

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2009**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Elk Island Catholic Separate Regional Deivision No. 41**

Legal Name of School Jurisdiction

**160 Festival Way; Sherwood Park, AB T8A 5Z2**

Mailing Address

**780-467-8896; 780-467-5469**

Telephone and Fax Numbers

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

The financial statements of Elk Island Catholic Separate Regional Deivision No. 41 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.

**BOARD CHAIR**

**Tony Sykora**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**Chris Diachuk**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**Alberta Hutchings**

Name

**"ORIGINAL SIGNED"**

Signature

**19-Nov-09**

Board-approved Release Date

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# Hawkings Epp Dumont LLP

**Chartered Accountants**

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## AUDITORS' REPORT

To the Board of Trustees of  
Elk Island Catholic Separate Regional Division No. 41  
Sherwood Park, Alberta

We have audited the statement of financial position of Elk Island Catholic Separate Regional Division No. 41 (the "Division") as at August 31, 2009 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 the audit to obtain reasonable assurance as to 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 Division as at August 31, 2009 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

*Hawkings Epp Dumont LLP*

Edmonton, Alberta  
November 6, 2009

HAWKINGS EPP DUMONT LLP  
Chartered Accountants

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**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2009

(in dollars)

	2009	2008 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$10,222,750	\$10,352,420
Accounts receivable (net after allowances) (Note 3)	\$2,420,104	\$2,667,263
Prepaid expenses (Note 2)	\$131,142	\$86,868
Other current assets	\$0	\$0
<b>Total current assets</b>	\$12,773,996	\$13,106,551
School generated assets	\$640,157	\$709,317
Trust assets (Note 4)	\$33,228	\$76,893
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 5)		
Land	\$1,656,711	\$1,656,711
Construction in Progress	\$0	\$0
Buildings	\$67,115,832	
Less: accumulated amortization	(\$37,948,141)	\$29,543,075
Equipment	\$5,417,303	
Less: accumulated amortization	(\$3,284,108)	\$2,310,518
Vehicles	\$3,787,906	
Less: accumulated amortization	(\$1,758,392)	\$1,740,176
<b>Total capital assets</b>	\$34,987,111	\$35,250,480
<b>TOTAL ASSETS</b>	\$48,434,492	\$49,143,241
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities (Note 6)	\$2,153,710	\$3,104,945
Deferred revenue (Note 7)	\$3,074,576	\$2,830,499
Deferred capital allocations (Note 8)	\$0	\$0
Current portion of long term debt	\$853,687	\$1,051,969
<b>Total current liabilities</b>	\$6,081,973	\$6,987,413
School generated liabilities	\$640,157	\$709,317
Trust liabilities (Note 4)	\$33,228	\$76,893
Employee future benefit liabilities (Note 9)	\$401,912	\$443,048
Long term debt (Note 10)		
Supported: Debentures and other supported debt	\$2,510,424	\$3,562,394
Less: Current portion	(\$853,687)	(\$1,051,969)
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)	\$27,150,967	\$26,792,179
<b>Total long term liabilities</b>	\$29,883,001	\$30,531,862
<b>TOTAL LIABILITIES</b>	\$35,964,974	\$37,519,275
<b>NET ASSETS</b>		
Unrestricted net assets	\$746,774	\$746,774
Operating Reserves	\$6,027,879	\$5,601,489
Accumulated Operating Surplus (Deficit)	\$6,774,653	\$6,348,263
Investment in capital assets	\$5,325,726	\$4,895,911
Capital Reserves	\$369,139	\$379,792
Total Capital Funds	\$5,694,865	\$5,275,703
<b>Total net assets</b>	\$12,469,518	\$11,623,966
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$48,434,492	\$49,143,241

**Note:** Please input "(Restated)" in 2008 column heading where comparatives are not taken from the finalized 2007-2008 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2009**  
(in dollars)

