




# AGENDA

Edmonton School District No. 7  
One Kingsway  
Edmonton, Alberta

Board Meeting #8

McCauley Chambers  
Tuesday, December 4, 2012  
2:00 p.m.

- A. O Canada 
- B. Roll Call
- C. Communications from the Board Chair
- D. Communications from the Superintendent of Schools
- E. Comments from the Public and Staff Group Representatives
- F. Reports
  - 1. Motion re Development of a District Policy to Guide Social Media Communication  
(Recommendation)
  - 2. Motion re Questions Regarding Board Performance for District Satisfaction Survey  
(Recommendation)
  - 3. Motion re Public Reporting Process for Travel and Expenses  
(Recommendation)
  - 4. Acquiring Locally Developed Courses – Yoga 15, Yoga 25, Reading 25  
(Recommendation)
  - 5. 2011-2012 Financial Statements and Auditors' Report  
(Recommendation)
  - 6. Fall 2012 Update to the 2012-2013 Budget  
(Information)
  - 7. Replacement School Model  
(Information - Response to Request for Information #224)

**BOARD OF TRUSTEES**

**Sarah Hoffman**  
Board Chair

**Michael Janz**  
Board Vice-Chair

**Heather MacKenzie**  
Conference Chair

**David Colburn**  
**Leslie Cleary**  
**Cheryl Johner**  
**Catherine Ripley**  
**Ken Shipka**  
**Christopher Spencer**

- G. Other Committee, Board Representative and Trustee Reports**
- H. Comments from the Public and Staff Group Representatives**  
– 5:00 p.m. (*NOTE: Pre-registration is required for this item.*)
- I. Trustee and Board Requests for Information**
- J. Notices of Motion**
- K. Meeting Dates**
- L. Adjournment**

**DATE:** December 4, 2012

**TO:** Board of Trustees

**FROM:** Trustee Leslie Cleary

**SUBJECT:** Motion re Development of District Policy to Guide Social Media Communication

**REFERENCE:** November 27, 2012 Board Meeting  
[Trustees' Manual – Meetings of the Board \(Notices of Motion\)](#)

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**RECOMMENDATION**

**That the Policy Review Committee develop a District policy to guide social media communication.**

**BACKGROUND**

Notice of motion was served at the November 27, 2012 board meeting.

LC:mmf

**DATE:** December 4, 2012

**TO:** Board of Trustees

**FROM:** Trustee Dave Colburn

**SUBJECT:** Motion re Questions Regarding Board Performance for the District Satisfaction Survey

**REFERENCE:** November 27, 2012 Board Meeting  
[Trustees' Manual – Meetings of the Board \(Notices of Motion\)](#)

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**RECOMMENDATION**

**That the District Priorities and Governance Committee draft a series of questions related to Board performance that will be added to the district satisfaction survey in order to deepen the Board's evaluation of its work.**

**BACKGROUND**

Notice of motion was served at the November 27, 2012 board meeting.

DC:mmf

**DATE:** December 4, 2012

**TO:** Board of Trustees

**FROM:** Trustee Sarah Hoffman

**SUBJECT:** Motion re Public Reporting Process for Travel and Expenses

**REFERENCE:** November 27, 2012 Board Meeting  
[Trustees' Manual – Meetings of the Board \(Notices of Motion\)](#)

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**RECOMMENDATION**

**That the Administration develop a public reporting process applicable to Trustees, the Superintendent, Executives and Managing Directors that aligns with the Government of Alberta's Directive on Public Disclosure of Travel and Expenses to take effect by the next fiscal year.**

**BACKGROUND**

Notice of motion was served at the November 27, 2012 board meeting.

SH:mmf

**DATE:** December 4, 2012

**TO:** Board of Trustees

**FROM:** Edgar Schmidt, Superintendent of Schools

**SUBJECT:** Acquiring Locally Developed Courses – Yoga 15, Yoga 25, Reading 25

**ORIGINATOR:** Tanni Parker, Assistant Superintendent

**RESOURCE STAFF:** Sandy Forster, Jhun Plaza, Stephen Wright

**REFERENCE:** N/A

**ISSUE**

A school wants to offer two locally developed courses not currently approved for the District.

**RECOMMENDATION**

**That the acquisition of the following locally developed courses and resources be approved for use in the District:**

<b>Course Name</b>	<b>Credits</b>	<b>Developing Jurisdiction</b>	<b>Approval Period</b>
<b>Yoga 15</b>	<b>3 credits</b>	<b>Calgary Board of Education</b>	<b>February 2013 – August 2015</b>
<b>Yoga 25</b>	<b>3 credits</b>	<b>Calgary Board of Education</b>	<b>February 2013 – August 2015</b>
<b>Reading 25</b>	<b>3 or 5 credits</b>	<b>Calgary Board of Education</b>	<b>February 2013 – August 2013</b>

**BACKGROUND**

Locally developed courses are developed and authorized by school authorities to provide their students with learning opportunities that complement provincially-authorized curricula. With the ending of the moratorium on developing or acquiring new locally developed courses, the District is now able to develop courses, or seek permission to acquire courses from other districts.

Locally developed courses and resources must be approved and renewed every three years by the developing board. In the case of high school courses, Alberta Education also renews courses on a three-year cycle. The process is governed by Alberta Education policies. All courses developed align to these policy guidelines such as:

- courses are completed within the year they are started;
- a certificated teacher is required for instruction;
- unique hours of instruction are required for each course; and
- waiver of prerequisites provision cannot apply to locally developed courses.

Locally developed courses are created to meet specific identified schools’ needs. The costs of developing a course varies with differing topics, external requirements, number of courses in sequence, established frameworks, and complexity of stakeholders’ expectations.

Staff involvement varies from a single teacher to multi-jurisdiction committees with some courses requiring up to a year for development.

To reduce development costs, when possible the District acquires existing courses from other jurisdictions at no cost.

The Locally Developed Course outlines are posted on the Board Intranet Site (BIS) for Trustee information.

**RELATED FACTS**

The approval period for a course acquired from other jurisdictions is aligned to the three-year cycle for the original developing jurisdiction.

**OPTIONS**

1. Approve the recommendation as requested.
2. Do not approve the recommendation.

**CONSIDERATIONS & ANALYSIS**

Reading 15 is a currently approved locally developed course being used by the following schools in 2012- 2013:

- Centre High
- Harry Ainlay
- Jasper Place
- L.Y. Cairns
- M.E. LaZerte
- Millwoods Christian
- Queen Elizabeth
- Victoria

Reading 25 is a second developmental reading course requiring Reading 15 as a prerequisite.

It is anticipated the enrolment in Reading 25 will be approximately 108 students.

**NEXT STEPS**

Upon approval of this recommendation, the Administration will complete the application to acquire process with Alberta Education and internal processes to make courses available for Semester Two.

**ATTACHMENTS & APPENDICES**

n/a

SW:us

**DATE:** December 4, 2012

**TO:** Board of Trustees

**FROM:** Edgar Schmidt, Superintendent of Schools

**SUBJECT:** 2011-2012 Financial Statements and Auditors' Report

**ORIGINATOR:** Cheryl Hagen, Acting Secretary-Treasurer

**RESOURCE STAFF:** Angela Komick

**REFERENCE:** N/A

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**ISSUE**

On an annual basis, Alberta Education requires the District to complete and submit audited financial statements based on August 31 fiscal year end by November 30.

**RECOMMENDATION**

1. That \$4.4 million be transferred from the operating reserve to offset the net deficit position in unrestricted net assets.
2. That the audited financial statements for the year ending August 31, 2012 (Attachment I) be approved.

**BACKGROUND**

This report:

- outlines the process involved in preparing and approving the 2011-2012 audited financial statements;
- includes the 2011-2012 audited financial statements and notes to the financial statements for the fiscal year (Attachment I);
- includes the Auditors' Report from KPMG LLP regarding their audit opinion (Attachment I);
- includes the unaudited schedules (Attachment II);
- includes a summary of the District's accumulated surplus/(deficit) at August 31, 2012 (Attachment III)

This report has been reviewed by the Audit Committee on November 21, 2012.

Financial Services prepared the financial statements for the 2011-2012 school year, and KPMG LLP performed the audit during October-November 2012. Appropriate tests and procedures were performed to enable the auditors to express an unqualified audit opinion on the District's financial statements. An example of a test was to ensure that the statements of grants paid as issued by Alberta Education agrees with District revenues.

The auditors have completed their field work and have indicated to the Audit Committee that the results of the audit work that was performed enabled them to arrive at an unqualified audit opinion.





Additionally, at the end of each financial year, the actual surplus/(deficits) for each school and Central decision unit (DU) are calculated and information on the factors giving rise to the surplus/(deficits) are obtained from the school or DU with surplus/(deficits) in excess of 5% of their budget. A report showing the surplus/(deficit) by school and DU was submitted to the Audit Committee for review.

Also, Results Review Committees, composed of members of the Board of Trustees, reviewed the financial and operational results of each school and DU against budgeted planned results at meetings held in November.

#### **RELATED FACTS**

- The District ended the year with a \$9.6 million operating deficit, compared to a \$13.4 million deficit in the previous year.
- The District has operating reserves arising from past surpluses that must be drawn down by the current year's operating deficit.
- The \$4.4 million required transfer from operating reserves is less than the \$9.6 million operating deficit, which is offset by a capital fund surplus of \$5.2 million, resulting from the excess of amortization of capital assets compared to new capital additions.
- The transfer of \$4.4 million from the operating reserve leaves a balance of \$23.1 million in operating reserves compared to a balance of \$27.5 million in 2010-2011. The balance in reserve equates to sufficient funds for only 6.3 days of operation compared to 7.6 days in 2010-2011.
- Schools and most Central decision units are able to carry forward their surplus funds in the 2012-2013 budget and future years for initiatives and priorities of a one-time nature. These surplus amounts currently total \$47.2 million.
- The \$23.1 million in operating reserve is insufficient to cover the total of \$47.2 million in surplus carried forward by schools and Central Services, resulting in a net \$24.1 million operating reserve shortfall.
- The \$23.1 million in operating reserve equates to 2.5% of total expenses, which is below the provincial average for all school jurisdictions and is consistent with other Metro boards.
- For comparative purposes, in 2010-2011, the District's operating reserve of \$27.5 million equated to 3.19% of total expenses. This was below the provincial average for all school jurisdictions of 5.22%. Additionally, Metro boards were all below the provincial average with reserves of only 2.73%.

