

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2007**
[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 - 780-441-6000 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 budgetary system of 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 the Board 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 have full and free 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 for Alberta school jurisdictions.

BOARD CHAIRMAN

Cindy Olsen

Name



Signature

SUPERINTENDENT

Joan Carr

Name

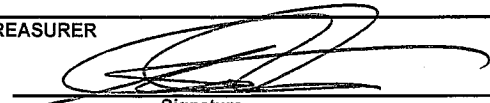


Signature

SECRETARY TREASURER OR TREASURER

Andrew Isbister

Name



Signature

27-Nov-07

Board-approved Release Date

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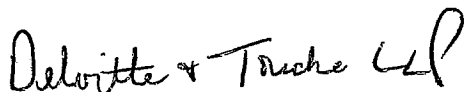
Auditors' Report

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, 2007, 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, 2007, 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 19, 2007

STATEMENT OF FINANCIAL POSITION
as at August 31, 2007
(in dollars)

	2007	2006 (Note)
ASSETS		
Current assets		
Cash and temporary investments	\$23,044,077	\$9,959,880
Accounts receivable (net after allowances)	\$11,408,904	\$12,666,744
Prepaid expenses	\$2,989,637	\$2,484,881
Other current assets	\$394,848	\$294,183
Total current assets	\$37,837,466	\$25,405,688
School generated assets	\$0	\$0
Trust assets	\$3,079,915	\$4,315,590
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$4,939,308	\$4,939,308
Buildings	\$218,169,158	
Less: accumulated amortization	(\$121,744,083)	\$96,425,075
Equipment	\$8,215,702	
Less: accumulated amortization	(\$5,240,351)	\$2,975,351
Vehicles	\$1,403,858	
Less: accumulated amortization	(\$981,221)	\$422,637
Total capital assets	\$104,762,371	\$103,696,857
TOTAL ASSETS	\$145,679,752	\$133,418,135
LIABILITIES		
Current liabilities		
Bank indebtedness	\$51,311	\$16,379
Accounts payable and accrued liabilities	\$21,249,214	\$19,689,923
Deferred revenue	\$7,253,772	\$4,558,806
Deferred capital allocations	\$576,163	\$1,635,997
Current portion of all long term debt	\$1,237,932	\$1,522,799
Total current liabilities	\$30,368,392	\$27,423,904
School generated liabilities	\$0	\$0
Trust liabilities	\$3,079,915	\$4,315,590
Employee future benefits liability	\$2,303,663	\$2,145,797
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$5,594,859	\$7,117,658
Less: Current portion of supported debt	(\$1,237,932)	(\$1,522,799)
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	\$81,585,678	\$80,586,874
Total long term liabilities	\$91,326,183	\$92,643,120
TOTAL LIABILITIES	\$121,694,575	\$120,067,024
NET ASSETS		
Unrestricted net assets	\$5,420,718	(\$3,504,846)
Operating Reserves	\$0	\$0
Accumulated Operating Surplus (Deficit)	\$5,420,718	(\$3,504,846)
Investment in capital assets	\$17,581,834	\$15,992,325
Capital Reserves	\$982,625	\$863,632
Total Capital Funds	\$18,564,459	\$16,855,957
Total net assets	\$23,985,177	\$13,351,111
TOTAL LIABILITIES AND NET ASSETS	\$145,679,752	\$133,418,135

