

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2014**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**East Central Alberta Catholic Separate Schools Regional Division No.16**

Legal Name of School Jurisdiction

**1018 - 1st Avenue, Wainwright Alberta 9W 1G9**

Mailing Address

**780-842-3992 (phone), 780-842-5322 (fax) maryann.threinen@ecacs16.ab.ca**

Telephone & Fax Numbers, and Email Address

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

The financial statements of East Central Alberta Catholic Separate Schools Regional Division No.16 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 Canadian Public Sector Accounting Standards 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 Chair***

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position, results of operations and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

**BOARD CHAIR**

\_\_\_\_\_  
Jim Brady

Name

\_\_\_\_\_  
"Original Signed"

Signature

**SUPERINTENDENT**

\_\_\_\_\_  
Charlie McCormack

Name

\_\_\_\_\_  
"Original Signed"

Signature

**SECRETARY-TREASURER OR TREASURER**

\_\_\_\_\_  
Mary Ann Threinen

Name

\_\_\_\_\_  
"Original Signed"

Signature

\_\_\_\_\_  
November 24, 2014

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
EAST CENTRAL ALBERTA CATHOLIC SEPARATE SCHOOLS REGIONAL DIVISION NO. 16

We have audited the accompanying financial statements of **East Central Alberta Catholic Separate Schools Regional Division No. 16**, which comprise the statements of financial position as at August 31, 2014 and the statements of operations, cash flows, change in net debt and remeasurement gains and losses, and schedules of changes in accumulated surplus, capital revenue, program operations and plant operations and maintenance expenses for the year then ended and a summary of significant accounting policies and other explanatory notes.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of **East Central Alberta Catholic Separate Schools Regional Division No. 16** as at August 31, 2014 and the results of its operations, cash flows, and changes in net debt for the year then ended in accordance with Canadian public sector accounting standards.

Lloydminster, Sask./Alta.  
November 24, 2014



Chartered Accountants

**STATEMENT OF FINANCIAL POSITION**  
As at August 31, 2014 (in dollars)

		2014	2013
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	(Note 3)	\$ 4,177,024	\$ 3,315,740
Accounts receivable (net after allowances)	(Note 4)	\$ 424,598	\$ 554,283
Portfolio investments	(Note 5)	\$ 3,565,169	\$ 3,570,861
Other financial assets		\$ -	\$ -
<b>Total financial assets</b>		\$ 8,166,791	\$ 7,440,884
<b>LIABILITIES</b>			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 796,185	\$ 936,579
Deferred revenue	(Note 7)	\$ 18,728,300	\$ 19,446,615
Employee future benefit liabilities	(Note 8)	\$ 33,300	\$ 42,600
Other liabilities		\$ -	\$ -
<b>Debt</b>			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Capital leases		\$ -	\$ -
Mortgages		\$ -	\$ -
<b>Total liabilities</b>		\$ 19,557,785	\$ 20,425,794
<b>Net financial assets (debt)</b>		\$ (11,390,994)	\$ (12,984,910)
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	(Note 9)		
Land		\$ 49,698	\$ 49,698
Construction in progress		\$ -	\$ -
Buildings		\$ 30,756,433	
Less: Accumulated amortization		\$ (12,133,819)	\$ 18,622,614
Equipment		\$ 415,348	
Less: Accumulated amortization		\$ (259,583)	\$ 155,765
Vehicles		\$ 752,654	
Less: Accumulated amortization		\$ (352,090)	\$ 400,564
Computer Equipment		\$ 720,467	
Less: Accumulated amortization		\$ (575,502)	\$ 144,965
<b>Total tangible capital assets</b>		\$ 19,373,606	\$ 20,309,986
Prepaid expenses		\$ 147,826	\$ 176,808
Other non-financial assets		\$ -	\$ -
<b>Total non-financial assets</b>		\$ 19,521,432	\$ 20,486,794
<b>Accumulated surplus</b>	(Note 10)	\$ 8,130,438	\$ 7,501,884
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 8,130,438	\$ 7,501,884
Accumulated rereasurement gains (losses)		\$ -	\$ -
		\$ 8,130,438	\$ 7,501,884
<b>Contractual obligations</b>	(Note 11)		
<b>Contingent liabilities</b>	(Note 12)		

The accompanying notes and schedules are part of these financial statements.

**STATEMENT OF OPERATIONS**  
For the Year Ended August 31, 2014 (in dollars)

	Budget 2014	Actual 2014	Actual 2013
<b>REVENUES</b>			
Alberta Education	\$ 21,841,226	\$ 22,185,942	\$ 24,247,304
Other - Government of Alberta	\$ -	\$ 109,876	\$ 103,427
Federal Government and First Nations	\$ -	\$ -	\$ -
Other Alberta school authorities	\$ -	\$ 77,766	\$ 53,060
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Note 13)	\$ 381,012	\$ 383,174	\$ 447,155
Other sales and services	\$ 184,588	\$ 33,142	\$ 38,258
Investment income	\$ 67,089	\$ 111,075	\$ 98,290
Gifts and donations	\$ 58,000	\$ 32,628	\$ 39,112
Rental of facilities	\$ 10,200	\$ 15,986	\$ 13,800
Fundraising	\$ 154,000	\$ 273,929	\$ 303,282
Gains on disposal of capital assets	\$ -	\$ -	\$ -
Other revenue	\$ -	\$ 37,320	\$ 39,136
<b>Total revenues</b>	\$ 22,696,115	\$ 23,260,838	\$ 25,382,824
<b>EXPENSES</b>			
Instruction (ECS - Grade 12)	\$ 18,756,053	\$ 18,294,314	\$ 21,361,962
Plant operations and maintenance	\$ 2,352,945	\$ 2,551,716	\$ 2,451,996
Transportation	\$ 342,532	\$ 420,721	\$ 349,143
Board & system administration	\$ 1,186,202	\$ 1,247,517	\$ 1,410,977
External services	\$ 117,859	\$ 118,016	\$ 41,665
<b>Total expenses</b>	\$ 22,755,591	\$ 22,632,284	\$ 25,615,743
<b>Operating surplus (deficit)</b>	\$ (59,476)	\$ 628,554	\$ (232,919)

The accompanying notes and schedules are part of these financial statements.

