

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Holy Spirit Roman Catholic Separate Regional Division No. 4**

Legal Name of School Jurisdiction

**620 12 Street 'B' North Lethbridge, AB T1H 2L7**

Mailing Address

**Phone: 403.327.9555 Fax: 403.327.9595**

Telephone and Fax Numbers

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

The financial statements of Holy Spirit Roman Catholic Separate Regional Division No. 4 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**

Sandra Dufresne  
Name

"original signed"  
Signature

**SUPERINTENDENT**

Christopher Smeaton  
Name

"original signed"  
Signature

**SECRETARY TREASURER OR TREASURER**

Lisa Palmarin  
Name

"original signed"  
Signature

**24-Nov-10**

Board-approved Release Date

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## **AUDITORS' REPORT TO THE BOARD OF TRUSTEES**

We have audited the statement of financial position of the Holy Spirit Roman Catholic Separate Regional Division No. 4 as at August 31, 2010 and the statements of revenue and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction'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 jurisdiction as at August 31, 2010 and the results of its operations, cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in Schedules A, B and C is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*KPMG LLP*

Chartered Accountants

Lethbridge, Canada  
November 5, 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)	\$4,021,008	\$8,263,482
Accounts receivable (net after allowances) (Note 4)	\$3,358,324	\$3,614,982
Prepaid expenses	\$85,924	\$65,731
Other current assets	\$206,614	\$311,477
<b>Total current assets</b>	\$7,671,870	\$12,255,672
School generated assets	\$894,340	\$1,029,324
Trust assets (Note 9)	\$342,515	\$247,941
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 5)		
Land	\$218,706	\$218,706
Construction in Progress	\$0	\$12,887,480
Buildings	\$82,605,833	
Less: accumulated amortization	(\$20,042,106)	\$44,506,286
Equipment	\$4,493,445	
Less: accumulated amortization	(\$2,023,989)	\$875,053
Vehicles	\$767,420	
Less: accumulated amortization	(\$152,299)	\$261,104
<b>Total capital assets</b>	\$65,867,010	\$58,748,629
<b>TOTAL ASSETS</b>	\$74,775,735	\$72,281,566
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness (Note 6)	\$0	\$0
Accounts payable and accrued liabilities (Note 7)	\$2,516,683	\$1,337,732
Deferred revenue (Note 8)	\$2,375,864	\$1,982,864
Deferred capital allocations (Note 11)	\$394,776	\$7,427,628
Current portion of long term debt	\$330,668	\$337,993
<b>Total current liabilities</b>	\$5,617,991	\$11,086,217
School generated liabilities	\$894,340	\$1,029,324
Trust liabilities (Note 9)	\$342,515	\$247,941
Employee future benefit liabilities	\$0	\$0
Long term debt (Note 10)		
Supported: Debentures and other supported debt	\$775,802	\$1,113,795
Less: Current portion	(\$330,668)	(\$337,993)
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 12)	\$60,136,481	\$53,161,976
<b>Total long term liabilities</b>	\$61,818,470	\$55,215,043
<b>TOTAL LIABILITIES</b>	\$67,436,461	\$66,301,260
<b>NET ASSETS</b>		
Unrestricted net assets	(\$0)	\$0
Operating Reserves	\$1,737,689	\$722,024
Accumulated Operating Surplus (Deficit)	\$1,737,689	\$722,024
Investment in capital assets	\$4,954,726	\$4,472,858
Capital Reserves	\$646,859	\$785,424
<b>Total Capital Funds</b>	\$5,601,585	\$5,258,282
<b>Total net assets</b>	\$7,339,274	\$5,980,306
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$74,775,735	\$72,281,566

