

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**  
[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 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.

Holy Family Catholic Regional Division No. 37

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.

<p><b>BOARD CHAIR</b></p> <p>Dianne Lavoie</p> <p>Name</p>	 <p>Signature</p>
<p><b>SUPERINTENDENT</b></p> <p>Elizabeth (Betty) Turpin</p> <p>Name</p>	 <p>Signature</p>
<p><b>SECRETARY TREASURER OR TREASURER</b></p> <p>Helen Diaz</p> <p>Name</p>	 <p>Signature</p>
<p><b>November 29, 2010</b></p> <p>Board-approved Release Date</p>	

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MEYERS NORRIS PENNY LLP

## Auditors' Report

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

We have audited the statement of financial position of the Holy Family Catholic Regional Division No. 37 as at August 31, 2010 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2010 and the results of its operations and changes in its cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Peace River, Alberta  
November 16, 2010

**STATEMENT OF FINANCIAL POSITION**

as at August 31, 2010

(in dollars)

		2010	2009 (Note)
<b>ASSETS</b>			
Current assets			
Cash and temporary investments	(Note 3)	\$8,725,883	\$9,460,030
Accounts receivable (net after allowances)	(Note 4)	\$856,354	\$1,027,083
Prepaid expenses		\$63,793	\$43,087
Other current assets		\$2,201	\$2,157
<b>Total current assets</b>		<b>\$9,648,231</b>	<b>\$10,532,357</b>
School generated assets			
Trust assets	(Note 8)	\$335,131	\$310,759
Long term accounts receivable		\$277,073	\$394,499
Long term investments		\$0	\$0
Capital assets	(Note 5)	\$0	\$0
Land		\$965,754	\$965,754
Construction in Progress		\$190,101	\$639,058
Buildings	\$39,960,581		
Less: accumulated amortization	(\$20,133,922)	\$19,826,659	\$19,715,518
Equipment	\$4,879,754		
Less: accumulated amortization	(\$2,942,676)	\$1,937,078	\$1,376,084
Vehicles	\$464,498		
Less: accumulated amortization	(\$266,991)	\$197,507	\$256,866
<b>Total capital assets</b>		<b>\$23,117,099</b>	<b>\$22,953,280</b>
<b>TOTAL ASSETS</b>		<b>\$33,377,534</b>	<b>\$34,190,895</b>
<b>LIABILITIES</b>			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities	(Note 6)	\$2,407,075	\$2,033,813
Deferred revenue	(Note 7)	\$358,741	\$370,887
Deferred capital allocations	(Note 10)	\$85,811	\$275,912
Current portion of long term debt		\$349,687	\$472,537
<b>Total current liabilities</b>		<b>\$3,201,314</b>	<b>\$3,153,149</b>
School generated liabilities			
Trust liabilities	(Note 8)	\$335,131	\$310,759
Employee future benefit liabilities		\$277,073	\$394,499
Long term debt	(Note 9)	\$0	\$0
Supported: Debentures and other supported debt		\$1,334,783	\$1,807,320
Less: Current portion		(\$349,687)	(\$472,537)
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)	\$17,888,585	\$18,193,957
<b>Total long term liabilities</b>		<b>\$19,485,885</b>	<b>\$20,233,998</b>
<b>TOTAL LIABILITIES</b>		<b>\$22,687,199</b>	<b>\$23,387,147</b>
<b>NET ASSETS</b>			
Unrestricted net assets		\$241,241	\$241,241
Operating Reserves		\$4,441,814	\$5,658,172
Accumulated Operating Surplus (Deficit)		\$4,683,055	\$5,899,413
Investment in capital assets		\$3,893,723	\$2,951,995
Capital Reserves		\$2,113,557	\$1,952,340
Total Capital Funds		\$6,007,280	\$4,904,335
<b>Total net assets</b>		<b>\$10,690,335</b>	<b>\$10,803,748</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$33,377,534</b>	<b>\$34,190,895</b>

**Note:** Please input "(Restated)" in 2009 column heading where comparatives are not taken from the finalized 2008-2009 Audited Financial Statements filed with Alberta Education.

## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2010

(in dollars)

	Actual 2010	Budget 2010	Actual 2009 Restated
<b>REVENUES</b>			
Government of Alberta	\$21,993,592	\$21,866,357	\$21,249,351
Federal Government and First Nations	\$2,587,853	\$2,293,436	\$2,558,766
Other Alberta school authorities	\$124,209	\$143,284	\$142,688
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$53,563	\$31,485	\$40,633
Transportation fees	\$0	\$0	\$0
Other sales and services	\$56,312	\$30,625	\$127,253
Investment income	\$54,247	\$105,000	\$118,872
Gifts and donations	\$52,923	\$0	\$20,494
Rental of facilities	\$14,695	\$12,030	\$17,193
Gross school generated funds	\$546,455	\$300,000	\$740,685
Gains on disposal of capital assets	\$0	\$0	\$10,070
Amortization of capital allocations	\$1,187,232	\$1,148,266	\$1,109,363
Other revenue	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$26,671,081</b>	<b>\$25,930,483</b>	<b>\$26,135,368</b>
<b>EXPENSES</b>			
Certificated salaries (Note 14)	\$12,902,181	\$12,432,657	\$11,939,174
Certificated benefits (Note 14)	\$1,377,231	\$1,505,080	\$1,291,187
Non-certificated salaries and wages (Note 14)	\$4,657,216	\$4,478,162	\$4,384,870
Non-certificated benefits (Note 14)	\$942,017	\$944,226	\$839,048
Services, contracts and supplies	\$4,492,713	\$6,665,028	\$4,522,211
Gross school generated funds	\$546,455	\$300,000	\$740,685
Capital and debt services			
Amortization of capital assets			
Supported	\$1,187,232	\$1,148,265	\$1,109,363
Unsupported	\$482,451	\$468,073	\$419,857
Total Amortization of capital assets	\$1,669,683	\$1,616,338	\$1,529,220
Interest on capital debt			
Supported	\$196,998	\$196,998	\$265,506
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$196,998	\$196,998	\$265,506
Other interest and charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$220
Other expense	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$26,784,494</b>	<b>\$28,138,489</b>	<b>\$25,512,121</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>(\$113,413)</b>	<b>(\$2,208,006)</b>	<b>\$623,247</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$113,413)</b>	<b>(\$2,208,006)</b>	<b>\$623,247</b>

Note: Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statements filed with Alberta Education. Budget 2010 comparatives presented are final budget amounts formally approved by the Board.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2010

(in dollars)

	2010	2009 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	(\$113,413)	\$623,247
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,187,232)	(\$1,109,363)
Total amortization expense	\$1,669,683	\$1,529,220
Gains on disposal of capital assets	\$0	(\$10,070)
Losses on disposal of capital assets	\$0	\$220
Changes in:		
Accounts receivable	\$170,729	\$439,552
Prepays and other current assets	(\$20,750)	\$32,374
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	\$373,262	\$872,021
Deferred revenue	(\$12,146)	\$109,413
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	(\$172)
Total cash flows from Operations	\$880,133	\$2,486,442
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$767,007)	(\$1,031,183)
Equipment	(\$906,165)	(\$556,409)
Vehicles	\$0	(\$57,759)
Net proceeds from disposal of capital assets	\$0	\$33,570
Other (describe)	\$0	\$154,300
Total cash flows from Investing activities	(\$1,673,172)	(\$1,457,481)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$58,892	\$1,000,955
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$472,537)	(\$626,117)
Add back: supported portion	\$472,537	\$0
Other (describe)	\$0	\$626,116
Total cash flows from financing activities	\$58,892	\$1,000,954
Net cash flows from during the year	(\$734,147)	\$2,029,915
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$9,460,030	\$7,430,115
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$8,725,883	\$9,460,030