#### **CONSIDERATIONS & ANALYSIS**

N/A

#### **NEXT STEPS**

The Audit Committee, at its meeting on November 21, 2012, had an opportunity to review and discuss the audited financial statements and the auditors' letter regarding their opinion prior to the public Board meeting.

The Audit Committee is recommending to the Board, at its meeting on December 4, 2012, that the 2011-2012 audited financial statements be received for approval and that the necessary funds be transferred from the operating reserve.

Under Section 150 of the *School Act*, the Board Chair is required to present the auditors' report to a public Board meeting to provide an opportunity for discussion. The *School Act* also requires the audited financial statements be submitted to the Minister of Education by November 30, 2012. An electronic draft of the audited financial statements has been submitted to Alberta Education on November 30, 2012 and the final, approved documents will be submitted following Board approval on December 4, 2012.

**ATTACHMENTS & APPENDICES**

- ATTACHMENT I Audited Financial Statements as Required by Alberta Education  
(including Auditors' Report and Notes)
- ATTACHMENT II Unaudited Schedules to the Financial Statements
- ATTACHMENT III Summary of Accumulated Surplus/(Deficit) at August 31, 2012 – Schools,  
Institutions, Early Ed Sites, and Central DUs

CDH:tt

School Jurisdiction Code: 3020

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

**EDMONTON SCHOOL DISTRICT NO.7**

Legal Name of School Jurisdiction

**ONE KINGSWAY, EDMONTON, AB T5H 4G9**

Mailing Address

**TELEPHONE: (780) 429-8000 FAX: (780) 429-8318**

Telephone and Fax Numbers

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

The financial statements of **EDMONTON SCHOOL DISTRICT NO.7** presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong system of budgetary control.

**Board of Trustees Responsibility**

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

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors were given full access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements prescribed by Alberta Education.

**BOARD CHAIR**

**SARAH HOFFMAN**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**EDGAR SCHMIDT**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**CHERYL HAGEN**

Name

**"ORIGINAL SIGNED"**

Signature

**4-Dec-12**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: Robert.Mah@gov.ab.ca  
PHONE: (780) 427-3855 (Toll free 310-0000) FAX: (780) 422-8996

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KPMG LLP  
Chartered Accountants  
10125 - 102 Street  
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Canada

Telephone (780) 429-7300  
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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Edmonton School District No. 7, which comprise the statement of financial position as at August 31, 2012, the statements of revenues and expenses, capital allocations, change in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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 our 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, we consider internal control relevant to the entity's preparation 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 Edmonton School District No. 7 as at August 31, 2012, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

December 4, 2012  
Edmonton, Canada

DRAFT

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2012

(in dollars)

		2012	2011
<b>ASSETS</b>			
Current assets			
Cash and temporary investments	(Note 3)	\$59,990,583	\$58,430,409
Accounts receivable (net after allowances)	(Note 4)	\$15,014,299	\$21,889,713
Prepaid expenses		\$1,109,271	\$489,919
Other current assets		\$4,867,888	\$5,782,858
<b>Total current assets</b>		<b>\$80,782,041</b>	<b>\$86,352,899</b>
Trust assets	(Note 8)	\$3,008,230	\$2,284,813
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets (Note 5)			
Land		\$837,590	\$837,590
Construction in progress		\$4,537,802	\$23,303,914
Buildings	\$1,120,122,549		
Less: accumulated amortization	(\$481,716,288)	\$638,406,261	\$577,308,977
Equipment	\$193,998,165		
Less: accumulated amortization	(\$154,808,875)	\$39,387,290	\$40,181,164
Vehicles	\$3,296,171		
Less: accumulated amortization	(\$1,589,532)	\$1,706,639	\$1,800,166
<b>Total capital assets</b>		<b>\$884,875,582</b>	<b>\$843,531,811</b>
<b>TOTAL ASSETS</b>		<b>\$788,665,853</b>	<b>\$732,149,523</b>
<b>LIABILITIES</b>			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities	(Note 6)	\$32,234,989	\$33,051,407
Deferred revenue	(Note 7)	\$15,550,192	\$13,809,318
Deferred capital allocations	(Note 10)	\$4,495,984	\$6,893,724
Current portion of long term debt		\$1,529,882	\$2,883,117
<b>Total current liabilities</b>		<b>\$53,810,937</b>	<b>\$58,237,568</b>
Trust liabilities	(Note 8)	\$3,008,230	\$2,284,813
Employee future benefit liabilities		\$0	\$0
Long term debt (Note 9)			
Supported: Debentures and other supported debt		\$1,980,232	\$4,600,278
Less: Current portion		(\$1,250,850)	(\$2,810,043)
Unsupported: Debentures and capital loans		\$438,170	\$711,244
Capital leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		(\$279,012)	(\$273,074)
Other long term liabilities		\$0	\$0
Unamortized capital allocations	(Note 11)	\$588,325,384	\$518,998,858
<b>Total long term liabilities</b>		<b>\$572,232,134</b>	<b>\$523,889,872</b>
<b>TOTAL LIABILITIES</b>		<b>\$826,043,071</b>	<b>\$579,927,438</b>
<b>NET ASSETS</b>			
Unrestricted net assets		\$0	\$0
Operating reserves		\$23,153,299	\$27,514,775
Accumulated operating surplus (deficit)		\$23,153,299	\$27,514,775
Investment in capital assets		\$114,121,814	\$119,223,635
Capital reserves		\$5,347,889	\$5,483,875
<b>Total capital funds</b>		<b>\$119,489,483</b>	<b>\$124,707,310</b>
<b>Total net assets</b>		<b>\$142,622,762</b>	<b>\$152,222,085</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$788,665,853</b>	<b>\$732,149,523</b>

Note: Please input "(Restated)" in 2011 column heading where comparatives are not taken from the finalized 2010/2011 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF REVENUES AND EXPENSES**  
for the Year Ended August 31, 2012  
(in dollars)

	Actual 2012	Budget 2012 Unaudited	Actual 2011
<b>REVENUES</b>			
<b>Government of Alberta</b>			
Federal Government and/or First Nations	\$822,873,420	\$814,258,550	\$799,321,532
Other Alberta school authorities	\$2,580,501	\$2,785,442	\$2,488,982
Out of province authorities	\$1,829,867	\$4,449,721	\$2,025,474
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Fees	\$0	\$0	\$0
Other sales and services	\$28,199,160	\$21,891,847	\$27,779,751
Investment income	\$21,515,818	\$14,388,509	\$20,714,524
Gifts and donations	\$1,182,502	\$500,000	\$1,084,868
Fundraising	\$8,757,443	\$3,701,133	\$6,955,098
Rental of facilities	\$2,095,041	\$2,839,800	\$1,519,420
Gains on disposal of capital assets	\$5,331,933	\$2,832,407	\$5,198,489
Amortization of capital allocations	\$5,100	\$0	\$0
Other revenue	\$21,231,124	\$19,179,336	\$21,719,994
<b>Total Revenues</b>	\$913,151,727	\$888,424,345	\$888,768,910
<b>EXPENSES</b>			
Certificated salaries (Note 17)	\$427,674,881	\$425,160,107	\$412,144,535
Certificated benefits (Note 17)	\$88,911,413	\$87,384,583	\$87,145,298
Non-certificated salaries and wages (Note 17)	\$181,909,030	\$175,584,781	\$175,998,388
Non-certificated benefits (Note 17)	\$38,811,185	\$41,271,848	\$37,888,591
Services, contracts and supplies	\$145,385,292	\$154,583,474	\$149,984,515
Capital and debt services			
Amortization of capital assets			
Supported			
Unsupported	\$21,231,124	\$19,179,336	\$21,719,994
<b>Total Amortization of capital assets</b>	\$21,231,124	\$19,179,336	\$21,719,994
Interest on capital debt	\$38,843,984	\$35,443,718	\$38,204,541
Supported			
Unsupported	\$188,493	\$421,134	\$703,435
<b>Total Interest on capital debt</b>	\$188,493	\$421,134	\$703,435
Other interest and charges	\$182,022	\$452,909	\$749,111
Losses on disposal of capital assets	\$233,463	\$429,713	\$351,870
Other expense	\$0	\$0	\$4,804
<b>Total Expenses</b>	\$922,751,030	\$920,291,111	\$902,228,531
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	(\$9,599,303)	(\$33,866,766)	(\$13,443,621)
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(\$9,599,303)	(\$33,866,766)	(\$13,443,621)

Note: Please input "(Restated)" where Actual 2011 comparatives are not as presented in the finalized 2010/2011 Audited Financial Statements filed with Alberta Education. Budget 2012 comparatives presented are final budget amounts formally approved by the Board.



