

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2012 and AUGUST 31, 2013**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Red Deer Catholic Regional Division No. 39

Legal Name of School Jurisdiction

5210 - 61 Street, Red Deer, AB T4N 6N8

Mailing Address

403-343-1055 403-347-6410

Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Red Deer Catholic Regional Division No. 39 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 Chairman

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	
<u>Mr. Guy Pelletier</u> Name	<u>"Original Signed"</u> Signature

SUPERINTENDENT	
<u>Dr. V. Paul Mason</u> Name	<u>"Original Signed"</u> Signature

SECRETARY-TREASURER OR TREASURER	
<u>Mr. Roderic M. Steeves</u> Name	<u>"Original Signed"</u> Signature

November 26, 2013
Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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Independent Auditors' Report

To the Board of Trustees of Red Deer Catholic Regional Division No. 39:

We have audited the accompanying financial statements of Red Deer Catholic Regional Division No. 39, which comprise the statements of financial position as at August 31, 2013, August 31, 2012 and September 1, 2011, and the statements of operations, cash flows, change in net financial assets (net debt) and remeasurement gains and losses, and schedules of changes in accumulated surplus, capital revenue and program operations for the years ended August 31, 2013 and August 31, 2012, 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 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 audits. We conducted our audits 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 Red Deer Catholic Regional Division No. 39 as at August 31, 2013, August 31, 2012 and September 1, 2011 and the results of its operations, cash flows, and changes in net debt for the years ended August 31, 2013 and August 31, 2012 in accordance with Public Sector Accounting Standards.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that Red Deer Catholic Regional Division No. 39 adopted public sector accounting standards on September 1, 2012 with a transition date of September 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at August 31, 2012 and September 1, 2011, and the statements of operations and changes in net financial assets (net debt) and cash flows for the year ended August 31, 2012 and related disclosures.

Red Deer, Alberta
November 26, 2013

MNP LLP

Chartered Accountants

STATEMENTS OF FINANCIAL POSITION
As at (in dollars)

	August 31		September 1
	2013	2012 Restated	2011 Restated
FINANCIAL ASSETS			
Cash and cash equivalents (Note 4)	\$17,208,058	\$12,100,102	\$11,025,404
Accounts receivable (net after allowances) (Note 5)	\$3,148,396	\$4,152,291	\$2,837,518
Portfolio investments (Note 6)	\$256,020	\$253,015	\$240,287
Other financial assets	\$0	\$0	\$0
Total financial assets	\$20,612,474	\$16,505,408	\$14,103,209
LIABILITIES			
Bank indebtedness (Note 7)	\$0	\$0	\$0
Accounts payable and accrued liabilities (Note 8)	\$3,139,337	\$4,346,159	\$3,013,135
Deferred revenue (Note 9)	\$66,440,766	\$64,732,347	\$67,952,854
Employee future benefit liabilities (Note 10)	\$1,851,673	\$1,925,049	\$1,623,767
Other liabilities	\$0	\$0	\$0
Debt (Note 11)			
Supported: Debentures and other supported debt	\$251,623	\$393,919	\$622,716
Unsupported: Debentures and capital loans	\$3,211,000	\$3,302,000	\$3,387,000
Capital leases	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Total liabilities	\$74,894,399	\$74,699,474	\$76,599,472
Net financial assets (debt)	(\$54,281,925)	(\$58,194,066)	(\$62,496,263)
NON-FINANCIAL ASSETS			
Tangible capital assets (Note 12)			
Land	\$361,489	\$361,489	\$361,489
Construction in progress	\$3,780,898	\$1,167	\$0
Buildings	\$109,440,572		
Less: Accumulated amortization	(\$43,036,817)	\$66,403,755	\$71,068,564
Equipment	\$7,966,426		
Less: Accumulated amortization	(\$6,703,144)	\$1,263,282	\$1,846,945
Vehicles	\$3,872,636		
Less: Accumulated amortization	(\$2,275,277)	\$1,597,359	\$1,477,153
Computer Equipment	\$1,463,550		
Less: Accumulated amortization	(\$731,470)	\$732,080	(\$423,021)
Total tangible capital assets	\$74,138,863	\$73,525,771	\$75,350,042
Prepaid expenses	\$947,780	\$1,118,673	\$1,010,694
Other non-financial assets (Note 13)	\$94,512	\$245,661	\$124,211
Total non-financial assets	\$75,181,155	\$74,890,105	\$76,484,947
Accumulated surplus (Note 14)	\$20,899,230	\$16,696,039	\$13,988,684
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	\$20,860,371	\$16,655,637	\$13,988,684
Accumulated remeasurement gains (losses)	\$38,858	\$40,402	\$0
	\$20,899,230	\$16,696,039	\$13,988,684
Contractual obligations (Note 15)			
Contingent liabilities (Note 16)			

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

STATEMENTS OF OPERATIONS
For the Years Ended August 31 (in dollars)

	Budget 2013	Actual 2013	Actual 2012 Restated
REVENUES			
Alberta Education	\$46,102,429	\$50,246,871	\$49,403,706
Other - Government of Alberta	\$3,251,317	\$3,043,436	\$3,067,235
Federal Government and First Nations	\$10,000	\$48,671	\$46,429
Other Alberta school authorities	\$61,000	\$72,918	\$51,620
Out of province authorities	\$200,000	\$429,422	\$433,311
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$25,000,000	\$25,881,287	\$23,610,555
Fees (Note 17)	\$1,425,000	\$1,606,223	\$1,850,412
Other sales and services	\$340,000	\$889,079	\$751,104
Investment income	\$100,000	\$195,577	\$98,425
Gifts and donations	\$0	\$172,237	\$149,957
Rental of facilities	\$90,000	\$107,631	\$108,548
Fundraising	\$850,000	\$836,322	\$711,710
Gains (losses) on disposal of capital assets	\$0	\$6,950	\$41,218
Other revenue	\$450,000	\$611,141	\$656,159
Total revenues	\$77,879,746	\$84,147,765	\$80,980,389
EXPENSES			
Instruction	\$61,437,826	\$64,250,850	\$62,149,802
Plant operations and maintenance	\$9,621,657	\$8,392,849	\$9,107,699
Transportation	\$4,298,857	\$4,460,970	\$4,322,879
Administration	\$2,811,032	\$2,838,361	\$2,733,056
External services	\$0	\$0	\$0
Total expenses	\$78,169,372	\$79,943,030	\$78,313,436
Operating surplus (deficit)	(\$289,626)	\$4,204,735	\$2,666,953

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

STATEMENTS OF CASH FLOWS
For the Years Ended August 31 (in dollars)

