

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2008**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Edmonton Catholic Separate School District No. 7**

Legal Name of School Jurisdiction

**9807 - 106 Street, Edmonton, Alberta, T5K 1C2**

Mailing Address

**Telephone - 780-441-6021 Fax - 780-441-6149**

Telephone and Fax Numbers

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

The financial statements of Edmonton Catholic Separate School District No. 7  
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***

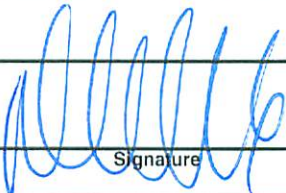
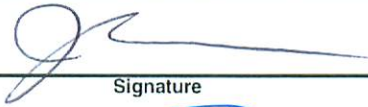

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited  
financial statements with management in detail and approved the financial statements for release.

***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.

<p><b>BOARD CHAIRMAN</b></p> <p><u>Debbie Engel</u> Name</p>	 Signature
<p><b>SUPERINTENDENT</b></p> <p><u>Joan Carr</u> Name</p>	 Signature
<p><b>SECRETARY TREASURER OR TREASURER</b></p> <p><u>Andrew Isbister</u> Name</p>	 Signature

December 9, 2008  
Board-approved Release Date

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## **Auditors' Report**

To the Board of Trustees  
Edmonton Catholic Separate School District No. 7

We have audited the statement of financial position of the Edmonton Catholic Separate School District No. 7 as at August 31, 2008, 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 District'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 District as at August 31, 2008, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

October 24, 2008

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2008

(in dollars)

	2008	2007 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$43,969,901	\$23,044,077
Accounts receivable (net after allowances)	\$14,151,762	\$11,408,904
Prepaid expenses	\$3,326,755	\$2,989,637
Other current assets	\$336,548	\$394,848
<b>Total current assets</b>	<b>\$61,784,966</b>	<b>\$37,837,466</b>
School generated assets	\$0	\$0
Trust assets	\$3,284,678	\$3,079,915
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$4,939,308	\$4,939,308
Buildings	\$225,834,563	
Less: accumulated amortization	(\$125,882,853)	\$96,425,075
Equipment	\$9,321,759	
Less: accumulated amortization	(\$5,234,597)	\$4,087,162
Vehicles	\$1,643,166	
Less: accumulated amortization	(\$950,041)	\$693,125
<b>Total capital assets</b>	<b>\$109,671,305</b>	<b>\$104,762,371</b>
<b>TOTAL ASSETS</b>	<b>\$174,740,949</b>	<b>\$145,679,752</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$77,062	\$51,311
Accounts payable and accrued liabilities	\$22,732,926	\$21,249,214
Deferred revenue	\$7,800,510	\$7,253,772
Deferred capital allocations	\$15,396,954	\$576,163
Current portion of all long term debt	\$1,169,936	\$1,237,932
<b>Total current liabilities</b>	<b>\$47,177,388</b>	<b>\$30,368,392</b>
School generated liabilities	\$0	\$0
Trust liabilities	\$3,284,678	\$3,079,915
Employee future benefits liability	\$3,341,608	\$2,303,663
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$4,356,927	\$5,594,859
Less: Current portion of supported debt	(\$1,169,936)	(\$1,237,932)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$86,273,535	\$81,585,678
<b>Total long term liabilities</b>	<b>\$96,086,812</b>	<b>\$91,326,183</b>
<b>TOTAL LIABILITIES</b>	<b>\$143,264,200</b>	<b>\$121,694,575</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$11,502,805	\$5,420,718
Operating Reserves	\$0	\$0
Accumulated Operating Surplus (Deficit)	\$11,502,805	\$5,420,718
Investment in capital assets	\$19,040,843	\$17,581,834
Capital Reserves	\$933,101	\$982,625
<b>Total Capital Funds</b>	<b>\$19,973,944</b>	<b>\$18,564,459</b>
<b>Total net assets</b>	<b>\$31,476,749</b>	<b>\$23,985,177</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$174,740,949</b>	<b>\$145,679,752</b>

**Note:** Input "(Restated)" in 2007 column heading where comparatives are not taken from the finalized 2006-2007 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2008**  
(in dollars)