**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2012  
(in dollars)

	2012	2011
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	(\$9,599,303)	(\$13,443,621)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$21,231,124)	(\$21,719,994)
Total amortization expense	\$38,643,984	\$38,204,541
Gains on disposal of capital assets	(\$5,100)	\$0
Losses on disposal of capital assets	\$0	\$4,604
Changes in:		
Accounts receivable	\$8,855,414	(\$4,649,454)
Prepays and other current assets	\$475,618	\$284,165
Long term accounts receivable	\$0	\$158,994
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$818,418)	(\$10,987,593)
Deferred revenue	\$1,940,874	\$4,193,010
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Operations</b>	<b>\$16,063,945</b>	<b>(\$7,957,348)</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$12,349,885)	(\$17,153,027)
Equipment	(\$7,973,859)	(\$9,044,843)
Vehicles	(\$86,748)	(\$334,542)
Net proceeds from disposal of capital assets	\$20,506	\$228,841
Other (describe)	\$0	\$0
<b>Total cash flows from Investing activities</b>	<b>(\$20,389,986)</b>	<b>(\$26,303,571)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$8,159,290	\$4,605,438
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$2,883,118)	(\$3,409,392)
Add back: supported portion	\$2,610,043	\$3,114,911
Other (describe)	\$0	\$0
<b>Total cash flows from financing activities</b>	<b>\$5,886,215</b>	<b>\$4,310,957</b>
<b>Net cash flows from during the year</b>	<b>\$1,560,174</b>	<b>(\$29,949,962)</b>
Cash and temporary investments, net of bank indebtedness, at Aug. 31/11	\$58,430,409	\$88,380,371
Cash and temporary investments, net of bank indebtedness, at Aug. 31/12	\$59,990,583	\$58,430,409

**Note:** Please input "(Restated)" where Actual 2011 comparatives are not as presented in the finalized 2010/2011 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2012**

School Jurisdiction Code: 3020

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) - (11) INTERNALLY RESTRICTED NET ASSETS						(12)	(13)	(14)	(15)
	TOTAL NET ASSETS  Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES  Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES  Cols. 7+9+11+13+15	School & Instruction Related		Operations & Maintenance		Board & System 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, 2011</b>	\$152,222,085	\$119,223,635	\$0	\$27,514,775	\$5,483,675	\$27,514,775	\$5,483,675	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Prior period adjustments (describe)																	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Adjusted Balance, Aug. 31, 2011</b>	\$152,222,085	\$119,223,635	\$0	\$27,514,775	\$5,483,675	\$27,514,775	\$5,483,675	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Excess (deficiency) of revenues over expenses	(\$9,599,303)		(\$9,599,303)														
Board funded capital additions		\$12,053,372	(\$11,609,484)	\$0	(\$243,888)	\$0	(\$243,888)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Disposal of unsupported capital assets	\$0	(\$15,407)	(\$5,099)		\$20,506		\$20,506		\$0		\$0		\$0		\$0	\$0	
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	\$0	
Direct credits to net assets	\$0	\$0	\$0														
Amortization of capital assets		(\$38,643,984)	\$38,643,984														
Amortization of capital allocations		\$21,231,124	(\$21,231,124)														
Debt principal repayments (unsupported)		\$273,074	(\$273,074)														
Net transfers to operating reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Net transfers from operating reserves			\$4,361,476	(\$4,361,476)		(\$4,361,476)		\$0		\$0		\$0		\$0		\$0	
Net transfers to capital reserves			(\$87,376)		\$87,376		\$87,376		\$0		\$0		\$0		\$0	\$0	
Net transfers from capital reserves			\$0		\$0		\$0		\$0		\$0		\$0		\$0	\$0	
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Balance at August 31, 2012</b>	\$142,622,782	\$114,121,814	\$0	\$23,153,289	\$5,347,669	\$23,153,289	\$5,347,669	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

**STATEMENT OF CAPITAL ALLOCATIONS  
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)  
for the Year Ended August 31, 2012  
(In dollars)**

	Deferred Capital Allocations	Unamortized Capital Allocations
<b>Balance at August 31, 2011</b>	\$6,693,724	\$518,996,656
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2011</b>	\$6,693,724	\$518,996,656
<b>Add:</b>		
<b>Restricted capital allocations from:</b>		
<b>Alberta Education school building and modular projects</b>	\$5,265,629	
<b>Other Government of Alberta</b>	\$0	
<b>Federal Government and First Nations</b>	\$0	
<b>Other sources</b>	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$0	
<b>Other capital grants and donations</b>	\$0	
<b>Net proceeds on disposal of supported capital assets</b>	\$893,661	
<b>Insurance proceeds (and related interest)</b>	\$0	
<b>Donated capital assets (amortizable, @ fair market value)</b>		\$0
<b>P3, other ASAP and Alberta Infrastructure managed projects</b>		\$59,644,616
<b>Transferred In capital assets (amortizable, @ net book value)</b>		\$0
<b>Current year supported debenture principal repayment</b>		\$2,610,043
<b>Expended capital allocations - current year</b>	(\$8,357,120)	\$8,357,120
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	\$51,947
<b>Capital allocations amortized to revenue</b>		\$21,231,124
<b>Balance at August 31, 2012</b>	\$4,495,894	\$568,325,364

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



*(Amounts in thousands unless otherwise specified)*

**1. Authority and Purpose**

Edmonton School District No. 7 (the District) is empowered to provide public education through bylaws approved by its Board of Trustees and pursuant to the provisions of the Alberta School Act.

**2. Significant Accounting Policies**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in administration's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

**Capital Assets**

Capital assets are recorded at original cost. Capital assets contributed to the District are recorded at the administration's best estimate of fair value at the time the assets are contributed. Commencing in the year following the year of acquisition, amortization is recorded on a straight-line basis over the estimated useful lives of the assets using the following rates:

Buildings and site improvements	2.5% to 10%
Furniture and equipment	10% and 20%
Vehicles	10%

**Revenue Recognition**

The District receives funds from the province for instruction, support and capital purposes under Alberta Government Regulations.

Grants from the province that are restricted for the acquisition of capital assets are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations, which are amortized on the same basis and at the same rates as are applied to amortization of the cost of the assets. For contributed capital assets, the contribution is recorded as unamortized capital allocations at the best estimate of fair value determined for the contributed assets. The accumulated surplus is not impacted as the additional income is offset by the additional capital asset amortization expense of an equal amount.

Unrestricted donations are recognized as revenue when received or receivable. Donations in kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction has been met.



*(Amounts in thousands unless otherwise specified)*

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### **Contributed Services**

Volunteers assist schools operated by the District in carrying out certain activities. Contributed services are not recognized in the financial statements due to the difficulty of determining the fair value and the fact that such assistance is generally not otherwise purchased.

### **Inventories**

Inventories consist of supplies valued at the lower of average cost or current replacement cost.

### **Financial Instruments and Risk Management**

The District has designated cash and temporary investments as held-for-trading financial assets. Accounts receivable and trust assets are classified as loans and receivables. All financial liabilities are classified as other financial liabilities. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

Transaction costs are recognized immediately in the statement of revenue and expenses. Trade-date basis of accounting is used for financial instruments. The District has elected to exclude the application of Section 3855 of CICA Handbook for contracts to buy or sell non-financial items and embedded derivatives within these contracts and for embedded derivatives within lease and insurance contracts.

The District has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, liquidity risk, and price risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices. The District does not use derivative financial instruments to alter the effects of these risks. The District invests surplus funds in accordance with Section 60(2) of the School Act and Section 5 of the Trustees Act.

The District's accounts receivable are substantially comprised of amounts due from the provincial and federal governments. Funds on deposit are maintained with Schedule 1 Canadian financial institutions. Accordingly, the District is not exposed to significant credit risk. A substantial portion of the District's long-term debt is supported by the provincial government which mitigates liquidity and price risks. Further, substantially all of the District's operations are transacted in Canadian currency.

### **Capital Reserve**

An amount equal to the net proceeds of sale of capital assets and interest generated by these funds is transferred to the capital reserve. The utilization of the reserve is restricted to capital expenditures under external restrictions or internal restrictions at the discretion of the Board of Trustees.



*(Amounts in thousands unless otherwise specified)*

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### **Operating Reserve**

The operating reserve represents school and central services decision units' unspent budget allocations. When expenditures are made from the unspent budget allocations, the operating reserve will be drawn down accordingly. The use of the operating reserve cannot result in a negative unrestricted net asset balance.

### **Asset Retirement Obligation**

The District recognizes the fair value of future asset retirement obligations as a liability when there exists a legal obligation associated with the retirement of tangible long-lived assets. The District concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset that is amortized over the life of the asset or the expected date of remediation. The fair value of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a credit-adjusted risk-free interest rate.

Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset that is being amortized. The District has a legal obligation to remove hazardous materials from District buildings. A liability is recognized when the asset has been approved by the Board of Trustees for disposition and when the fair value of the liability can be reasonably determined. When there is reasonable assurance of capital support for such obligations (funding commitments), the District accrues the receivable and reduces the remaining carrying amount.

### **Vacation Pay**

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

### **Pensions**

The District participates in a number of defined benefit plans to provide pension, retirement and healthcare benefits to its employees.

The District's certificated employees are required to contribute to the Alberta Teachers' Retirement Fund (ATRF). The plan's sponsor is the Province of Alberta. ATRF contributions by the plan sponsor for current service are reflected as a component part of education system costs and are formally recognized in the accounts of the District, even though the District has no legal obligation to pay these costs. The amount of current services contributions are recognized as "Government of Alberta" revenue and as "Certificated benefits" expense. Previously, the Provincial contributions were not included in the accounts of the District. The plan sponsor's current service costs for employees for the current year are \$41,231 (2011 \$39,700).



*(Amounts in thousands unless otherwise specified)*

The District participates in the Local Authorities Pension Plan, which is a multi-employer pension plan and does not report on any unfunded liabilities. The service costs for employees for the current year of \$14,897 (2011 - \$13,754) are included in these statements and comprise the District costs of employer contribution. At December 31, 2011, the Local Authorities Pension Plan reported a deficiency of \$4,639,390 (2010 - \$4,635,250).

### **Capital Management**

The District's capital consists of its net assets. The District is required to maintain sufficient net assets to support operational capital asset needs while ensuring no deficiency in unrestricted net assets. Accordingly, each year, the District prepares a Board of Trustees approved budget based on its projected funding to ensure sufficient funds are available to meet the District's operational capital asset and operational needs. The District monitors its performance against this budget throughout the year and adjusts expenditures when necessary to ensure the District's compliance with net asset requirements. As part of the budget process, the District establishes budgets for each of its business units which, in aggregate, equal the Board of Trustees approved budget.