	2013	2012 Restated
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$4,204,735	\$2,666,953
Add (Deduct) items not affecting cash:		
Total amortization expense	\$3,955,079	\$3,873,328
Gains on disposal of tangible capital assets	(\$6,950)	(\$41,218)
Losses on disposal of tangible capital assets	\$0	\$0
Changes in:		
Accounts receivable	\$1,003,895	(\$1,314,773)
Prepays	\$170,893	(\$107,979)
Other financial assets	\$0	\$0
Non-financial assets	\$151,149	(\$121,450)
Accounts payable and accrued liabilities	(\$1,206,822)	\$1,333,024
Deferred revenue (Excluding EDCR)	(\$2,065,454)	(\$3,220,507)
Employee future benefit liabilities	(\$73,376)	\$301,282
Other (describe)	\$0	\$0
Total cash flows from operating transactions	\$6,133,149	\$3,368,660
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$0	\$0
Buildings	(\$255,276)	(\$1,010,991)
Equipment	(\$53,050)	(\$578,328)
Vehicles	(\$329,238)	(\$183,536)
Computer equipment	(\$157,654)	(\$286,984)
Net proceeds from disposal of unsupported capital assets	\$7,870	\$52,000
Other (describe)	\$0	\$0
Total cash flows from capital transactions	(\$787,348)	(\$2,007,839)
C. INVESTING TRANSACTIONS		
Changes in portfolio investments	(\$4,549)	\$27,674
Remeasurement gains (losses) reclassified to the statement of operations	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from investing transactions	(\$4,549)	\$27,674
D. FINANCING TRANSACTIONS		
Issue of debt	\$0	\$0
Repayment of debt	(\$233,296)	(\$313,797)
Other (describe)	\$0	\$0
Total cash flows from financing transactions	(\$233,296)	(\$313,797)
Increase (decrease) in cash and cash equivalents	\$5,107,956	\$1,074,698
Cash and cash equivalents, at beginning of year	\$12,100,102	\$11,025,404
Cash and cash equivalents, at end of year	\$17,208,058	\$12,100,102

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

STATEMENTS OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)

For the Years Ended August 31 (in dollars)

	2013	2012
Operating surplus (deficit)	\$4,204,735	\$2,666,953
Effect of changes in tangible capital assets		
Aquisition of tangible capital assets	(\$4,569,091)	(\$2,059,839)
Amortization of tangible capital assets	\$3,955,079	\$3,873,328
Net carrying value of tangible capital assets disposed of	\$920	\$10,782
Write-down carrying value of tangible capital assets	\$0	\$0
Total effect of changes in tangible capital assets	(\$613,092)	\$1,824,271
Changes in:		
Prepaid expenses	\$170,893	(\$107,979)
Other non-financial assets	\$151,149	(\$121,450)
Net remeasurement gains and (losses)	(\$1,544)	\$40,402
Endowments	\$0	\$0
Increase (decrease) in net financial assets (net debt)	\$3,912,141	\$4,302,197
Net financial assets (net debt) at beginning of year	(\$58,194,066)	(\$62,496,263)
Net financial assets (net debt) at end of year	(\$54,281,926)	(\$58,194,066)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2013 (in dollars)

	2013
Opening accumulated remeasurement gains and (losses) upon adoption on September 1, 2012	\$40,402
Unrealized gains (losses) attributable to:	
Portfolio investments	(\$1,544)
Other	\$0
Amounts reclassified to the statement of operations:	
Portfolio investments	\$0
Other	\$0
Net remeasurement gains (losses) for the year	(\$1,544)
Accumulated remeasurement gains (losses) at end of year	\$38,858

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

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2013 (in dollars)

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2013 (in dollars)

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2013 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED		INTERNALLY RESTRICTED RESERVES BY PROGRAM						EXTERNAL SERVICES		
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES	School & Instruction Related	Operations & Maintenance	Board & System Administration	Transportation	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	
Balance at August 31, 2012	\$16,686,403	\$40,402	\$16,646,001	\$6,549,626	\$0	\$0	\$7,439,980	\$2,668,395	\$6,237,465	\$500,000	\$763,344	\$302,515	\$500,000	\$400,000	\$1,010,833	\$0	\$0
Prior period adjustments:																	
Employee future benefits	\$7,636	\$0	\$7,636	\$0	\$0	\$0	\$7,636	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2012	\$16,696,039	\$40,402	\$16,655,637	\$6,549,626	\$0	\$0	\$7,447,616	\$2,668,395	\$6,237,465	\$500,000	\$763,344	\$310,151	\$500,000	\$400,000	\$1,010,833	\$0	\$0
Operating surplus (deficit)	\$4,204,735		\$4,204,735														
Board funded tangible capital asset additions:				\$726,275		\$0	\$0	\$726,275	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported tangible capital assets	\$0		\$0	(\$920)		\$0	\$0	(\$920)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net remeasurement gains (losses) for the year	(\$1,544)	(\$1,544)				\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Endowment expenses	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Direct credits to accumulated surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amortization of tangible capital assets	\$0		\$0	(\$3,955,079)		\$3,955,079	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital revenue recognized	\$0		\$0	\$3,016,962		(\$3,016,962)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt principal repayments (unsupported)	\$0		\$0	\$91,000		(\$91,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Externally imposed endowment restrictions	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers to operating reserves	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers from operating reserves	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers to capital reserves	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers from capital reserves	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Assumption/transfer of other operators' surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2013	\$20,899,230	\$38,658	\$20,860,572	\$6,429,864	\$0	(\$0)	\$10,991,678	\$5,438,830	\$9,761,527	\$500,000	\$956,461	\$310,151	\$405,838	\$400,000	\$1,529,520	\$0	\$0

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT INTANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED		INTERNALLY RESTRICTED RESERVES BY PROGRAM									
								TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES	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
Balance at August 31, 2011	\$13,123,813	\$13,123,813	\$0	\$0	\$6,291,549	\$0	\$0	\$4,631,540	\$2,200,724	\$3,631,540	\$372,549	\$400,000	\$686,255	\$300,000	\$429,648	\$500,000	\$732,272	\$0	\$0
Prior period adjustments:																			
School Generated Funds	\$962,356	\$962,356	\$0	\$0	\$0	\$0	\$0	\$962,356	\$0	\$962,356	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee Future Benefits	(\$97,485)	(\$97,485)	\$0	\$0	\$0	\$0	\$0	(\$97,485)	\$0	\$0	\$0	\$0	\$0	(\$97,485)	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2011	\$13,988,684	\$13,988,684	\$0	\$0	\$6,291,549	\$0	\$0	\$5,498,411	\$2,200,724	\$4,530,896	\$372,549	\$400,000	\$686,255	\$202,515	\$429,648	\$500,000	\$732,272	\$0	\$0
Operating surplus (deficit)	\$2,866,953	\$2,866,953		\$2,866,953															
Board funded tangible capital asset additions:																			
Disposal of unsupported tangible capital assets	\$0	\$0	\$0	\$0	\$1,038,712	\$0	\$0	(\$1,038,712)	\$0	(\$156,198)	\$0	\$0	(\$83,112)	\$0	(\$295,037)	\$0	(\$524,365)	\$0	\$0
Disposal of supported tangible capital assets (board funded portion)	\$0	\$0	\$0	\$0	(\$10,833)	\$0	\$0	\$10,833	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,833	\$0	\$0
Write-down of unsupported tangible capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Write-down of supported tangible capital assets (board funded portion)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net remeasurement gains (losses) for the year	\$40,402	\$40,402	\$40,402	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Endowment expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Direct credits to accumulated surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amortization of tangible capital assets	\$0	\$0	\$0	\$0	(\$3,875,328)	\$0	\$3,875,328	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital revenue recognized	\$0	\$0	\$0	\$0	\$3,016,526	\$0	(\$3,016,526)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt principal repayments (unsupported)	\$0	\$0	\$0	\$0	\$85,000	\$0	(\$85,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Externally imposed endowment restrictions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers to operating reserves	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,951,205)	\$1,951,205	\$1,651,205	\$0	\$100,000	\$0	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0
Net transfers from operating reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers to capital reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers from capital reserves	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,485,550)	\$1,485,550	\$0	\$167,867	\$0	\$0	\$160,201	\$0	\$385,389	\$0	\$792,093	\$0	\$0
Assumption/transfer of other operators' surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2012	\$16,696,039	\$16,695,637	\$40,402	\$16,695,637	\$6,549,626	\$0	(\$0)	\$7,447,616	\$2,668,385	\$6,245,101	\$394,218	\$500,000	\$763,344	\$302,515	\$500,000	\$400,000	\$1,010,833	\$0	\$0