	Actual 2008	Budget 2008 (Note)	Actual 2007 (Note)
<b>REVENUES</b>			
Government of Alberta	\$272,487,847	\$265,032,299	\$258,850,049
Federal Government and/or First Nations	\$2,898,849	\$2,389,714	\$2,715,323
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$9,496,801	\$8,500,000	\$9,452,920
Transportation fees	\$3,408,356	\$3,559,134	\$3,181,236
Other sales and services	\$6,375,518	\$4,780,000	\$5,469,275
Investment income	\$1,468,621	\$75,000	\$1,236,718
Gifts and donations	\$557,853	\$500,000	\$711,719
Rentals of facilities	\$2,733,392	\$2,313,000	\$2,217,448
Net school generated funds	\$3,457,336	\$3,500,000	\$3,130,408
Gains on disposal of capital assets	\$168,100	\$0	\$451,600
Amortization of capital allocations	\$3,785,293	\$4,500,000	\$4,421,201
<b>Total Revenues</b>	<b>\$306,837,966</b>	<b>\$295,149,147</b>	<b>\$291,837,897</b>
<b>EXPENSES</b>			
Certificated salaries	\$143,716,208	\$142,788,436	\$135,405,431
Certificated benefits	\$15,708,456	\$17,134,612	\$15,620,137
Non-certificated salaries and wages	\$56,059,392	\$52,266,097	\$50,702,836
Non-certificated benefits	\$9,439,438	\$8,885,237	\$10,531,451
Services, contracts and supplies	\$65,072,816	\$62,152,592	\$59,245,377
Net school generated funds	\$3,457,336	\$3,500,000	\$3,130,408
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$3,785,293	\$4,500,000	\$4,421,201
Unsupported	\$1,203,562	\$750,000	\$1,145,679
<b>Total Amortization of capital assets</b>	<b>\$4,988,855</b>	<b>\$5,250,000</b>	<b>\$5,566,880</b>
Interest on capital debt			
Supported	\$492,211	\$492,211	\$622,011
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$492,211</b>	<b>\$492,211</b>	<b>\$622,011</b>
Other interest charges	\$374,144	\$0	\$379,277
Losses on disposal of capital assets	\$37,538	\$0	\$23
<b>Total Expenses</b>	<b>\$299,346,394</b>	<b>\$292,469,185</b>	<b>\$281,203,831</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$7,491,572</b>	<b>\$2,679,962</b>	<b>\$10,634,066</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$7,491,572</b>	<b>\$2,679,962</b>	<b>\$10,634,066</b>

**Note:** Input "(Restated)" where Actual 2007 comparatives are not as presented in the finalized 2006-2007 Audited Financial Statements filed with Alberta Education. Budget 2008 comparatives presented are "FINAL APPROVED" budget amounts formally adopted by the Board.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2008

(in dollars)

	2008	2007 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$7,491,572	\$10,634,066
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$3,785,293)	(\$4,421,201)
Total amortization expense	\$4,988,855	\$5,566,880
Gains on disposal of capital assets	(\$168,100)	(\$451,600)
Losses on disposal of capital assets	\$37,538	\$23
Changes in accrued accounts:		
Accounts receivable	(\$2,742,858)	\$1,257,840
Prepays and other current assets	(\$278,818)	(\$605,421)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$1,483,712	\$1,559,291
Deferred revenue	\$546,738	\$2,694,966
Employee future benefit expense (recovery)	\$1,037,945	\$157,866
Other (describe)      Adjustment to Trust Assets		\$0
<b>Total sources (uses) of cash from Operations</b>	<b>\$8,611,291</b>	<b>\$16,392,710</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$7,665,405)	(\$5,301,716)
Equipment	(\$1,901,194)	(\$1,138,560)
Vehicles	(\$368,728)	(\$202,453)
Net proceeds from disposal of capital assets	\$168,100	\$10,335
Other (describe)	\$0	\$451,577
<b>Total sources (uses) of cash from Investing activities</b>	<b>(\$9,767,227)</b>	<b>(\$6,180,817)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$22,056,009	\$2,837,372
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,237,932)	(\$1,522,799)
Add back: supported portion	\$1,237,932	\$1,522,799
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Financing activities</b>	<b>\$22,056,009</b>	<b>\$2,837,372</b>
<b>Net sources (uses) of cash during year</b>	<b>\$20,900,073</b>	<b>\$13,049,265</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/07</b>	<b>\$22,992,766</b>	<b>\$9,943,501</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/08</b>	<b>\$43,892,839</b>	<b>\$22,992,766</b>