**STATEMENT OF CASH FLOWS**  
For the Year Ended August 31, 2014 (in dollars)

	2014	2013
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	\$ 628,554	\$ (232,919)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 1,235,584	\$ 1,238,975
Gains on disposal of tangible capital assets	\$ -	\$ -
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (949,282)	\$ (950,298)
Deferred capital revenue write-off	\$ -	\$ 950,298
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 129,685	\$ 181,967
Prepays	\$ 28,982	\$ (39,242)
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable and accrued liabilities	\$ (140,394)	\$ 377,122
Deferred revenue (excluding EDCR)	\$ 230,967	\$ (850,147)
Employee future benefit liabilities	\$ (9,300)	\$ (11,582)
Other (describe)	\$ -	\$ -
<b>Total cash flows from operating transactions</b>	<b>\$ 1,154,796</b>	<b>\$ 664,174</b>
<b>B. CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (198,884)	\$ (35,285)
Equipment	\$ (51,552)	\$ (24,283)
Vehicles	\$ (48,768)	\$ (37,344)
Computer equipment	\$ -	\$ (10,154)
Net proceeds from disposal of unsupported capital assets	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from capital transactions</b>	<b>\$ (299,204)</b>	<b>\$ (107,066)</b>
<b>C. INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	\$ (5,752)	\$ (1,051,016)
Dispositions of portfolio investments	\$ 11,444	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from investing transactions</b>	<b>\$ 5,692</b>	<b>\$ (1,051,016)</b>
<b>D. FINANCING TRANSACTIONS</b>		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from financing transactions</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>\$ 861,284</b>	<b>\$ (493,908)</b>
<b>Cash and cash equivalents, at beginning of year</b>	<b>\$ 3,315,740</b>	<b>\$ 3,809,648</b>
<b>Cash and cash equivalents, at end of year</b>	<b>\$ 4,177,024</b>	<b>\$ 3,315,740</b>

The accompanying notes and schedules are part of these financial statements.

**STATEMENT OF CHANGE IN NET DEBT**  
**For the Year Ended August 31, 2014**

	Budget 2014	2014	2013
Operating surplus (deficit)	\$ (59,476)	\$ 628,554	\$ (232,919)
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (220,000)	\$ (299,204)	\$ (107,066)
Amortization of tangible capital assets	\$ 1,246,198	\$ 1,235,584	\$ 1,238,975
Net carrying value of tangible capital assets disposed of	\$ -	\$ -	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
<b>Total effect of changes in tangible capital assets</b>	\$ 1,026,198	\$ 936,380	\$ 1,131,909
Changes in:			
Prepaid expenses	\$ -	\$ 28,982	\$ (39,242)
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
<b>Decrease (increase) in net debt</b>	\$ 966,722	\$ 1,593,916	\$ 859,748
<b>Net debt at beginning of year</b>	\$ (12,984,910)	\$ (12,984,910)	\$ (13,844,658)
<b>Net debt at end of year</b>	\$ (12,018,188)	\$ (11,390,994)	\$ (12,984,910)

The accompanying notes and schedules are part of these financial statements.

**STATEMENT OF REMEASUREMENT GAINS AND LOSSES**

For the Year Ended August 31, 2014 (in dollars)

	2014	2013
<b>Accumulated remeasurement gains (losses) at beginning of year</b>	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
<b>Accumulated remeasurement gains (losses) at end of year</b>	\$ -	\$ -

The accompanying notes and schedules are part of these financial statements.



**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
for the Year Ended August 31, 2014 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
<b>Balance at August 31, 2013</b>	\$ 7,501,884	\$ -	\$ 7,501,884	\$ 1,896,926	\$ -	\$ 1,810,852	\$ 2,722,815	\$ 1,071,291
<b>Prior period adjustments:</b>								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2013</b>	\$ 7,501,884	\$ -	\$ 7,501,884	\$ 1,896,926	\$ -	\$ 1,810,852	\$ 2,722,815	\$ 1,071,291
Operating surplus (deficit)	\$ 628,554		\$ 628,554			\$ 628,554		
Board funded tangible capital asset additions				\$ 299,204				\$ (299,204)
Disposal of unsupported tangible capital assets	\$ -		\$ -	\$ -		\$ -		\$ -
Disposal of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -						
Endowment expenses	\$ -		\$ -	\$ -	\$ -			
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ 889	\$ -	\$ (889)		\$ -
Amortization of tangible capital assets	\$ -			\$ (1,235,584)		\$ 1,235,584		
Capital revenue recognized	\$ -			\$ 949,282		\$ (949,282)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Externally imposed endowment restrictions	\$ -			\$ -	\$ -		\$ -	
Net transfers to operating reserves	\$ -						\$ -	
Net transfers from operating reserves	\$ -					\$ 375,459	\$ (375,459)	
Net transfers to capital reserves	\$ -					\$ (45,439)		\$ 45,439
Net transfers from capital reserves	\$ -					\$ 45,439		\$ (45,439)
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ (30,225)	\$ 30,225
<b>Balance at August 31, 2014</b>	\$ 8,130,438	\$ -	\$ 8,130,438	\$ 1,910,717	\$ -	\$ 3,100,278	\$ 2,317,131	\$ 802,312