	Actual 2009	Budget 2009 (Note)	Actual 2008 (Note)
<b>REVENUES</b>			
Government of Alberta	\$51,025,780	\$51,325,495	\$49,456,686
Federal Government and First Nations	\$94,905	\$86,000	\$103,201
Other Alberta school authorities	\$8,576	\$0	\$3,114
Out of province authorities	\$6,472	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$357,162	\$370,310	\$362,920
Transportation fees	\$150,022	\$137,813	\$122,438
Other sales and services	\$1,137,818	\$916,557	\$1,344,953
Investment income	\$142,935	\$261,000	\$365,813
Gifts and donations	\$29,900	\$29,000	\$29,000
Rental of facilities	\$84,872	\$44,150	\$81,732
Net school generated funds	\$153,809	\$96,000	\$134,346
Gains on disposal of capital assets	\$29,792	\$0	\$0
Amortization of capital allocations	\$2,091,518	\$1,986,342	\$2,046,133
Other revenue	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$55,313,561</b>	<b>\$55,252,667</b>	<b>\$54,050,336</b>
<b>EXPENSES</b>			
Certificated salaries (Note 18)	\$27,688,730	\$27,253,572	\$26,490,385
Certificated benefits (Note 18)	\$3,447,473	\$3,716,396	\$3,252,881
Non-certificated salaries and wages (Note 18)	\$9,312,542	\$9,248,618	\$8,831,607
Non-certificated benefits (Note 18)	\$1,768,969	\$1,761,642	\$1,710,187
Services, contracts and supplies	\$9,063,051	\$10,364,513	\$8,473,002
Net school generated funds	\$153,809	\$96,000	\$134,346
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$2,091,518	\$1,986,342	\$2,046,133
Unsupported	\$631,922	\$452,287	\$573,786
<b>Total Amortization of capital assets</b>	<b>\$2,723,440</b>	<b>\$2,438,629</b>	<b>\$2,619,919</b>
Interest on capital debt			
Supported	\$304,054	\$368,397	\$426,453
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$304,054</b>	<b>\$368,397</b>	<b>\$426,453</b>
Other interest and charges	\$5,941	\$4,900	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Other expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Expenses</b>	<b>\$54,468,009</b>	<b>\$55,252,667</b>	<b>\$51,938,780</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$845,552	\$0	\$2,111,556
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$845,552</b>	<b>\$0</b>	<b>\$2,111,556</b>

**Note:** Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statements filed with Alberta Education. Budget 2009 comparatives presented are final budget amounts formally approved by the Board.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2009

(in dollars)

	2009	2008 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	\$845,552	\$2,111,556
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,091,518)	(\$2,046,133)
Total amortization expense	\$2,723,440	\$2,619,919
Gains on disposal of capital assets	(\$29,792)	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	\$247,159	(\$232,105)
Prepays and other current assets	(\$44,274)	\$50,580
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$951,235)	\$82,370
Deferred revenue	\$244,077	\$786,139
Employee future benefit liabilities	(\$41,136)	(\$137,104)
Other (describe)	\$0	(\$4)
<b>Total cash flows from Operations</b>	<b>\$902,273</b>	<b>\$3,235,218</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$1,549,446)	(\$1,035,146)
Equipment	(\$350,605)	(\$304,712)
Vehicles	(\$560,022)	(\$593,086)
Net proceeds from disposal of capital assets	\$29,792	\$0
Other (describe)	\$2	\$0
<b>Total cash flows from Investing activities</b>	<b>(\$2,430,279)</b>	<b>(\$1,932,944)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$1,398,335	\$1,093,672
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,051,970)	(\$1,227,181)
Add back: supported portion	\$1,051,971	\$1,227,181
Other (describe)	\$0	\$0
<b>Total cash flows from financing activities</b>	<b>\$1,398,336</b>	<b>\$1,093,672</b>
<b>Net cash flows from during the year</b>	<b>(\$129,670)</b>	<b>\$2,395,946</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/08</b>	<b>\$10,352,420</b>	<b>\$7,956,474</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/09</b>	<b>\$10,222,750</b>	<b>\$10,352,420</b>

**Note:** Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2009**

School Jurisdiction Code: 46

(in dollars)