**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 (Note)	Actual 2009 (Note)
<b>REVENUES</b>			
Government of Alberta	\$42,080,079	\$40,768,954	\$40,598,779
Federal Government and First Nations	\$990,922	\$1,384,000	\$1,079,833
Other Alberta school authorities	\$0	\$7,000	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$378,118	\$295,920	\$398,512
Transportation fees	\$3,717	\$0	\$0
Other sales and services	\$218,733	\$430,974	\$192,157
Investment income	\$3,425	\$0	\$23,195
Gifts and donations	\$126,976	\$0	\$5,023
Rental of facilities	\$0	\$0	\$0
Gross school generated funds	\$1,413,531	\$738,702	\$1,876,491
Gains on disposal of capital assets		\$0	\$599,623
Amortization of capital allocations	\$1,656,147	\$1,552,323	\$1,552,323
Other revenue	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$46,871,648</b>	<b>\$45,177,873</b>	<b>\$46,325,936</b>
<b>EXPENSES</b>			
Certificated salaries (Note 17)	\$21,959,504	\$21,493,418	\$21,015,819
Certificated benefits (Note 17)	\$2,353,581	\$2,407,402	\$2,553,797
Non-certificated salaries and wages (Note 17)	\$8,365,745	\$8,177,302	\$7,751,835
Non-certificated benefits (Note 17)	\$2,458,988	\$2,504,601	\$2,218,442
Services, contracts and supplies	\$6,904,442	\$7,730,235	\$7,027,138
Gross school generated funds	\$1,413,531	\$738,702	\$1,876,491
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$1,656,147	\$1,552,323	\$1,552,323
Unsupported	\$307,816	\$368,209	\$232,198
Total Amortization of capital assets	\$1,963,963	\$1,920,532	\$1,784,521
Interest on capital debt			
Supported	\$86,404	\$105,681	\$119,258
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$86,404	\$105,681	\$119,258
Other interest and charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$6,522	\$0	\$0
Other expense	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$45,512,680</b>	<b>\$45,077,873</b>	<b>\$44,347,301</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$1,358,968	\$100,000	\$1,978,635
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$1,358,968</b>	<b>\$100,000</b>	<b>\$1,978,635</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	\$1,358,968	\$1,978,635
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,656,147)	(\$1,552,323)
Total amortization expense	\$1,963,963	\$1,784,521
Gains on disposal of capital assets	\$0	(\$599,623)
Losses on disposal of capital assets	\$6,522	\$0
Changes in:		
Accounts receivable	\$256,658	\$8,712,665
Prepays and other current assets	\$84,670	\$177,485
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	\$1,178,951	(\$529,733)
Deferred revenue	\$393,000	(\$104,480)
Employee future benefit liabilities	\$0	\$0
Other (describe)		\$0
<b>Total cash flows from Operations</b>	<b>\$3,586,585</b>	<b>\$9,867,147</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	(\$12,469)
Buildings	(\$6,875,696)	(\$12,160,999)
Equipment	(\$1,719,663)	(\$428,586)
Vehicles	(\$386,061)	(\$83,924)
Net proceeds from disposal of capital assets	\$13,381	\$685,424
Other (describe)		\$0
<b>Total cash flows from Investing activities</b>	<b>(\$8,968,039)</b>	<b>(\$12,000,554)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$1,510,682	\$916,773
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$337,993)	(\$351,054)
Add back: supported portion	\$337,993	\$351,054
Other (describe)	(\$371,702)	\$0
<b>Total cash flows from financing activities</b>	<b>\$1,138,980</b>	<b>\$916,773</b>
<b>Net cash flows from during the year</b>	<b>(\$4,242,474)</b>	<b>(\$1,216,634)</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/09</b>	<b>\$8,263,482</b>	<b>\$9,480,116</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/10</b>	<b>\$4,021,008</b>	<b>\$8,263,482</b>

**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: 4481

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	School & Instruction Related		Operations & Maintenance		Board & System Admin.		Transportation		External Services	
						Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
<b>Balance at August 31, 2009</b>	\$5,980,306	\$4,472,858	\$0	\$722,024	\$785,424	\$607,209	\$0	\$1,45,172	\$50,000	\$640,252	\$64,815	\$0	\$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	
<b>Adjusted Balance, Aug.31, 2009</b>	\$5,980,306	\$4,472,858	\$0	\$722,024	\$785,424	\$607,209	\$0	\$1,45,172	\$50,000	\$640,252	\$64,815	\$0	\$0	\$0	
Excess (deficiency) of revenues over expenses	\$1,358,968		\$1,358,968												
Board funded capital additions		\$789,684	(\$51,119)	\$0	(\$238,565)		\$0	\$0	\$0	(\$238,565)	\$0	\$0	\$0	\$0	
Disposal of unsupported capital assets	\$0				\$0					\$0					
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0					\$0					
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$1,963,963)	\$1,963,963												
Amortization of capital allocations		\$1,656,147	(\$1,656,147)												
Debt principal repayments (unsupported)		\$0													
Net transfers to operating reserves			(\$1,015,665)	\$1,015,665		\$622,916	\$174,868		\$58,161		\$159,720		\$0		
Net transfers from operating reserves			\$0	\$0		\$0	\$0		\$0		\$0		\$0		
Net transfers to capital reserves			(\$100,000)		\$100,000					\$100,000			\$0		
Net transfers from capital reserves			\$0		\$0								\$0		
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Balance at August 31, 2010</b>	\$7,339,274	\$4,954,726	(\$0)	\$1,737,689	\$6,46,859	\$1,230,125	\$0	\$1,45,172	\$1,008,161	\$501,687	\$224,535	\$0	\$0	\$0	