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2013 (in dollars)

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2012	\$0	\$443,893	\$0	\$0	\$63,331,436
Prior period adjustments	\$0	\$0	\$0	\$0	\$342,649
Adjusted balance, August 31, 2012	\$0	\$443,893	\$0	\$0	\$63,674,085
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$156,260				
Infrastructure Maintenance & Renewal capital related to school facilities	\$0				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$0	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$62,538				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$0	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$0
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$3,773,873
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$69,003)	\$0	\$0	\$0	\$69,003
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognized					\$3,018,962
Balance at August 31, 2013	\$149,795	\$443,893	\$0	\$0	\$64,497,999
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2013 (A) + (B) + (C) + (D)				\$593,688	

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 tangible 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 CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2012 (in dollars)

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2011	\$247,974	\$443,893	\$0	\$0	\$65,048,768
Prior period adjustments	\$0	\$0	\$0	\$0	\$622,716
Adjusted balance, August 31, 2011	\$247,974	\$443,893	\$0	\$0	\$65,671,484
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$773,153				
Infrastructure Maintenance & Renewal capital related to school facilities	\$0				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$0	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$0				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$0	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$0
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$0
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$1,021,127)	\$0	\$0	\$0	\$1,021,127
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognition					\$3,018,526
Balance at August 31, 2012	\$0	\$443,893	\$0	\$0	\$63,674,085
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2012 (A) + (B) + (C) + (D)				\$443,893	

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 tangible 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, 2013 (in dollars)

REVENUES	2013					2012	
	Instruction (ECS-Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	Restated
						TOTAL	
(1) Alberta Education	\$36,818,502	\$6,556,976	\$4,033,032	\$2,838,361	\$0	\$50,246,871	\$49,403,706
(2) Other - Government of Alberta	\$266,411	\$2,777,025	\$0	\$0	\$0	\$3,043,436	\$3,067,235
(3) Federal Government and First Nations	\$48,671	\$0	\$0	\$0	\$0	\$48,671	\$46,429
(4) Other Alberta school authorities	\$72,918	\$0	\$0	\$0	\$0	\$72,918	\$51,620
(5) Out of province authorities	\$429,422	\$0	\$0	\$0	\$0	\$429,422	\$433,311
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Property Taxes	\$25,881,287	\$0	\$0	\$0	\$0	\$25,881,287	\$23,610,555
(8) Fees	\$1,275,750	\$0	\$330,473	\$0	\$0	\$1,606,223	\$1,850,412
(9) Other sales and services	\$795,872	\$2,692	\$90,515	\$0	\$0	\$889,079	\$751,104
(10) Investment income	\$195,577	\$0	\$0	\$0	\$0	\$195,577	\$98,425
(11) Gifts and donations	\$172,237	\$0	\$0	\$0	\$0	\$172,237	\$149,957
(12) Rental of facilities	\$0	\$107,631	\$0	\$0	\$0	\$107,631	\$108,548
(13) Fundraising	\$636,322	\$0	\$0	\$0	\$0	\$636,322	\$711,710
(14) Gains on disposal of tangible capital assets	\$0	\$0	\$6,950	\$0	\$0	\$6,950	\$41,218
(15) Other revenue	\$611,141	\$0	\$0	\$0	\$0	\$611,141	\$656,159
(16) TOTAL REVENUES	\$67,404,110	\$9,444,324	\$4,460,970	\$2,838,361	\$0	\$84,147,765	\$80,980,389
EXPENSES							
(17) Certificated salaries	\$38,062,414			\$490,197	\$0	\$38,552,611	\$37,161,188
(18) Certificated benefits	\$8,844,023			\$100,627	\$0	\$8,944,650	\$8,440,996
(19) Non-certificated salaries and wages	\$7,333,423	\$1,321,183	\$1,839,106	\$1,040,827	\$0	\$11,534,539	\$11,233,455
(20) Non-certificated benefits	\$1,986,877	\$311,238	\$264,943	\$279,633	\$0	\$2,842,691	\$2,713,929
(21) SUB - TOTAL	\$56,226,737	\$1,632,421	\$2,104,049	\$1,911,284	\$0	\$61,874,491	\$59,549,568
(22) Services, contracts and supplies	\$7,564,597	\$3,818,418	\$1,770,400	\$769,905	\$0	\$13,923,320	\$14,677,845
(23) Amortization of supported tangible capital assets	\$266,411	\$2,752,551	\$0	\$0	\$0	\$3,018,962	\$3,018,526
(24) Amortization of unsupported tangible capital assets	\$183,505	\$164,985	\$430,455	\$157,172	\$0	\$936,117	\$854,802
(25) Supported interest on capital debt	\$0	\$24,474	\$0	\$0	\$0	\$24,474	\$48,709
(26) Unsupported interest on capital debt	\$0	\$0	\$156,066	\$0	\$0	\$156,066	\$161,736
(27) Other interest and finance charges	\$9,600	\$0	\$0	\$0	\$0	\$9,600	\$1,250
(28) Losses on disposal of tangible capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000
(30) TOTAL EXPENSES	\$64,250,850	\$6,392,849	\$4,460,970	\$2,838,361	\$0	\$79,943,030	\$78,313,436
(31) OPERATING SURPLUS (DEFICIT)	\$3,153,260	\$1,051,475	\$0	\$0	\$0	\$4,204,735	\$2,666,953

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

1. Incorporation and operations

The Red Deer Catholic Regional Division #39 (the "School Jurisdiction") delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

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

2. Conversion to Public Sector Accounting Standards

Commencing with the 2012/13 fiscal year, the School Division has adopted Canadian Public Sector Accounting ("PSA") standards without not-for-profit provisions. These financial statements are the first financial statements for which the School Division has applied PSA standards with retroactive application.

The School Division has elected to use the following exemptions in accordance with CICA PSA Handbook Section 2125:

- Retirement and post-employment benefits:
 - (1) The School Division has elected to delay application of the discount rate equal to the cost of borrowing until the next actuarial valuation scheduled for August 31, 2014 as required under Sections PS 3250.044 and 3255;
 - (2) The School Division has elected to recognize all cumulative actuarial gains and losses at September 1, 2011 (the date of transition to PSA standards) directly in accumulated surplus (deficit) per Section PS 2125.10; and
- Tangible capital asset impairment:
 - (1) The School Division has elected to apply Section PS 3150.31 on a prospective basis from the date of transition per Section PS 2125.14.