	(1) TOTAL NET ASSETS Cols. 2+3+4+5	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL OPERATING RESERVES Cols. 6+8+10+12+14 7+9+11+13+15	(5) TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	INTERNALLY RESTRICTED NET ASSETS												(15)
						(6) School & Instruction Related	(7) Operations & Maintenance		(8) Board & System Admin.		(9) Transportation		(10) 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, 2008</b>	\$11,623,966	\$4,895,911	\$746,774	\$5,601,489	\$379,792	\$4,030,893	\$12,264	\$943,824	\$210,933	\$0	\$156,595	\$0	\$156,595	\$0	\$0			
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			
<b>Adjusted Balance, Aug. 31, 2008</b>	\$11,623,966	\$4,895,911	\$746,774	\$5,601,489	\$379,792	\$4,030,893	\$12,264	\$943,824	\$210,933	\$0	\$156,595	\$0	\$156,595	\$0	\$0			
Excess (deficiency) of revenue over expenses	\$845,552		\$845,552															
Board funded capital additions		\$1,061,737	\$0	(\$622,657)	(\$439,080)	(\$287,649)	\$0	(\$261,076)	\$0	(\$73,932)	\$0	\$0	(\$439,080)	\$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		(\$2,723,440)	\$2,723,440															
Amortization of capital allocations		\$2,091,518	(\$2,091,518)															
Debt principal repayments (unsupported)		\$0	\$0															
Net transfers to operating reserves			(\$1,049,047)	\$1,049,047		\$211,613		\$646,089		\$191,345				\$0	\$0			
Net transfers from operating reserves			\$0	\$0		\$0		\$0		\$0			\$0	\$0	\$0			
Net transfers to capital reserves			(\$428,427)		\$428,427		\$0		\$0				\$428,427		\$0			
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	\$0			
<b>Balance at August 31, 2009</b>	\$12,469,518	\$5,325,726	\$746,774	\$6,027,879	\$369,139	\$3,954,857	\$12,264	\$1,328,837	\$210,933	\$0	\$145,942	\$0	\$145,942	\$0	\$0			

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
**for the Year Ended August 31, 2009**  
(in dollars)

	<b>Deferred Capital Allocations</b>	<b>Unamortized Capital Allocations</b>
<b>Balance at August 31, 2008</b>	\$0	\$26,792,179
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2008</b>	\$0	\$26,792,179
<b>Add:</b>		
<b>Restricted capital allocations from:</b>		
Alberta Education including school and modular projects	\$1,320,588	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$77,747	
<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>Transferred in capital assets (amortizable, @ net book value)</b>		\$0
<b>Current Year Debenture Principal Repayment</b>		\$1,051,971
<b>Expended capital allocations - current year</b>	(\$1,398,335)	\$1,398,335
<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>		\$2,091,518
<b>Balance at August 31, 2009</b>	\$0	\$27,150,967

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

ELK ISLAND CATHOLIC SEPARATE REGIONAL DIVISION NO. 41

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2009

**1. AUTHORITY AND PURPOSE**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions regarding significant items such as amounts relating to amortization, impairment assessments of property and equipment, and allowances for uncollectible receivables that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

(a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

(b) Capital Assets

Capital assets are recorded in the accounts at cost and are amortized over their estimated useful lives on a straight-line basis at the following annual rates:

Buildings	2.5% and 4.0%
Equipment and furniture	10% and 20%
Vehicles	10% and 20%

Only capital assets with a cost in excess of \$5,000 are capitalized. Capital allocations received for capital asset additions are amortized into revenue over the same period as the related asset is amortized (see Note 8).

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

ELK ISLAND CATHOLIC SEPARATE REGIONAL DIVISION NO. 41

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2009

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(c) School Generated Funds

These are funds which come under the control and responsibility of a school principal 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 trip fees, etc.).

(d) Vacation Pay

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

(e) Pensions

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

The Division participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$596,741 (2008 - \$555,025) for the year ended August 31, 2009. At December 31, 2008, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,413,971,000 (2007 - deficiency of \$1,183,334,000).

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 Division does not make pension contributions for certificated staff.

(f) Prepaid Expenses

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

(g) Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Due to 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.

(h) Employee Future Benefits

The Division accrues its obligations for employee future benefit plans and expenses the related costs as they are earned by employees. The cost of non-pension future employee benefits earned by employees is determined by management's best estimate.

(i) Financial Instruments

The Division's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the Division is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Division has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

**ELK ISLAND CATHOLIC SEPARATE REGIONAL DIVISION NO. 41**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2009**

**3. ACCOUNTS RECEIVABLE**

	<u>2009</u>	<u>2008</u>
Alberta Municipalities	\$ 1,262,320	\$ 1,107,852
Alberta Education	750,545	1,068,941
Other	173,847	184,417
Alberta Finance	134,951	193,006
Federal Government	<u>98,441</u>	<u>113,047</u>
	<u>\$ 2,420,104</u>	<u>\$ 2,667,263</u>

**4. TRUST ASSETS AND LIABILITIES**

These balances represent cash that is held in trust by the Division for one teacher who was on a deferred salary leave plan and for three scholarship funds.