When necessary, the Board of Trustees can request appropriation of funds from the Capital Reserve to eliminate a deficiency in unrestricted net assets. In addition, to support business unit unspent budget allocations in anticipation of planned projects or spending commitments, the Board of Trustees will transfer unrestricted net assets to the Operating Reserve and draw on these funds when spent.

### **Future Accounting Policies**

The District will adopt Public Sector Accounting Standards for the year ending August 31, 2013 with retrospective application and restatement of the prior school year. The transition is intended to enhance public accountability and comparability of the financial reporting of the government controlled entities with those of other government organizations.

### **3. Cash & Temporary Investments**

	2012			2011		
	Average Effective (Market) Yield	Cost	Fair Value	Average Effective (Market) Yield	Cost	Fair Value
Cash		\$59,569	\$59,569		\$58,014	\$58,014
Fixed Income Securities						
Government of Canada, Direct and Guaranteed	0.91%	422	422	1.35%	416	416
<b>Total Cash and Temporary Investments</b>	<b>0.91%</b>	<b>\$59,991</b>	<b>\$59,991</b>	<b>1.35%</b>	<b>\$58,430</b>	<b>\$58,430</b>

**EDMONTON SCHOOL DISTRICT NO. 7**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2012**  
*(Amounts in thousands unless otherwise specified)*



**4. Accounts Receivable**

Accounts receivable comprises:	<u>2012</u>	<u>2011</u>
Alberta Education	\$9,875	\$17,356
Federal Government	886	1,564
First Nations	939	766
Other Alberta School Jurisdictions	356	529
Other	<u>2,958</u>	<u>1,455</u>
<b>Total</b>	<b><u>\$15,014</u></b>	<b><u>\$21,670</u></b>

**5. Capital Assets**

In 2012, the District assumed control over three new schools constructed and financed by the province under the Alberta Schools Alternative Procurement (ASAP) project. These schools and associated site improvements, constructed on District land, were recorded based on Administration's best estimate of fair value of \$59,645.

Similar to the previously granted school properties, the Ministry is responsible for all capital, maintenance and renewal payments to the contractor over a 30 year period related to the three new schools.

The District has designated one school as a Fixed Asset Held for Sale. The school has a net book value of nil and was sold subsequent to year end.

Amounts in Dollars:

Estimated Useful Life	Land	Construction in Progress - Buildings	Buildings 25-40 Years	Equipment - Computer Hardware/ Software 5 Years	Other Equipment 5-10 Years	Vehicles 5-10 Years	Total August 31, 2012	Total August 31, 2011
	<b>Historical Cost</b>							
September 1, 2011	637,590	23,303,915	1,037,107,825	69,942,375	116,033,653	3,231,432	1,250,458,590	1,225,885,058
Additions	0	4,537,802	67,458,698	2,878,536	5,087,322	88,748	80,055,108	29,581,393
Transfers in (out)	0	(23,303,915)	23,069,235	0	234,680	0	0	0
Less disposals including write-offs	0	0	(7,511,009)	0	(188,401)	(22,009)	(7,721,419)	(5,009,862)
August 31, 2012	<u>637,590</u>	<u>4,537,802</u>	<u>1,120,122,549</u>	<u>72,818,911</u>	<u>121,177,254</u>	<u>3,288,171</u>	<u>1,322,790,277</u>	<u>1,250,458,589</u>
<b>Accumulated Amortization</b>								
September 1, 2011	0	0	(459,798,645)	(57,505,737)	(88,289,129)	(1,331,266)	(808,924,777)	(573,425,139)
Additions	0	0	(29,338,665)	(4,220,675)	(4,819,775)	(264,869)	(38,643,984)	(38,204,540)
Transfers in (out)	0	0	(38,040)	0	38,040	0	0	0
Less disposals	0	0	7,459,062	0	186,401	6,603	7,654,066	4,704,902
August 31, 2012	<u>0</u>	<u>0</u>	<u>(481,716,288)</u>	<u>(61,726,412)</u>	<u>(92,882,463)</u>	<u>(1,589,532)</u>	<u>(837,914,895)</u>	<u>(808,924,777)</u>
Net Book Value at August 31, 2012	<u>637,590</u>	<u>4,537,802</u>	<u>638,406,261</u>	<u>11,092,499</u>	<u>28,294,791</u>	<u>1,708,639</u>	<u>684,875,582</u>	<u>643,531,812</u>



**EDMONTON SCHOOL DISTRICT NO. 7**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2012**



*(Amounts in thousands unless otherwise specified)*

**6. Accounts Payable and Accruals**

Accounts payable and accruals comprise:	<u>2012</u>	<u>2011</u>
Alberta Education	\$450	\$108
Alberta Finance	114	372
Federal Government	175	148
Other Alberta School Jurisdictions	29	1
Other Trade Payables and Accrued Liabilities	<u>31,467</u>	<u>32,422</u>
<b>Total</b>	<b><u>\$32,235</u></b>	<b><u>\$33,051</u></b>

**7. Deferred Revenue**

Deferred revenue comprises:

SOURCE AND GRANT OR FUND TYPE	Deferred Revenue as at Aug 31/11	Add: 2011-12 Funds Received	Deduct: 2011-12 Funds Recognized	Deferred Revenue as at Aug 31/12
<b>Alberta Education Restricted Operational Funding:</b>				
Infrastructure Maintenance Renewal	\$5,517	\$21,534	\$23,261	\$3,790
Alberta Initiative for School Improvement	0	5,400	5,400	0
Institutional Education Programs	0	8,353	8,353	0
Regional Educational Consulting Services	0	3,150	3,150	0
Small Class Size Initiative	0	30,945	30,945	0
Student Health Initiative	0	1,180	1,180	0
SuperNet Service	0	1,802	1,802	0
Other Alberta Education Deferred Revenue	1,152	3,180	1,715	2,617
<b>Other Government of Alberta Restricted Funding:</b>				
Critical Hours Project for Aboriginal Youth	0	40	0	40
Community Helper Project	58	113	87	84
REACH Grant	0	120	61	59
Safe Communities Innovation Fund (SCIF) Grant	69	44	69	44
<b>Other Deferred Revenue</b>				
Expolingua Berlin Student Recruitment Fair	2	0	2	0
International Students	2,591	4,647	3,576	3,662
Lease/Rental	9	0	9	0
Metro Continuing Education	333	2,320	1,964	689
School Generated Funds	2,182	7,349	7,429	2,102
Fees	1,375	12,779	12,628	1,526
Donations	319	4,269	3,740	848
Other	2	89	2	89
<b>Total</b>	<b><u>\$13,609</u></b>	<b><u>\$107,314</u></b>	<b><u>\$105,373</u></b>	<b><u>\$15,550</u></b>

**EDMONTON SCHOOL DISTRICT NO. 7**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2012**



*(Amounts in thousands unless otherwise specified)*

**8. Trust Assets and Liabilities**

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

	<u>2012</u>	<u>2011</u>
Deferred Salary Leave Plan	\$1,620	\$1,356
Scholarship Trusts	478	470
Children and Youth with Complex Needs Foundations	424	58
	<u>486</u>	<u>381</u>
<b>Total</b>	<b><u>\$3,008</u></b>	<b><u>\$ 2,265</u></b>

**9. Long-Term Debt**

Debenture Debt - Supported

The debenture debt bears interest at rates varying between 7.5% and 10.37% with an overall effective rate of 8.89%. The debenture debt is fully supported by Alberta Finance. Debenture payments due to maturity in 2015 are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012 - 2013	\$1,251	\$178	\$1,429
2013 - 2014	548	68	616
2014 - 2015	<u>191</u>	<u>19</u>	<u>210</u>
<b>Total</b>	<b><u>\$1,990</u></b>	<b><u>\$265</u></b>	<b><u>\$2,255</u></b>

Unsupported Debentures

The District, in previous years, entered into debentures in the amount of \$1,260 maturing on September 3, 2012 and \$1,341 maturing on March 23, 2014. The debentures bear interest at 5.25% and 4.04% per annum. The following is a summary of principal and interest payments on related long-term debt outstanding at August 31, 2012:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012 - 2013	\$279	\$19	\$298
2013 - 2014	<u>159</u>	<u>6</u>	<u>165</u>
<b>Total</b>	<b><u>\$438</u></b>	<b><u>\$25</u></b>	<b><u>\$463</u></b>

**EDMONTON SCHOOL DISTRICT NO. 7**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2012**



*(Amounts in thousands unless otherwise specified)*

	<u>2012</u>	<u>2011</u>
Total debenture debt	\$2,428	\$5,311
Due within one year	<u>(1,530)</u>	<u>(2,883)</u>
	<u>\$898</u>	<u>\$2,428</u>

The current portion of long-term debt includes amounts payable by Alberta Finance for supported debt principal. As this amount is not payable by the District, the District's working capital has been increased as follows:

	<u>2012</u>	<u>2011</u>
Working Capital Surplus per statements	\$31,467	\$36,809
Supported Current Portion of long-term debt	<u>1,251</u>	<u>2,610</u>
	<u>\$32,718</u>	<u>\$39,419</u>

The District paid \$453 (2011 - \$765) interest on long-term debt in the year.

**10. Deferred Capital Allocations**

Capital allocations received for qualifying capital projects initiated by the District have been capitalized. These allocations are transferred to unamortized capital allocations as the capital expenditure is incurred. Details of the changes in the deferred capital allocations account are as follows:

	<u>2012</u>	<u>2011</u>
Balance at beginning of year	\$6,694	\$17,702
Allocations received and receivable during the year	6,158	4,606
Transfers to Unamortized Capital Allocations	<u>(8,356)</u>	<u>(15,614)</u>
<b>Balance at end of year</b>	<u><b>\$4,496</b></u>	<u><b>\$6,694</b></u>

**11. Unamortized Capital Allocations**

Unamortized Capital Allocations (UCA) represent externally restricted capital funds received from governments which are used for the acquisition of capital assets or the repayment of debt originally incurred for the purpose of acquiring capital assets. These allocations are amortized on a basis consistent with the capital asset the allocation funded. The UCA account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal payments.