As a result of the adoption of Public Sector Accounting Standards, comparative information has been restated as follows:

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

(a) Reconciliation of opening Statement of Financial Position

	September 1, 2011 Not-for-Profit	Adjustment	September 1, 2011 PSAS
FINANCIAL ASSETS			
Cash and cash equivalents / Cash and temporary investments	\$11,025,404	\$0	\$11,025,404
Accounts receivable (net after allowances)	\$1,714,802	\$1,122,716	\$2,837,518
Portfolio investments / Long term investments	\$240,287	\$0	\$240,287
Other financial assets		\$0	\$0
Other current assets	\$124,211	(\$124,211)	
Trust assets	\$1,663,317	(\$1,663,317)	
Long term accounts receivable	\$500,000	(\$500,000)	
Total financial assets	\$15,268,021	(\$1,164,812)	\$14,103,209
LIABILITIES			
Bank indebtedness	\$0	\$0	\$0
Accounts payable and accrued liabilities	\$3,013,135	\$0	\$3,013,135
Deferred revenue	\$2,551,859	\$65,400,995	\$67,952,854
Deferred capital allocations	\$691,867	(\$691,867)	
Trust liabilities	\$1,663,317	(\$1,663,317)	
Employee future benefit liabilities	\$1,526,282	\$97,485	\$1,623,767
Other liabilities		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt	\$622,716	\$0	\$622,716
Unsupported: Debentures and capital loans	\$3,387,000	\$0	\$3,387,000
Capital leases	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Other long-term liabilities	\$0	\$0	
Unamortized capital allocations	\$65,048,768	(\$65,048,768)	
Total liabilities	\$78,504,944	(\$1,905,472)	\$76,599,472
Net Debt	(\$63,236,923)	\$740,660	(\$62,496,263)
NON-FINANCIAL ASSETS			
Tangible capital assets			
Land	\$361,489	\$0	\$361,489
Construction in progress	\$0	\$0	\$0
Buildings	\$108,181,330	\$0	\$108,181,330
Less: Accumulated amortization	(\$37,112,766)	\$0	(\$37,112,766)
Equipment	\$9,715,103	(\$1,018,912)	\$8,696,191
Less: Accumulated amortization	(\$7,272,267)	\$423,021	(\$6,849,246)
Vehicles	\$3,183,560	\$0	\$3,183,560
Less: Accumulated amortization	(\$1,706,407)	\$0	(\$1,706,407)
Computer Equipment		\$1,018,912	\$1,018,912
Less: Accumulated amortization		(\$423,021)	(\$423,021)
Total tangible capital assets	\$75,350,042	\$0	\$75,350,042
Prepaid expenses	\$1,010,694	\$0	\$1,010,694
Other non-financial assets		\$124,211	\$124,211
Total non-financial assets	\$76,360,736	\$124,211	\$76,484,947
Total accumulated surplus	\$13,123,813	\$864,871	\$13,988,684
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	\$13,123,813	\$864,871	\$13,988,684
Accumulated rereasurement gains (losses)		\$0	\$0
	\$13,123,813	\$864,871	\$13,988,684

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

(b) Reconciliation of Statement of Financial Position

	August 31, 2012 Not-for-Profit	Adjustment	Adjustment	August 31, 2012 PSAS
FINANCIAL ASSETS				
Cash and cash equivalents / Cash and temporary investments	\$12,100,102	\$0	\$0	\$12,100,102
Accounts receivable (net after allowances)	\$3,309,642	\$1,122,716	(\$280,067)	\$4,152,291
Portfolio investments / Long term investments	\$253,015	\$0	\$0	\$253,015
Other financial assets		\$0	\$0	\$0
Other current assets	\$245,661	(\$124,211)	(\$121,450)	
Trust assets	\$222,706	(\$1,663,317)	\$1,440,611	
Long term accounts receivable	\$500,000	(\$500,000)	\$0	
Total financial assets	\$16,631,126	(\$1,164,812)	\$1,039,094	\$16,505,408
LIABILITIES				
Bank indebtedness	\$0	\$0	\$0	\$0
Accounts payable and accrued liabilities	\$4,346,159	\$0	\$0	\$4,346,159
Deferred revenue	\$1,951,093	\$65,400,995	(\$2,619,741)	\$64,732,347
Deferred capital allocations	\$443,893	(\$691,867)	\$247,974	
Trust liabilities	\$222,706	(\$1,663,317)	\$1,440,611	
Employee future benefit liabilities	\$1,835,200	\$97,485	(\$7,636)	\$1,925,049
Other liabilities		\$0	\$0	\$0
Long term debt				
Supported: Debentures and other supported debt	\$393,919	\$0	\$0	\$393,919
Unsupported: Debentures and capital loans	\$3,302,000	\$0	\$0	\$3,302,000
Capital leases	\$0	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0	\$0
Other long-term liabilities	\$0	\$0	\$0	
Unamortized capital allocations	\$63,331,436	(\$65,048,768)	\$1,717,332	
Total liabilities	\$75,826,406	(\$1,905,472)	\$778,540	\$74,699,474
Net Debt	(\$59,195,280)	\$740,660	\$260,554	(\$58,194,066)
NON-FINANCIAL ASSETS				
Tangible capital assets				
Land	\$361,489	\$0	\$0	\$361,489
Construction in progress	\$1,167	\$0	\$0	\$1,167
Buildings	\$109,191,152	\$0	\$0	\$109,191,152
Less: Accumulated amortization	(\$40,060,644)	\$0	\$0	(\$40,060,644)
Equipment	\$10,293,432	(\$1,018,912)	(\$286,984)	\$8,987,536
Less: Accumulated amortization	(\$7,882,302)	\$423,021	\$139,877	(\$7,319,404)
Vehicles	\$3,547,999	\$0	\$0	\$3,547,999
Less: Accumulated amortization	(\$1,926,522)	\$0	\$0	(\$1,926,522)
Computer Equipment		\$1,018,912	\$286,984	\$1,305,896
Less: Accumulated amortization		(\$423,021)	(\$139,877)	(\$562,898)
Total tangible capital assets	\$73,525,771	\$0	\$0	\$73,525,771
Prepaid expenses	\$1,118,673	\$0	\$0	\$1,118,673
Other non-financial assets		\$124,211	\$121,450	\$245,661
Total non-financial assets	\$74,644,444	\$124,211	\$121,450	\$74,890,105
Total accumulated surplus	\$15,449,164	\$864,871	\$382,004	\$16,696,039
Accumulating surplus / (deficit) is comprised of:				
Accumulated operating surplus (deficit)	\$15,449,164	\$864,871	\$341,602	\$16,655,637
Accumulated rereasurement gains (losses)		\$0	\$40,402	\$40,402
	\$15,449,164	\$864,871	\$382,004	\$16,696,039