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
for the Year Ended August 31, 2014 (in dollars)

	INTERNALLY RESTRICTED RESERVES BY PROGRAM											
	School & Instruction Related		Operations & Maintenance		Board & System Administration		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, 2013</b>	\$ 2,221,494	\$ 931,863	\$ 242,197	\$ (35,285)	\$ 250,034	\$ 87,827	\$ 9,090	\$ 86,868	\$ -	\$ -		
<b>Prior period adjustments:</b>												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Adjusted Balance, August 31, 2013</b>	\$ 2,221,494	\$ 931,863	\$ 242,197	\$ (35,285)	\$ 250,034	\$ 87,827	\$ 9,090	\$ 86,868	\$ -	\$ -		
Operating surplus (deficit)												
Board funded tangible capital asset additions		\$ (236,329)	\$ -	\$ -	\$ -	\$ (14,107)	\$ -	\$ (48,768)	\$ -	\$ -		
Disposal of unsupported tangible capital assets		\$ -		\$ -		\$ -		\$ -		\$ -		
Disposal of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -		
Write-down of unsupported tangible capital assets		\$ -		\$ -		\$ -		\$ -		\$ -		
Write-down of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -		
Net remeasurement gains (losses) for the year												
Endowment expenses												
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Amortization of tangible capital assets												
Capital revenue recognized												
Debt principal repayments (unsupported)												
Externally imposed endowment restrictions	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -		
Net transfers to operating reserves	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -		
Net transfers from operating reserves	\$ (375,459)		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -		
Net transfers to capital reserves		\$ -		\$ 35,285		\$ 10,154		\$ -		\$ -		
Net transfers from capital reserves		\$ (45,439)		\$ -		\$ -		\$ -		\$ -		
Assumption/transfer of other operations' surplus	\$ (30,225)	\$ 30,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Balance at August 31, 2014</b>	\$ 1,815,810	\$ 680,320	\$ 242,197	\$ -	\$ 250,034	\$ 83,874	\$ 9,090	\$ 38,118	\$ -	\$ -		

**SCHEDULE OF CAPITAL REVENUE**  
**(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)**  
for the Year Ended August 31, 2014 (in dollars)

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects <sup>(A)</sup>	Surplus from Provincially Approved Projects <sup>(B)</sup>	Proceeds on Disposal of Provincially Funded Tangible Capital Assets <sup>(C)</sup>	Unexpended Deferred Capital Revenue from Other Sources <sup>(D)</sup>	
<b>Balance at August 31, 2013</b>	\$ -	\$ -	\$ -	\$ -	\$ 18,412,181
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2013	\$ -	\$ -	\$ -	\$ -	\$ 18,412,181
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ -				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Other sources: <i>(Describe)</i> :	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ -				
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue: <i>(Describe)</i>				\$ -	
Net proceeds on disposal of supported tangible capital assets			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets (Explain):					
Alberta Schools Alternative Program (ASAP), Building Alberta School Construction Program, (BASCP) and other Alberta Infrastructure managed projects					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Deduct:</b>					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 949,282
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
<b>Balance at August 31, 2014</b>	\$ -	\$ -	\$ -	\$ -	\$ 17,462,899
	(A)	(B)	(C)	(D)	
<b>Balance of Unexpended Deferred Capital Revenue at August 31, 2014 (A) + (B) + (C) + (D)</b>					\$ -

**Unexpended Deferred Capital Revenue**

(A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only.

(B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.

(C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved capital assets per 10(2)(a) of Disposition of Property Reg. 181/2010.