	<u>2009</u>	<u>2008</u>
Scholarships	\$ 33,228	\$ 32,890
Deferred salary leave plans	<u>-</u>	<u>44,003</u>
	<u>\$ 33,228</u>	<u>\$ 76,893</u>

**5. CAPITAL ASSETS**

	Cost Beginning of Year	Additions	Disposals	Cost End of Year
Land	\$ 1,656,711	\$ -	\$ -	\$ 1,656,711
Buildings	65,566,386	1,549,446	-	67,115,832
Equipment and furniture	6,053,071	350,605	(986,372)	5,417,304
Vehicles	<u>3,961,319</u>	<u>560,022</u>	<u>(733,437)</u>	<u>3,787,904</u>
	<u>\$ 77,237,487</u>	<u>\$ 2,460,073</u>	<u>\$ (1,719,809)</u>	<u>\$ 77,977,751</u>
	Accumulated Amortization Beginning of Year	Additions	Disposals	Accumulated Amortization End of Year
Buildings	\$ 36,023,311	\$ 1,924,830	\$ -	\$ 37,948,141
Equipment	3,742,553	527,926	(986,371)	3,284,108
Vehicles	<u>2,221,143</u>	<u>270,684</u>	<u>(733,436)</u>	<u>1,758,391</u>
	<u>\$ 41,987,007</u>	<u>\$ 2,723,440</u>	<u>\$ (1,719,807)</u>	<u>\$ 42,990,640</u>
Net book value	<u>\$ 35,250,480</u>			<u>\$ 34,987,111</u>

**ELK ISLAND CATHOLIC SEPARATE REGIONAL DIVISION NO. 41**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2009**

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2009</u>	<u>2008</u>
Alberta Education	\$ 1,261,232	\$ 1,125,815
Trade payables and accrued liabilities	752,974	1,779,975
Alberta Finance	134,951	193,006
Federal Government	<u>4,553</u>	<u>6,149</u>
	<u>\$ 2,153,710</u>	<u>\$ 3,104,945</u>

**7. DEFERRED REVENUE**

	<u>Opening</u>	<u>Receipts</u>	<u>Expended</u>	<u>Closing</u>
<b>Alberta Education Restricted Operation Funding</b>				
Infrastructure Maintenance \$	1,616,244	\$ 1,329,383	\$ (609,884)	\$ 2,335,743
Alberta Initiative for School Improvement	63,084	768,522	(831,606)	-
Other Government of Alberta	1,011,997	638,244	(1,079,323)	570,918
Transportation fees	87,331	181,076	(150,022)	118,385
Foreign student fees	47,650	37,350	(47,650)	37,350
Learning Resources credit	<u>4,193</u>	<u>71,787</u>	<u>(63,800)</u>	<u>12,180</u>
	<u>\$ 2,830,499</u>	<u>\$ 3,026,362</u>	<u>\$ (2,782,285)</u>	<u>\$ 3,074,576</u>

**8. DEFERRED CAPITAL ALLOCATIONS**

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

**9. EMPLOYEE FUTURE BENEFITS**

The Division provides lump-sum retirement allowance payments to certain classes of eligible employees based on years of service and upon reaching the age of fifty-five. The Division recognized expenses with respect to these obligations during 2009 in the amount of \$36,492 (2008 - \$105,517 recoveries). Benefit payments by the Division on behalf of these employees during 2009 totalled \$69,619 (2008 - \$31,597).

ELK ISLAND CATHOLIC SEPARATE REGIONAL DIVISION NO. 41

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2009

**10. LONG TERM DEBT**

The debentures are held by the Alberta Capital Finance Authority and bear interest at rates ranging from 7.5% to 12.0%. The debenture debt is fully supported by Alberta Finance.