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

(c) Reconciliation of Statement of Operations

	August 31, 2012 Not-for-Profit	Adjustment	August 31, 2012 PSAS
REVENUES			
Alberta Education	\$73,062,970	(\$23,659,264)	\$49,403,706
Other - Government of Alberta	\$0	\$3,067,235	\$3,067,235
Federal Government and First Nations	\$46,429	\$0	\$46,429
Other Alberta school authorities	\$51,620	\$0	\$51,620
Out of province authorities	\$433,311	\$0	\$433,311
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$23,610,555	\$23,610,555
Fees	\$1,476,044	\$374,368	\$1,850,412
Other sales and services	\$751,104	\$0	\$751,104
Investment income	\$138,827	(\$40,402)	\$98,425
Gifts and donations	\$149,957	\$0	\$149,957
Rental of facilities	\$108,548	\$0	\$108,548
Fundraising	\$711,710	\$0	\$711,710
Gains (losses) on disposal of capital assets	\$41,218	\$0	\$41,218
Amortization of capital contributions	\$3,018,526	(\$3,018,526)	\$0
Other revenue	\$656,159	\$0	\$656,159
Total Revenues	\$80,646,423	\$333,966	\$80,980,389
EXPENSES			
Instruction	\$62,149,802	\$0	\$62,149,802
Plant operations and maintenance	\$9,107,699	\$0	\$9,107,699
Transportation	\$4,322,879	\$0	\$4,322,879
Administration	\$2,740,692	(\$7,636)	\$2,733,056
External services	\$0	\$0	\$0
Total Expenses	\$78,321,072	(\$7,636)	\$78,313,436
Operating surplus (deficit)	\$2,325,351	\$341,602	\$2,666,953

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

d) Reconciliation of Schedule of Expenses by Object

EXPENSES	August 31, 2012		August 31, 2012
	Not-for-Profit	Adjustments	PSAS
Certificated salaries	\$ 37,161,188	\$ -	\$ 37,161,188
Certificated benefits	8,448,632	(7,636)	8,440,996
Non-certificated salaries and wages	11,233,455	-	11,233,455
Non-certificated benefits	2,713,929	-	2,713,929
SUB - TOTAL	\$ 59,557,204	\$ (7,636)	\$ 59,549,568
Services, contracts and supplies	14,677,845	-	\$ 14,677,845
Amortization of supported tangible capital assets	3,873,328	(854,802)	3,018,526
Amortization of unsupported tangible capital assets	-	854,802	854,802
Supported interest on capital debt	-	48,709	48,709
Unsupported interest on capital debt	-	161,736	161,736
Other interest and finance charges	211,695	(210,445)	1,250
Losses on disposal of tangible capital assets	-	-	-
Other expense	1,000	-	1,000
TOTAL EXPENSES	\$ 78,321,072	\$ (7,636)	\$ 78,313,436

3. 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:

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.

3. Significant accounting policies *(continued from previous page)*

Portfolio investments

The School District has investments in bonds and equity instruments 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.

Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are derecognized. Upon derecognition, the accumulated remeasurement gains or losses associated with the derecognized portfolio investments are reversed and reclassified to the Statement of Operations.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. A subsequent increase in value would be recognized on the Statement of Remeasurement Gains and Losses and realized on the Statement of Operations when sold.

Detailed information regarding portfolio investments is disclosed in Note 6.

Inventory (shown as other non-financial assets)

Inventory is valued at the lower of cost (first-in, first-out method) and net realizable value. Net realizable value is estimated selling price in the ordinary course of operations.

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 also fall into this category.

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 Jurisdiction 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.
- 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 incident to ownership of the property to the Board 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 Jurisdiction'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	2.5% to 4%
Vehicles	10% to 20%
Equipment	10% to 20%
Computer hardware and software	10% to 20%

3. Significant accounting policies (continued from previous page)**Long-lived assets**

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The School Jurisdiction performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in earnings for the year. Prices for similar items are used to measure fair value of long-lived assets.

Deferred Revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per *Public Sector Accounting Standard (PSAS) PS 3200*. These contributions are recognized by the School Jurisdiction 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 includes contributions for capital expenditures, unexpended and expended:

- **Unexpended Deferred Capital Revenue**
Unexpended Deferred Capital Revenue represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, 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 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. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require the School Jurisdiction to use the asset in a prescribed manner over the life of the associated asset.

Employee future benefits

The School Jurisdiction accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include defined-benefit retirement plans, vested or accumulating sick leave, early retirement, retirement/severance, job-training and counselling, post-employment benefit continuation, vacation, overtime, death benefits, various qualifying compensated absences, and non-vested sick leave. The School Jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs according to the nature of the plan. 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 Teacher Pension Plan Act, the School Jurisdiction does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Funds on behalf of the jurisdiction is included in both revenues and expenses. For the school year ended August 31, 2013, the amount contributed by the Government was \$3,970,602 (\$3,618,888 in 2012).

Employee future benefits liability

For the other post retirement benefits, the actuarially determined cost of these benefits is accrued over the estimated service lives of employees.

Defined contribution pension plan

The School Jurisdiction participates in the multi-employer pension plan (Local Authorities Pension Plan) and does not report on any unfunded liabilities.

Defined benefit pension plan

The actuarial determination of the accrued benefit obligation for pensions used the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, retirement ages of employees and other actuarial factors). Actuarial gains (losses) arise from the difference resulting from changes in actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated net actuarial gain (loss) over 10 percent of the greater of the benefit obligation and the fair value of the plan assets is amortized over the remaining service period of active employees. The average remaining service period of active employees covered by the pension plan is one year. Past service costs arising from plan initiation are deferred and amortized on a straight line basis over the average remaining service period of employees active at the date of initiation.

3. Significant accounting policies (continued from previous page)**Operating and capital reserves**

Certain amounts are internally or externally 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.

Revenue recognition

Revenues are 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 District has to meet in order to receive certain contributions. *Stipulations* describe what the School District 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.

Expenses

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

Program Reporting

The Division's operations have been segmented 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 revenues and expenses are reported by program, source, and object on the Schedule of Program Operations. 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.

3. **Significant accounting policies** (continued from previous page)

Trusts under administration

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

Trusts under administration have been excluded from the financial reporting of the Jurisdiction. Trust balances can be found in Note 18.

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 Jurisdiction 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, debt and other liabilities. Unless otherwise noted, it is management's opinion that the School Jurisdiction is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risk.

Portfolio investments in equity instruments quoted in an active market and derivatives are recorded at fair value. All other 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 on the Statement of Operations.

Measurement uncertainty (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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of capital assets.

Employee future benefits are calculated using estimates of several factors.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

4. Cash and cash equivalents

	2013			2012
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash	1.25%	\$ 17,138,471	\$ 17,138,471	\$ 12,030,515
Cash equivalents				
Government of Canada, direct and guaranteed	%	-	-	-
Provincial, direct and guaranteed	%	-	-	-
Corporate	%	-	-	-
Municipal	%	-	-	-
Pooled investment funds	%	-	-	-
Other, including GIC's	1.50%	69,587	69,587	69,587
Total cash and cash equivalents		<u>\$ 17,208,058</u>	<u>\$ 17,208,058</u>	<u>\$ 12,100,102</u>

5. Accounts receivable

	2013			2012
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ -	\$ -	\$ -	\$ 402,262
Alberta Education - Capital	611,441	-	\$ 611,441	998,829
Alberta Education - IMR	-	-	\$ -	-
Alberta Finance - Supported debentures	269,058	-	\$ 269,058	393,919
Other Alberta school jurisdictions	50,264	-	\$ 50,264	128,309
Treasury Board and Finance	-	-	\$ -	-
Alberta Health & Wellness	-	-	\$ -	-
Alberta Health Services	-	-	\$ -	-
Enterprise & Advanced Education	-	-	\$ -	-
Post-secondary institutions	-	-	\$ -	-
Other Government of Alberta ministries	147,321	-	\$ 147,321	-
Federal government	100,322	-	\$ 100,322	206,528
Municipalities	1,161,245	-	\$ 1,161,245	1,220,743
First nations	-	-	\$ -	-
Foundations	-	-	\$ -	-
Other	808,745	-	\$ 808,745	801,701
Total	<u>\$3,148,396</u>	<u>\$ -</u>	<u>\$3,148,396</u>	<u>\$4,152,291</u>