(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

**SCHEDULE OF PROGRAM OPERATIONS**  
for the Year Ended August 31, 2014 (in dollars)

REVENUES	2014						2013	
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL	TOTAL
(1) Alberta Education	\$ 18,389,031	\$ 2,516,118	\$ 176,668	\$ 1,104,125	\$ -	\$ 22,185,942	\$ 24,247,304	\$ -
(2) Other - Government of Alberta	\$ 26,931	\$ -	\$ -	\$ 35,250	\$ 47,695	\$ 109,876	\$ 103,427	\$ -
(3) Federal Government and First Nations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Other Alberta school authorities	\$ 77,766	\$ -	\$ -	\$ -	\$ -	\$ 77,766	\$ 53,060	\$ -
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 302,268	\$ -	\$ 10,585	\$ -	\$ 70,321	\$ 383,174	\$ 447,155	\$ -
(9) Other sales and services	\$ 33,142	\$ -	\$ -	\$ -	\$ -	\$ 33,142	\$ 38,258	\$ -
(10) Investment income	\$ -	\$ -	\$ -	\$ 111,075	\$ -	\$ 111,075	\$ 98,290	\$ -
(11) Gifts and donations	\$ 32,628	\$ -	\$ -	\$ -	\$ -	\$ 32,628	\$ 39,112	\$ -
(12) Rental of facilities	\$ -	\$ 15,986	\$ -	\$ -	\$ -	\$ 15,986	\$ 13,800	\$ -
(13) Fundraising	\$ 273,929	\$ -	\$ -	\$ -	\$ -	\$ 273,929	\$ 303,282	\$ -
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(15) Other revenue	\$ 35,936	\$ -	\$ -	\$ 1,384	\$ -	\$ 37,320	\$ 39,136	\$ -
(16) <b>TOTAL REVENUES</b>	\$ 19,171,631	\$ 2,532,104	\$ 187,253	\$ 1,251,834	\$ 118,016	\$ 23,260,838	\$ 25,382,824	\$ -
<b>EXPENSES</b>								
(17) Certificated salaries	\$ 10,420,114			\$ 186,696	\$ -	\$ 10,606,810	\$ 13,279,702	\$ -
(18) Certificated benefits	\$ 2,435,839			\$ 44,851	\$ -	\$ 2,480,690	\$ 2,594,863	\$ -
(19) Non-certificated salaries and wages	\$ 2,175,351	\$ 192,616	\$ 161,803	\$ 360,225	\$ 80,563	\$ 2,970,558	\$ 2,961,414	\$ -
(20) Non-certificated benefits	\$ 537,632	\$ 57,691	\$ 12,145	\$ 112,654	\$ 22,797	\$ 742,919	\$ 771,395	\$ -
(21) <b>SUB - TOTAL</b>	\$ 15,568,936	\$ 250,307	\$ 173,948	\$ 704,426	\$ 103,360	\$ 16,800,977	\$ 19,607,374	\$ -
(22) Services, contracts and supplies	\$ 2,653,335	\$ 1,288,010	\$ 180,384	\$ 459,224	\$ 14,656	\$ 4,595,609	\$ 4,769,377	\$ -
(23) Amortization of supported tangible capital assets	\$ -	\$ 949,282	\$ -	\$ -	\$ -	\$ 949,282	\$ 950,298	\$ -
(24) Amortization of unsupported tangible capital assets	\$ 72,043	\$ 64,117	\$ 66,389	\$ 83,753	\$ -	\$ 286,302	\$ 288,677	\$ -
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ 114	\$ -	\$ 114	\$ 17	\$ -
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) <b>TOTAL EXPENSES</b>	\$ 18,294,314	\$ 2,551,716	\$ 420,721	\$ 1,247,517	\$ 118,016	\$ 22,632,284	\$ 25,615,743	\$ -
(31) <b>OPERATING SURPLUS (DEFICIT)</b>	\$ 877,317	\$ (19,612)	\$ (233,468)	\$ 4,317	\$ -	\$ 628,554	\$ (232,919)	\$ -

**SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES**  
for the Year Ended August 31, 2014 (in dollars)

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2014 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 158,748	\$ -	\$ -	\$ -	\$ 33,868		\$ 192,616		\$ 192,616
Uncertificated benefits	\$ 47,779	\$ -	\$ -	\$ -	\$ 9,912		\$ 57,691		\$ 57,691
Sub-total Remuneration	\$ 206,527	\$ -	\$ -	\$ -	\$ 43,780		\$ 250,307		\$ 250,307
Supplies and services	\$ 226,162	\$ 588,852		\$ 18,850	\$ -		\$ 833,864		\$ 833,864
Electricity			\$ 195,116				\$ 195,116		\$ 195,116
Natural gas/heating fuel			\$ 133,134				\$ 133,134		\$ 133,134
Sewer and water			\$ 26,867				\$ 26,867		\$ 26,867
Telecommunications			\$ 1,968				\$ 1,968		\$ 1,968
Insurance					\$ 79,009		\$ 79,009		\$ 79,009
Amortization of tangible capital assets									
Supported									
Unsupported							\$ 64,117	\$ 949,282	\$ 949,282
Total Amortization							\$ 64,117	\$ 949,282	\$ 1,013,399
Interest on capital debt									
Supported									
Unsupported									
Lease payments for facilities				\$ 18,052			\$ 18,052		\$ 18,052
Other interest charges									
Losses on disposal of capital assets									
TOTAL EXPENSES	\$ 432,689	\$ 588,852	\$ 357,085	\$ 36,902	\$ 122,789	\$ 64,117	\$ 1,602,434	\$ 949,282	\$ 2,551,716

SQUARE METRES	
School buildings	20,218.5
Non school buildings	630.9

**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 Relocation & Lease Pmnts:** All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects, modular unit (portable) relocation, and payments on leased facilities.  
**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.

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# EAST CENTRAL ALBERTA CATHOLIC SEPARATE SCHOOLS

## REGIONAL DIVISION NO. 16

### NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2014

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#### 1. AUTHORITY AND PURPOSE

East Central Alberta Catholic Separate Schools Regional Division No.16 (the "School Division") delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The School Division receives funding for instruction and support under Education Grants Regulation (AR 120/2008). The regulation allows for the setting of conditions and use of grant monies. The School Division is limited on certain funding allocations and administration expenses.

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the CICA Canadian public sector accounting standards ("PSAS"). 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) Cash and Cash Equivalents

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

b) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

c) Portfolio Investments

The School Division has investments in GIC's that have no maturity dates or have a maturity of greater than 3 months. GIC's, term deposits and other investments not quoted in an active market are reported at cost or amortized cost.

d) Tangible Capital Assets

The following criteria apply:

Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.

Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the School Division to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue.

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**EAST CENTRAL ALBERTA CATHOLIC SEPARATE SCHOOLS****REGIONAL DIVISION NO. 16****NOTES TO FINANCIAL STATEMENTS**For the year ended August 31, 2014

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

## d) Tangible capital assets (continued)

Buildings that are demolished or destroyed are written off.

Tangible capital assets with costs in excess of \$5,000 are capitalized.

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incidental to ownership of the property to the School Division are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School Division's rate for incremental borrowing or the interest rate implicit in the lease.

Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	20 to 40 years
Vehicles	5 to 10 years
Computer Hardware & Software	3 to 5 years
Equipment	10 years

## e) Deferred Revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per *Public Sector Accounting Standard PS 3200*. These contributions are recognized as deferred revenue by the School Division once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

Deferred revenue also include contributions for capital expenditures, unexpended and expended:

## Unexpended Deferred Capital Revenue

Unexpended Deferred Capital Revenue represents externally restricted supported capital funds provided for a specific capital purpose received or receivable by the School Division, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per *PS 3200* when expended.

## Expended Deferred Capital Revenue

Expended Deferred Capital Revenue represents externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require that the School Division use the asset in a prescribed manner over the life of the associated asset.

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**EAST CENTRAL ALBERTA CATHOLIC SEPARATE SCHOOLS****REGIONAL DIVISION NO. 16****NOTES TO FINANCIAL STATEMENTS**For the year ended August 31, 2014

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

## f) Employee Future Benefits

The School Division provides certain post-employment and retirement benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School Division accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include defined-benefit retirement plans, accumulating sick leave, early retirement, retirement/severance, and vacation. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, benefit usage, termination and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

## g) Operating and Capital Reserves

Certain amounts are internally restricted for future operating or capital purposes. Transfers to and from reserves are recorded when approved by the Board of Trustees. Capital reserves are restricted to capital purposes and may only be used for operating purposes with approval by the Minister of Education. Reserves are disclosed in the Schedule of Changes in Accumulated Surplus.

## h) Revenue Recognition

Revenue is recorded on an accrual basis. 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.

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. Contributed services are not recognized in the financial statements.

*Eligibility criteria* are criteria that the School Division has to meet in order to receive certain contributions. *Stipulations* describe what the School Division must perform in order to keep the contributions. Contributions without eligibility criteria or stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity. Contributions with eligibility criteria but without stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity and all eligibility criteria have been met.

Contributions with stipulations are recognized as revenue in the period the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with *Section PS 3200*. Such liabilities are recorded as deferred revenue. The following items fall under this category:

Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year the stipulated related expenses are incurred;

Unexpended Deferred Capital Revenue; or

Expended Deferred Capital Revenue.



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**EAST CENTRAL ALBERTA CATHOLIC SEPARATE SCHOOLS****REGIONAL DIVISION NO. 16****NOTES TO FINANCIAL STATEMENTS**For the year ended August 31, 2014

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

## i) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

## Allocation of Costs

Actual salaries of personnel assigned to two or more programs are allocated based on the time spent in each program.

Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.

Supplies and services are allocated based on actual program identification.

## j) 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 Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, East Central Alberta Catholic Separate Schools Regional Division No. 16 does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the School Division is included in both revenue and expenses. For the school year ended August 31, 2014, the amount contributed by the Government was \$1,318,304 (2013 - \$1,265,271).

The School Division participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$238,739 for the year ended August 31, 2014 (2013 - \$236,270). At December 31, 2013, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,861,516,000 (2012 deficiency of \$4,977,303,000).

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**EAST CENTRAL ALBERTA CATHOLIC SEPARATE SCHOOLS****REGIONAL DIVISION NO. 16****NOTES TO FINANCIAL STATEMENTS****For the year ended August 31, 2014**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

## k) Program Reporting

The School Division's operations have been segmented into operating segments established to facilitate the achievement of the School Division's long-term objectives to aid in resource allocation decisions, and to assess operational performance. The segments are differentiated by major activity as follows:

**ECS-Grade 12 Instruction:** The provision of Early Childhood Services education and grades 1 - 12 instructional services that fall under the basic public education mandate.

**Plant Operations and Maintenance:** The operation and maintenance of all school buildings and maintenance shop facilities.

**Transportation:** The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facilities.

**Board & System Administration:** The provision of board governance and system-based / central office administration.

**External Services:** All projects, activities, and services offered outside the public education mandate for ECS children and students in grades 1-12. Services offered beyond the mandate for public education are to be self-supporting, and Alberta Education funding may not be utilized to support these programs.

The allocation of revenue and expenses are reported by program, source, and object on the Schedule of Program Operations.

## l) Trusts Under Administration

The School Division has property that has been transferred or assigned to it to be administered or directed by a trust agreement or statute. The School Division holds title to the property for the benefit of the beneficiary.

Trusts under administration have been excluded from the financial reporting of the School Division. Trust balances can be found in Note 14.

## m) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School Division recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities and employee future benefit liabilities. Unless otherwise noted, it is managements' opinion that the School Division is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

All financial assets and liabilities are recorded at cost, or amortized cost, and the associated transaction costs are added to the carrying value of items in the cost or amortized cost upon initial recognition. The gain or loss arising from derecognition of a financial instrument is recognized in the Statement of Operations. Impairment losses such as write-downs or write-offs are reported in the Statement of Operations.

**EAST CENTRAL ALBERTA CATHOLIC SEPARATE SCHOOLS**  
**REGIONAL DIVISION NO. 16**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended August 31, 2014

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

n) Measurement Uncertainty

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. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits.