Note: Input "(Restated)" where Actual 2007 comparatives are not as presented in the finalized 2006-2007 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2008**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
<b>Balance at August 31, 2007</b>	\$23,985,177	\$17,581,834	\$5,420,718	\$0	\$982,625
<u>Retrospective Restatements (describe)</u>					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Balance, Aug. 31, 2007</b>	\$23,985,177	\$17,581,834	\$5,420,718	\$0	\$982,625
Excess(def) of revenue over expenses	\$7,491,572		\$7,491,572		
Board funded capital transactions		\$2,700,109	(\$2,650,585)	\$0	(\$49,524)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$4,988,855)	\$4,988,855		
Amortization of capital allocations		\$3,785,293	(\$3,785,293)		
Disposal of unsupported capital assets	\$0	(\$37,538)	\$37,538		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			\$0	\$0	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			\$0		\$0
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
<b>Balance at August 31, 2008</b>	\$31,476,749	\$19,040,843	\$11,502,805	\$0	\$933,101

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
**for the Year Ended August 31, 2008**  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
<b>Balance at August 31, 2007</b>	\$576,163	\$81,585,678
<b>Prior period adjustment</b>	\$0	\$0
<b>Adjusted balance, August 31, 2007</b>	\$576,163	\$81,585,678
<b>Add:</b>		
<b>Restricted capital allocations from:</b> Alberta Education-School/Modular Project Capital *	\$21,729,907	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$326,102	
<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>		\$1,237,932
<b>Expended capital allocations - current year</b>	(\$7,235,218)	\$7,235,218
<b>Less:</b>		
<b>Net book value of supported capital assets disposition, write-off, or transfer; Other</b>	\$0	\$0
<b>Capital allocations amortized to revenue</b>		\$3,785,293
<b>Balance at August 31, 2008</b>	\$15,396,954	\$86,273,535

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



# EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

## Notes to the Financial Statements

Year ended August 31, 2008

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### 1. AUTHORITY AND PURPOSE

The Edmonton Catholic Separate School District No. 7 (the "District") operates under the provisions of the School Act, Chapter S-3 Revised, Statutes of Alberta 2000, and through its own bylaws. The District is directed by an elected Board of Trustees, has approximately 3,500 employees and 85 schools and is responsible for the education of approximately 32,750 students.

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

### 2. CHANGES IN ACCOUNTING POLICIES

#### *Financial instruments*

On September 1, 2007 the District adopted CICA Handbook, Section 3855, Financial Instruments - Recognition and Measurement; Section 3861, Financial Instruments - Disclosure and Presentation; and Section 3865, Hedges. The adoption of these new standards did not have a material impact on the District's financial statements.

According to these new standards, all financial assets and financial liabilities must be classified into one of the following categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale and other financial liabilities.

All financial instruments are initially recognized on the statement of financial position at their fair value. Subsequent to their initial recognition, all financial instruments continue to be measured at their fair value except for held-to-maturity investments, loans and receivables and other financial liabilities which must be measured at amortized cost using the effective interest method.

The District has classified its cash and temporary investments, school generated assets, and accounts receivable as held-for-trading. They are measured at fair values which approximately equal to their carrying values due to short term maturity. The District has classified its bank indebtedness and accounts payable and accrued liabilities as other financial liabilities, which are measured at amortized cost using the effective interest method.

The District has classified its long-term debt as loans and receivables.

The District has no financial instruments classified as available-for-sale or loans and receivables.

#### *Accounting Changes*

Effective September 1, 2007, the District adopted the revised recommendations of Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1506, *Accounting Changes*, which provides expanded disclosures for changes in accounting policies, accounting estimates and correction of errors. Under the revised standards, a change in accounting policies is permitted only when required by a primary source of Canadian generally accepted accounting principles ("GAAP") or when the change results in financial statements providing more reliable and relevant information about the effects of transactions, other events or conditions on the entity's financial

# EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

## Notes to the Financial Statements

Year ended August 31, 2008

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position, financial performance or cash flows. Accounting changes are applied retrospectively unless otherwise permitted or unless it is impractical to determine the period or cumulative impact of the changes. Corrections of prior period errors are applied retrospectively and changes in accounting estimates are applied prospectively. This standard did not affect the District's financial statement position, results of operations or cash flows. This standard also requires that any new CICA Handbook standards to be adopted in future periods and the impact of those new standards need to be disclosed in the financial statements.

