Year ended August 31, 2011**

**2. Summary of Significant Accounting Policies** *(continued from previous page)*

**Capital Assets**

Capital assets are recorded at cost. Items costing less than \$5,000 are expensed when purchased. Capital assets are amortized on a straight-line basis over the assets' estimated useful life as follows:

Vehicles	5 to 10 years
Buildings	10 to 40 years
Furniture and equipment	4 to 20 years

**School generated funds**

Funds generated from school-based activities are included as assets, liabilities, revenues and expenses of the school jurisdiction because the accountability and control/ownership of these funds rests with school jurisdiction officials or their appointees. These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trips, etc.).

**Vacation Pay**

Vacation pay is accrued in the period in which the employee earns the benefit.

**Operating and Capital Reserves**

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

**Contributed services**

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

**Employee Future Benefits**

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2011, there is no financial impact on the jurisdiction.

**Pension obligation**

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

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the HFCRD #37 School Division does not make pension contributions for certificate staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$141,647 (2010 - \$137,210) for the year ended August 31, 2011. At December 31, 2010, the Local Authorities Pension Plan reported a deficiency of \$4,635,250,000 (2009 - deficiency of \$3,998,614,000). Effective for the 2008-2009 fiscal year, the Government of Alberta has taken responsibility for the LAPP unfunded liability.

# HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37

## Notes to the Financial Statements

### Year ended August 31, 2011

#### 2. Summary of Significant Accounting Policies *(continued from previous page)*

##### **Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on estimated useful lives of capital assets. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

##### **Capital Disclosures**

The School Division's objectives when managing capital are to safeguard the entity's ability to continue as a going concern and to ensure the appropriate resources are available to continue school operations.

The School Division sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

##### **Long-lived Assets**

Long-lived assets consist of property, plant and equipment with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The School Division performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in earnings for the year.

##### **Financial Instruments**

###### **Held for Trading**

The School Division has classified the following financial assets and liabilities as held for trading: cash and temporary investments and restricted cash (trust assets). These instruments are initially recognized at their fair value, determined by recent arm's length market transactions for the same instrument. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in income. Fees incurred on an exchange of financial liabilities or a modification of the terms of financial liabilities that is accounted for as an extinguishment are included as part of the gain or loss on extinguishment, while any related other costs incurred are recognized in current year earnings. All fees and costs incurred on the exchange or modification of a financial liability not accounted for as an extinguishment, are recognized in current year earnings.

Held for trading financial instruments are subsequently measured at their fair value, without any deduction for transactions costs incurred on sale or other disposal. Gains and losses arising from changes in fair value are recognized immediately in income.

# HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37

## Notes to the Financial Statements

### Year ended August 31, 2011

#### 2. Summary of Significant Accounting Policies *(continued from previous page)*

##### **Loans and Receivables**

The School Division has classified the following financial assets as loans and receivables: accounts receivable. These assets are initially recognized at their fair value, approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in income.

Total interest income, calculated using the effective interest rate method, is recognized in net income.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.

##### **Other Financial Liabilities**

The School Division has classified the following financial liabilities as other financial liabilities: accounts payable and accrued liabilities, trust liabilities, and term debt. These liabilities are initially recognized at their fair value, determined by the discounted cash flow method. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in income. Total interest expense, calculated using the effective interest rate method, is recognized in net income.

Fees incurred on an exchange of financial liabilities or a modification of the terms of financial liabilities that is accounted for as an extinguishment are included as part of the gain or loss on extinguishment, while any related other costs incurred are recognized in current earnings. All fees and costs incurred on the exchange or modification of a financial liability not accounted for as an extinguishment are included in the carrying amount of the modified financial liability and amortized over its remaining expected life. Any related other costs incurred are recognized in current year earnings.

**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
**Notes to the Financial Statements**  
**Year ended August 31, 2011**

**3. Cash and Temporary Investments**

	2011			2010		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	-	\$8,716,413	\$8,716,413	-	\$8,725,883	\$8,725,883
Fixed-income securities	-	-	-	-	-	-
Government of Canada, direct and guaranteed	-	-	-	-	-	-
Provincial, direct and guaranteed	-	-	-	-	-	-
Corporate	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Pooled investment funds	-	-	-	-	-	-
Total fixed-income securities	-	-	-	-	-	-
Total cash and temporary investments	<u>%</u>	<u>\$8,716,413</u>	<u>\$8,716,413</u>	<u>%</u>	<u>\$8,725,883</u>	<u>\$8,725,883</u>

**4. Accounts Receivable**

	2011	2010
Provincial Government	\$ 340,773	\$ 282,441
Federal Government	8,577	28,756
Alberta Municipalities	388,134	359,761
Other Alberta School Jurisdictions	7,941	12,427
Other	37,599	172,969
Total	\$ 783,024	\$ 856,354