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2007
(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
REVENUES			
Government of Alberta	\$258,850,049	\$260,420,258	\$236,776,928
Federal Government and/or First Nations	\$2,715,323	\$1,883,214	\$1,989,876
Other Alberta school authorities	\$0	\$0	\$155,281
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	\$0
Instruction resource fees	\$9,452,920	\$8,000,000	\$8,341,117
Transportation fees	\$3,181,236	\$3,236,620	\$2,689,394
Other sales and services	\$5,469,275	\$3,130,000	\$5,071,709
Investment income	\$1,236,718	\$75,000	\$490,850
Gifts and donations	\$711,719	\$500,000	\$611,183
Rentals of facilities	\$2,217,448	\$2,400,000	\$2,447,093
Net school generated funds	\$3,130,408	\$3,500,000	\$3,363,211
Gains on disposal of capital assets	\$451,600	\$0	\$2,389,000
Amortization of capital allocations	\$4,421,201	\$4,000,000	\$4,653,196
Total Revenues	\$291,837,897	\$287,145,092	\$268,978,838
EXPENSES			
Certificated salaries	\$135,405,431	\$135,000,000	\$128,317,276
Certificated benefits	\$15,620,137	\$15,862,500	\$15,088,143
Non-certificated salaries and wages	\$50,702,836	\$53,000,000	\$46,015,950
Non-certificated benefits	\$10,531,451	\$10,500,000	\$9,841,458
Services, contracts and supplies	\$59,245,377	\$61,427,740	\$52,964,331
Net school generated funds	\$3,130,408	\$3,500,000	\$3,363,211
Capital and debt services			
Amortization of capital assets			
Supported	\$4,421,201	\$4,000,000	\$4,653,196
Unsupported	\$1,145,679	\$800,000	\$1,055,104
Total Amortization of capital assets	\$5,566,880	\$4,800,000	\$5,708,300
Interest on capital debt			
Supported	\$622,011	\$622,012	\$787,086
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$622,011	\$622,012	\$787,086
Other interest charges	\$379,277	\$0	\$317,703
Losses on disposal of capital assets	\$23	\$0	\$483,715
Total Expenses	\$281,203,831	\$284,712,252	\$262,887,173
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	\$10,634,066	\$2,432,840	\$6,091,665
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$10,634,066	\$2,432,840	\$6,091,665

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	\$10,634,066	\$6,091,665
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$4,421,201)	(\$4,653,196)
Total amortization expense	\$5,566,880	\$5,708,300
Gains on disposal of capital assets	(\$451,600)	(\$2,389,000)
Losses on disposal of capital assets	\$23	\$483,715
Changes in accrued accounts:		
Accounts receivable	\$1,257,840	\$6,354,155
Prepays and other current assets	(\$605,421)	(\$600,738)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$1,559,291	\$4,448,744
Deferred revenue	\$2,694,966	(\$604,918)
Employee future benefit expense (recovery)	\$157,866	\$50,279
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$16,392,710	\$14,889,006
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	(\$102,510)
Buildings	(\$5,301,716)	(\$2,871,501)
Equipment	(\$1,138,560)	(\$838,693)
Vehicles	(\$202,453)	(\$139,767)
Net proceeds from disposal of capital assets	\$10,335	\$0
Other (describe)	\$451,577	\$2,389,000
Total sources (uses) of cash from Investing activities	(\$6,180,817)	(\$1,563,471)
C. FINANCING ACTIVITIES		
Capital allocations	\$2,837,372	\$5,557,158
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,522,799)	(\$1,733,170)
Add back: supported portion	\$1,522,799	\$1,733,170
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$2,837,372	\$5,557,158
Net sources (uses) of cash during year	\$13,049,265	\$18,882,693
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$9,943,501	(\$8,939,192)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$22,992,766	\$9,943,501

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2007
(In dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$13,351,111	\$15,992,325	(\$3,504,846)	\$0	\$863,632
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$13,351,111	\$15,992,325	(\$3,504,846)	\$0	\$863,632
Excess(def) of revenue over expenses	\$10,634,066		\$10,634,066		
Board funded capital transactions		\$2,745,523	(\$2,745,523)	\$0	\$0
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$5,566,880)	\$5,566,880		
Amortization of capital allocations		\$4,421,201	(\$4,421,201)		
Disposal of unsupported capital assets	\$0	(\$10,335)	\$10,335		\$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			(\$118,993)		\$118,993
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$23,985,177	\$17,581,834	\$5,420,718	\$0	\$982,625

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
 for the Year Ended August 31, 2007
 (in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$1,635,997	\$80,586,874
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$1,635,997	\$80,586,874
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$2,776,830	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$60,542	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$1,522,799
Expended capital allocations - current year	(\$3,897,206)	\$3,897,206
Less:		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$4,421,201
Balance at August 31, 2007	\$576,163	\$81,585,678

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations 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, 2007

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. 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:

- (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.

EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

Notes to the Financial Statements

Year ended August 31, 2007

2. ACCOUNTING POLICIES (continued)

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 \$3,317,620 (2006 - \$3,045,781) for the year ended August 31, 2007.

At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 - a deficiency of \$863,558,000).

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, 2007, the recorded obligation is \$2,303,663 (2006 - \$2,145,797). The total expense recorded in the financial statements is \$157,866 (2006 - \$50,279).

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.

EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

Notes to the Financial Statements

Year ended August 31, 2007

2. ACCOUNTING POLICIES (continued)

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

The District's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the District 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 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.