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

6. Portfolio investments

	2013				
	Average Effective (Market) Yield	Cost	Fair Value	Balance	2012 Balance
Long term deposits	%	\$ -	\$ -	\$ -	\$ -
Guaranteed interest certificates	%	-	-	-	-
Fixed income securities					
Government of Canada, direct and guaranteed	%	\$ -	\$ -	\$ -	\$ -
Provincial, direct and guaranteed	%	-	-	-	-
Municipal	%	-	-	-	-
Corporate	%	-	-	-	-
Pooled investment funds	-1.90%	182,457	193,084	193,084	196,687
Total fixed income securities	-1.90%	<u>182,457</u>	<u>193,084</u>	<u>193,084</u>	<u>196,687</u>
Equities					
Canadian	6.80%	38,591	39,474	39,475	36,915
Foreign	20.80%	21,993	23,461	23,461	19,413
Real estate	%	-	-	-	-
Total equities	11.70%	<u>60,584</u>	<u>62,935</u>	<u>62,936</u>	<u>56,328</u>
Total portfolio investments	<u>1.20%</u>	<u>\$ 243,041</u>	<u>\$ 256,020</u>	<u>\$ 256,020</u>	<u>\$ 253,015</u>

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

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

7. Bank indebtedness

The School Jurisdiction has negotiated a line of credit in the amount of \$2,000,000 (\$2,000,000 in 2012) that bears interest at the bank prime rate less 0.6%. The line of credit is secured by a borrowing resolution incorporating a first charge over all monies becoming due or payable to the borrower, including municipal levies, covering all revenue of the School Jurisdiction. There was \$0 outstanding on the line of credit at August 31, 2013 (\$0 in 2012).

8. Accounts payable and accrued liabilities

	2013	2012
Alberta Education	\$ 1,226,586	\$ 1,263,221
Other Alberta school jurisdictions	321,604	201,910
Alberta Capital Finance Authority (Interest on long-term debt)	-	-
Alberta Health & Wellness	-	-
Alberta Health Services	34,347	-
Enterprise & Advanced Education	-	-
Post-secondary institutions	-	-
Other Government of Alberta ministries	-	-
Federal government	-	-
First nations	-	-
Other interest on long-term debt	-	-
Other bank charges, fees, and interest	-	-
Salaries & benefit costs	-	-
Other trade payables and accrued liabilities	1,556,800	2,881,028
Total	\$ 3,139,337	\$ 4,346,159

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

9. Deferred revenue

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2012	ADD: 2012/2013 Restricted Funds Received/ Receivable	DEDUCT: 2012/2013 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2012/2013 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2013
Unexpended deferred operating revenue					
Alberta Education:					
Alberta Initiative for School Improvement	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure Maintenance Renew al	275,613	1,087,706	(718,623)	8,419	653,115
Other Government of Alberta:					
AISI -Cross jurisdictional CTF/CTS	234,749	669,200	(564,080)	-	339,869
Other Deferred Revenue:					
School Generated Funds	-	145,435	-	-	145,435
Fees	102,176	107,484	-	-	209,660
Donations	-	1,000	-	-	1,000
Other	1,831	-	(1,831)	-	-
Total unexpended deferred operating revenue	\$ 614,369	\$ 2,010,825	\$ (1,284,534)	\$ 8,419	\$ 1,349,079
Unexpended deferred capital revenue	443,893	218,799	(69,003)	-	593,689
Expended deferred capital revenue	63,674,085	3,842,876	(3,018,962)	-	64,497,999
Total	\$ 64,732,347	\$ 6,072,500	\$ (4,372,499)	\$ 8,419	\$ 66,440,766

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2011	ADD: 2011/2012 Restricted Funds Received/ Receivable	DEDUCT: 2011/2012 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2011/2012 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2012
Unexpended deferred operating revenue					
Alberta Education:					
Alberta Initiative for School Improvement	\$ 133,137	\$ 454,932	\$ (588,069)	\$ -	\$ -
Infrastructure Maintenance Renew al	500,057	1,032,410	(1,256,854)	-	275,613
Other Alberta Education deferred revenue	811,005	-	(576,256)	-	234,749
Other Government of Alberta:					
AISI -Cross jurisdictional CTF/CTS	-	-	-	-	-
Other Deferred Revenue:					
School Generated Funds	-	-	-	-	-
Fees	137,487	1,138,429	(1,173,740)	-	102,176
Donations	7,817	151	(6,137)	-	1,831
Other	-	-	-	-	-
Total unexpended deferred operating revenue	\$ 1,589,503	\$ 2,625,922	\$ (3,601,056)	\$ -	\$ 614,369
Unexpended deferred capital revenue	691,864	773,156	(1,021,127)	-	443,893
Expended deferred capital revenue	65,671,487	1,249,924	(3,247,326)	-	63,674,085
Total	\$ 67,952,854	\$ 4,649,002	\$ (7,869,509)	\$ -	\$ 64,732,347

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

10. Employee future benefits liabilities

Employee future benefit liabilities consist of the following:

	2013	2012
Defined benefit pension plan	\$ 444,430	\$ 438,300
Accumulated sick pay liability	-	-
Vacation accrual liability	278,803	265,446
Other compensation absences	-	-
Post-employment benefits	-	-
Retirement allowances	270,718	283,320
Other termination benefits	184,600	284,580
Educational subsidy surplus	401,811	371,987
Personal professional development fund	271,311	281,416
Other employee future benefits	-	-
Total	<u>\$1,851,673</u>	<u>\$1,925,049</u>

Defined contribution plan

The expense for the defined contribution pension plan is equivalent to the annual contributions of \$240,417 (\$216,544 in 2012) for the year ended August 31, 2013. At December 31, 2012, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,980,000,000 (deficiency of \$4,639,390,000 on December 31, 2011).

Defined benefit pension plan

The School Jurisdiction's unfunded defined benefit pension plan provides non-indexed pension benefits at retirement to enhance the LAPP formula to a full 2% final average earnings formula.

The expense and obligations are determined in accordance with Canadian GAAP and actuarial principles. Obligations are based on the projected benefits method of valuation that includes employee service to date and present pay levels, as well as a projection of salaries and service to retirement.

Total cash payments for pension for 2013, consisting of cash contributed by the School Jurisdiction to its funded pension plans, cash payments directly to the employees or their beneficiaries for its unfunded other benefit plans and cash contributed to its defined benefit plan were \$0 (\$0 in 2012).

Benefits paid by pension plans were \$27,900 (\$26,700 in 2012).

Accrued benefit plan obligation

	2013	2012
Accrued benefit plan obligation, beginning of year	365,500	417,300
Accrual for services	26,300	29,500
Interest cost	18,100	18,200
Benefit payments	(27,900)	(26,700)
Actuarial gain (loss) on accrued benefit plan obligation	(23,700)	(72,800)
Accrued benefit plan obligation, end of year	<u>358,300</u>	<u>365,500</u>

The School Jurisdiction measures its accrued benefit obligations and fair value of plan assets for accounting purposes at August 31, 2013.