**3. CASH AND CASH EQUIVALENTS**

	2014			2013
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash	1.225%	\$ 4,177,024	\$ 4,177,024	\$ 3,315,740
Cash equivalents				
Government of Canada, direct and guaranteed	%	-	-	-
Provincial, direct and guaranteed	%	-	-	-
Corporate	%	-	-	-
Municipal	%	-	-	-
Pooled investment funds	%	-	-	-
Other, including GIC's	%	-	-	-
Total cash and cash equivalents		<u>\$ 4,177,024</u>	<u>\$ 4,177,024</u>	<u>\$ 3,315,740</u>

**EAST CENTRAL ALBERTA CATHOLIC SEPARATE SCHOOLS**

**REGIONAL DIVISION NO. 16**

**NOTES TO FINANCIAL STATEMENTS**

For the year ended August 31, 2014

**4. ACCOUNTS RECEIVABLE**

	2014			2013
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 8,419	\$ -	\$ 8,419	\$ 152,370
Alberta Education - Capital	\$ -	\$ -	\$ -	\$ -
Alberta Education - IMR	\$ -	\$ -	\$ -	\$ -
Alberta Education - (Specify)	\$ -	\$ -	\$ -	\$ -
Other Alberta school jurisdictions	\$ 2,100	\$ -	\$ 2,100	\$ 30,075
Treasury Board and Finance - Supported debenture principal	\$ -	\$ -	\$ -	\$ -
Treasury Board and Finance - Accrued interest on supported debentures	\$ -	\$ -	\$ -	\$ -
Alberta Health & Wellness	\$ -	\$ -	\$ -	\$ -
Alberta Health Services	\$ 55,005	\$ -	\$ 55,005	\$ -
Innovation & Advanced Education	\$ -	\$ -	\$ -	\$ -
Post-secondary institutions	\$ -	\$ -	\$ -	\$ -
Government of Alberta Ministry			\$ -	
Federal government	\$ 113,657	\$ -	\$ 113,657	\$ 117,033
Municipalities	\$ 230,534	\$ -	\$ 230,534	\$ 240,127
First Nations	\$ -	\$ -	\$ -	\$ -
Foundations	\$ -	\$ -	\$ -	\$ -
Other	\$ 14,883	\$ -	\$ 14,883	\$ 14,678
<b>Total</b>	<b>\$ 424,598</b>	<b>\$ -</b>	<b>\$ 424,598</b>	<b>\$ 554,283</b>

**5. PORTFOLIO INVESTMENTS**

	2014				2013 Balance
	Average Effective (Market) Yield	Cost	Fair Value	Balance	
Long term deposits	%	\$ -	\$ -	\$ -	\$ -
Guaranteed interest certificates	1.74%	\$ 3,565,169	\$ 3,565,169	\$ 3,565,169	\$ 3,570,861
<b>Total portfolio investments</b>	<b>%</b>	<b>\$ 3,565,169</b>	<b>\$ 3,565,169</b>	<b>\$ 3,565,169</b>	<b>\$ 3,570,861</b>

The following is the maturity structure for fixed income securities based on the principal amount:

	2014	2013
3 months to 5 years	100.0%	100.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	<b>100.0%</b>	<b>100.0%</b>

It is management's opinion that there has been no impairment during the year.

**EAST CENTRAL ALBERTA CATHOLIC SEPARATE SCHOOLS**  
**REGIONAL DIVISION NO. 16**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended August 31, 2014

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2014	2013
Alberta Education	\$ 247,171	\$ 275,302
Other Alberta school divisions	\$ 10,842	\$ 72,851
Salaries & benefit costs	\$ 181,534	\$ 363,891
Other trade payables and accrued liabilities	\$ 356,638	\$ 224,535
<b>Total</b>	<b>\$ 796,185</b>	<b>\$ 936,579</b>

**7. DEFERRED REVENUE**

Deferred revenue consists of revenue that has not yet been allocated to specific activities, revenue that has been allocated to activities to be carried out in future years, and the unexpended portion of revenue on activities in progress at August 31, 2014. The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2013	ADD: 2013/2014 Restricted Funds Received/ Receivable	DEDUCT: 2013/2014 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2013/2014 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2014
Unexpended deferred capital revenue					
<b>Alberta Education:</b>					
Student Health Initiative (School Authorities)	\$ 42,726	\$ -	-\$ 26,931	-\$ 10,842	\$ 4,953
Infrastructure Maintenance Renewal	\$ 870,826	\$ 232,201	-\$ 18,850	\$ -	\$ 1,084,177
Alberta Initiative for School Improvement	\$ 45,222	\$ -	-\$ 45,222	\$ -	\$ -
Other Alberta Education def'd revenue (Dual Credit)	\$ -	\$ 135,000	-\$ 52,366	\$ -	\$ 82,634
<b>Other Deferred Revenue:</b>					
School Generated Funds	\$ 68,385	\$ 15,877	\$ -	\$ -	\$ 84,262
Donations	\$ 1,838	\$ 2,100	\$ -	\$ -	\$ 3,938
Scholarship	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500
School Fees & Rent Paid in Advance	\$ 2,937	\$ -	\$ -	\$ -	\$ 2,937
<b>Total unexpended deferred operating revenue</b>	<b>\$ 1,034,434</b>	<b>\$ 385,178</b>	<b>-\$ 143,369</b>	<b>-\$ 10,842</b>	<b>\$ 1,265,401</b>
Unexpended deferred capital revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expended deferred capital revenue	\$ 18,412,181	\$ -	-\$ 949,282	\$ -	\$ 17,462,899
<b>Total</b>	<b>\$ 19,446,615</b>	<b>\$ 385,178</b>	<b>-\$ 1,092,651</b>	<b>-\$ 10,842</b>	<b>\$ 18,728,300</b>

Deferred revenue represents the liability that the School Division has to either perform additional work on a particular activity or repay the revenue to the funding body.

**EAST CENTRAL ALBERTA CATHOLIC SEPARATE SCHOOLS**  
**REGIONAL DIVISION NO. 16**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended August 31, 2014

**8. EMPLOYEE FUTURE BENEFIT LIABILITIES**

Employee future benefit liabilities consist of other employee future benefits for RRSP payouts of \$33,300 (2013 - \$42,600).