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.

EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

Notes to the Financial Statements

Year ended August 31, 2007

3. 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.

4. ACCOUNTS RECEIVABLE

	<u>2007</u>	<u>2006</u>
Alberta Education	\$ 1,834,948	\$ 2,898,639
Alberta Finance	251,322	338,619
Supplementary requisition	7,420,244	7,969,716
Other	1,902,390	1,459,770
	<u>\$ 11,408,904</u>	<u>\$ 12,666,744</u>

5. CAPITAL ASSETS

	<u>2007</u>			<u>2006</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 4,939,308	\$ -	\$ 4,939,308	\$ 4,939,308
Buildings	214,625,165	121,744,083	92,881,082	95,783,972
Industrial, instructional and office equipment	8,215,702	5,240,351	2,975,351	2,606,086
Automotive equipment	1,403,858	981,221	422,637	301,628
Construction in progress	3,543,993	-	3,543,993	65,863
	<u>\$ 232,728,026</u>	<u>\$ 127,965,655</u>	<u>\$ 104,762,371</u>	<u>\$ 103,696,857</u>

6. 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, 2007, 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.

EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7
Notes to the Financial Statements
Year ended August 31, 2007.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2007</u>	<u>2006</u>
Alberta Education	\$ 7,582,031	\$ 7,969,717
Alberta Finance	251,322	338,620
Federal Government	-	51
Other	13,415,861	11,381,535
	<u>\$ 21,249,214</u>	<u>\$ 19,351,252</u>

8. DEFERRED REVENUE

	<u>2007</u>	<u>2006</u>
Alberta Education - Infrastructure Maintenance & Renewal	\$ 2,948,251	\$ 21,895
Alberta Education - Other	300,000	-
Other	4,005,521	4,536,911
	<u>\$ 7,253,772</u>	<u>\$ 4,558,806</u>

9. DEFERRED CAPITAL CONTRIBUTIONS AND UNAMORTIZED DEFERRED CAPITAL CONTRIBUTIONS

	<u>2007</u>		<u>2006</u>	
	Deferred Capital Contributions	Unamortized Deferred Capital Contributions	Deferred Capital Contributions	Unamortized Deferred Capital Contributions
Balance, beginning of year	\$ 1,635,997	\$ 80,586,874	\$ -	\$ 79,585,739
Government grants	2,776,830	-	5,555,967	-
Interest earned	60,542	-	1,191	-
Expended on capital assets	(3,897,206)	3,897,206	(3,921,161)	3,921,161
Debt retirement	-	1,522,799	-	1,733,170
Amortization of capital assets acquired from capital contributions	-	(4,421,201)	-	(4,653,196)
	<u>\$ 576,163</u>	<u>\$ 81,585,678</u>	<u>\$ 1,635,997</u>	<u>\$ 80,586,874</u>

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, 2007

9. DEFERRED CAPITAL CONTRIBUTIONS AND UNAMORTIZED DEFERRED CAPITAL CONTRIBUTIONS (continued)

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.

10. 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	\$ 1,237,932	\$ 552,331	\$ 1,790,263
2009	1,169,936	426,201	1,596,137
2010	1,056,660	307,890	1,364,550
2011	936,742	201,871	1,138,613
2012	551,232	108,271	659,503
Thereafter	642,357	90,062	732,419
	\$ 5,594,859	\$ 1,686,626	\$ 7,281,485

11. RESERVES

	2007		2006	
	Operating	Capital	Total	Total
Balance, beginning of year	\$ -	\$ 863,632	\$ 863,632	\$ -
Transfers from operations	-	-	-	-
Proceeds from sale of land	-	437,355	437,355	2,389,000
Approved transfer for deficit reduction	-	-	-	(1,356,995)
Purchase of land	-	-	-	(102,510)
Critical repairs of non-school buildings	-	(318,362)	(318,362)	(65,863)
	\$ -	\$ 982,625	\$ 982,625	\$ 863,632

Reserves of \$126,500 (2006 - \$375,000) have been approved by the Board and the Minister to complete certain critical repairs of non-school buildings, of which \$318,362 (\$2006 - \$65,863) 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, 2007

12. 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.

13. 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, \$48,731,727 or 16.7% (2006 - \$46,934,823 or 17.4%) of operating revenue was received from the City of Edmonton supplementary requisition of municipal taxes from Catholic ratepayers.

