

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2012**  
[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 1K1**

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>	
<span style="background-color: #add8e6; padding: 2px;">Dianne Lavoie</span> Name	 Signature
<b>SUPERINTENDENT</b>	
<span style="background-color: #add8e6; padding: 2px;">Elizabeth (Betty) Turpin</span> Name	 Signature
<b>SECRETARY TREASURER OR TREASURER</b>	
<span style="background-color: #add8e6; padding: 2px;">Helen Diaz</span> Name	 Signature
<span style="background-color: #add8e6; padding: 2px;">November 12, 2012</span> Board-approved Release Date	

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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, 2012, 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, 2012 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 12, 2012

  
Chartered Accountants

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2012  
(In dollars)

		2012	2011 Restated
<b>ASSETS</b>			
Current assets			
Cash and temporary investments	(Note 3)	\$7,756,609	\$9,073,081
Accounts receivable (net after allowances)	(Note 4)	\$837,044	\$783,024
Prepaid expenses		\$93,834	\$101,294
Other current assets		\$1,793	\$2,169
<b>Total current assets</b>		<b>\$8,689,280</b>	<b>\$9,959,568</b>
Trust assets	(Note 8)	\$533,179	\$315,062
Long term accounts receivable		\$0	
Long term investments		\$0	\$0
Capital assets (Note 5)			
Land		\$965,754	\$965,754
Construction in progress		\$0	\$0
Buildings		\$41,271,474	
Less: accumulated amortization		(\$22,877,239)	\$19,294,563
Equipment		\$5,190,580	
Less: accumulated amortization		(\$3,497,880)	\$1,727,998
Vehicles		\$475,764	
Less: accumulated amortization		(\$353,986)	\$121,778
<b>Total capital assets</b>		<b>\$21,174,687</b>	<b>\$22,166,799</b>
<b>TOTAL ASSETS</b>		<b>\$30,397,146</b>	<b>\$32,441,429</b>
<b>LIABILITIES</b>			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities	(Note 6)	\$1,393,867	\$1,603,456
Deferred revenue	(Note 7)	\$476,520	\$492,573
Deferred capital allocations		\$0	\$0
Current portion of long term debt	(Note 9)	\$262,018	\$325,982
<b>Total current liabilities</b>		<b>\$2,132,403</b>	<b>\$2,422,011</b>
Trust liabilities	(Note 8)	\$533,179	\$315,082
Employee future benefit liabilities		\$0	\$0
Long term debt (Note 9)			
Supported: Debentures and other supported debt		\$659,114	\$985,096
Less: Current portion		(\$262,018)	(\$325,982)
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 10)	\$16,340,195	\$17,211,794
<b>Total long term liabilities</b>		<b>\$17,270,472</b>	<b>\$18,185,970</b>
<b>TOTAL LIABILITIES</b>		<b>\$19,402,875</b>	<b>\$20,607,981</b>
<b>NET ASSETS</b>			
Unrestricted net assets		\$241,242	\$241,242
Operating reserves		\$3,296,816	\$5,164,218
Accumulated operating surplus (deficit)		\$3,538,058	\$5,405,460
Investment in capital assets		\$4,175,371	\$3,969,902
Capital reserves		\$3,280,842	\$2,458,086
<b>Total capital funds</b>		<b>\$7,456,213</b>	<b>\$6,427,988</b>
<b>Total net assets</b>		<b>\$10,994,271</b>	<b>\$11,833,448</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$30,397,146</b>	<b>\$32,441,429</b>

Note: Please input "(Restated)" in 2011 column heading where comparatives are not taken from the finalized 2010/2011 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2012**  
(in dollars)