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

	<b>Deferred Capital Allocations</b>	<b>Unamortized Capital Allocations</b>
<b>Balance at August 31, 2009</b>	\$7,427,628	\$53,161,976
<b>Prior period adjustments</b>		
<b>Adjusted balance, August 31, 2009</b>	\$7,427,628	\$53,161,976
<b>Add:</b>		
<b>Restricted capital allocations from:</b>		
Alberta Education including school and modular projects	\$487,936	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$1,000,000	
<b>Interest earned on provincial government capital allocations</b>	\$22,746	
<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</b> (amortizable, @ fair market value)		\$120,827
<b>Transferred in capital assets</b> (amortizable, @ net book value)		\$0
<b>Current Year Debenture Principal Repayment</b>		\$337,993
<b>Expended capital allocations - current year</b>	(\$8,171,832)	\$8,171,832
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$371,702	
<b>Capital allocations amortized to revenue</b>		\$1,656,147
<b>Balance at August 31, 2010</b>	<b>\$394,776</b>	<b>\$60,136,481</b>

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

# HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4

## Notes to Financial Statements

Year ended August 31, 2010

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### 1. Authority and purpose:

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

The School Jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for 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"). 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 judgement. 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:

#### 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. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

#### b) Capital assets:

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

Equipment and furnishings	5 years
Vehicles	10 years
Buildings	25 - 40 years

Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

#### d) Vacation pay:

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

# HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4

## Notes to Financial Statements

Year ended August 31, 2010

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### 2. Summary of significant accounting policies (continued):

e) Pensions:

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

The current 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 Holy Spirit Roman Catholic Separate Regional Division No. 4 does not make pension contributions for certificated staff.

The School Jurisdiction participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. Pension costs included in these financial statements comprise the employer contributions of \$691,607 for the year ended August 31, 2010 (2009 - \$548,608). At December 31, 2009, the Local Authorities Pension Plan reported an actuarial deficiency of \$3,998,614,000 (2008 deficiency of \$4,413,971,000). In 2010, the Province recorded a liability of \$314,000,000 (2009 - \$186,000,000) for its portion of the unfunded pension obligation related to organizations controlled by the Province.

f) Inventories:

Inventories held for consumption or distribution at no charge are recorded at the lower of cost and current replacement cost. All other inventories are recorded at the lower of cost and net realizable value.

g) Prepaid expenses:

Certain expenditures incurred 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. Certain insurance expenses also fall into this category.

h) 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. 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.

# HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4

## Notes to Financial Statements

Year ended August 31, 2010

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### 2. Summary of significant accounting policies (continued):

i) Financial instruments:

The Jurisdiction has classified its financial assets and financial liabilities as follows:

<u>Financial Assets and Liabilities</u>	<u>Classification</u>
Cash and temporary investments	Held for trading
School generated assets	Held for trading
Accounts receivable	Loans and receivables
Accounts payable	Other financial liabilities
Long-term debt	Other financial liabilities

Initial measurement of financial instruments is at fair value and subsequent measurement and recognition changes in value depend upon the classification. Financial assets "held for trading" are recorded at fair value with changes in fair value recorded through the excess of revenue over expenses in each period. "Loans and receivables", and financial liabilities classified as "other financial liabilities" are measured at amortized cost using the effective interest method.

The Jurisdiction does not use hedge accounting and accordingly, is not impacted by the requirements of Section 3865 Hedges. The Jurisdiction as a Not-For-Profit Organization has elected not to apply the standards for embedded derivatives in non-financial contracts.