Note: Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2010**

School Jurisdiction Code: 21

(in dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
INTERNALLY RESTRICTED NET ASSETS														
TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	School & Instruction Related		Operations & Maintenance		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2009	\$10,803,748	\$241,241	\$5,658,172	\$1,952,340	\$3,282,777	\$893,879	\$1,516,435	\$173,346	\$456,148	\$444,979	\$402,812	\$0	\$0	\$440,136
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
Adjusted Balance, Aug 31, 2009	\$10,803,748	\$241,241	\$5,658,172	\$1,952,340	\$3,282,777	\$893,879	\$1,516,435	\$173,346	\$456,148	\$444,979	\$402,812	\$0	\$0	\$440,136
Excess (deficiency) of revenues over expenses	(\$113,413)	(\$113,413)												
Board funded capital additions		\$1,424,179	\$1,062,642	(\$361,537)	(\$313,336)	(\$317,402)	(\$749,305)	\$0		(\$33,977)	\$0	\$0	\$0	(\$10,158)
Disposal of unsupported capital assets	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Direct credits to net assets	\$0	\$0												
Amortization of capital assets		(\$1,669,683)												
Amortization of capital allocations		\$1,187,232												
Debt principal repayments (unsupported)		\$0												
Net transfers to operating reserves		\$40,303	(\$40,303)		(\$169,531)		\$129,228		\$0		\$0			
Net transfers from operating reserves		\$113,413	(\$113,413)		(\$242,328)		\$150,612				(\$21,697)	\$0		
Net transfers to capital reserves		(\$522,754)		\$522,754		\$449,442		\$24,705		\$16,790		\$0		\$31,817
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
Balance at August 31, 2010	\$10,690,335	\$3,893,723	\$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	\$461,795

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
**for the Year Ended August 31, 2010**  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2009	\$275,912	\$18,193,957
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2009	\$275,912	\$18,193,957
<b>Add:</b>		
Restricted capital allocations from:		
Alberta Education including school and modular projects	\$58,892	
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
Transferred in capital assets (amortizable, @ net book value)		\$160,330
Current Year Debenture Principal Repayment		\$472,537
Expended capital allocations - current year	(\$248,993)	\$248,993
<b>Deduct:</b>		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,187,232
Balance at August 31, 2010	\$85,811	\$17,888,585

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

# **HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**

## **Notes to the Financial Statements**

### **Year ended August 31, 2010**

#### **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, 2010

#### 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	5 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, 2009, 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 \$137,210 (2009 - \$120,062) for the year ended August 31, 2010. At December 31, 2009, the Local Authorities Pension Plan reported a deficiency of \$3,998,614,000 (2008 - deficiency of \$4,413,971,000). 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, 2010**

#### **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, 2010**

**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, 2010**

**3. Cash and Temporary Investments**

	2010			2009		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	-	\$8,725,883	\$8,725,883	-	\$9,460,030	\$9,460,030
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>\$8,725,883</u>	<u>\$8,725,883</u>	<u>%</u>	<u>\$9,460,030</u>	<u>\$9,460,030</u>

**4. Accounts Receivable**

	2010	2009
Provincial Government	\$ 282,441	\$ 364,299
Federal Government	28,756	180,229
Alberta Municipalities	359,761	345,760
Other Alberta School Jurisdictions	12,427	787
Other	172,969	136,008
Total	\$ 856,354	\$ 1,027,083

**HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37**  
**Notes to the Financial Statements**  
**Year ended August 31, 2010**