### **Future Accounting Changes**

#### *Financial instruments*

In December 2006, the CICA issued Section 3862, *Financial Instruments - Disclosures*; and Section 3863, *Financial Instruments - Presentation*. These sections will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the District will adopt the new standards for its fiscal year beginning September 1, 2009. Section 3862 on financial instruments disclosures, requires the disclosure of information about: a) the significance of financial instruments for the entity's financial position and performance and b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. Section 3863 on the presentation of financial instruments is unchanged from the presentation requirements included in Section 3861.

The District is currently evaluating the impact of the adoption of these new sections on its financial statements.

#### *Capital disclosures*

In October 2007, the CICA issued Section 1535, *Capital Disclosures*, which prescribes standards for disclosing information about an entity's capital and how it is managed. The District will adopt this section for the fiscal year beginning on July 1, 2008. Management believes that the adoption of this section will not have a material impact on the financial position or results of operations, other than certain disclosure requirements.

### **3. ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") and accounting policies consistent with those prescribed by Alberta Education for Alberta school districts. 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:

#### *Revenue recognition*

Revenue is recognized as follows:

# EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

## Notes to the Financial Statements

Year ended August 31, 2008

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- (i) Government operating grants are recognized as revenue in the period received, or, where the grants relate to a future period, they are deferred and recognized in the subsequent period. Revenues received for the provision of goods and services are recognized in the period in which the goods are provided or the services rendered. Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.
- (ii) Contributions restricted for the acquisition of capital assets having a limited life and for retirement of capital debt are recorded as deferred capital contributions. Once expended, they are transferred to unamortized deferred capital contributions, which are amortized to revenue over the useful lives of the related assets.
- (iii) Volunteers assist schools operated by the District in carrying out certain activities. Because of the difficulty of determining the fair value of the services and due to the fact that such assistance is generally not purchased, contributed services are not recognized in the financial statements.

### *Cash and bank indebtedness*

Cash includes cash and short-term investments with maturities of three months or less. Bank indebtedness represents cheques issued in excess of bank balance.

### *Inventories*

Inventories are recorded at the lower of cost and net realizable value.

### *Capital assets*

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

Buildings	2.5% - 4%
Industrial, instructional and office equipment	10% and 20%
Automotive equipment	10% and 20%

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

### *Pensions*

Pension costs included in these statements comprise the costs 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 District does not make pension contributions for certificated staff.

The District participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension is equivalent to the annual contributions of \$3,673,006 (2007 - \$3,317,620) for the year ended August 31, 2008.

# EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

## Notes to the Financial Statements

Year ended August 31, 2008

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At December 31, 2007, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,183,334,000 (2006 - a deficiency of \$746,651,000).

### *Employee future benefits*

The District accrues its obligations under employee future benefit plans, excluding pension benefits, and expenses the related costs. As at August 31, 2008, the recorded obligation is \$3,341,608 (2007 - \$2,303,663). The total expense recorded in the financial statements is \$357,567 (2007 - \$157,866).

### *Funds collected by schools*

Funds generated from school activities are included with the assets, liabilities, revenue and expenses of the District as accountability and control of these funds rests with the District.

### *Vacation pay*

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

### *Contributed services*

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board, to ensure certain programs are delivered, such as kindergarten, lunch services and raising 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.

### *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 year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

### *Financial instruments*

It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from their financial instruments. The District has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

### *Operating and capital reserves*

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

### *Investments*

Short term investments are valued at fair value.

# EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

## Notes to the Financial Statements

Year ended August 31, 2008

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### *Use of estimates*

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant areas requiring the use of management's estimates include the collectible amounts of accounts receivable, the useful lives of capital assets and the corresponding rates of amortization, the amount of accrued liabilities and the fair value of financial instruments.

#### 4. CASH HELD IN TRUST

Cash is held in trust on behalf of the Edmonton Student Health Initiative Partnership. The Edmonton Student Health Initiative Partnership was created so that school-aged children in Edmonton, in particular those with special needs, have access to culturally-responsive health and related support services they need to participate in their school programs and attain their potential. The District was appointed banker for the partnership and is responsible for distributing the cash in accordance with the wishes of the partnership.