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

10. Employee future benefits liabilities (continued from previous page)

Reconciliation of funded status of the benefit plans to the amounts recorded in the financial statements

	2013	2012
Accrued benefit obligation	(358,300)	(365,500)
Balance of unamortized amounts	(86,130)	(72,800)
Accrued benefit liability	(444,430)	(438,300)

Elements of defined benefit costs recognized in the year

	2013	2012
Current service cost	26,300	29,500
Interest costs	18,100	18,200
Amortization of experience losses	(10,400)	0
Defined benefit costs recognized	34,000	47,700

Significant assumption

	2013	2012
Accrued benefit obligation discount	4.95%	4.95%

11. Debt

	2013	2012
Debentures outstanding at August 31, 2013 have interest rates between 7.63% and 11.50%. The terms on the loan range between 1 and 6 years, payments made annually supported by Alberta Education	\$251,623	\$393,919
The Transportation Facility loan at August 31, 2013 has interest at 4.8%. The term of the loan is 15 years, payments made monthly	3,211,000	3,302,000
	\$3,462,623	\$3,695,919

Debenture Debt – Supported

The debenture debt bears interest at rates between 7.63% and 11.50%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are:

	Principal	Interest	Total
2013-2014	\$ 88,021	\$ 24,063	\$ 112,084
2014-2015	\$ 51,384	\$ 15,840	\$ 67,224
2015-2016	\$ 51,384	\$ 10,737	\$ 62,121
2016-2017	\$ 44,784	\$ 5,635	\$ 50,419
2017-2018	\$ 8,024	\$ 1,257	\$ 9,281
2018 to maturity	\$ 8,026	\$ 628	\$ 8,654
Total	\$ 251,623	\$ 58,160	\$ 309,783

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

11. Debt (continued from previous page)

Capital Loan

The School Jurisdiction has a capital loan outstanding in the amount of \$3,211,000. The capital loan bears interest at 4.8% per annum and expires December 2028. The following is a summary of principal and interest payments on related long term debt outstanding at August 31, 2013.

	Principal	Interest	Total
2013-2014	\$ 96,000	\$ 151,412	\$ 247,412
2014-2015	\$ 100,000	\$ 146,668	\$ 246,668
2015-2016	\$ 105,000	\$ 142,819	\$ 247,819
2016-2017	\$ 111,000	\$ 136,084	\$ 247,084
2017-2018	\$ 117,000	\$ 130,684	\$ 247,684
2018 to maturity	\$2,682,000	\$ 958,525	\$ 3,640,525
Total	<u>\$3,211,000</u>	<u>\$1,666,192</u>	<u>\$ 4,877,192</u>

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

12. Tangible capital assets

	August 31, 2013						
	Land	Construction In Progress - Buildings	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total
Estimated useful life			25-40 Years	5-10 Years	5-10 Years	5-10 Years	
Historical cost							
Beginning of year	\$ 361,489	\$ 1,167	\$109,191,152	\$ 8,987,536	\$ 3,547,999	\$ 1,305,896	\$123,395,239
Additions	-	3,779,731	249,420	53,050	329,237	157,654	\$ 4,569,092
Transfers in (out)	-	-	-	-	-	-	\$ -
Less disposals including write-offs	-	-	-	(1,074,160)	(4,600)	-	\$ (1,078,760)
	<u>\$ 361,489</u>	<u>\$ 3,780,898</u>	<u>\$109,440,572</u>	<u>\$ 7,966,426</u>	<u>\$ 3,872,636</u>	<u>\$ 1,463,550</u>	<u>\$126,885,571</u>
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 40,060,644	\$ 7,319,406	\$ 1,926,522	\$ 562,896	\$ 49,869,468
Additions	-	-	2,976,173	457,898	352,435	168,574	\$ 3,955,080
Transfers in (out)	-	-	-	-	-	-	\$ -
Less disposals including write-offs	-	-	-	(1,074,160)	(3,680)	-	\$ (1,077,840)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,036,817</u>	<u>\$ 6,703,144</u>	<u>\$ 2,275,277</u>	<u>\$ 731,470</u>	<u>\$ 52,746,708</u>
Net Book Value at End of Year	<u>\$ 361,489</u>	<u>\$ 3,780,898</u>	<u>\$ 66,403,755</u>	<u>\$ 1,263,282</u>	<u>\$ 1,597,359</u>	<u>\$ 732,080</u>	<u>\$ 74,138,863</u>

	August 31, 2012						
	Land	Construction In Progress - Buildings	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total
Estimated useful life			25-40 Years	5-10 Years	5-10 Years	3-5 Years	
Historical cost							
Beginning of year	\$ 361,489	\$ -	\$108,181,330	\$ 8,660,741	\$ 3,183,560	\$ 1,054,362	\$121,441,482
Additions	-	1,167	1,009,822	291,344	470,521	286,985	\$ 2,059,839
Transfers in (out)	-	-	-	35,451	-	(35,451)	\$ -
Less disposals including write-offs	-	-	-	-	(106,082)	-	\$ (106,082)
	<u>\$ 361,489</u>	<u>\$ 1,167</u>	<u>\$109,191,152</u>	<u>\$ 8,987,536</u>	<u>\$ 3,547,999</u>	<u>\$ 1,305,896</u>	<u>\$123,395,239</u>
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 37,112,766	\$ 6,821,867	\$ 1,706,407	\$ 450,400	\$ 46,091,440
Additions	-	-	2,947,878	470,155	315,415	139,880	\$ 3,873,328
Transfers in (out)	-	-	-	27,384	-	(27,384)	\$ -
Less disposals including write-offs	-	-	-	-	(95,300)	-	\$ (95,300)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,060,644</u>	<u>\$ 7,319,406</u>	<u>\$ 1,926,522</u>	<u>\$ 562,896</u>	<u>\$ 49,869,468</u>
Net Book Value at End of Year	<u>\$ 361,489</u>	<u>\$ 1,167</u>	<u>\$ 69,130,508</u>	<u>\$ 1,668,130</u>	<u>\$ 1,621,477</u>	<u>\$ 743,000</u>	<u>\$ 73,525,771</u>

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

13. Other non-financial assets

	2013	2012
Inventory	\$ 94,512	\$ 245,661
Other (specify if significant)	-	-
Other	-	-
Total	\$ 94,512	\$ 245,661

14. Accumulated surplus

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

	2013	2012
Unrestricted surplus	\$ -	\$ -
Operating reserves	10,991,678	7,447,616
Accumulated surplus (deficit) from operations	10,991,678	7,447,616
Investment in tangible capital assets	6,429,864	6,549,626
Capital reserves	3,438,830	2,658,395
Endowments	-	-
Accumulated remeasurement gains (losses)	38,858	40,402
Accumulated surplus (deficit)	\$ 20,899,230	\$ 16,696,039

The School Jurisdiction has recorded a provision for employee future benefits. Since this provision reflects estimated future obligations, it is not required to be funded from current operations. Accumulated surplus may be adjusted as follows:

	2013	2012
Accumulated surplus (deficit) from operations	10,991,678	7,447,616
Employee future benefits	1,851,673	1,925,049
Adjusted accumulated surplus (deficit) ⁽¹⁾	\$ 12,843,351	\$ 9,372,665

⁽¹⁾ Adjusted accumulated surplus represents unspent funding available to support the School Jurisdiction's operations for the 2013-2014 year.