**5. Tangible Capital Assets**

	Land	Construction In Progress - New Building	Buildings 25-40 Years	Equipment - Computer Hardware & Software 5-10 Years	Other Equipments 5-10 Years	Vehicles 5-10 Years	Total Aug. 31, 2010	Total Aug. 31, 2009
<b>Historical cost</b>								
September 1, 2009	965,754	639,058	38,584,288	980,834	2,992,754	464,498	44,627,186	43,084,932
Additions	-	190,101	737,235	686,486	219,680	-	1,833,502	1,645,353
Transfers in (out)	-	(639,058)	639,058	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	-	-	(103,099)
August 31, 2010	965,754	190,101	39,960,581	1,667,320	3,212,434	464,498	46,460,688	44,627,186
<b>Accumulated amortization</b>								
September 1, 2009	-	-	18,868,770	634,985	1,962,519	207,632	21,673,906	20,224,066
Amortization expense	-	-	1,265,152	80,290	264,882	59,359	1,669,683	1,529,219
Transfers in (out)	-	-	-	-	-	-	-	-
Effect of disposals	-	-	-	-	-	-	-	(79,379)
August 31, 2010	-	-	20,133,922	715,275	2,227,401	266,991	23,343,589	21,673,906
<b>Net Book Value at August 31, 2010</b>	<u>965,754</u>	<u>190,101</u>	<u>19,826,659</u>	<u>952,045</u>	<u>985,033</u>	<u>197,507</u>	<u>23,117,099</u>	<u>22,953,280</u>

# HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37

## Notes to the Financial Statements

### Year ended August 31, 2010

#### 6. Accounts Payable and Accrued Liabilities

	2010	2009
Alberta Education	\$ 346,316	\$ 440,177
Alberta Finance	86,173	113,951
First Nations	307,981	-
Other Trade Payables and Accrued Liabilities	1,650,189	1,469,510
Other Alberta School Jurisdictions	16,416	10,175
<b>Total</b>	<b>\$ 2,407,075</b>	<b>\$ 2,033,813</b>

#### 7. Deferred Revenue

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2009	ADD: 2009/2010 Restricted Funds Received/ Receivable	DEDUCT: 2009/2010 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2009/2010 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2010
<b>Alberta Education Restricted Operational Funding:</b>	\$0	\$0	\$0	\$0	\$0
Alberta Initiative for School Improvement	\$0	\$297,271	(\$282,772)	\$0	\$14,499
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal	\$310,383	\$377,021	(\$375,309)	\$0	\$312,095
Institutional Education Programs	\$0	\$149,035	(\$149,035)	\$0	\$0
Portable/Modular Unit Relocation	\$0	\$53,003	(\$58,892)	\$5,889	\$0
Regional Consortium	\$0	\$0	\$0	\$0	\$0
Regional Educational Consulting Services	\$0	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$0	\$445,296	(\$445,296)	\$0	\$0
Student Health Initiative (School Authorities)	\$0	\$6,417	(\$6,417)	\$0	\$0
SuperNet Service	\$0	\$54,378	(\$54,378)	\$0	\$0
ECS Program Unit Fund	\$0	\$302,802	(\$302,802)	\$0	\$0
<b>Other Government of Alberta Restricted Funding:</b>	\$0	\$0	\$0	\$0	\$0
Alberta Recreation	\$37,741	\$0	(\$37,741)	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
<b>Other Deferred Revenue:</b>	\$22,763	\$85,533	(\$76,149)	\$0	\$32,147
<b>Total</b>	<b>\$370,887</b>	<b>\$1,770,756</b>	<b>(\$1,788,791)</b>	<b>\$5,889</b>	<b>\$358,741</b>

#### 8. Trust Assets and Liabilities

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

	2010	2009
Charitable donation fund	\$ 14,187	\$ 19,072
Complex needs	262,886	375,427
<b>Total</b>	<b>\$ 277,073</b>	<b>\$ 394,499</b>

# HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37

## Notes to the Financial Statements

### Year ended August 31, 2010

#### 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.

	2010	2009
Debentures	\$ 1,334,783	\$ 1,807,320
Mortgage	-	-
Due within one year	(349,687)	(472,537)
Total	\$ 985,096	\$ 1,334,783