	Actual 2012	Budget 2012 Updated	Actual 2011 Restated
<b>REVENUES</b>			
Government of Alberta	\$25,025,795	\$24,926,628	\$24,853,564
Federal Government and/or First Nations	\$2,725,480	\$2,523,684	\$2,749,923
Other Alberta school authorities	\$113,092	\$63,849	\$86,799
Out of province authorities	\$1,000	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Fees	\$258,474	\$380,389	\$383,993
Other sales and services	\$22,882	\$32,000	\$71,805
Investment income	\$111,130	\$98,500	\$111,126
Gifts and donations	\$65,163	\$53,863	\$73,686
Fundraising	\$298,160	\$293,528	\$271,992
Rental of facilities	\$15,812	\$7,938	\$14,303
Gains on disposal of capital assets	\$1,170	\$0	\$0
Amortization of capital allocations	\$1,197,581	\$1,197,581	\$1,216,029
Other revenue	\$88,520	\$13,350	\$24,376
<b>Total Revenues</b>	<b>\$29,924,059</b>	<b>\$29,589,310</b>	<b>\$29,857,596</b>
<b>EXPENSES</b>			
Certificated salaries (Note 12)	\$14,803,481	\$14,755,340	\$13,397,951
Certificated benefits (Note 12)	\$2,892,852	\$3,031,657	\$2,764,032
Non-certificated salaries and wages (Note 12)	\$4,810,199	\$4,785,834	\$4,672,239
Non-certificated benefits (Note 12)	\$968,668	\$1,006,232	\$964,217
Services, contracts and supplies	\$5,198,944	\$6,907,392	\$4,862,898
Capital and debt services			
Amortization of capital assets			
Supported	\$1,197,581	\$1,197,581	\$1,216,029
Unsupported	\$784,334	\$784,333	\$692,157
<b>Total Amortization of capital assets</b>	<b>\$1,981,915</b>	<b>\$1,981,914</b>	<b>\$1,908,186</b>
Interest on capital debt			
Supported	\$107,177	\$107,177	\$144,960
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$107,177</b>	<b>\$107,177</b>	<b>\$144,960</b>
Other interest and charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$30,763,236</b>	<b>\$32,575,546</b>	<b>\$28,714,483</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>(\$839,177)</b>	<b>(\$2,986,236)</b>	<b>\$1,143,113</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$839,177)</b>	<b>(\$2,986,236)</b>	<b>\$1,143,113</b>

Note: Please input "(Restated)" where Actual 2011 comparatives are not as presented in the finalized 2010/2011 Audited Financial Statements filed with Alberta Education. Budget 2012 comparatives presented are final budget amounts formally approved by the Board.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2012  
(In dollars)

	2012	2011 Restated
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	(\$839,177)	\$1,143,113
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,197,581)	(\$1,216,029)
Total amortization expense	\$1,981,915	\$1,908,186
Gains on disposal of capital assets	(\$1,170)	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	(\$54,020)	\$73,330
Prepays and other current assets	\$7,836	(\$37,469)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$209,589)	(\$803,619)
Deferred revenue	(\$16,053)	\$133,832
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Operations</b>	(\$327,839)	\$1,201,344
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$502,257)	(\$618,534)
Equipment	(\$487,546)	(\$307,948)
Vehicles	\$0	(\$31,404)
Net proceeds from disposal of capital assets	\$1,170	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Investing activities</b>	(\$988,633)	(\$957,886)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$0	\$103,740
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$325,982)	(\$349,687)
Add back: supported portion	\$325,982	\$349,687
Other (describe)		\$0
<b>Total cash flows from financing activities</b>	\$0	\$103,740
<b>Net cash flows from during the year</b>	(\$1,316,472)	\$347,198
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/11</b>	\$9,073,081	\$8,725,883
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/12</b>	\$7,756,609	\$9,073,081

Note: Please input "(Restated)" where Actual 2011 comparatives are not as presented in the finalized 2010/2011 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2012**

School Jurisdiction Code: 21

(in dollars)