14. 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. The District had the following related party transactions for the year ended August 31, 2007.

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
2006-2007				
Government of Alberta				
Education	\$ 1,834,948	\$ 7,882,031	\$ 258,228,038	\$ -
Finance	251,322	251,322	622,011	-
Other Alberta school jurisdictions	-	-	-	-
Total 2006-2007	\$ 2,086,270	\$ 8,133,353	\$ 258,850,049	\$ -
Total 2005-2006	\$ 2,898,639	\$ 9,627,608	\$ 236,932,209	\$ -

EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7
Notes to the Financial Statements
Year ended August 31, 2007

15. BUDGET COMPARISON

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

	Actual	Budget	Variance
Revenue			
Provincial grants and supplementary requisition	\$ 258,550,142	\$ 260,420,258	\$ (1,870,116)
Other revenue	28,866,554	22,724,834	6,141,720
	287,416,696	283,145,092	4,271,604
Amortization of deferred capital contributions	4,421,201	4,000,000	421,201
	291,837,897	287,145,092	4,692,805
Expenses			
Salaries and employee benefits	212,259,855	214,362,500	(2,102,645)
Supplies and other	63,563,589	65,549,752	(1,986,163)
Amortization of capital assets	5,566,880	4,800,000	766,880
	281,390,324	284,712,252	(3,321,928)
Deficiency of revenue over expenses	\$ 10,447,573	\$ 2,432,840	\$ 8,014,733

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.

16. REMUNERATION AND MONETARY INCENTIVES

The District had paid or accrued expenses for the year ended August 31, 2007 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, 2007

	FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's/ Other	Total	Expenses
Chairperson:								
Name	1.0	\$50,783	\$1,546	\$0			\$52,330	\$5,813
Other Board Members:								
Name	1.0	\$35,922	\$1,056	\$0			\$36,978	\$4,948
Name	1.0	\$37,867	\$1,120	\$0			\$38,987	\$4,636
Name	1.0	\$29,326	\$1,062	\$0			\$30,388	\$2,070
Name	1.0	\$28,700	\$817	\$0			\$29,518	\$2,686
Name	1.0	\$34,031	\$993	\$0			\$35,025	\$5,514
Name	1.0	\$32,171	\$0	\$0			\$32,171	\$5,722
Subtotal								
	7.0	\$248,802	\$6,595	\$0			\$255,397	\$31,389
Superintendent								
Joan Carr	1.0	\$174,828	\$8,860	\$0	\$0	\$0	\$183,688	\$301
Board Treasurer								
Andrew Isbister	1.0	\$134,144	\$20,956	\$0	\$0	\$0	\$155,100	\$1,661
Board Secretary								
Andrea Klotz	1.0	\$69,900	\$13,523	\$0	\$0	\$0	\$83,424	\$394
Certificated Salaries								
	1,826.1	\$135,230,603	\$15,611,277	\$0	\$0	\$0	\$150,841,880	
Uncertificated Salaries & Wages								
	1,073.1	\$50,249,990	\$10,490,376	\$0	\$0	\$0	\$60,740,366	
TOTALS								
		\$186,108,267	\$26,151,588	\$0	\$0	\$0	\$212,259,855	

EDMONTON CATHOLIC SEPARATE SCHOOL DISTRICT NO. 7

Notes to the Financial Statements

Year ended August 31, 2007

17. APPROVAL OF FINANCIAL STATEMENTS

The Board of Trustees has approved these financial statements.

18. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

UNAUDITED SCHEDULES
TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2007
[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 - 780-441-6000 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 and submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

Andrew Isbister, CMA
Name

"ORIGINAL SIGNED"
Signature

27-Nov-07

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

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SCHEDULE B	Alberta Education Revenues	4
SCHEDULE C	ECS to Grade 12 Instruction Programs Expense Details	4
	2006-2007 Board and System Administration Expenses	
SCHEDULE D	Under (Over) Maximum Limit	5
SCHEDULE E	School Generated Funds (SGF)	5