**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
**Notes to the Financial Statements**  
**Year ended August 31, 2011**

**5. Tangible Capital Assets**

	Land	Construction In Progress - New Building	Buildings 25-40 Years	Equipment - Computer Hardware & Software 4-5 Years	Other Equipment 5-10 Years	Vehicles 5-10 Years	Total Aug. 31, 2011	Total Aug. 31, 2010
Estimated Useful life								
<b>Historical cost</b>								
September 1, 2010	965,754	190,101	39,960,581	1,667,320	3,212,434	464,498	46,460,688	44,627,186
Additions	-	-	618,535	251,831	56,117	31,403	957,886	1,833,502
Transfers in (out)	-	(190,101)	190,101	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	-	-	-
August 31, 2011	965,754	-	40,769,217	1,919,151	3,268,551	495,901	47,418,574	46,460,688
<b>Accumulated amortization</b>								
September 1, 2010	-	-	20,133,922	715,275	2,227,401	266,991	23,343,589	21,673,906
Amortization expense	-	-	1,340,732	247,570	269,458	50,426	1,908,186	1,669,683
Transfers in (out)	-	-	-	-	-	-	-	-
Effect of disposals	-	-	-	-	-	-	-	-
August 31, 2011	-	-	21,474,654	962,845	2,496,859	317,417	25,251,775	23,343,589
<b>Net Book Value at August 31, 2011</b>	<u>965,754</u>	<u>-</u>	<u>19,294,563</u>	<u>956,306</u>	<u>771,692</u>	<u>178,484</u>	<u>22,166,799</u>	<u>23,117,099</u>

**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
**Notes to the Financial Statements**  
**Year ended August 31, 2011**

**6. Accounts Payable and Accrued Liabilities**

	<b>2011</b>	<b>2010</b>
Alberta Education	\$ 446,157	\$ 346,316
Alberta Finance	62,848	86,173
First Nations	-	307,981
Other Trade Payables and Accrued Liabilities	1,085,487	1,650,189
Other Alberta School Jurisdictions	8,964	16,416
<b>Total</b>	<b>\$ 1,603,456</b>	<b>\$ 2,407,075</b>

**7. Deferred Revenue**

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2010	ADD: 2010/2011 Restricted Funds Received/ Receivable	DEDUCT: 2010/2011 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2010/2011 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2011
<b>Alberta Education Restricted Operational Funding:</b>	\$0	\$0	\$0	\$0	\$0
Alberta Initiative for School Improvement	\$14,499	\$302,777	(\$270,427)	\$0	\$46,849
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal	\$312,095	\$411,386	(\$723,481)	\$0	\$0
Institutional Education Programs	\$0	\$168,954	(\$123,942)	(\$45,012)	\$0
Portable/Modular Unit Relocation	\$0	\$0	\$0	\$0	\$0
Regional Consortium	\$0	\$0	\$0	\$0	\$0
Regional Educational Consulting Services	\$0	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$0	\$761,884	(\$761,884)	\$0	\$0
Student Health Initiative (School Authorities)	\$0	\$4,587	(\$4,587)	\$0	\$0
SuperNet Service	\$0	\$54,378	(\$54,378)	\$0	\$0
ECS Program Unit Fund	\$0	\$216,223	(\$216,223)	\$0	\$0
Other Alberta Education deferred revenue	\$0	\$41,936	(\$29,113)	(\$7,400)	\$5,423
<b>Other Government of Alberta Restricted Funding:</b>	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
AB Mental Health	\$0	\$342,003	(\$312,213)	\$0	\$29,790
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
<b>Other Deferred Revenue:</b>	\$32,147	\$160,686	(\$138,990)	\$0	\$53,843
<b>Total</b>	<b>\$358,741</b>	<b>\$2,464,814</b>	<b>(\$2,635,238)</b>	<b>(\$52,412)</b>	<b>\$135,905</b>

**8. Trust Assets and Liabilities**

These balances represent cash that is held in trust by the jurisdiction.

	<b>2011</b>	<b>2010</b>
Charitable donation fund	\$ 14,660	\$ 14,187
Complex needs	300,402	262,886
<b>Total</b>	<b>\$ 315,062</b>	<b>\$ 277,073</b>

**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
**Notes to the Financial Statements**  
**Year ended August 31, 2011**

**9. Long-term Debt**

Debentures with interest ranging from 8.75% to 12.00%, repayable in annual blended payments, maturing from 2010 to 2017. The debenture debt is fully supported by Alberta Finance.