#### 5. ACCOUNTS RECEIVABLE

	<u>2008</u>	<u>2007</u>
Alberta Education	\$ 2,739,611	\$ 1,834,948
Alberta Finance	191,203	251,322
Supplementary requisition	7,914,761	7,420,244
Other	3,306,187	1,902,390
	<hr/> <b>\$ 14,151,762</b>	<hr/> <b>\$ 11,408,904</b>

# EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

## Notes to the Financial Statements

Year ended August 31, 2008

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### 6. CAPITAL ASSETS

	2008			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 4,939,308	\$ -	\$ 4,939,308	\$ 4,939,308
Buildings	217,945,832	125,882,853	92,062,979	92,881,082
Industrial, instructional and office equipment	9,321,759	5,234,597	4,087,162	2,975,351
Automotive equipment	1,643,166	950,041	693,125	422,637
Construction in progress	7,888,731	-	7,888,731	3,543,993
	<b>\$ 241,738,796</b>	<b>\$ 132,067,491</b>	<b>\$ 109,671,305</b>	<b>\$ 104,762,371</b>

### 7. BANK INDEBTEDNESS

Bank indebtedness consists of cheques written in excess of bank balances. In addition, the District has a \$10,000,000 Canadian Dollar Demand Overdraft available. The balance outstanding as of August 31, 2008, was nil. Interest is charged at prime less 0.5%. The District is subject to interest rate risk on outstanding balances as overdraft interest fluctuates with the prime interest rate.

### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2008	2007
Alberta Education	\$ 8,028,357	\$ 7,582,031
Alberta Finance	191,203	251,322
Federal Government	-	-
Other	14,513,366	13,415,861
	<b>\$ 22,732,926</b>	<b>\$ 21,249,214</b>

**EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7**  
**Notes to the Financial Statements**  
Year ended August 31, 2008

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**9. DEFERRED REVENUE**

Source and Grant or Fund Type	Deferred Revenue as at Aug. 31, 2007	ADD: 2007/2008 Restricted Funds Received	DEDUCT: 2007/2008 Restricted Funds Expended	Deferred Revenue as at Aug. 31, 2008
<b>Alberta Education Restricted Funding:</b>				
Infrastructure Maintenance Renewal	\$ 2,948,251	\$ 5,558,219	\$ 6,277,246	\$ 2,229,224
<b>Other Government of Alberta Funding:</b>				
Skills Canada		\$ 300,000		\$ 300,000
High School Portal Initiative		\$ 300,000		\$ 300,000
One to One Mobile Commuting	\$ 300,000		\$ 211,392	\$ 88,608
<b>Other Deferred Revenue</b>				
Foundation Programs	\$ 7,582		\$ 3,000	\$ 4,582
Other Projects	\$ 22,413	\$ 60,390	\$ 7,148	\$ 75,655
Parents	\$ 3,450,910	\$ 4,639,826	\$ 3,872,003	\$ 4,218,733
Future Renovation Projects	\$ 524,616	\$ 62,650	\$ 3,558	\$ 583,708
<b>Total</b>	<b>\$ 7,253,772</b>	<b>\$ 10,921,085</b>	<b>\$ 10,374,347</b>	<b>\$ 7,800,510</b>

**10. DEFERRED CAPITAL CONTRIBUTIONS AND UNAMORTIZED DEFERRED CAPITAL CONTRIBUTIONS**

	2008		2007	
	Deferred Capital Contributions	Unamortized Deferred Capital Contributions	Deferred Capital Contributions	Unamortized Deferred Capital Contributions
Balance, beginning of year	\$ 576,163	\$ 81,585,678	\$ 1,635,997	\$ 80,586,874
Government grants	21,729,907	-	2,776,830	-
Interest earned	326,102	-	60,542	-
Expended on capital assets	(7,235,218)	7,235,218	(3,897,206)	3,897,206
Debt retirement	-	1,237,932	-	1,522,799
Amortization of capital assets acquired from capital contributions	-	(3,785,293)	-	(4,421,201)
	<b>\$ 15,396,954</b>	<b>\$ 86,273,535</b>	<b>\$ 576,163</b>	<b>\$ 81,585,678</b>

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

# EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

## Notes to the Financial Statements

Year ended August 31, 2008

Unamortized Capital Contributions 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 deferred capital contribution account balance is increased by transfers of deferred capital contributions expended, as well as fully supported debenture principal repayments.