The carrying values of current cash, cash equivalents and investments, accounts receivable and accounts payable approximate their fair value because of the short-term nature of these items. It is management's opinion that the Jurisdiction is not exposed to significant interest, currency or credit risks arising for its financial instruments.

The Jurisdiction has opted to apply the CICA Handbook Section 3861 Financial Instruments – Disclosures and Presentation in place of CICA Handbook Section 3862 Financial Instruments – Disclosures and 3863 Financial Instruments – Presentation as allowed under generally accepted accounting principles.

Transaction costs associated with the acquisition and disposal of investments are expensed when incurred. The purchase and sale of investments are accounted for using the trade date.

j) 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 capital purposes. Such reserves are appropriations of unrestricted net assets.

k) Capital disclosure:

For operating purposes, the School Jurisdiction defines capital as including working capital, unrestricted net assets, and restricted net assets restricted for operating purposes. For capital purposes, the School Jurisdiction defines capital as deferred capital allocations, long-term debt, unamortized capital allocations, and investment in capital assets and restricted net assets restricted for capital purposes.

# HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4

## Notes to Financial Statements

Year ended August 31, 2010

### 2. Summary of significant accounting policies (continued):

#### k) Capital disclosure (continued):

The School Jurisdiction's objectives for managing capital are:

- In the short term to safeguard the Jurisdiction's financial ability to continue to provide the appropriate level of services to its stakeholders.
- In the long term to plan and ensure that it has sufficient capacity to meet future needs of its operations.

The School Jurisdiction has external restrictions on its capital. Alberta Education provides capital funding and requires the funding to be spent on specific projects. When the School Jurisdiction disposes of supported assets it is required to use the funding for other supported capital projects upon approval of Alberta Education. The School Jurisdiction does have certain internally imposed restrictions to which it adheres to. The School Jurisdiction has processes in place to ensure that restrictions that do exist are met prior to the utilization of these resources.

Management and the Board of Trustees monitor financial performance and the capital of the School Jurisdiction to ensure that it will be able to meet the School Jurisdiction's short-term and long-term objectives.

### 3. Cash and temporary investments:

	2010			2009		
	Average Effective (market) yield	Cost	Fair market	Average effective (market) yield	Cost	Fair market
Cash and cash equivalents	0.40%	\$4,021,008	\$4,021,008	1.06%	\$ 8,263,482	\$ 8,263,482

### 4. Accounts receivable:

	2010	2009
Alberta Education	\$ 2,734,834	\$ 3,137,023
Alberta Finance	44,439	63,716
Federal Government	155,763	134,373
Other	423,288	279,870
	<b>\$ 3,358,324</b>	<b>\$ 3,614,982</b>

# HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4

Notes to Financial Statements

Year ended August 31, 2010

## 5. Tangible capital assets:

	Land	Construction			Other equipment	Vehicles	Total 2010	Total 2009
		in progress	new building	Buildings				
Estimated useful life		25 - 40 years						
Historical costs:								
September 1, 2009	\$ 218,706	\$ 12,887,480	\$ 62,842,657	\$ 2,792,079	\$ 381,359	\$ 79,122,281	\$ 66,485,079	
Additions	--	--	6,875,696	1,840,489	386,061	9,102,246	12,755,713	
Transfers in (out)	--	(12,887,480)	12,887,480	--	--	--	--	
Less disposals including write-offs	--	--	--	(139,123)	--	(139,123)	(118,512)	
August 31, 2010	218,706	--	82,605,833	4,493,445	767,420	88,085,404	79,122,280	
Accumulated amortization:								
September 1, 2009	--	--	18,336,369	1,917,027	120,255	20,373,651	18,621,841	
Amortization expense	--	--	1,705,737	226,182	32,044	1,963,963	1,789,434	
Transfers in (out)	--	--	--	--	--	--	--	
Effect on disposals	--	--	--	(119,220)	--	(119,220)	(37,624)	
August 31, 2010	--	--	20,042,106	2,023,989	152,299	22,218,394	20,373,651	
Net book value at August 31, 2010	\$ 218,706	\$ --	\$ 62,563,727	\$ 2,469,456	\$ 615,121	\$ 65,867,010	\$ 58,748,629	

During the year, the school division received \$120,827 in donated capital assets.

# HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4

## Notes to Financial Statements

Year ended August 31, 2010

### 6. Bank indebtedness:

The Jurisdiction has negotiated a line of credit with Royal Bank of Canada Commercial Financial Services in the amount of \$1,000,000 that bears interest at the bank's prime rate minus 0.25%. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the Jurisdiction. There was no balance outstanding on the line of credit at August 31, 2010 (2009 – nil).

### 7. Accounts payable and accrued liabilities:

	2010	2009
Alberta Finance	\$ 44,439	\$ 63,716
Other trade payables and accrued liabilities	2,472,244	1,274,016
	<u>\$ 2,516,683</u>	<u>\$ 1,337,732</u>

### 8. Deferred revenue:

	Deferred revenue 2009	Restricted funds received/ receivable	Restricted funds expended (paid/payable)	Deferred revenue 2010
Alberta Education Restricted Operational Funding:				
Alberta Initiative for School Improvement	\$ 32,857	\$ 604,717	\$ (578,768)	\$ 58,806
Infrastructure Maintenance Renewal	1,247,339	1,010,459	(582,691)	1,675,107
Modernization Block Funding	22,774	--	(12,181)	10,593
French Language Initiative	107,058	74,000	(95,604)	85,454
High School CTS Equipment Evergreening	--	119,451	(97,862)	21,589
Other Alberta Education deferred revenue	9,000	9,000	(1,023)	16,977
Other Government of Alberta Restricted Funding:				
Skills Canada	36,445	--	(19,121)	17,324
One Time Grant	146,841	--	(132,494)	14,347
Community Spirit Donation Grant	21,098	--	(21,098)	--
Developing Capacity Grant	226,224	--	(99,666)	126,558
Alta Foundation for Arts	--	2,887	--	2,887
Creating Spaces	--	169,335	(46,758)	122,577
FNMI Grant	--	180,000	(93,212)	86,788

# HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4

## Notes to Financial Statements

Year ended August 31, 2010

### 8. Deferred revenue (continued):

	Deferred revenue 2009	Restricted funds received/ receivable	Restricted funds expended (paid/payable)	Deferred revenue 2010
Other Deferred Revenue:				
Donations	16,100	24,240	(18,939)	21,401
Lethbridge Community Foundation	--	5,500	--	5,500
Foreign tuition	17,915	26,445	(17,915)	26,445
Instruction resource fees	54,193	36,500	(54,193)	36,500
INAC Tuition	45,020	45,685	(45,020)	45,685
Mexican Fiesta	--	1,200	--	1,200
Transportation Passes	--	126	--	126
<b>Total</b>	<b>\$ 1,982,864</b>	<b>\$ 2,309,545</b>	<b>\$ (1,916,545)</b>	<b>\$ 2,375,864</b>

### 9. Trust assets and liabilities:

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

	2010	2009
Scholarships Trusts	\$ 342,515	\$ 247,941

### 10. Long-term debt:

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 8.875% and 11.375%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next three years are:

	Principal	Interest	Total
2010-2011	330,668	73,263	403,931
2011-2012	325,506	41,724	367,230
2012-2013	119,628	11,511	131,139
	<b>\$ 775,802</b>	<b>\$ 126,498</b>	<b>\$ 902,300</b>

# HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4

## Notes to Financial Statements

Year ended August 31, 2010

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### 11. 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.

### 12. 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.

### 13. Asset retirement obligations:

Asset Retirement Obligations represent legal obligations associated with the retirement of a tangible long-lived asset that result from its acquisition, construction, development or normal operation. The Jurisdiction has a legal obligation to remove hazardous material located in one of its schools. A liability, however, has not been recognized because the fair value cannot be reasonably estimated.

### 14. Commitments:

The Jurisdiction is committed to further capital expenditures for the modernization, replacement, and addition of schools of approximately \$394,780. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Infrastructure.

# HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4

## Notes to Financial Statements

Year ended August 31, 2010

### 15. 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)	Revenue	Expenses
Government of Alberta:				
Education	\$ 2,734,834	\$ 462,540	\$42,080,079	\$ --
Finance	44,439	820,241	337,993	86,404
Human Resources				
Employment	4,588	--	4,588	--
Other:				
Health Authorities	--	--	6,310	--
Post-secondary institutions	2,367	--	--	--
<b>Total 2010</b>	<b>\$ 2,786,228</b>	<b>\$ 1,282,781</b>	<b>\$ 42,428,970</b>	<b>\$ 86,404</b>
<b>Total 2009</b>	<b>\$ 3,238,144</b>	<b>\$ 8,092,515</b>	<b>\$40,966,800</b>	<b>\$ 119,258</b>

### 16. Economic dependence on related third party:

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

# HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4

## Notes to Financial Statements

Year ended August 31, 2010

### 17. Remuneration and monetary incentives:

The School Jurisdiction 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:

	FTE	Remuneration	Benefits	Negotiated allowances	Expenses
Board members:					
N. King, Chair	1.0	\$ 12,060	\$ 2,288	\$ --	\$ 6,498
S. Dufresne, Vice Chair	1.0	10,936	3,986	--	2,882
B. Baptista	1.0	10,863	952	--	3,370
C. Spearman	1.0	9,758	1,044	--	1,408
D. Decock	1.0	9,563	2,206	--	2,982
B. Spitzig	1.0	10,393	2,233	--	1,681
K. Milder	1.0	10,639	2,300	--	5,250
T. O'Donnell	1.0	13,203	5,012	--	6,566
D. Ponjavic	1.0	9,888	233	--	1,676
	9.0	97,303	20,254	--	32,313
C. Smeaton, Superintendent	1.0	150,000	17,322	5,000	20,949
L. Palmarin, Secretary Treasurer	1.0	125,000	15,585	2,954	13,335
	2.0	275,000	32,907	7,954	34,284
	11.0	\$ 372,303	\$ 53,161	\$ 7,954	\$ 66,597
Certified teachers	244.3	\$ 21,809,504	\$2,336,259	\$ 16,000	
Non-certified - Other	233.1	8,143,442	2,423,149	38,680	
Totals		\$ 30,325,249	\$4,812,569	\$ 62,634	

### 18. The Urban Schools Insurance Consortium:

The School Jurisdiction is, under agreement, a member of The Urban Schools Insurance Consortium ("USIC"), which facilitates the placement of property and liability insurance coverage for thirteen school jurisdictions throughout the Province of Alberta. Amounts are paid by the members to the consortium to pay insurance for premiums on policy renewals and to self-insure a portion of each member's risk exposure. The School Jurisdiction's share of the accumulated and unencumbered consortium funds as at August 31, 2010 was \$130,001 (2009 - \$155,579). This amount has not been recognized in the School Jurisdiction's financial statements, as accumulated consortium funds are payable only upon membership termination or wrap up of the consortium.

# **HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4**

**Notes to Financial Statements**

**Year ended August 31, 2010**

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## **19. Budget amounts:**

The budget was prepared by the School Jurisdiction and approved by the Board of Trustees on November 24, 2009. It is presented for information purposes only and has not been audited.