(1)	(2)	(3)	(4)	(5)	(6) INTERNALLY RESTRICTED NET ASSETS												(15)
					(7) School & Instruction Related		(8) Operations & Maintenance		(9) Board & System Administration		(10) Transportation		(11) External Services				
					Operating Reserves Cols. 6+8+10+12+14	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	
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	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves			
Balance at August 31, 2011	\$3,969,902	\$241,242	\$5,164,218	\$2,458,086	\$3,136,835	\$1,305,445	\$1,195,581	\$456,148	\$432,257	\$375,654	\$0	\$494,628	\$0	\$494,628			
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			
Adjusted Balance, Aug. 31, 2011	\$3,969,902	\$241,242	\$5,164,218	\$2,458,086	\$3,136,835	\$1,305,445	\$1,195,581	\$456,148	\$432,257	\$375,654	\$0	\$494,628	\$0	\$494,628			
Excess (deficiency) of revenues over expenses		(\$639,177)															
Board funded capital additions	\$989,803	\$0	(\$574,659)	(\$415,144)	(\$36,655)	(\$348,724)	(\$521,693)	(\$16,321)	\$0	\$0	\$0	(\$56,768)	\$0	(\$56,768)			
Disposal of unsupported capital assets	\$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			
Direct credits to net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Amortization of capital assets	(\$1,981,915)	\$1,981,915															
Amortization of capital allocations	\$1,197,581	(\$1,197,581)															
Debt principal repayments (unsupported)	\$0	\$0															
Net transfers to operating reserves		(\$464,156)	\$464,156		\$125,834		\$336,058			\$2,264			\$0				
Net transfers from operating reserves		\$1,756,899	(\$1,756,899)		(\$1,256,807)		(\$350,092)		\$0	(\$150,000)			\$0				
Net transfers to capital reserves		(\$1,237,900)		\$1,237,900		\$669,135			\$35,839			\$150,000		\$32,833			
Net transfers from capital reserves		\$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			
Balance at August 31, 2012	\$4,175,371	\$241,242	\$3,296,816	\$3,280,842	\$1,969,207	\$1,625,856	\$659,864	\$439,827	\$468,096	\$227,918	\$150,000	\$470,693	\$0	\$470,693			

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
**for the Year Ended August 31, 2012**  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2011	\$0	\$17,211,794
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2011	\$0	\$17,211,794
<b>Add:</b>		
Restricted capital allocations from: Alberta Education school building and modular projects	\$0	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
P3, other ASAP and Alberta Infrastructure managed projects		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current year supported debenture principal repayment		\$325,982
Expended capital allocations - current year	\$0	\$0
<b>Deduct:</b>		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,197,581
Balance at August 31, 2012	\$0	\$16,340,195

\* 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, 2012**

#### **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, 2012

#### 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
Computer equipment	3 to 4 years

##### **Vacation Pay**

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

##### **Teachers' Retirement Fund Contributions by the Province of Alberta**

Teachers' Retirement Fund (TRF) contributions by the Province for current service are a component part of education system costs and are formally recognized in the accounts of the school jurisdictions, even though the jurisdiction has no legal obligation to pay these costs. The amount of current service contributions are recognized as revenue from the Province and as certificated benefits expense. Previously, the Provincial contributions were not included in the accounts of the jurisdiction. The prior year's comparative figures have been restated to conform to this change in accounting policy.

##### **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, 2012, 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.

For the school year ended August 31, 2012, the amount contributed to the Teachers' Retirement Fund by the Province was \$1,373,717 (2011 \$1,298,041)

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 \$154,196 (2011 - \$141,647) for the year ended August 31, 2012. At December 31, 2011, the Local Authorities Pension Plan reported a deficiency of \$4,639,390,000 (2010 - deficiency of \$4,635,250,000). 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, 2012

#### 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, 2012

#### 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.

##### **Future Accounting Policies**

The school board will adopt public sector accounting standards for the year ending August 31, 2013 with retrospective application and restatement of the prior school year. The transition is intended to enhance the public accountability and comparability of the financial reporting of the government controlled entities with those of other government organizations.

**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
**Notes to the Financial Statements**  
**Year ended August 31, 2012**

**3. Cash and Temporary Investments**

	2012			2011		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	-	\$7,756,609	\$7,756,609	-	\$9,073,081	\$9,073,081
Total cash and temporary investments	<u>P – 1.8%</u>	<u>\$7,756,609</u>	<u>\$7,756,609</u>	<u>P – 1.8%</u>	<u>\$9,073,081</u>	<u>\$9,073,081</u>

**4. Accounts Receivable**

	2012	2011
Provincial Government	\$ 232,773	\$ 340,773
Federal Government	8,577	8,577
Alberta Municipalities	401,287	388,134
Other Alberta School Jurisdictions	20,000	7,941
Other	174,407	37,599
Total	\$ 837,044	\$ 783,024