### 11. DEBENTURE DEBT

In prior years, the District has issued debentures to the Alberta Capital Finance Authority (formerly Alberta Municipal Finance Corporation) to finance construction of capital assets. These debentures mature in annual amounts to the year 2020 and interest is payable at rates ranging from 8% to 12% per annum. The debenture debt is fully supported by Alberta Finance.

Principal payments due on debenture debt over the next five years and thereafter are as follows:

	Principal	Interest	Total
2008	\$ 1,169,936	\$ 426,201	\$ 1,596,137
2009	1,056,660	307,890	1,364,550
2010	936,742	201,871	1,138,613
2011	551,232	108,271	659,503
2012	363,128	57,844	420,972
Thereafter	279,229	32,218	311,447
	<b>\$ 4,356,927</b>	<b>\$ 1,134,295</b>	<b>\$ 5,491,222</b>

### 12. RESERVES

	2008			2007
	Operating	Capital	Total	Total
Balance, beginning of year	\$ -	\$ 982,625	\$ 982,625	\$ 863,632
Transfers from operations	-	-	-	-
Proceeds from sale of land	-	-	-	437,355
Approved transfer for deficit reduction	-	-	-	-
Purchase of land	-	-	-	-
Critical repairs of non-school buildings	-	(49,524)	(49,524)	(318,362)
	<b>\$ -</b>	<b>\$ 933,101</b>	<b>\$ 933,101</b>	<b>\$ 982,625</b>

Reserves of \$501,500 (2007 - \$501,500) have been approved by the Board and the Minister to complete certain critical repairs of non-school buildings, of which \$433,748 (\$2007 - \$384,225) have been spent. The remaining reserves are available for the Board and Minister approved projects in the future.



# EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

## Notes to the Financial Statements

Year ended August 31, 2008

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### 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 District has accounted for asset retirement obligations and determined that there is no liability as the District has no identifiable asset retirement obligations.

### 14. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

The District received allocations from the following related parties: Alberta Education, Alberta Finance, and Family and Social Services.

In the current year, \$46,802,053 or 15.25% (2007 - \$48,731,727 or 16.7%) of operating revenue was received from the City of Edmonton supplementary requisition of municipal taxes from Catholic ratepayers.

### 15. TARGETED FUNDING FOR PROVINCIAL INITIATIVES

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	<b>Certificated Remuneration</b>	<b>Non Certificated Remuneration</b>	<b>Supplies &amp; Services</b>
Alberta Initiative for School Improvement	\$ 3,397,085	\$ 99,420	\$ 436,877
Small Class Size Initiative	\$ 10,335,744	\$ -	\$ -
SuperNet Service	\$ -	\$ -	\$ 567,948
	<b>\$ 13,732,829</b>	<b>\$ 99,420</b>	<b>\$ 1,004,825</b>

### 16. RELATED PARTY TRANSACTIONS

Effective 2005-2007, 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. The District had the following related party transactions for the year ended August 31, 2008.

# EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

## Notes to the Financial Statements

Year ended August 31, 2008

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
2007-2008				
Government of Alberta				
Education	\$ 2,739,611	\$ 8,028,357	\$ 271,995,636	\$ -
Finance	191,203	191,203	492,211	-
Other Alberta school jurisdictions	-	-	-	-
<b>Total 2007-2008</b>	<b>\$ 2,930,814</b>	<b>\$ 8,219,560</b>	<b>\$ 272,487,847</b>	<b>\$ -</b>
<b>Total 2006-2007</b>	<b>\$ 2,086,270</b>	<b>\$ 8,133,353</b>	<b>\$ 258,850,049</b>	<b>\$ -</b>

### 17. BUDGET COMPARISON

Following is a summary of revenue and expenses compared with the approved budget:

	Actual	Budget	Variance
Revenue			
Provincial grants and supplementary requisition	\$ 272,487,847	\$ 265,032,299	\$ 7,455,548
Other revenue	30,564,826	25,616,848	4,947,978
	303,052,673	290,649,147	12,403,526
Amortization of deferred capital contributions	3,785,292	4,500,000	(714,708)
	306,837,965	295,149,147	11,688,818
Expenses			
Salaries and employee benefits	224,923,494	221,074,382	3,849,112
Supplies and other	69,434,045	66,144,803	3,289,242
Amortization of capital assets	4,988,854	5,250,000	(261,146)
	299,346,393	292,469,185	6,877,208
<b>Excess of revenue over expenses</b>	<b>\$ 7,491,572</b>	<b>\$ 2,679,962</b>	<b>\$ 4,811,610</b>