**9. TANGIBLE CAPITAL ASSETS**

	2014						2013	
	Land	Buildings 25-40 Years	Equipment 5-10 Years	Vehicles 5-10 Years	Computer Hardware & Software 3-5 Years	Total	Total	Total
<b>Historical cost</b>								
Beginning of year	\$ 49,698	\$ 30,557,549	\$ 363,796	\$ 703,886	\$ 720,467	\$ 32,395,396	\$ 32,288,329	
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Additions	\$ -	\$ 198,884	\$ 51,552	\$ 48,768	\$ -	\$ 299,204	\$ 107,066	
Transfers in (out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Less disposals including write-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 49,698	\$ 30,756,433	\$ 415,348	\$ 752,654	\$ 720,467	\$ 32,694,600	\$ 32,395,395	
<b>Accumulated amortization</b>								
Beginning of year	\$ -	\$ 11,100,687	\$ 218,962	\$ 285,701	\$ 480,060	\$ 12,085,410	\$ 10,846,434	
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Amortization	\$ -	\$ 1,033,132	\$ 40,621	\$ 66,389	\$ 95,442	\$ 1,235,584	\$ 1,238,975	
Other additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfers in (out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Less disposals including write-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ -	\$ 12,133,819	\$ 259,583	\$ 352,090	\$ 575,502	\$ 13,320,994	\$ 12,085,409	
<b>Net Book Value at End of Year - 2014</b>	\$ 49,698	\$ 18,622,614	\$ 155,765	\$ 400,564	\$ 144,965	\$ 19,373,606	\$ 20,309,986	
<b>Net Book Value at End of Year - 2013</b>	\$ 49,698	\$ 19,456,869	\$ 144,834	\$ 418,187	\$ 240,398	\$ 20,309,986	\$ -	

**EAST CENTRAL ALBERTA CATHOLIC SEPARATE SCHOOLS**  
**REGIONAL DIVISION NO. 16**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended August 31, 2014

**10. ACCUMULATED SURPLUS**

Detailed information related to accumulated surplus is available on the Schedule of Changes in Accumulated Surplus. Accumulated surplus is summarized as follows:

	2014	2013
Unrestricted surplus	\$ 3,100,278	\$ 1,810,852
Operating reserves	\$ 2,317,131	\$ 2,722,815
Accumulated surplus (deficit) from operations	\$ 5,417,409	\$ 4,533,667
Investment in tangible capital assets	\$ 1,910,717	\$ 1,896,926
Capital reserves	\$ 802,312	\$ 1,071,291
Endowments	\$ -	\$ -
Accumulated remeasurement gains (losses)	\$ -	\$ -
Accumulated surplus (deficit)	\$ 8,130,438	\$ 7,501,884

Accumulated surplus from operations include school generated funds of \$188,625. These funds are raised at school level and are not available to spend at board level. The School Division's adjusted surplus from operations is calculated as follows:

	2014	2013
Accumulated surplus from operations	\$ 5,417,409	\$ 4,533,667
Deduct: School generated funds included in accumulated surplus (Note 15)	\$ 188,625	\$ 195,242
Adjusted accumulated surplus <sup>(1)</sup>	\$ 5,228,784	\$ 4,338,425

(1) Adjusted accumulated surplus from operations represents funds available for use by the School Division after deducting funds raised at the school-level.

**11. CONTRACTUAL OBLIGATIONS**

	2014	2013
Building projects	\$ -	\$ -
Building leases <sup>(1)</sup>	\$ 18,052	\$ 17,815
Service providers <sup>(2)</sup>	\$ 16,200	\$ -
Total	\$ 34,252	\$ 17,815

(1) Building Leases: The School Division is committed to lease outreach space to June 30, 2016 at an annual amount of \$ 18,052.

(2) Service Providers: As at August 31, 2014, the School Division has \$290,336 (2013 - \$0) in commitments relating to service contracts of which none are paid to other school jurisdictions.

	Building Projects	Building Leases	Service Providers	Other (Specify)
2014-15	\$ -	\$ 18,052	\$ 157,516	\$ -
2015-16	\$ -	\$ 15,043	\$ 132,820	\$ -
2016-17	\$ -	\$ -	\$ -	\$ -
2017-18	\$ -	\$ -	\$ -	\$ -
2018-19	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ 33,095	\$ 290,336	\$ -

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**12. CONTINGENT LIABILITIES**

The School Division is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims and is not an asset that the School Division can liquidate. Under the terms of membership, the School Division could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

**13. FEES**

	2014	2013
Transportation fees <sup>(1)</sup>	\$ 10,585	\$ 21,435
Fees charged for instruction material and supplies <sup>(2)</sup>	\$ 114,506	\$ 113,136
Fees (Kindergarten and pre-Kindergarten)	\$ 87,101	\$ 75,140
Fees (Non-instructional)	\$ 170,982	\$ 237,444
Other fees	\$ -	\$ -
<b>Total</b>	<b>\$ 383,174</b>	<b>\$ 447,155</b>

<sup>(1)</sup> Charged under School Act, Section 51 (3)

<sup>(2)</sup> Charged under School Act Section 60 (2) (j)

**14. TRUSTS UNDER ADMINISTRATION**

These balances represent assets that are held in trust by the School Division. They are not recorded on the statements of the School Division.