**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
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**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, 2012	Total Aug. 31, 2011
Historical cost								
September 1, 2011	965,754	-	40,769,217	1,919,151	3,268,551	495,901	47,418,574	46,460,688
Additions	-	-	502,257	336,518	151,028	-	989,803	957,886
Transfers in (out)	-	-	-	(65,222)	65,222	-	-	-
Less disposals including write-offs	-	-	-	(368,325)	(116,343)	(20,137)	(504,805)	-
August 31, 2012	965,754	-	41,271,474	1,822,122	3,368,458	475,764	47,903,572	47,418,574
Accumulated amortization								
September 1, 2011	-	-	21,474,654	962,845	2,496,859	317,417	25,251,775	23,343,589
Amortization expense	-	-	1,402,585	307,586	215,038	56,706	1,981,915	1,908,186
Transfers in (out)	-	-	-	(62,681)	62,681	-	-	-
Effect of disposals	-	-	-	(368,325)	(116,343)	(20,137)	(504,805)	-
August 31, 2012	-	-	22,877,239	839,425	2,658,235	353,986	26,728,885	25,251,775
Net Book Value at August 31, 2011	965,754	-	18,394,235	982,697	710,223	121,778	21,174,687	22,166,799

**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
**Notes to the Financial Statements**  
**Year ended August 31, 2012**

**6. Accounts Payable and Accrued Liabilities**

	2012	2011
Alberta Education	\$ 398,035	\$ 446,157
Alberta Finance	42,147	62,848
First Nations	16,465	-
Other Trade Payables and Accrued Liabilities	918,174	1,085,487
Other Alberta School Jurisdictions	19,046	8,964
<b>Total</b>	<b>\$ 1,393,867</b>	<b>\$ 1,603,456</b>

**7. Deferred Revenue**

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2011	ADD: 2011/2012 Restricted Funds Received/ Receivable	DEDUCT: 2011/2012 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2011/2012 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2012
<b>Alberta Education Restricted Operational Funding:</b>	\$0	\$0	\$0	\$0	\$0
Alberta Initiative for School Improvement	\$46,849	\$152,155	(\$199,004)	\$0	\$0
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal	\$0	\$376,951	(\$376,951)	\$0	\$0
Institutional Education Programs	\$0	\$168,046	(\$161,012)	(\$7,034)	\$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	\$52,071	(\$52,071)	\$0	\$0
SuperNet Service	\$0	\$68,526	(\$68,526)	\$0	\$0
ECS Program Unit Fund	\$0	\$207,571	(\$207,571)	\$0	\$0
Other Alberta Education deferred revenue	\$5,423	\$20,000	(\$14,824)	\$0	\$10,599
<b>Other Government of Alberta Restricted Funding:</b>	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
AB Mental Health	\$29,790	\$331,342	(\$361,132)	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
<b>Other Deferred Revenue:</b>	\$53,843	\$139,342	(\$120,855)	\$0	\$72,330
School generated funds	\$356,668	\$577,880	(\$540,957)	\$0	\$393,591
<b>Total</b>	<b>\$492,573</b>	<b>\$2,855,768</b>	<b>(\$2,864,787)</b>	<b>(\$7,034)</b>	<b>\$476,520</b>

**8. Trust Assets and Liabilities**

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

	2012	2011
Charitable donation fund	\$ 14,955	\$ 14,660
Complex needs	518,224	300,402
<b>Total</b>	<b>\$ 533,179</b>	<b>\$ 315,062</b>

**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
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**9. Long-term Debt**

Debentures with interest ranging from 8.75% to 12.00%, repayable in annual blended payments, maturing from 2012 to 2017. The debenture debt is fully supported by Alberta Finance.

	2012	2011
Debentures	\$ 659,114	\$ 985,096
Mortgage	-	-
Due within one year	(262,016)	(325,982)
Total	\$ 397,098	\$ 659,114

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

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

**10. 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.

**11. 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.

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
<b>2011-2012</b>				
<b>Government of Alberta:</b>				
Education	2,490	\$391,539	25,025,795	-
Infrastructure & Transportation	103,740	-	-	-
Finance	42,147	42,147	107,177	107,177
Health & Wellness	-	-	-	-
Human Resources/Employment	1,792	-	1,792	-
Other Gov't of Alberta departments	-	-	-	-
<b>Other:</b>				
Health authorities	82,604	-	301,553	36,676
Child and Family Services Authorities	-	-	69,463	-
Other Alberta school jurisdictions	20,000	19,046	113,901	144,884
Other related parties	-	-	-	-
<b>TOTAL 2011-2012</b>	<b>252,773</b>	<b>\$452,732</b>	<b>25,619,681</b>	<b>288,737</b>
<b>TOTAL 2010-2011</b>	<b>348,714</b>	<b>\$517,969</b>	<b>23,644,330</b>	<b>\$391,663</b>