The budget was prepared by the School District and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

### 18. REMUNERATION AND MONETARY INCENTIVES

The District had paid or accrued expenses for the year ended August 31, 2008 to or on behalf of the following positions and persons in groups as follows:

# EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

## Notes to the Financial Statements

Year ended August 31, 2008

	FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's/ Other	Total
<b>Chairperson:</b>							
Name	Debbie Engel	1.00	\$42,543	\$3,656	\$0		\$46,199
Name	Cynthia Olsen	0.83	\$35,181	\$3,783	\$0		\$38,964
<b>Other Board Members:</b>							
Name	Rudy Arcilla	0.83	\$28,064	\$4,181	\$0		\$32,245
Name	Marilyn Bergstra	0.83	\$35,719	\$4,452	\$0		\$40,171
Name	Judy Buddle	0.17	\$3,759	\$102	\$0		\$3,862
Name	Debbie Cavaliere	0.17	\$4,079	\$113	\$0		\$4,192
Name	Becky Kallal	0.83	\$31,634	\$3,532	\$0		\$35,166
Name	Patrick MacDonald	0.17	\$4,269	\$164	\$0		\$4,433
Name	Kara Pelech	0.83	\$34,609	\$4,414	\$0		\$39,023
Name	Mark Razzolini	0.17	\$3,759	\$102	\$0		\$3,862
Name	Janice Sarich	0.17	\$5,799	\$155	\$0		\$5,955
Name	Jim Urlacher	1.00	\$30,206	\$0	\$0		\$30,206
<b>Subtotal</b>							
	7.00	\$259,622	\$24,655	\$0			\$284,277
Superintendent	Joan Carr	1.00	\$193,669	\$9,902	\$0	\$0	\$203,571
Board Treasurer	Andrew Isbister	1.00	\$139,511	\$22,903	\$0	\$0	\$162,414
Board Secretary	Andrea Klotz	1.00	\$74,514	\$20,673	\$0	\$0	\$95,187
Certificated Salaries	1,854.3	\$143,522,539	\$15,698,554	\$0	\$0	\$0	\$159,221,093
Uncertificated Salaries & Wages	1,161.9	\$55,585,744	\$9,371,207	\$0	\$0	\$0	\$64,956,951
<b>TOTALS</b>							
		\$199,775,600	\$25,147,894	\$0	\$0	\$0	\$224,923,494

# **EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7**

## **Notes to the Financial Statements**

**Year ended August 31, 2008**

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### **19.. APPROVAL OF FINANCIAL STATEMENTS**

The Board of Trustees has approved these financial statements.

### **20. COMPARATIVE FIGURES**

The comparative figures have been reclassified where necessary to conform to the 2008 presentation.

## UNAUDITED SCHEDULES

TO THE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2008  
[School Act, Section 276]

**Edmonton Catholic Separate School District No. 7**

Legal Name of School Jurisdiction

**9807 - 106 Street, Edmonton, Alberta, T5K 1C2**

Mailing Address

**Telephone 780-441-6021 Fax 780-441-6149**

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

**Andrew Isbister**

Name

Signature

**December 9, 2008**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: TO COME  
PHONE: (780) TO COME FAX: (780) 422-6996

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<b>SCHEDULE B</b>	<b>School Generated Funds (SGF)</b>	<b>4</b>