The following annual payments of principal are due on debenture debt:

2010	\$	853,687
2011		715,925
2012		464,252
2013		162,229
2014		77,138
2015 to maturity		<u>237,193</u>
	\$	<u>2,510,424</u>

**11. UNAMORTIZED CAPITAL ALLOCATIONS**

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

**12. COMMITMENTS**

a) Computer Equipment

The Division is committed to the following lease payments under the terms of a lease agreement for computer equipment:

2010	\$	609,017
2011		612,827
2012		492,068
2013		261,258
2014		<u>122,241</u>
	\$	<u>2,097,411</u>

b) Land Lease

The Division and Elk Island Public Schools Regional Division No. 14 (the "Tenant") have entered into a joint agreement with Strathcona County for the lease of the land on which the Holy Spirit School is situated. The lease term commenced May 31, 2002 and extends to May 31, 2052. The base rent for the entire term of the lease is \$1. The lease contains a renewal option of two further terms of twenty-five years each. Upon the expiration of the second renewal term, should the Tenant require the lands for active use in the operation of the Holy Spirit School, the County and the Tenant may agree to extend or renew the lease as mutually agreed to by both parties.

At the termination of the lease or the renewal terms, and subject to ministerial approval, the facility shall be surrendered to the County subject only to the County making payment equal to the market value of the facility.

**ELK ISLAND CATHOLIC SEPARATE REGIONAL DIVISION NO. 41**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2009**

**13. CONTINGENCIES**

(a) Contingent Liability

In 1975, the Division entered into an agreement with the Catholic Archdiocese of Edmonton. The Archdiocese provided funds to the Division for the construction and furnishing of school buildings and the Division granted the Archdiocese use of the space at times not usually needed by the Division. The agreement provides that if the agreement is terminated, the sums advanced by the Archdiocese shall be construed as a loan repayable without interest. The Board of Trustees passed a motion to pay back the outstanding amount of \$87,621 in three equal instalments of \$29,207 in September of 2009, 2010, and 2011.

(b) Contingent Asset

The Division is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset which the Division can liquidate.

**14. RELATED PARTY TRANSACTIONS**

The Division is controlled by the Government of Alberta. During the year the Division had the following transactions with the Government of Alberta.

	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Expenses</u>
Government of Alberta				
Education	\$ 750,545	\$ 1,261,232	\$ 51,025,780	\$ 355,056
Finance	<u>134,951</u>	<u>134,951</u>	<u>304,054</u>	<u>981,918</u>
Total 2008-09	<u>\$ 885,496</u>	<u>\$ 1,396,183</u>	<u>\$ 51,329,834</u>	<u>\$ 1,336,974</u>
Total 2007-08	<u>\$ 1,261,947</u>	<u>\$ 1,318,821</u>	<u>\$ 49,456,686</u>	<u>\$ 1,522,309</u>

The transactions are recorded at their exchange amounts as agreed to by the related parties.

**15. ECONOMIC DEPENDENCE**

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

On August 27, 2009 the Government of Alberta announced details on how savings would be found to offset the projected Provincial revenue shortfall for the next two years. As a result a fiscal correction for school jurisdictions would be required for the 2009/2010 fiscal year.

This will have a significant impact upon the Division finances in 2009-10 in the form of a claw-back (fiscal correction) by Alberta Education in the amount of \$589,583 which is based upon a formula based on operating reserve balances as of August 31, 2008. This amount will not be reported as a reduction to revenue (or a payable) in 2008/2009. The announced fiscal correction will be deducted from Alberta Education monthly grant payments equally over a seven-month period (September 2009 to March 2010).

ELK ISLAND CATHOLIC SEPARATE REGIONAL DIVISION NO. 41

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2009

**16. ADDITIONAL CASH FLOW INFORMATION**

The Division's cash payments for interest on long-term debt during 2009 were \$362,109 (2008 - \$495,658).

The Division received cash interest payments of \$142,935 during 2009 (2008 - \$370,874).

**17. BUDGET AMOUNTS**

The budget was prepared by the Division and approved by the Board of Trustees. It is presented for information purposes only.

**18. DISCLOSURE OF SALARIES, WAGES AND BENEFITS**

Disclosure of remuneration and benefits as required by paragraph 148(1) of *The School Act* is as follows:

	<u>Number</u>	<u>Salaries and Wages</u>	<u>Benefits</u>	<u>Allowances</u>	<u>Expenses</u>
Sykora (Chairman)	1.0	\$ 18,357	\$ 2,404	\$ -	\$ -
Boisvert	1.0	15,856	3,129	-	-
Davidse	1.0	14,234	402	1,000	-
Paszek	1.0	14,234	3,257	-	-
Mykytiuk	1.0	14,234	396	-	-
Lloyd	1.0	14,234	396	-	-
Melenka	1.0	14,234	3,076	-	-
Superintendent - Diachuk *	1.0	152,539	29,733	-	-
Secretary-Treasurer	1.0	137,980	32,606	-	-
Salaries - Certificated *	345.0	27,536,191	3,417,740	-	-
Salaries - Uncertificated	<u>218.0</u>	<u>9,069,179</u>	<u>1,723,303</u>	<u>-</u>	<u>-</u>
	<u>572.0</u>	<u>\$ 37,001,272</u>	<u>\$ 5,216,442</u>	<u>\$ 1,000</u>	<u>\$ -</u>

\* 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 Division does not make pension contributions for certificated staff.