**EDMONTON SCHOOL DISTRICT NO. 7**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2012**



*(Amounts in thousands unless otherwise specified)*

Details of the changes to the account are as follows:

	<u>2012</u>	<u>2011</u>
Balance at beginning of year	\$518,997	\$ 519,010
Supported Debenture Principal Repayment	2,610	3,115
Retirement of Assets (Net)	(52)	(71)
Transfer from Deferred Capital Allocations	8,356	15,614
ASAP Schools (Note 5)	59,645	3,049
Transfer to Capital Allocation Revenue	<u>(21,231)</u>	<u>(21,720)</u>
<b>Balance at end of year</b>	<b><u>\$568,325</u></b>	<b><u>\$ 518,997</u></b>

**12. Fees**

	<u>Gross Receipts</u>
Transportation Fees	\$9,410
Fees Charged for Instruction Materials and Supplies	2,569
Other Fees	<u>16,371</u>
<b>Total</b>	<b><u>\$28,350</u></b>

**13. School Generated Funds**

	<u>2012</u>	<u>2011</u>
Unexpended School Generated Revenues, Opening Balance (A)	\$3,876	\$4,042
Current Year Activities – Gross Receipts		
Fees	12,780	10,774
Fundraising	2,082	1,603
Gifts and Donations	4,269	437
Grants to Schools	174	1
Other Sales and Services	5,093	3,694
<b>Total Gross Receipts (B)</b>	<b>\$24,398</b>	<b>\$16,509</b>
Current Year Activities – Total Direct Costs Including Costs of Goods Sold to Raise Funds (C)	6,945	5,626
Current Year Activities – Uses of Funds (D)	16,853	11,049
Unexpended School Generated Revenues, Closing Balance (E)	<b>\$4,476</b>	<b>\$3,876</b>

\* E=A+B-C-D



**(Amounts in thousands unless otherwise specified)**

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**14. Asset Retirement Obligation**

The District records an Asset Retirement Obligation (ARO) for the removal of hazardous material from District buildings when the amount is deemed determinable. All remediation has been completed with no other retirement obligations reasonably determinable at this time.

**15. Commitments**

a) **Building Projects:** The District's commitment to further capital expenditures for new construction and modernization projects at year end is \$0 (2011 - \$5,988).

b) **Lease of Premises:** The District is committed to lease of premises for the following years ending August 31:

2013	\$4,903
2014	3,427
2015	3,322
2016	2,996
2017	3,006
2018 – Thereafter	<u>16,465</u>
<b>Total</b>	<b><u>\$ 34,119</u></b>

c) **Purchase Order commitments:** As at August 31, 2012 the District has \$3,546 (2011 - \$3,093) outstanding purchase orders relating to services and contracts.

**16. Related Party Transactions**

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

Effective 2005/2006 school jurisdictions were deemed to be controlled by the Government of Alberta according to the criteria set out in PSAB 1300. All entities that are consolidated in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

**EDMONTON SCHOOL DISTRICT NO. 7**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2012**



*(Amounts in thousands unless otherwise specified)*

The District had the following transactions related to the Government of Alberta:

2011/2012	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
<b>Government of Alberta (GOA):</b>				
Education	\$9,875	\$6,856	\$778,075	\$3,280
Education (Deferred Capital Allocations)	N/A	4,496	N/A	N/A
Treasury Board and Finance	-	2,104	168	-
Health and Wellness	-	-	144	40
Human Services	48	-	5	-
Other GOA departments	-	976	3,435	16
<b>TOTAL Government of Alberta</b>	<b>\$9,923</b>	<b>\$14,433</b>	<b>\$781,827</b>	<b>\$3,336</b>
<b>Other:</b>				
Health authorities	-	12	-	1
Post-secondary institutions	-	-	278	142
Other Alberta school jurisdictions	356	29	4,132	801
Other related parties	-	-	-	-
<b>TOTAL 2011/2012</b>	<b>\$10,279</b>	<b>\$14,474</b>	<b>\$786,238</b>	<b>\$4,280</b>
<b>TOTAL 2010/2011</b>	<b>\$17,935</b>	<b>\$18,751</b>	<b>\$763,461</b>	<b>\$4,485</b>

Assets include accounts receivable as disclosed in Note 4.

Liabilities include the following items from the Statement of Financial Position:

Accounts Payable & Accrued Liabilities	\$1,240
Deferred Revenue	6,634
Debt Principal & Accrued Interest	2,104
Deferred Capital Allocations	4,496
<b>Total Related Party Liabilities</b>	<b>\$14,474</b>

Revenues include the following items from the Statement of Revenues and Expenses:

Government of Alberta	\$781,316
Other Alberta school authorities	1,497
Other sales and services	2,062
Fees	152
Rental of Facilities	1,166
Gifts and Donations	45
<b>Total Related Party Revenues</b>	<b>\$786,238</b>

Expenses include services, contracts and supplies from the Statement of Revenues and Expenses.

**EDMONTON SCHOOL DISTRICT NO. 7**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2012**



**(Amounts in thousands unless otherwise specified)**

**17. Remuneration and Monetary Incentives (amounts in dollars)**

The District had paid or accrued expenses for the year ended August 31, 2012 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	ERIP's/ Other	Expenses
Chairperson: D. Colburn	1.0	40,556	7,248	3,315	-	2,119
<b>Other Board Members</b>					-	
C. Ripley	1.0	33,872	6,908	3,315	-	4,848
K. Shipka	1.0	32,001	4,185	3,315	-	12,129
L. Cleary	1.0	31,608	3,467	3,315	-	8,847
C. Johner	1.0	34,643	6,948	3,315	-	5,909
H. MacKenzie	1.0	33,578	6,888	3,315	-	6,699
M. Janz	1.0	35,753	6,290	3,315	-	9,739
S. Hoffman	1.0	40,675	4,619	3,315	-	11,854
C. Spencer	1.0	32,388	6,836	3,315	-	5,081
<b>Sub-Total</b>	<b>9.0</b>	<b>315,074</b>	<b>53,387</b>	<b>29,835</b>	-	<b>67,225</b>
Superintendent E. Schmidt (1)	1.0	263,311	63,879	-	-	5,023
Board Secretary A. Sherwood (7.5 Months)	1.0	76,959	16,656	2,050	-	869
Board Treasurer B. Smith (7.5 Months)	1.0	117,726	19,883	2,050	-	2,627
Board Secretary-Treasurer B. Smith (3 Months)	1.0	43,575	6,578	759	168,564	2,760
Board Secretary-Treasurer C. Hagen (1.5 Months)	1.0	15,368	2,031	248	-	499
Certificated Teachers	4,344.8	426,747,726	89,847,534	663,624	-	-
Non-Certificated (Other)	2,998.4	177,811,750	38,708,591	3,236,965	92,146	-
<b>TOTAL</b>	<b>7,357.2</b>	<b>605,391,489</b>	<b>128,718,539</b>	<b>3,935,531</b>	<b>260,710</b>	<b>79,003</b>

Note:

- The benefit cost for the Superintendent includes payments to the Supplementary Pension Plan of \$35,416 (2011 - \$24,174) and the Alberta Teachers' Retirement Fund (ATRF) contribution made by Alberta Education on behalf of Edmonton School District No.7 in the amount of \$14,707 (2011 - \$14,244).



*(Amounts in thousands unless otherwise specified)*

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**18. The Urban Schools Insurance Consortium**

The District is a member of The Urban Schools Insurance Consortium (USIC), which facilitates the placement of property and liability insurance coverage for fourteen jurisdictions throughout the province of Alberta. Premium rebates are received from the insurers' favorable claims experience and accumulated by the consortium to self-insure a portion of the member's risk exposure. The District's share of the accumulated consortium funds as at August 31, 2012 was \$1,093 (2011 - \$1,972). This amount has not been recognized in the District's financial statements, as the revenue has not been realized by the District.

**19. Subsequent Event**

Subsequent to year end, the District borrowed \$15,000 from Alberta Capital Finance Authority for the purpose of undertaking an energy savings initiative. The principal and interest will be repaid annually through cost savings earned through the initiative.

**20. Comparative Figures**

The comparative figures for 2011 have been reclassified where necessary, to conform to the current year's presentation



School Jurisdiction Code: 3020

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2012**  
**[School Act, Section 276]**

**EDMONTON SCHOOL DISTRICT NO. 7**

Legal Name of School Jurisdiction

**ONE KINGSWAY, EDMONTON, AB T5H 4G9**

Mailing Address

**TELEPHONE: (780) 429-8000 FAX: (780) 429-8318**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions. These schedules were submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**C. HAGEN**

Name

Signature

**4-Dec-12**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: Robert.Mah@gov.ab.ca  
PHONE: (780) 427-3855 FAX: (780) 422-8998

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<b>SCHEDULE A Allocation of Revenues and Expenses to Programs</b>	<b>3</b>
<b>SCHEDULE B Operations and Maintenance Program Expense Details</b>	<b>4</b>