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



**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
**Notes to the Financial Statements**  
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**12. Remuneration and Monetary Incentives**

The Holy Family Catholic Regional Division had paid or accrued expenses for the year ended August 31, 2012 to or on behalf of the following positions and persons in groups as follows.

<b>Board Members:</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Negotiated Allowances</b>	<b>Performance Bonuses</b>	<b>ERIP's / Other</b>	<b>Expenses</b>
Chair							
Dianne Lavoie	1.00	\$13,536	\$424	\$0	\$0	\$0	\$6,687
Other members							
Ann Polard	1.00	\$7,952	\$62	\$0	\$0	\$0	\$7,583
Beatrice Wright	1.00	\$8,730	\$146	\$0	\$0	\$0	\$5,685
Carmelle Lizee	1.00	\$10,406	\$131	\$0	\$0	\$0	\$10,611
Denise Valiquette	1.00	\$8,483	\$196	\$0	\$0	\$0	\$7,745
Kelly Whalen	1.00	\$10,343	\$254	\$0	\$0	\$0	\$5,081
Margaret Michaud	1.00	\$6,724	\$167	\$0	\$0	\$0	\$6,274
Rene Lanctot	1.00	\$5,142	\$55	\$0	\$0	\$0	\$8,883
Ryk David	1.00	\$8,776	\$31	\$0	\$0	\$0	\$11,410
Vivianne Gayton	0.67	\$5,832	\$3	\$0	\$0	\$0	\$3,421
<b>Subtotal</b>	<b>9.67</b>	<b>\$85,924</b>	<b>\$1,469</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$73,380</b>
Superintendent (Elizabeth Turpin)	1.0	\$162,037	\$26,814	\$6,000	\$0	\$0	\$31,936
Secretary - Treasurer (Helen Diaz)	1.0	\$130,000	\$26,872	\$0	\$0	\$0	\$15,813
Certificated Teachers	155.8	\$14,478,702	\$2,866,038	\$0	\$0	\$156,742	
Non-certificated - Other	117.3	\$4,594,275	\$940,327	\$0	\$0	\$0	
<b>TOTALS</b>	<b>284.8</b>	<b>\$19,450,938</b>	<b>\$3,861,520</b>	<b>\$6,000</b>	<b>\$0</b>	<b>\$156,742</b>	

**13. Fees**

<b>Item</b>	<b>2011-12</b>	<b>2010-11</b>
Transportation fees	2,100	\$ -
Fees charged for instruction material and supplies	92,457	\$ 49,604
Other fees	163,917	\$ 334,389
<b>Total</b>	<b>\$ 258,474</b>	<b>\$ 383,993</b>

**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
**Notes to the Financial Statements**  
**Year ended August 31, 2012**

**14. School Generated Funds**

Unexpended School Generated Revenues, August 31, 2011:	\$	356,668
Current Year Activities - Gross Receipts:		
Fees	\$	163,917
Fundraising	\$	335,084
Gifts and donations	\$	58,491
Grants to schools	\$	6,175
Other sales and services	\$	14,213
Total gross receipts	\$	577,880
Current Year Activities - Total Direct Costs Including Cost of Goods Sold to Raise Funds	\$	154,919
Current Year Activities - Uses of Funds	\$	386,038
Unexpended School Generated Revenues, August 31, 2012	\$	393,591

**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 29, 2011. It is presented for information purposes only and has not been audited.

**17. Prior Period Adjustment**

Revenue from Government of Alberta and certificated benefits have been restated to \$2,764,032 (2011 - \$1,465,991) to reflect retroactive application of inclusion of Government contributions to Alberta Teachers Retirement Fund in the statement of revenues and expenses. The increase in Alberta Government revenue and certificated benefits is \$1,298,041.

**18. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation. The change in classification this year relates to School Generated Funds reporting.