**ELK ISLAND CATHOLIC SEPARATE REGIONAL DIVISION NO. 41**  
**SCHEDULE OF SERVICES, CONTRACTS, AND SUPPLIES EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

	<u>2009</u>	<u>2008</u>
Contract services	\$ 2,227,989	\$ 1,519,829
Supplies and materials	1,661,436	1,553,851
Utilities	1,229,894	1,229,844
Maintenance and repairs	867,358	1,666,302
Textbooks	362,469	260,481
Computer equipment	318,064	106,680
Professional development	316,364	243,661
Furniture and equipment	279,630	187,421
Rentals	257,922	244,344
Insurance	181,263	171,744
Telephone	176,098	158,073
Software	173,228	77,925
Memberships and fees	166,502	155,944
Travel and subsistence	158,560	139,740
Professional services	121,717	229,398
Tuitions	97,479	55,645
External consulting services	95,468	76,384
Staff/community relations	81,173	73,384
Out of District placements	73,203	104,991
Library and media materials	58,697	54,337
Advertising	49,328	42,298
Vehicles	33,212	41,734
Postage fees	24,316	20,297
Standard testing	18,422	17,819
Student transportation	13,722	16,433
Printing and binding services	12,520	10,710
Test library	4,506	7,122
Mobile radio licenses	1,981	1,981
Media materials	530	319
Bank charges	-	4,311
	<u>\$ 9,063,051</u>	<u>\$ 8,473,002</u>

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**  
**[School Act, Section 276]**

**Elk Island Catholic Separate Regional Division No. 41**

Legal Name of School Jurisdiction

**160 Festival Way; Sherwood Park, AB T8A 5Z2**

Mailing Address

**780-467-8896; 780-467-5469**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions. These schedules were submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

**Alberta Hutchings**  
Name

**"ORIGINAL SIGNED"**  
Signature

**19-Nov-09**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: [Cindy.Wang@gov.ab.ca](mailto:Cindy.Wang@gov.ab.ca)  
PHONE: (780) 644-5672 FAX: (780) 422-6996

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**SCHEDULE A**

School Jurisdiction Code: 46

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2008-2009**

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$2,121,595	\$38,420,105	\$5,609,936	\$2,722,841	\$2,151,303	\$0	\$51,025,780
(2) Other - Government of Alberta	\$0	\$0	\$6,472	\$0	\$0	\$0	\$6,472
(3) Federal Government and First Nations	\$0	\$94,905	\$0	\$0	\$0	\$0	\$94,905
(4) Other Alberta school authorities	\$0	\$8,576	\$0	\$0	\$0	\$0	\$8,576
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Instruction resource fees	\$0	\$357,162					\$357,162
(8) Transportation fees-ECS				\$31,511			\$31,511
(9) Transportation fees-Grades 1-12				\$118,511			\$118,511
(10) Other sales and services	\$0	\$153,562	\$3,257	\$102,770	\$21,886	\$856,342	\$1,137,817
(11) Investment income	\$0	\$108,995	\$21,213	\$7,071	\$5,657	\$0	\$142,936
(12) Gifts and donations	\$0	\$29,900	\$0	\$0	\$0	\$0	\$29,900
(13) Rental of facilities	\$0	\$0	\$84,382	\$490	\$0	\$0	\$84,872
(14) Net school generated funds	\$0	\$153,809	\$0		\$0	\$0	\$153,809
(15) Gains on disposal of capital assets	\$0	\$0	\$1,200	\$28,592	\$0	\$0	\$29,792
(16) Amortization of capital allocations	\$0	\$78,369	\$2,013,149	\$0	\$0	\$0	\$2,091,518
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$2,121,595	\$39,405,383	\$7,739,609	\$3,011,786	\$2,178,846	\$856,342	\$55,313,561
<b>EXPENSES</b>							
(19) Certificated salaries	\$1,059,717	\$26,008,297			\$0	\$320,004	\$27,388,018
(20) Certificated benefits	\$170,297	\$3,201,614			\$0	\$31,339	\$3,403,250
(21) Non-certificated salaries and wages	\$430,960	\$4,755,762	\$1,906,546	\$925,361	\$1,282,217	\$312,406	\$9,613,252
(22) Non-certificated benefits	\$75,483	\$941,704	\$362,841	\$155,494	\$222,028	\$55,642	\$1,813,192
(23) SUB - TOTAL	\$1,736,457	\$94,907,377	\$2,269,387	\$1,080,855	\$1,504,245	\$719,391	\$42,217,712
(24) Services, contracts and supplies	\$103,226	\$4,336,127	\$2,810,982	\$1,499,079	\$480,692	\$136,951	\$9,367,057
(25) Net school generated funds	\$0	\$153,809					\$153,809
(26) Amortization of capital assets	\$0	\$289,176	\$2,184,967	\$3,425	\$36,220	\$0	\$2,513,788
(27) Interest and charges	\$0	\$0	\$0	\$213,079	\$2,564	\$0	\$215,643
(28) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$1,839,683	\$39,686,489	\$7,265,336	\$2,796,438	\$2,023,721	\$856,342	\$54,468,009
(31) OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$281,912	(\$281,106)	\$474,273	\$215,348	\$155,125	\$0	\$845,552