**SCHEDULE A**  
**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2011/2012**

School Jurisdiction Code: 3020

REVENUES	ECS -Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$679,274,027	\$82,066,571	\$22,478,578	\$30,754,269	\$4,786,896	\$819,358,341
(2) Other - Government of Alberta	\$3,288,418		\$0	\$46,861	\$0	\$3,315,079
(3) Federal Government and First Nations	\$1,069,100	\$0	\$0	\$0	\$1,481,401	\$2,550,501
(4) Other Alberta school authorities	\$867,025	\$0	\$28,884	\$0	\$733,978	\$1,629,867
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0
(7) Fees	\$18,782,597		\$9,416,583			\$28,199,180
(8) Other sales and services	\$7,823,232	\$3,009	\$166	\$1,141,448	\$12,747,781	\$21,515,616
(9) Investment income	\$1,162,502	\$0	\$0	\$0	\$0	\$1,162,502
(10) Gifts and donations	\$6,752,850	\$0	\$0	\$4,593	\$0	\$6,757,443
(11) Fundraising	\$2,095,041	\$0	\$0	\$0	\$0	\$2,095,041
(12) Rental of facilities	\$0	\$261,186	\$0	\$1,359,438	\$3,711,299	\$5,331,933
(13) Gains on disposal of capital assets	\$0	\$5,100	\$0	\$0	\$0	\$5,100
(14) Amortization of capital allocations	\$0	\$21,231,124	\$0		\$0	\$21,231,124
(15) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0
(16) TOTAL REVENUES	\$720,894,792	\$103,567,000	\$31,922,181	\$33,306,409	\$23,461,335	\$913,151,727
<b>EXPENSES</b>						
(17) Certificated salaries	\$418,148,151			\$2,484,548	\$7,041,962	\$427,674,661
(18) Certificated benefits	\$87,889,119			\$515,827	\$1,506,467	\$89,911,413
(19) Non-certificated salaries and wages	\$104,838,675	\$53,280,675	\$1,031,333	\$16,728,107	\$6,050,240	\$181,909,030
(20) Non-certificated benefits	\$23,322,899	\$10,987,287	\$212,251	\$3,140,813	\$1,147,835	\$38,811,185
(21) SUB - TOTAL	\$634,198,944	\$64,247,942	\$1,243,584	\$22,869,295	\$15,748,504	\$738,306,269
(22) Services, contracts and supplies	\$81,273,292	\$38,365,636	\$29,789,081	\$7,841,821	\$8,115,362	\$145,385,292
(23) Amortization of capital assets	\$11,271,754	\$26,189,192	\$0	\$1,183,038	\$0	\$38,643,984
(24) Interest and charges	\$183,144	\$182,022	\$0	\$0	\$50,319	\$415,485
(25) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(26) Other expense	\$0	\$0	\$0	\$0	\$0	\$0
(27) TOTAL EXPENSES	\$706,927,134	\$128,984,792	\$31,032,685	\$31,894,254	\$23,912,185	\$922,751,030
<b>EXCESS (DEFICIENCY) OF REVENUES</b>						
(28) OVER EXPENSES	\$13,967,658	(\$25,417,792)	\$889,526	\$1,412,155	(\$450,850)	(\$9,599,303)

**SCHEDULE B  
OPERATIONS AND MAINTENANCE OF SCHOOLS & MAINTENANCE SHOPS PROGRAM EXPENSE DETAILS - 2011/2012**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR & Modular Unit Relocations	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$29,534,580	\$17,918,675	\$0	\$0	\$5,807,421		\$53,260,676		\$53,260,676
Uncertificated benefits	\$6,763,014	\$3,135,051	\$0	\$0	\$1,089,201		\$10,987,266		\$10,987,266
Sub-total Remuneration	\$36,297,594	\$21,053,726	\$0	\$0	\$6,896,622		\$64,247,942		\$64,247,942
Supplies and services	\$2,380,467	\$2,500,584	\$723,922	\$7,224,540	\$969,880		\$13,799,393		\$13,799,393
Electricity			\$10,188,598				\$10,188,598		\$10,188,598
Natural gas/heating fuel			\$6,193,887				\$6,193,887		\$6,193,887
Sewer and water			\$1,558,689				\$1,558,689		\$1,558,689
Telecommunications			\$789,801				\$789,801		\$789,801
Insurance					\$1,588,440		\$1,588,440		\$1,588,440
Amortization of capital assets									
Supported								\$21,231,124	\$21,231,124
Unsupported						\$4,958,068	\$4,958,068		\$4,958,068
Total Amortization				\$0		\$4,958,068	\$4,958,068	\$21,231,124	\$26,189,192
Interest on capital debt									
Supported								\$168,493	\$168,493
Unsupported				\$0		\$13,529	\$13,529		\$13,529
Lease payments for facilities				\$0		\$4,246,828	\$4,246,828		\$4,246,828
Other interest charges						\$0	\$0		\$0
Losses on disposal of capital assets						\$0	\$0		\$0
<b>TOTAL EXPENSES</b>	<b>\$38,678,061</b>	<b>\$23,554,310</b>	<b>\$19,454,897</b>	<b>\$7,224,540</b>	<b>\$9,454,942</b>	<b>\$9,218,425</b>	<b>\$107,585,175</b>	<b>\$21,399,617</b>	<b>\$128,984,792</b>
<b>SQUARE METRES</b>									
School buildings									1,055,257.0
Non school buildings									116,867.0

**Note:**

- Custodial:** All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
- Maintenance:** All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
- Utilities & Telecommunications:** All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
- Expensed IMR & Modular Unit Relocations:** All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
- Facility Planning & Operations Administration:** All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project 'administration', administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.
- Supported Capital & Debt Services:** All expenses related to supported capital assets amortization and interest on supported capital debt.

**EDMONTON PUBLIC SCHOOL BOARD**  
**SUMMARY OF ACCUMULATED SURPLUS/(DEFICIT) AT AUGUST 31, 2012**  
**SCHOOLS, INSTITUTIONS/EARLY ED SITES AND CENTRAL DUs**

	2011-12 Accumulated Surpluses	2011-12 Accumulated Deficits	2011-12 Net Accumulated Surplus/(Deficit)
Schools	17,716,867	(8,088,141)	9,628,726
Institutions/Early Education Sites	1,804,398	(31,457)	1,772,941
Central Services - Carryforward DUs	29,490,380	(2,130,399)	27,359,981
Central Services - Non-Carryforward DUs	1,086,102	(8,192,857)	(7,106,755)
<b>District Sub-Total</b>	<b>50,097,747</b>	<b>(18,442,854)</b>	<b>31,654,893</b>
Less:			
Institutions/Early Education Sites <sup>1</sup>	(1,804,398)	31,457	(1,772,941)
Central Services - Non-Carryforward DUs <sup>2</sup>	(1,086,102)	8,192,857	7,106,755
<b>Total School &amp; DU Carryforwards</b>	<b>47,207,247</b>	<b>(10,218,540)</b>	<b>36,988,707</b>
Less:			
Operating Reserve at August 31, 2012	(23,153,299)		(23,153,299)
<b>Surplus in Excess of Available Reserve Funds</b>	<b>24,053,948</b>		<b>13,835,408</b>

1) Institutions/Early Education sites are funded based on actual cost submissions to Alberta Education. Surplus funds will be returned and cannot be carried forward to future years or used as District general revenues.

2) Non-Carryforward DUs include the following Central Services decision units:

- DU 981 - Budget Holdback
- DU 389 - Debt Services
- DU 314 - General Counsel
- DU 366 - Human Resources - Supply Services
- DU 733 - Inclusive Learning - Early Learning

**DATE:** December 4, 2012  
**TO:** Board of Trustees  
**FROM:** Edgar Schmidt, Superintendent of Schools  
**SUBJECT:** Fall 2012 Update to the 2012-2013 Budget  
**ORIGINATOR:** Cheryl Hagen, Acting Secretary-Treasurer  
**RESOURCE**  
**STAFF:** Todd Burnstad, Noel Gareau, Angela Komick

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**ISSUE**

Alberta Education requires jurisdictions to prepare and submit a budget update each fall. Also required by Alberta Education is for jurisdictions to provide the budget update as information to the Board of Trustees each fall reflecting changes in revenue, enrolment, current staffing, and other key budget assumptions.

**BACKGROUND**

Each school and Central decision unit prepared a revised budget in the fall based on updated September 30<sup>th</sup> enrolment, current staffing FTEs, as well as the planned use of surplus funds.

**CURRENT SITUATION**

The 2012-2013 Fall budget update for EPSB has been completed for submission to Alberta Education. The revised budget is based on total expenses of \$980.9 million. Alberta Education requires Boards to report the government contributions to the Alberta Teachers' Retirement Fund (ATRF), which is estimated at \$43.6 million. The overall increase in budget is as follows:

- 1) Increase of net surplus carry forwards - \$18.8 million
- 2) Increase in revenues due to enrolment and other adjustments - \$22.6 million

**KEY POINTS**

- The 2012-2013 Budget update reflects an operating deficit of \$32.7 million which is based on planned carry forward spending for Schools and Central decision units of \$14.6 million and \$18.1 million, respectively.
- The revised 2012-2013 budget deficit will be offset by transfers from accumulated operating surplus of \$23 million and a capital surplus of \$5.3 million. This will result in an estimated accumulated operating deficit of \$4.2 million at August 31, 2013.
- Enrolment increased from the approved budget by 3.5% or 2,782 eligible funded students.
- Certificated staffing has increased by 189.4 FTE.