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

2011	349,687
2012	325,982
2013	262,016
2014	189,837
2015	115,576
2016 to maturity	91,685

#### 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	\$ 23,117,099	
Deduct: Long term debt		
	Supported (1,334,783)	
	Unsupported -	
NET TOTAL		\$ 21,782,316
UNAMORTIZED CAPITAL ALLOCATIONS	\$ 17,888,593	
	Add: Investment in Capital Assets 3,893,723	
NET TOTAL		\$ 21,782,316
VARIANCE		\$ -

# HOLY FAMILY CATHOLIC REGIONAL DIVISION NO. 37

## Notes to the Financial Statements

Year ended August 31, 2010

### 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.

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
<b>2009-2010</b>				
<b>Government of Alberta:</b>				
Education	12,307	\$346,316	21,305,173	-
Infrastructure & Transportation	-	-	-	-
Finance	86,173	86,173	196,998	196,998
Health & Wellness	-	-	-	-
Human Resources/Employment	3,800	-	1,792	-
Other Gov't of Alberta departments	-	-	53,085	-
<b>Other:</b>				
Health authorities	180,161	-	360,864	360,864
Child and Family Services Authorities	-	-	75,680	75,680
Other Alberta school jurisdictions	12,427	16,416	124,209	129,131
Other related parties	-	-	-	-
<b>TOTAL 2009-2010</b>	<u>294,868</u>	<u>\$448,905</u>	<u>22,117,801</u>	<u>762,673</u>
<b>TOTAL 2008-2009</b>	<u>365,085</u>	<u>\$564,658</u>	<u>21,392,039</u>	<u>\$364,645</u>

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, 2010

### 14. Remuneration and Monetary Incentives

The Holy Family Catholic Regional Division had paid or accrued expenses for the year ended August 31, 2010 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							
Denise Valiquette	1.0	\$11,640	\$246	\$0	\$0	\$0	\$10,984
Other members							
Ann Polard	1.0	\$4,920	\$33	\$0	\$0	\$0	\$2,679
Beatrice Wright	1.0	\$10,547	\$184	\$0	\$0	\$0	\$9,226
Carmelle Lizee	1.0	\$10,895	\$194	\$0	\$0	\$0	\$7,856
Dianne Lavoie	1.0	\$9,338	\$299	\$0	\$0	\$0	\$3,504
George Ostermeier	1.0	\$4,487	\$29	\$0	\$0	\$0	\$3,594
Ryk David	1.0	\$5,663	\$31	\$0	\$0	\$0	\$8,322
Rene Lanctot	1.0	\$4,517	\$34	\$0	\$0	\$0	\$7,281
Thomas Tarpey	1.0	\$2,410	\$0	\$0	\$0	\$0	\$0
Tom Seerey	1.0	\$3,385	\$3	\$0	\$0	\$0	\$934
<b>Subtotal</b>	<b>10.0</b>	<b>\$67,802</b>	<b>\$1,053</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$54,380</b>
Superintendent (Elizabeth Turpin)	1.0	\$151,517	\$11,450	\$4,200	\$0	\$0	\$31,933
Board Secretary (Wayne Doll)	0.8	\$82,780	\$9,041	\$0	\$0	\$0	\$19,642
Board Treasurer (Helen Diaz)	1.0	\$108,863	\$21,870	\$0	\$0	\$0	\$9,175
Certificated Teachers	150.7	\$12,750,664	\$1,365,781	\$0	\$0	\$0	
Non-certificated - Other	126.5	\$4,397,771	\$910,053	\$0	\$0	\$0	
<b>TOTALS</b>		<b>\$17,559,397</b>	<b>\$2,319,248</b>	<b>\$4,200</b>	<b>\$0</b>	<b>\$0</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 17, 2009. It is presented for information purposes only and has not been audited.

### 17. Comparative Figures

Certain comparative figures have been reclassified to conform with current year presentation. In the prior year, school generated funds were reported at net but in the current year all school generated funds are reported at gross.