	<b>2011</b>	<b>2010</b>
Debentures	\$ 985,096	\$ 1,334,783
Mortgage	-	-
Due within one year	(325,982)	(349,687)
<b>Total</b>	<b>\$ 659,114</b>	<b>\$ 985,096</b>

Principal repayments required in each of the next five fiscal years are as follows:

2012	<b>325,982</b>
2013	<b>262,016</b>
2014	<b>189,837</b>
2015	<b>115,576</b>
2016	<b>82,778</b>
2017 to maturity	<b>8,907</b>

**10. Deferred Capital Allocations**

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

**11. Unamortized Capital Allocations**

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

**12. Capital Reconciliation**

TOTAL CAPITAL ASSETS	\$ 22,166,799	
Deduct: Long term debt		
	Supported (985,096)	
	Unsupported -	
<b>NET TOTAL</b>		<b>\$ 21,181,703</b>
UNAMORTIZED CAPITAL ALLOCATIONS	\$ 17,211,801	
Add: Investment in Capital Assets	3,969,902	
<b>NET TOTAL</b>		<b>\$ 21,181,703</b>
<b>VARIANCE</b>		<b>\$ -</b>

**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
**Notes to the Financial Statements**  
**Year ended August 31, 2011**

**13. Related Party Transactions**

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

2010-2011	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
<b>Government of Alberta:</b>				
Education	3,557	\$446,157	23,027,418	-
Infrastructure & Transportation	103,740	-	-	-
Finance	62,848	62,848	144,960	144,960
Health & Wellness	-	-	-	-
Human Resources/Employment	1,792	-	1,792	-
Other Gov't of Alberta departments	-	-	2,000	-
<b>Other:</b>				
Health authorities	168,836	-	312,213	32,238
Child and Family Services Authorities	-	-	69,148	75,680
Other Alberta school jurisdictions	7,941	8,964	86,799	138,785
Other related parties	-	-	-	-
<b>TOTAL 2010-2011</b>	<b>348,714</b>	<b>\$517,969</b>	<b>23,644,330</b>	<b>391,663</b>
<b>TOTAL 2009-2010</b>	<b>294,868</b>	<b>\$448,905</b>	<b>22,117,801</b>	<b>\$762,673</b>

Contingencies or Contractual Obligations with related parties are under separate disclosure.

**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
**Notes to the Financial Statements**  
**Year ended August 31, 2011**

**14. Remuneration and Monetary Incentives**

The Holy Family Catholic Regional Division had paid or accrued expenses for the year ended August 31, 2011 to or on behalf of the following positions and persons in groups as follows.

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair							
Dianne Lavoie	1.00	\$8,627	\$275	\$0	\$0	\$0	\$10,264
Other members							
Ann Polard	1.00	\$4,497	\$16	\$0	\$0	\$0	\$3,924
Beatrice Wright	1.00	\$3,880	\$60	\$0	\$0	\$0	\$7,614
Carmelle Lizee	1.00	\$8,432	\$191	\$0	\$0	\$0	\$5,970
Denise Valiquette	1.00	\$9,330	\$223	\$0	\$0	\$0	\$13,425
George Ostermeier	1.00	\$4,831	\$36	\$0	\$0	\$0	\$5,600
Kelly Whalen	0.67	\$3,638	\$48	\$0	\$0	\$0	\$3,173
Margaret Michaud	0.50	\$2,951	\$38	\$0	\$0	\$0	\$3,587
Rene Lanctot	1.00	\$5,187	\$45	\$0	\$0	\$0	\$10,178
Ryk David	1.00	\$4,744	\$16	\$0	\$0	\$0	\$6,670
Thomas Tarpey	0.17	\$673	\$0	\$0	\$0	\$0	\$8
Tom Seerey	0.17	\$390	\$0	\$0	\$0	\$0	\$49
<b>Subtotal</b>	<b>9.50</b>	<b>\$57,180</b>	<b>\$948</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$70,462</b>
Superintendent (Elizabeth Turpin)	1.0	\$165,501	\$12,138	\$6,000	\$0	\$0	\$33,706
Secretary - Treasurer (Helen Diaz)	1.0	\$123,807	\$25,503	\$0	\$0	\$0	\$12,961
Certificated Teachers	149.5	\$13,190,950	\$1,453,853	\$0	\$0	\$35,500	
Non-certificated - Other	119.6	\$4,491,252	\$937,766	\$0	\$0	\$0	
<b>TOTALS</b>		<b>\$18,028,690</b>	<b>\$2,430,208</b>	<b>\$6,000</b>	<b>\$0</b>	<b>\$35,500</b>	

**15. Economic Dependence on Related Third 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.

**16. Budget Amounts**

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on November 12, 2010. It is presented for information purposes only and has not been audited.