**ATTACHMENTS & APPENDICES**

ATTACHMENT I Fall 2012 Update to the 2012-2013 Budget – Alberta Education  
ATTACHMENT II 2012-2013 Revised Revenue Budget  
ATTACHMENT III Student Enrolment  
ATTACHMENT IV 2012-2013 Revised Budget  
ATTACHMENT V 2012-2013 Revised Budget – Direct School Allocations  
ATTACHMENT VI 2012-2013 Revised Budget – Other Allocations

CH:tt

## 3020 Edmonton School District No. 7

School Jurisdiction Code and Name

## FALL 2012 UPDATE TO THE 2012/2013 BUDGET

	Fall 2012 Update to the Budget 2012/2013	Spring 2012 Budget Report 2012/2013	Variance
<b>OPERATIONS (SUMMARY)</b>			
<b>Revenues</b>			
Government of Alberta	\$865,095,134	\$850,017,326	\$15,077,808
Fees	\$34,049,250	\$29,391,900	\$4,657,350
Other sales and services revenue	\$10,650,672	\$6,493,092	\$4,157,580
Amortization of capital allocations revenue	\$23,705,500	\$25,178,200	(\$1,472,700)
All other revenues	\$14,776,928	\$14,550,367	\$226,561
<b>Total Revenues</b>	<b>\$948,277,484</b>	<b>\$925,630,885</b>	<b>\$22,646,599</b>
<b>Expenses By Program</b>			
ECS - Grade 12 Instruction	\$759,762,303	\$750,182,096	\$9,580,207
Operations & Maintenance of Schools and Maintenance Shops	\$126,969,876	\$107,637,279	\$19,332,597
Transportation	\$33,067,154	\$33,067,154	\$0
Board and System Administration	\$33,612,990	\$30,946,394	\$2,666,596
External Services	\$27,528,143	\$17,666,163	\$9,861,980
<b>Total Expenses</b>	<b>\$980,940,466</b>	<b>\$939,499,086</b>	<b>\$41,441,380</b>
<i>Excess (Deficiency) of Revenues over Expenses</i>	<i>(\$32,662,982)</i>	<i>(\$13,868,201)</i>	<i>(\$18,794,781)</i>
<b>Accumulated Operating Surplus (Projected)</b>			
Accumulated Operating Surplus - Aug.31, 2012	\$23,153,299	\$14,193,871	\$8,959,428
Accumulated Operating Surplus - Aug.31, 2013	(\$4,184,000)	\$7,829,656	(\$12,013,656)
<b>Expenses by Object</b>			
Certificated salaries, wages and benefits expense	\$540,167,756	\$516,744,415	\$23,423,341
Non-certificated salaries, wages and benefits expense	\$227,711,091	\$221,340,653	\$6,370,438
Services, contracts and supplies expense	\$172,018,088	\$159,612,822	\$12,405,266
Amortization expense	\$40,805,474	\$41,403,174	(\$597,700)
Interest on capital debt expense	\$88,845	\$197,522	(\$108,677)
All other expenses	\$149,212	\$200,500	(\$51,288)
<b>Total Expenses</b>	<b>\$980,940,466</b>	<b>\$939,499,086</b>	<b>\$41,441,380</b>
<b>Certificated Staff FTE's</b>			
School based	4,320.7	4,110.2	210.5
Non-school based	154.5	175.6	(21.1)
<b>Total Certificated Staff FTE's</b>	<b>4,475.2</b>	<b>4,285.8</b>	<b>189.4</b>
<b>Certificated Staffing Change due to:</b>			
Enrolment	136.8	-	136.8
Other factors	52.6	(59.0)	111.6
<b>Total Change</b>	<b>189.4</b>	<b>(59.0)</b>	<b>248.4</b>
<b>Non-Certificated Staff FTE's</b>			
Instructional	1,691.1	1,662.8	28.3
Non-instructional	1,360.1	1,354.1	6.0
<b>Total Non-Certificated Staff FTE's</b>	<b>3,051.2</b>	<b>3,016.9</b>	<b>34.3</b>
<b>Non-Certificated Staffing Change due to:</b>			
Enrolment	34.2	-	34.2
Other factors	-	18.5	(18.5)
<b>Total Change</b>	<b>34.2</b>	<b>18.5</b>	<b>15.7</b>
<b>Eligible Funded Students</b>			
Early childhood services (ECS headcount)	7,453	6,634.0	819
Grades 1 to 9 (headcount)	52,931	51,516.0	1,415
Grade 10 to 12 (FTE)	22,027	21,479.0	548
<b>Total Eligible Funded Students</b>	<b>82,411</b>	<b>79,629</b>	<b>2,782</b>

**Attestation of Secretary-Treasurer/Treasurer:**

This information was formally received by the Board of Trustees at the meeting held on :

December 4, 2012

## 3020 Edmonton School District No. 7

School Jurisdiction Code and Name

## FALL 2012 UPDATE TO THE 2012/2013 BUDGET

**Comments/Explanations of Variance:****Revenue Variances:**

Fees - Increase of \$4.7M or 15.8% based on an increase in international students registered in the District and an updated estimate in school generated funds fee revenues based on the 11/12 actuals.

Other sales and services revenue - Increase of \$4.2M or 64.0% is based on an updated estimate in school generated funds based on the 11/12 actuals.

Amortization of capital allocations revenue - Decrease of \$1.5M or 5.8% results from updating estimates to actual final completion costs of the Alberta Schools Alternative Procurement (ASAP) school building projects.

**Expenses by Program Variances:**

Operations & Maintenance - Increase of \$19.3M or 18.0% is comprised of a \$2.6M increased estimate of unsupported amortization (based on 11/12 actuals), \$2.3M increase in Custodial salaries due to recent salary settlements, and \$14.4M in reclassifications from other programs to ensure Operations & Maintenance includes all pertinent items such as property insurance, utilities and leases.

Board and System Administration - Increase of \$2.7M or 8.6% is comprised of a \$1.3M transfer from instruction related to the executive function for Student Learning Services and \$1.4M increased use of reserves to support specific initiatives such as systems implementations and technology upgrades.

External Services - Increase of \$9.9M or 55.8% is comprised of a \$5.2M increase related to School Generated Funds other sales and services, \$3.3M reclassification from Instruction related to ERECS banker board costs, and \$1.4M in increased salary and supplies costs.

**Expenses by Object Variances:**

Services, Contracts and Supplies - Increase of \$12.4M or 7.8% is comprised mainly of a \$7.0M increase in school generated funds (based on 11/12 actuals) and also reflects an increased usage of surplus funds being used for one time purchases.

Interest on Capital Debt - Decrease of \$0.1M or 55.0% is a restatement from the actual interest expenses to be paid in 12/13 to accrued interest expense.

Other Expenses - Decrease of \$51K or 25.6% relates to revised estimates of bank charges, interest expenses and bad debt write-offs.

**Certificated Staff FTEs Variance:**

The increase of 189.4 certificated staff is primarily due to increased enrolment, reorganization for instruction to address class size, and additional staff to support district literacy initiatives.

**Eligible Funded Students Variance:**

The increase of 819 or 12.3% in early childhood services (ECS headcount) is believed to be driven by Alberta's strong economy which is drawing transfers of young families from other parts of the country.

**Attestation of Secretary-Treasurer/Treasurer:**

This information was formally received by the Board of Trustees at the meeting held on :

December 4, 2012



**Edmonton Public Schools  
2012 - 2013 Revised Revenue Budget**

	<b>Funded Student/ CEU Count</b>	<b>2012/13 Funding Rates</b>	<b>2012/13 Revised Budget</b>	<b>2012/13 Approved Budget</b>	<b>Variance \$</b>	<b>Variance %</b>
<b>BASE INSTRUCTION FUNDING</b>						
Early Childhood Services (ECS) Base Instruction	7,453	\$ 3,280.84	\$ 24,452,100	\$ 21,765,100	\$ 2,687,000	12.3%
Base Instruction (Grades 1 to 9)	52,931	\$ 6,561.68	347,318,400	338,031,500	9,286,900	2.7%
Base Instruction (Grades 10 to 12)	681,306	\$ 187.48	127,731,200	124,374,400	3,356,800	2.7%
Base Instruction Special Ed Block (Grades 10 to 12)	2,246	\$ 6,561.68	14,737,500	14,553,800	183,700	1.3%
Base Instruction Metro (Grades 10 to 12)	4,063	\$ 187.48	761,800	761,800	-	0.0%
Base Instruction Metro Summer (Grades 10 to 12)	23,802	\$ 187.48	4,462,500	4,462,500	-	0.0%
Outreach Site Funding	6	\$ 62,972.76	377,800	440,800	(63,000)	(14.3%)
ECS Base Instruction Class Size	7,453	\$ 716.95	5,343,400	4,756,200	587,200	12.3%
Base Instruction Class Size (Grades 1 to 3)	18,254	\$ 1,433.91	26,174,400	25,459,100	715,300	2.8%
Base Instruction Tier 2 Class size (Grades 10 to 12)	14,307	\$ 12.09	173,000	168,400	4,600	2.7%
Base Instruction Tier 3 Class size (Grades 10 to 12)	54,504	\$ 34.09	1,858,100	1,809,200	48,900	2.7%
Home Education	426	\$ 1,641.27	699,200	820,600	(121,400)	(14.8%)
<b>SUBTOTAL BASE FUNDING</b>			<b>554,089,400</b>	<b>537,403,400</b>	<b>16,686,000</b>	<b>3.1%</b>
<b>DIFFERENTIAL COST FUNDING</b>						
ECS Program Unit Funding			28,360,700	27,453,000	907,700	3.3%
Inclusive Education			52,503,800	52,325,600	178,200	0.3%
English as a Second Language (ESL)	12,077	\$ 1,178.10	14,227,900	15,856,000	(1,628,100)	(10.3%)
First Nations, Metis and Inuit Education (FNMI)	6,378	\$ 1,178.10	7,513,300	8,302,100	(788,800)	(9.5%)
Socio Economic Status	20,071	\$ 471.24	9,458,300	9,148,700	309,600	3.4%
Small School by Necessity			2,618,800	3,217,800	(599,000)	(18.6%)
Plant Operations and Maintenance			66,020,700	66,033,600	(12,900)	(0.0%)
Metro Urban Transportation			19,611,800	19,611,800	-	0.0%
ECS Special Transportation			2,039,200	2,039,200	-	0.0%
Transportation - Fuel Price Contingency			1,487,900	1,487,900	-	0.0%
Equity of Opportunity	78,403	\$ 156.00	12,230,800	11,968,000	262,800	2.2%
<b>SUBTOTAL DIFFERENTIAL COST FUNDING</b>			<b>216,073,200</b>	<b>217,443,700</b>	<b>(1,370,500)</b>	<b>(0.6%)</b>
<b>PROVINCIAL PRIORITY TARGETED FUNDING</b>						
Alberta Initiative for School Improvement (AISII)	78,116	\$ 71.09	5,553,200	5,553,200	-	0.0%
High Speed Networking	227	\$ 9,600.00	2,179,200	1,923,600	255,600	13.3%
<b>SUBTOTAL PROVINCIAL PRIORITY FUNDING</b>			<b>7,732,400</b>	<b>7,476,800</b>	<b>255,600</b>	<b>3.4%</b>
<b>OTHER PROVINCIAL SUPPORT</b>						
Institutional Support			9,034,100	9,903,200	(869,100)	(8.8%)
Regional Education Consulting Services			3,212,400	3,212,400	-	0.0%
Learning Resource Credit			634,200	634,200	-	0.0%
Children and Youth with Complex Needs			500,000	500,000	-	0.0%
Action on Inclusion - Change Agent			-	950,000	(950,000)	(100.0%)
Student Health Initiative			1,743,303	1,804,052	(60,749)	(3.4%)
<b>SUBTOTAL OTHER PROVINCIAL SUPPORT</b>			<b>15,124,003</b>	<b>17,003,852</b>	<b>(1,879,849)</b>	<b>(11.1%)</b>
<b>TOTAL PROVINCIAL OPERATIONAL FUNDING</b>			<b>793,019,003</b>	<b>779,327,752</b>	<b>13,691,251</b>	<b>1.8%</b>