	2014	2013
Deferred salary leave plan	\$ -	\$ -
Scholarship trusts	\$ 11,821	\$ 11,627
Student Health Initiative (Banker board)	\$ -	\$ -
Children and Youth with Complex Needs (Banker board)	\$ 8,804	\$ 5,721
Regional Collaborative Service Delivery (Banker board)	\$ -	\$ -
Regional Learning Consortium (Banker board)	\$ -	\$ -
Other foundations (please specify)	\$ -	\$ -
<b>Total</b>	<b>\$ 20,625</b>	<b>\$ 17,348</b>



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**15. SCHOOL GENERATED FUNDS**

	2014	2013
School Generated Revenue, Beginning of Year	\$ 263,627	\$ 256,792
Gross Receipts:		
Fees	\$ 170,983	\$ 237,444
Fundraising	\$ 273,929	\$ 303,282
Gifts and donations	\$ 31,628	\$ 36,862
Grants to schools	\$ -	\$ 10,000
Other sales and services	\$ 33,142	\$ 28,258
Total gross receipts	\$ 509,682	\$ 615,846
Total Related Expenses and Uses of Funds	\$ 252,197	\$ 321,105
Total Direct Costs Including Cost of Goods Sold to Raise Funds	\$ 248,225	\$ 287,906
School Generated Revenues, End of Year	\$ 272,887	\$ 263,627
Balance included in Deferred Revenue	\$ 84,262	\$ 68,385
Balance included in Accumulated Surplus	\$ 188,625	\$ 195,242

**16. RELATED PARTY TRANSACTIONS**

All entities that are consolidated in the accounts of the Government of Alberta are related parties of school divisions. These include government departments, health authorities, post-secondary institutions and other school divisions in Alberta.

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
<b>Government of Alberta (GOA):</b>				
<b>Education</b>				
Accounts receivable / Accounts payable	\$ 8,419	\$ 247,171	\$ -	\$ -
Prepaid expenses / Deferred revenue	\$ -	\$ 1,171,764	\$ -	\$ -
Unexpended deferred capital revenue	\$ -	\$ -	\$ -	\$ -
Expended deferred capital revenue	\$ -	\$ 17,462,899	\$ -	\$ -
Grant revenue & expenses	\$ -	\$ -	\$ 20,867,638	\$ 7,213
<b>Other Alberta school divisions</b>	\$ 2,100	\$ 10,842	\$ 77,766	\$ 66,518
<b>Alberta Health Services</b>	\$ 55,005	\$ -	\$ 74,626	\$ 26,931
<b>Post-secondary institutions</b>	\$ -	\$ -	\$ -	\$ 50,158
<b>Alberta Infrastructure</b>	\$ -	\$ -	\$ 35,250	\$ -
<b>Other Learning Grant from Edmonton Learning Consortium</b>	\$ -	\$ -	\$ -	\$ -
<b>TOTAL 2013/2014</b>	<b>\$ 65,524</b>	<b>\$ 18,892,676</b>	<b>\$ 21,055,280</b>	<b>\$ 150,820</b>
<b>TOTAL 2012/2013</b>	<b>\$ 23,019</b>	<b>\$ 19,764,773</b>	<b>\$ 24,446,568</b>	<b>\$ 1,453,825</b>

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**17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

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

**18. REMUNERATION AND MONETARY INCENTIVES**

<b>Board Members:</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Negotiated Allowances</b>	<b>Performance Bonuses</b>	<b>ERIP's / Other</b>	<b>Expenses</b>
Chair (Jim Brady)	1.0	\$ 19,140	\$ 599	\$ -			\$ 14,942
Trustee (Larry Wasylik)	1.0	\$ 9,180	\$ 4,742	\$ -			\$ 8,069
Trustee (Mardy Charlebois)	1.0	\$ 3,600	\$ 3,437	\$ -			\$ 1,954
Trustee (Greg Iback)	1.0	\$ 3,690	\$ 4,602	\$ -			\$ 2,855
Trustee (Debra Klein)	1.0	\$ 5,310	\$ 4,627	\$ -			\$ 3,517
Trustee (Rob Nichols)	1.0	\$ 3,150	\$ 4,587	\$ -			\$ 2,728
Trustee (Daryl Possberg)	0.8	\$ 3,510	\$ 3,803	\$ -			\$ 1,851
Trustee (Duane Austin)	0.8	\$ 3,690	\$ 3,841	\$ -			\$ 4,251
Trustee (Harry Loonen)	0.2	\$ 720	\$ 766	\$ -			\$ -
Trustee (Rob Nichols)	0.2	\$ 540	\$ 762	\$ -			\$ 559
	0.0	\$ -	\$ -	\$ -			\$ -
	0.0	\$ -	\$ -	\$ -			\$ -
	0.0	\$ -	\$ -	\$ -			\$ -
<b>Subtotal</b>	<b>8.0</b>	<b>\$ 52,530</b>	<b>\$ 31,765</b>	<b>\$ -</b>			<b>\$ 40,726</b>
Superintendent (1)	0.95	\$ 171,790	\$ 43,635	\$ -	\$ -	\$ -	\$ 36,149
Superintendent (2)	0.17	\$ 14,906	\$ 1,216	\$ -	\$ -	\$ -	\$ 494
Secretary/Treasurer	0.94	\$ 117,459	\$ 28,344	\$ -	\$ -	\$ -	\$ 6,862
Certificated teachers	116.5	\$ 10,384,911	\$ 2,435,839	\$ -	\$ -	\$ 35,203	
Non-certificated - other	84.5	\$ 2,800,569	\$ 682,810	\$ -	\$ -	\$ -	
<b>TOTALS</b>		<b>\$ 13,542,165</b>	<b>\$ 3,223,610</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,203</b>	

**19. BUDGET**

The budget was prepared by the School Division and approved by the Board of Trustees on May 27, 2013.

**20 COMPARATIVE FIGURES**

The comparative figures have been reclassified where necessary to conform to the 2013/2014 presentation.