SCHEDULE A

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$258,228,038	\$207,371,171	\$32,545,534	\$10,305,496	\$8,005,837	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$622,011		\$622,011			\$0
(4) Other - Government of Alberta	\$0	\$0	\$0	\$0	\$0	\$0
(5) Federal Government and/or First Nations	\$2,715,323	\$762,784	\$0	\$0	\$0	\$1,952,539
(6) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$9,452,920	\$9,452,920				
(10) Transportation fees	\$3,181,236			\$3,181,236		
(11) Other sales and services	\$5,469,275	\$4,951,445	\$0	\$0	\$0	\$517,830
(12) Investment income	\$1,236,718	\$1,236,718	\$0	\$0	\$0	\$0
(13) Gifts and donations	\$711,719	\$711,719	\$0	\$0		\$0
(14) Rentals of facilities	\$2,217,448	\$0	\$2,217,448	\$0	\$0	\$0
(15) Net school generated funds	\$3,130,408	\$3,130,408			\$0	
(16) Gains on disposal of capital assets	\$451,600	\$451,600	\$0	\$0	\$0	\$0
(17) Amortization of capital allocations	\$4,421,201	\$0	\$4,421,201	\$0		\$0
(18) TOTAL REVENUES	\$291,837,897	\$228,068,765	\$39,806,194	\$13,486,732	\$8,005,837	\$2,470,369
EXPENSES						
(19) Certificated salaries	\$135,405,431	\$134,956,780			\$448,651	\$0
(20) Certificated benefits	\$15,620,137	\$15,594,129			\$26,008	\$0
(21) Non-certificated salaries and wages	\$50,702,836	\$30,658,034	\$13,061,270	\$385,664	\$5,130,306	\$1,467,562
(22) Non-certificated benefits	\$10,531,451	\$6,699,451	\$2,853,496	\$70,908	\$880,102	\$27,494
(23) SUB - TOTAL	\$212,259,855	\$187,908,394	\$15,914,766	\$456,572	\$6,485,067	\$1,495,056
(24) Services, contracts & supplies	\$59,245,377	\$26,950,957	\$18,020,790	\$12,426,839	\$959,299	\$887,492
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$3,130,408	\$3,130,408				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$4,421,201	\$0	\$4,421,201	\$0	\$0	\$0
(28) Unsupported	\$1,145,679	\$799,486	\$113,308	\$0	\$229,372	\$3,513
(29) Total Amortization	\$5,566,880	\$799,486	\$4,534,509	\$0	\$229,372	\$3,513
Interest on capital debt						
(30) Supported	\$622,011	\$0	\$622,011	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$379,277	\$38,501	\$0	\$0	\$332,076	\$8,700
(33) Losses on disposal of capital assets	\$23	\$0	\$0	\$0	\$23	\$0
(34) TOTAL EXPENSES	\$281,203,831	\$218,827,746	\$39,092,076	\$12,883,411	\$8,005,837	\$2,394,761
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$10,634,066	\$9,241,019	\$714,118	\$603,321	\$0	\$75,608

**SCHEDULE B
ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$166,865,262
Additional Funding for Differential Cost Factors	\$66,001,136
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$10,034,732
Student Health Initiative(SHI)	\$0
Alberta Initiative for School Improvement(AISI)	\$3,961,024
SuperNet Services	\$555,864
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$109,973
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$375,456
Infrastructure Maintenance Renewal (IMR)	\$9,427,221
Other Funding from Alberta Education (describe): One Time Grant, Portable Moves, WCB re	\$897,370
Total Alberta Education Revenues	\$258,228,038

**SCHEDULE C
ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$18,826,466	\$12,980,608	\$6,019,933		\$0	\$0	\$37,827,007
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$5,323,642	\$3,432,817	\$762,962		\$0		\$9,519,421
ECS Program Unit (PUF)	\$855,750	\$5,064,905	\$730,510		\$0		\$6,651,165
Severe Disabilities (Gr 1-12)	\$1,792,389	\$13,101,515	\$94,145		\$0		\$14,988,049
English as a Second Language (ESL)	\$1,925,036	\$137,775	\$49,563		\$0		\$2,112,374
French Language & Francisation	\$183,780	\$48,809	\$28,319		\$0		\$260,908
Enhanced ESL/Francisation & Supports for Immigrant Students	\$489,308	\$946,154	\$347,763		\$0		\$1,783,225
First Nations, Metis and Inuit Education	\$971,214	\$927,267	\$546,594		\$0		\$2,445,075
Alberta Initiative for School Improvement	\$3,775,689	\$833	\$18,774	\$165,728	\$0		\$3,961,024
Student Health Initiative	\$0	\$0	\$0		\$0		\$0
SuperNet Service			\$555,864		\$0		\$555,864
Class Size Initiative	\$10,034,732	\$0	\$0	\$0	\$0		\$10,034,732
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$106,372,903	\$716,802	\$16,608,050	\$4,991,147	\$0	\$0	\$128,688,902
TOTAL EXPENSES	\$150,550,909	\$37,357,485	\$25,762,477	\$5,156,875	\$0	\$0	\$218,827,746