**SCHEDULE A**

School Jurisdiction Code: 110

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2007-2008**

<b>REVENUES</b>	<b>TOTAL</b>	<b>ECS Instruction</b>	<b>Grades 1-12 Instruction</b>	<b>Operations and Maintenance of Schools &amp; Maintenance Shops</b>	<b>Transportation</b>	<b>Board &amp; System Admin.</b>	<b>External Services</b>
(1) <b>Alberta Education</b>	\$264,660,930	\$15,290,131	\$205,578,358	\$24,103,837	\$10,904,992	\$8,783,612	\$0
(2) <b>Other - Government of Alberta</b>	\$7,826,917	\$440	\$1,200,440	\$6,626,037	\$0	\$0	\$0
(3) <b>Federal Government and/or First Nations</b>	\$2,898,849	\$0	\$885,484	\$0	\$0	\$0	\$2,013,365
(4) <b>Alberta Municipalities-special tax levies</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(5) <b>Instruction resource fees</b>	\$9,496,801	\$263,011	\$9,233,790				
(6) <b>Transportation fees-ECS</b>	\$0				\$0		
(7) <b>Transportation fees-Grades 1-12</b>	\$3,408,356				\$3,408,356		
(8) <b>Net school generated funds</b>	\$3,457,336	\$49,881	\$3,407,455			\$0	
(9) <b>Gains on disposal of capital assets</b>	\$168,100	\$0	\$168,100	\$0	\$0	\$0	\$0
(10) <b>Amortization of capital allocations</b>	\$3,785,293	\$0	\$0	\$3,785,293	\$0		\$0
(11) <b>Other revenues</b>	\$11,135,384	\$40,419	\$7,931,293	\$2,600,685	\$0	\$0	\$562,987
<b>(12) TOTAL REVENUES</b>	<b>\$306,837,966</b>	<b>\$15,643,882</b>	<b>\$228,404,920</b>	<b>\$37,115,852</b>	<b>\$14,313,348</b>	<b>\$8,783,612</b>	<b>\$2,576,352</b>
<b>EXPENSES</b>							
(13) <b>Certificated salaries</b>	\$143,716,208	\$6,615,637	\$136,779,763			\$320,808	\$0
(14) <b>Certificated benefits</b>	\$15,708,456	\$756,531	\$14,932,671			\$18,362	\$892
(15) <b>Non-certificated salaries and wages</b>	\$56,059,392	\$2,649,978	\$30,279,327	\$15,355,194	\$440,679	\$5,566,270	\$1,767,944
(16) <b>Non-certificated benefits</b>	\$9,439,438	\$671,659	\$4,578,243	\$3,116,153	\$89,484	\$948,169	\$35,730
(17) <b>SUB - TOTAL</b>	<b>\$224,923,494</b>	<b>\$10,693,805</b>	<b>\$186,570,004</b>	<b>\$18,471,347</b>	<b>\$530,163</b>	<b>\$6,853,609</b>	<b>\$1,804,566</b>
(18) <b>Supplies and Services</b>	\$65,072,816	\$2,083,714	\$31,904,782	\$16,370,275	\$13,047,750	\$920,099	\$746,196
(19) <b>Net school generated funds</b>	\$3,457,336	\$49,881	\$3,407,455				
(20) <b>Amortization of capital assets</b>	\$4,988,855	\$0	\$4,667,456	\$165,870	\$0	\$154,029	\$1,500
(21) <b>Interest charges</b>	\$866,355	\$0	\$38,787	\$0	\$0	\$818,337	\$9,231
(22) <b>Losses on disposal of capital assets</b>	\$37,538	\$0	\$0	\$0	\$0	\$37,538	\$0
<b>(23) TOTAL EXPENSES</b>	<b>\$299,346,394</b>	<b>\$12,827,400</b>	<b>\$226,588,484</b>	<b>\$35,007,492</b>	<b>\$13,577,913</b>	<b>\$8,783,612</b>	<b>\$2,561,493</b>
<b>(24) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$7,491,572</b>	<b>\$2,816,482</b>	<b>\$1,816,436</b>	<b>\$2,108,360</b>	<b>\$735,435</b>	<b>\$0</b>	<b>\$14,859</b>

Note: The reporting of ECS transportation fees and ECS instruction program revenues and expenses separately from Grades 1-12 is optional for 2007-2008 ONLY

**SCHEDULE B  
SCHOOL GENERATED FUNDS (SGF) - 2007-2008**

<b>Unexpended SGF - Opening Balance August 31, 2007</b>				\$0
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>	
Fundraising activities	\$0	\$0	\$0	
Student fees (Non-Instructional) (Note 1)	\$0	\$0	\$0	
Donations and grants to schools	\$3,457,336	\$0	\$3,457,336	
Other (describe):	\$0	\$0	\$0	
<b>Net Additions to SGF</b>	\$3,457,336	\$0		\$3,457,336
<b>Net SGF Available</b>				\$3,457,336
<b>Uses of Net School Generated Funds:</b>				
Extra-curricular activities			\$1,701,771	
Field Trips			\$645,196	
Other (describe): School Council Related Expenditures			\$1,110,369	
<b>Total Uses of Net SGF (Note 2)</b>				\$3,457,336
<b>Unexpended SGF - Closing Balance August 31, 2008 (Note 3)</b>				\$0

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 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.