**SCHEDULE B  
SCHOOL GENERATED FUNDS (SGF) - 2008-2009**

<b>Unexpended SGF - Opening Balance August 31, 2008</b> (Note 1)			\$709,622
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$583,709	\$512,187	\$71,522
Student fees (Non-Instructional) (Note 1)	\$1,751,827	\$1,748,576	\$3,251
Donations and grants to schools	\$121,081	\$130,476	(\$9,395)
Other (describe):	\$151,314	\$132,043	\$19,271
<b>Net Additions to SGF</b>	\$2,607,931	\$2,523,282	\$84,649
<b>Net SGF Available</b>			\$794,271
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$33,246
Field Trips			\$13,591
Other (describe):			\$106,972
<b>Total Uses of Net SGF</b> (Note 2)			\$153,809
<b>Unexpended SGF - Closing Balance August 31, 2009</b> (Note 3)			\$640,462

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school.

**Notes:**

- 1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for
- 2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.
- 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.

**SCHEDULE C  
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2008-2009**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$1,611,035	\$144,458	\$0	\$0	\$151,053		\$1,906,546		\$1,906,546
Uncertificated benefits	\$312,708	\$25,178	\$0	\$0	\$24,955		\$362,841		\$362,841
Sub-total Remuneration	\$1,923,743	\$169,636	\$0	\$0	\$176,008		\$2,269,387		\$2,269,387
Supplies and services	\$119,048	\$679,559	\$28,252	\$365,369	\$85,804		\$1,278,032		\$1,278,032
Electricity		\$609,868	\$609,868				\$609,868		\$609,868
Natural Gas/Heating Fuel			\$410,104				\$410,104		\$410,104
Sewer and Water			\$132,051				\$132,051		\$132,051
Telecommunications			\$14,546				\$14,546		\$14,546
Insurance					\$62,327		\$62,327		\$62,327
Amortization of capital assets									
Supported								\$2,013,149	\$2,013,149
Unsupported						\$171,816	\$171,816	\$2,013,149	\$171,816
Total Amortization						\$171,816	\$171,816	\$2,013,149	\$2,184,965
Interest on capital debt									
Supported								\$304,054	\$304,054
Unsupported									
Other interest charges									
Losses on disposal of capital assets									
TOTAL EXPENSES	\$2,042,791	\$649,195	\$1,194,821	\$365,369	\$324,139	\$171,816	\$4,948,131	\$2,317,203	\$7,265,334
<b>SQUARE METRES</b>									
School Buildings									68,361.3
Non School Buildings									2,136.1

**Note:**

**Custodial:** All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.

**Maintenance:** All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.

**Utilities & Telecommunications:** All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.

**Expensed IMR & Modular Unit Relocations:** All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.

**Facility Planning & Operations Administration:** All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project administration, administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

**Supported Capital & Debt Services:** All expenses related to supported capital assets amortization and interest on supported capital debt.