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	65.3	85.7
ECS Program Unit (PUF)	10.5	126.4
Severe Disabilities (Gr 1-12)	22.0	326.9

**SCHEDULE D
BOARD AND SYSTEM ADMINISTRATION
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

TOTAL EXPENSES	\$281,203,831
STEP 1	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:	
If "Total Net Enrolled Students" are 6,000 and over = 4%	4.00%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
STEP 2	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$11,248,153
Considerations for Charter Schools and Small School Boards	
If Charter School , enter \$58,366	\$0
If School Board , please enter your 2006-2007 Gr 1 - 12 funded enrolmen	32,751
	\$0
2006-2007 MAXIMUM EXPENSE LIMIT	\$11,248,153
Less: 2006/2007 Board and System Administration expenses	-\$8,005,837
2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT	\$3,242,316

**SCHEDULE E
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

Unexpended SGF - Opening Balance August 31, 2006	\$0																								
Sources of School Generated Funds:																									
	<table border="1"> <thead> <tr> <th></th> <th>Gross SGF</th> <th>Related Expenses</th> <th>Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td align="right">\$102,531</td> <td align="right">\$0</td> <td align="right">\$102,531</td> </tr> <tr> <td>Student fees (Non-Instructional) (Note 1)</td> <td align="right">\$0</td> <td align="right">\$0</td> <td align="right">\$0</td> </tr> <tr> <td>Donations and grants to schools</td> <td align="right">\$3,027,878</td> <td align="right">\$0</td> <td align="right">\$3,027,878</td> </tr> <tr> <td>Other (describe):</td> <td align="right">\$0</td> <td align="right">\$0</td> <td align="right">\$0</td> </tr> <tr> <td>Net Additions to SGF</td> <td align="right">\$3,130,409</td> <td align="right">\$0</td> <td align="right">\$3,130,409</td> </tr> </tbody> </table>		Gross SGF	Related Expenses	Net SGF	Fundraising activities	\$102,531	\$0	\$102,531	Student fees (Non-Instructional) (Note 1)	\$0	\$0	\$0	Donations and grants to schools	\$3,027,878	\$0	\$3,027,878	Other (describe):	\$0	\$0	\$0	Net Additions to SGF	\$3,130,409	\$0	\$3,130,409
	Gross SGF	Related Expenses	Net SGF																						
Fundraising activities	\$102,531	\$0	\$102,531																						
Student fees (Non-Instructional) (Note 1)	\$0	\$0	\$0																						
Donations and grants to schools	\$3,027,878	\$0	\$3,027,878																						
Other (describe):	\$0	\$0	\$0																						
Net Additions to SGF	\$3,130,409	\$0	\$3,130,409																						
Net SGF Available	\$3,130,409																								
Uses of Net School Generated Funds:																									
	<table border="1"> <tbody> <tr> <td>Extra-curricular activities</td> <td align="right">\$1,106,405</td> </tr> <tr> <td>School site beautification</td> <td align="right">\$332,476</td> </tr> <tr> <td>Field Trips</td> <td align="right">\$846,643</td> </tr> <tr> <td>Equipment</td> <td align="right">\$785,452</td> </tr> <tr> <td>Family literacy and other community resources</td> <td align="right">\$59,433</td> </tr> <tr> <td>Other (describe):</td> <td align="right">\$0</td> </tr> <tr> <td>Total Uses of Net SGF (Note 2)</td> <td align="right">\$3,130,409</td> </tr> </tbody> </table>	Extra-curricular activities	\$1,106,405	School site beautification	\$332,476	Field Trips	\$846,643	Equipment	\$785,452	Family literacy and other community resources	\$59,433	Other (describe):	\$0	Total Uses of Net SGF (Note 2)	\$3,130,409										
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Equipment	\$785,452																								
Family literacy and other community resources	\$59,433																								
Other (describe):	\$0																								
Total Uses of Net SGF (Note 2)	\$3,130,409																								
Unexpended SGF - Closing Balance August 31, 2007 (Note 3)	\$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 fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and 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:**
- 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.
 - Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.
 - Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.