**UNAUDITED SCHEDULES**  
TO THE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010  
[School Act, Section 276]

**Holy Spirit Roman Catholic Separate Regional Division No. 4**

Legal Name of School Jurisdiction

**620 12 Street 'B' North Lethbridge, AB T1H 2L7**

Mailing Address

**Phone: 403.327.9555 Fax: 403-327.9595**

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

Lisa Palmarin  
Name

"original signed"  
Signature

**24-Nov-10**

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: 4481

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2009-2010**

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$2,649,815	\$31,055,835	\$4,705,423	\$1,504,848	\$1,998,335	\$0	\$41,914,256
(2) Other - Government of Alberta	\$10,274	\$22,387	\$86,404	\$0	\$0	\$46,758	\$165,823
(3) Federal Government and First Nations	\$0	\$990,922	\$0	\$0	\$0	\$0	\$990,922
(4) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(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	\$378,118					\$378,118
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$3,717			\$3,717
(10) Other sales and services	\$135,828	\$71,760	\$11,145	\$0	\$0	\$0	\$218,733
(11) Investment income	\$0	\$0	\$0	\$0	\$3,425	\$0	\$3,425
(12) Gifts and donations	\$0	\$126,976	\$0	\$0	\$0	\$0	\$126,976
(13) Rental of facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(14) Gross school generated funds	\$0	\$1,413,531	\$0	\$0	\$0	\$0	\$1,413,531
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Amortization of capital allocations	\$0	\$0	\$1,656,147	\$0	\$0	\$0	\$1,656,147
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$2,795,917	\$34,059,529	\$6,459,119	\$1,508,565	\$2,001,760	\$46,758	\$46,871,648
<b>EXPENSES</b>							
(19) Certificated salaries	\$872,214	\$20,669,293			\$417,996	\$0	\$21,959,503
(20) Certificated benefits	\$107,017	\$2,205,439			\$41,125	\$0	\$2,353,581
(21) Non-certificated salaries and wages	\$1,142,460	\$4,690,582	\$1,841,382	\$72,537	\$618,784	\$0	\$8,365,745
(22) Non-certificated benefits	\$377,341	\$1,447,580	\$469,499	\$15,534	\$149,034	\$0	\$2,458,988
(23) SUB - TOTAL	\$2,499,032	\$29,012,894	\$2,310,881	\$88,071	\$1,226,939	\$0	\$35,137,817
(24) Services, contracts and supplies	\$156,716	\$3,052,891	\$1,868,449	\$1,260,774	\$518,855	\$46,758	\$6,904,443
(25) Gross school generated funds	\$0	\$1,413,531					\$1,413,531
(26) Amortization of capital assets	\$1,223	\$226,422	\$1,729,795	\$0	\$6,523	\$0	\$1,963,963
(27) Interest and charges	\$0	\$0	\$86,404	\$0	\$0	\$0	\$86,404
(28) Losses on disposal of capital assets	\$0	\$0	\$6,522	\$0	\$0	\$0	\$6,522
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$2,656,971	\$33,705,738	\$6,002,051	\$1,348,845	\$1,752,317	\$46,758	\$45,512,680
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$138,946	\$353,791	\$457,068	\$159,720	\$249,443	\$0	\$1,358,968

**SCHEDULE B  
SCHOOL GENERATED FUNDS (SGF) - 2009-2010**

<b>Unexpended SGF - Opening Balance August 31, 2009</b> (Note 1)			\$1,029,324
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$441,006	\$262,682	\$178,324
Student fees (Non-Instructional) (Note 1)	\$732,652	\$436,398	\$296,254
Donations and grants to schools	\$104,888	\$119,453	(\$14,565)
Other (describe):	\$0	\$0	\$0
<b>Net Additions to SGF</b>	\$1,278,547	\$818,533	\$460,014
<b>Net SGF Available</b>			\$1,489,338
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$466,054
Field Trips			\$128,944
Other (describe):			\$0
<b>Total Uses of Net SGF</b> (Note 2)			\$594,998
<b>Unexpended SGF - Closing Balance August 31, 2010</b> (Note 3)			\$894,340

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 level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)

**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 CEU-related activities are recorded as instruction resource fees, not SGF.
- 2 The sum of "total related expenses" and "total uses of net SGF" is reported as "gross school generated funds" in the Statement of Revenues & Expenses.
- 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 - 2009-2010**

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	\$1,511,652	\$206,037	\$0	\$0	\$123,693		\$1,841,382		\$1,841,382
Uncertificated benefits	\$385,471	\$52,539	\$0	\$0	\$31,489		\$469,499		\$469,499
Sub-total Remuneration	\$1,897,123	\$258,576	\$0	\$0	\$155,182		\$2,310,881		\$2,310,881
Supplies and services	\$180,037	\$398,130	\$830	\$356,472	\$1,931		\$937,400		\$937,400
Electricity		\$457,028					\$457,028		\$457,028
Natural Gas/Heating Fuel		\$269,427					\$269,427		\$269,427
Sewer and Water		\$118,766					\$118,766		\$118,766
Telecommunications		\$5,497					\$5,497		\$5,497
Insurance					\$80,331		\$80,331		\$80,331
Amortization of capital assets									
Supported								\$1,657,275	\$1,657,275
Unsupported							\$72,520		\$72,520
Total Amortization							\$72,520	\$1,657,275	\$1,729,795
Interest on capital debt									
Supported								\$86,404	\$86,404
Unsupported							\$0	\$0	\$0
Other interest charges							\$0	\$0	\$0
Losses on disposal of capital assets							\$6,522		\$6,522
TOTAL EXPENSES	\$2,077,160	\$656,706	\$851,548	\$356,472	\$237,444		\$4,258,372	\$1,743,679	\$6,002,051
<b>SQUARE METRES</b>									
School Buildings									57,948.0
Non School Buildings									2,400.0

**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.