15. Contractual obligations

	2013	2012
Building Projects ⁽¹⁾	\$ -	\$ -
Building Leases ⁽²⁾	315,000	366,828
Service Providers ⁽³⁾	-	-
Other (Specify)	-	-
Other	-	-
Total	\$ 315,000	\$ 366,828

⁽²⁾ Building leases: The School Jurisdiction is committed to lease office space on behalf of an affiliated organization to August 31, 2020, from which the annual rental of \$45,000 is recovered annually.

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

15. Contractual obligations *(continued from previous page)*

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Building Projects	Building Leases	Service Providers	Other	Other
2013-14	\$ -	\$ 45,000	\$ -	\$ -	\$ -
2014-15	-	\$ 45,000	-	-	-
2015-16	-	\$ 45,000	-	-	-
2016-17	-	\$ 45,000	-	-	-
2017-18	-	\$ 45,000	-	-	-
Thereafter	-	\$ 90,000	-	-	-
	\$ -	\$ 315,000	\$ -	\$ -	\$ -

16. Contingent liabilities

The jurisdiction is a member of Urban Schools Insurance Consortium (USIC). Under the terms of its membership, the School Jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. The School Jurisdiction's share of the pool as at August 31, 2013 is \$81,479 (\$103,403 in 2012).

17. Fees

	2013	2012
Transportation fees ⁽¹⁾	\$ 330,473	\$ 322,660
Fees charged for instruction material and supplies ⁽²⁾	\$ 673,749	\$ 619,483
Fees (Yearbooks, Sports, Agenda, Graduation)	\$ 602,001	\$ 908,269
Fees (Specify)		
Other fees		-
Total	<u>\$ 1,606,223</u>	<u>\$ 1,850,412</u>

⁽¹⁾ Charged under School Act Section 51 (3)

⁽²⁾ Charged under School Act Section 60 (2) (j)

18. Trusts under administration

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

	2013	2012
Deferred salary leave plan	\$ 29,891	\$ 36,002
Scholarship trusts	\$ 79,841	\$ 83,301
Total	<u>\$ 109,732</u>	<u>\$ 119,303</u>

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

19. School generated funds

	2013	2012
School Generated Funds, Beginning of Year	\$ 1,336,724	\$ 962,356
Gross Receipts:		
Fees	602,001	994,696
Fundraising	836,322	711,710
Gifts and donations	172,237	149,957
Grants to schools	-	-
Other sales and services	626,771	656,159
Total gross receipts	2,237,331	2,512,522
Total Related Expenses and Uses of Funds	524,045	482,064
Total Direct Costs Including Cost of Goods Sold to Raise Funds	1,794,959	1,656,090
School Generated Funds, End of Year	<u>\$ 1,255,051</u>	<u>\$ 1,336,724</u>
Balance included in Deferred Revenue	\$ 145,435	\$ -
Balance included in Accumulated Surplus	\$ 1,109,616	\$ 1,336,724

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

20. Related party transactions

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

	Balances		Transactions	
	Financial Assets (at cost or net)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Education	\$ -	\$ -	\$ -	\$ -
Accounts receivable / Accounts payable	611,441	1,226,586	-	-
Prepaid expenses / Deferred revenue	25,804	992,984	-	-
Unexpended deferred capital revenue	-	593,689	-	-
Expended deferred capital revenue	-	64,497,999	-	-
Other assets & liabilities	-	-	-	-
Grant revenue & expenses	-	-	79,171,594	-
Other revenues & expenses	-	-	83,575	6,553
Other Alberta school jurisdictions	50,264	321,604	72,918	479,921
Treasury Board and Finance (Principal)	251,623	-	-	-
Treasury Board and Finance (Accrued interest)	17,434	17,434	-	-
Alberta Health	-	34,347	-	42,314
Alberta Health Services	-	-	-	-
Enterprise and Advanced Education	-	-	-	-
Post-secondary institutions	-	-	-	64,642
Alberta Infrastructure	-	-	-	-
Human Services	-	-	-	-
Other GOA ministry (SHIP)	141,570	-	-	-
Other GOA ministry (Subs)	5,751	-	-	-
Other GOA ministries	-	-	-	-
Other:				
Alberta Capital Finance Authority (ACFA)	-	-	-	-
Other Related Parties (Specify)	-	-	-	-
Other Related Parties (Specify)	-	-	-	-
Other Related Parties	-	-	-	-
TOTAL 2012/2013	<u>\$ 1,103,887</u>	<u>\$ 67,684,643</u>	<u>\$ 79,328,087</u>	<u>\$ 593,430</u>
TOTAL 2011/2012	<u>\$ 1,575,128</u>	<u>\$ 65,583,109</u>	<u>\$ 73,087,290</u>	<u>\$ 310,069</u>

Red Deer Catholic Regional Division #39

Notes to the Financial Statements

For the year ended August 31, 2013

21. Economic dependence on related third party

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

22. Remuneration and monetary incentives

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other	Expenses
LaGrange	1.0	\$23,187	\$6,057	\$0			\$2,571
Pelletier	1.0	\$13,088	\$5,215	\$0			\$1,184
Halter	1.0	\$15,023	\$6,207	\$0			\$2,032
Bouchard	1.0	\$14,271	\$5,719	\$0			\$2,498
Watson	1.0	\$18,313	\$5,876	\$0			\$5,903
MacKay	1.0	\$18,877	\$5,899	\$0			\$9,025
McNiff	1.0	\$17,185	\$5,833	\$0			\$6,452
Subtotal	7.0	\$119,944	\$40,806	\$0			\$29,665
Mason	1.0	\$184,394	\$47,574	\$0	\$5,975	\$0	\$13,827
Steeves	1.0	\$139,674	\$30,081	\$0	\$10,130	\$0	\$14,219
Certificated teachers	413.6	\$38,250,617	\$8,876,030	\$0	\$15,071	\$117,600	
Non-certificated - other	235.0	\$11,274,921	\$2,761,674	\$0	\$0	\$0	
TOTALS		\$49,969,550	\$11,756,165	\$0	\$31,176	\$117,600	

23. Financial instruments

Credit concentration

Accounts receivable from the provincial government in connection with grant revenue represents 22% (44% in 2012) and an amount due from the City of Red Deer represents 27% (23% in 2012) of total accounts receivable as at August 31, 2013. The School Jurisdiction believes that there is minimal risk associated with the collection of these amounts as they are from government bodies. Allowances for potentially uncollectible accounts receivable are considered each year.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the School Jurisdiction manages exposure through its normal operating and financing activities. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The School Jurisdiction is exposed to interest rate risk primarily through its long term debt of \$3,462,623 (\$3,695,919 in 2012).

Liquidity risk

Liquidity risk is the risk that the School Jurisdiction will encounter difficulty in meeting obligations associated with financial liabilities. The School Jurisdiction enters into transactions to purchase goods on credit, borrow funds from creditors, and lease office equipment, for which repayment is required at various maturity dates.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The School Jurisdiction enters into transactions to purchase and sell portfolio investments for which the market price fluctuates.

24. Budgeted amounts

The budget was prepared by the School Jurisdiction and approved by the Board of Trustees

25. Comparative figures

The comparative figures have been reclassified where necessary to conform to the 2012/2013 presentation.