**Edmonton Public Schools  
2012 - 2013 Revised Revenue Budget**

	<b>Funded Student/ CEU Count</b>	<b>2012/13 Funding Rates</b>	<b>2012/13 Revised Budget</b>	<b>2012/13 Approved Budget</b>	<b>Variance \$</b>	<b>Variance %</b>
<b>CAPITAL</b>						
Debenture Interest			<b>88,800</b>	178,400	(89,600)	(50.2%)
Infrastructure Maintenance Renewal (IMR)			<b>14,345,600</b>	14,503,000	(157,400)	(1.1%)
<b>SUBTOTAL CAPITAL</b>			<b>14,434,400</b>	14,681,400	(247,000)	(1.7%)
<b>OTHER PROVINCIAL REVENUES</b>						
Tuition Agreements			<b>845,000</b>	819,600	25,400	3.1%
Secondments			<b>7,037,900</b>	6,557,800	480,100	7.3%
Alberta Teachers' Retirement Fund (ATRF)			<b>43,561,131</b>	42,665,274	895,857	2.1%
<b>SUBTOTAL OTHER PROVINCIAL REVENUES</b>			<b>51,444,031</b>	50,042,674	1,401,357	2.8%
<b>OTHER PROVINCIAL GRANTS</b>						
			<b>6,197,700</b>	5,965,500	232,200	3.9%
<b>TOTAL GOVERNMENT OF ALBERTA</b>						
			<b>865,095,134</b>	850,017,326	15,077,808	1.8%
<b>FEDERAL GOVERNMENT AND FIRST NATIONS</b>						
			<b>2,765,200</b>	2,840,800	(75,600)	(2.7%)
<b>OTHER ALBERTA SCHOOL AUTHORITIES</b>						
			<b>1,518,500</b>	1,656,100	(137,600)	(8.3%)
<b>FEES</b>						
School Fees			<b>12,956,500</b>	10,209,700	2,746,800	26.9%
Transportation Fees			<b>9,430,000</b>	9,387,000	43,000	0.5%
International Student Fees	329	11,250	<b>3,701,250</b>	2,101,000	1,600,250	76.2%
Metro Continuing Education Fees			<b>2,733,200</b>	2,806,700	(73,500)	(2.6%)
Textbook Rental Fees			<b>1,473,300</b>	1,438,200	35,100	2.4%
Lunch Program Fees			<b>3,755,000</b>	3,449,300	305,700	8.9%
<b>SUBTOTAL FEES</b>			<b>34,049,250</b>	29,391,900	4,657,350	15.8%
<b>OTHER SALES AND SERVICES</b>						
Sales and Services - Schools & Central DU's			<b>5,441,972</b>	5,343,892	98,080	1.8%
Other Sales and Services - School Generated Funds			<b>5,208,700</b>	1,149,200	4,059,500	353.2%
<b>SUBTOTAL SALES AND SERVICES</b>			<b>10,650,672</b>	6,493,092	4,157,580	64.0%
<b>INVESTMENT INCOME</b>						
			<b>500,000</b>	500,000	-	0.0%
<b>GIFTS AND DONATIONS</b>						
School Gifts and Donations			<b>4,741,926</b>	3,803,677	938,249	24.7%
EPSB Foundation Support			<b>222,900</b>	-	222,900	-
<b>SUBTOTAL GIFTS AND DONATIONS</b>			<b>4,964,826</b>	3,803,677	1,161,149	30.5%
<b>FUNDRAISING</b>						
			<b>2,095,000</b>	2,839,600	(744,600)	(26.2%)
<b>RENTAL OF FACILITIES</b>						
			<b>2,933,402</b>	2,910,190	23,212	0.8%
<b>AMORTIZATION OF CAPITAL ALLOCATIONS</b>						
			<b>23,705,500</b>	25,178,200	(1,472,700)	(5.8%)
<b>TOTAL OPERATING REVENUE</b>						
			<b>\$ 948,277,484</b>	\$ 925,630,885	\$ 22,646,599	2.4%

**Edmonton Pubic Schools  
2012-2013 Revised Budget  
Student Enrolment**

<b>Student Enrolment Enrolment by Division</b>	<b>2012/13 Sept. 30th Enrolment</b>	<b>2012/13 Projected Enrolment</b>	<b>Increase/ (Decrease) Enrolment</b>	<b>% Change</b>
<b>Funded Students:</b>				
ECS	7,453	6,634	819	12.3%
Grade 1 to 3	18,254	17,755	499	2.8%
Grade 4 to 6	17,161	16,774	387	2.3%
Junior High	17,516	16,987	529	3.1%
Senior High	22,027	21,479	548	2.5%
<b>Subtotal Funded Students</b>	<b>82,411</b>	<b>79,629</b>	<b>2,782</b>	<b>3.5%</b>
<b>Other :</b>				
International Students	329	191	138	72.3%
Early Education- Headstart/Community	133	72	61	84.7%
Other/Non Resident/Blended/Sponsorships	142	203	(61)	(30.0%)
Home Education	426	500	(74)	(14.8%)
<b>Subtotal Other Students</b>	<b>1,030</b>	<b>966</b>	<b>64</b>	<b>6.6%</b>
<b>Total Student Enrolment</b>	<b>83,441</b>	<b>80,595</b>	<b>2,846</b>	<b>3.5%</b>

**Edmonton Public Schools  
2012-2013 Budget  
Revised Budget**

	<b>Revised 2012-2013</b>	<b>Approved 2012-2013</b>	<b>% Change</b>
Projected Revenue			
Operating Revenue	\$ 948,277,484	\$ 925,630,885	2.4%
Operating Reserve Funds *	32,662,982	13,868,201	135.5%
	<u>\$ 980,940,466</u>	<u>\$ 939,499,086</u>	<u>4.4%</u>
School Allocations (Attachment V)			
School Allocations Levels 1 to 8	527,567,659	513,823,205	2.7%
Other Supplemental School Allocations	130,684,720	129,020,077	1.3%
School Generated Funds/External Revenues	37,984,015	27,718,242	37.0%
	<u>696,236,394</u>	<u>670,561,524</u>	<u>3.8%</u>
Other Allocations (Attachment VI)			
Metro Continuing Education	10,570,387	10,594,074	(0.2%)
External Revenue Allocations - Central	15,142,224	17,306,871	(12.5%)
District Level Fixed Costs	67,367,780	67,818,492	(0.7%)
District Level Committed Costs	62,411,901	63,644,183	(1.9%)
	<u>155,492,292</u>	<u>159,363,620</u>	<u>(2.4%)</u>
Central Decision Units	52,987,667	53,040,467	(0.1%)
Alberta Teachers' Retirement Fund (ATRF)	<u>43,561,131</u>	<u>42,665,274</u>	<u>2.1%</u>
Total Allocations	948,277,484	925,630,885	2.4%
Planned Use of Reserves *	32,662,982	13,868,201	135.5%
	<u>\$ 980,940,466</u>	<u>\$ 939,499,086</u>	<u>4.4%</u>
* Planned Use of Restricted Reserves			
Schools Planned Spending of Reserves	\$ 14,563,150	\$ 7,044,116	106.7%
Central DUs Planned Spending of Reserves	18,099,832	6,824,085	165.2%
	<u>\$ 32,662,982</u>	<u>\$ 13,868,201</u>	<u>135.5%</u>

**Edmonton Public Schools  
2012-2013 Budget  
Revised Budget - Direct School Allocations**

**ATTACHMENT V**

	<b>Revised 2012-2013</b>	<b>Approved 2012-2013</b>	<b>% Change</b>
<b>School Allocations</b>			
Kindergarten - Regular	\$ 19,902,457	\$ 16,989,468	17.1%
Elementary	130,844,487	125,722,381	4.1%
Junior High	60,159,724	58,965,577	2.0%
Senior High	92,153,156	90,356,232	2.0%
Senior High Credit Adjustment	3,915,505	4,200,379	(6.8%)
English Language Learners	71,362,392	67,690,017	5.4%
International Students	2,123,215	1,410,272	50.6%
Special Needs Levels 1 - 3 (Gifted & Talented Elem/Jr )	5,317,614	5,402,526	(1.6%)
Special Needs Levels 4 - 8 ( Mild, Moderate & Severe)	107,365,123	108,384,906	(0.9%)
Institutions	34,423,986	34,701,447	(0.8%)
<b>Sub Total</b>	<b>527,567,659</b>	<b>513,823,205</b>	<b>2.7%</b>
<b>Other Supplemental School Allocations</b>			
Class Size Funding	33,215,398	32,192,902	3.2%
Plant Operation & Maintenance - Custodial	29,867,517	29,869,763	0.0%
Inclusive Learning - Early Education	13,005,285	13,160,953	(1.2%)
Multiple Program Allocation	10,624,707	10,891,348	(2.4%)
Literacy Intervention Program	8,651,314	8,651,315	0.0%
* First Nations, Metis and Inuit Education (FNMI)	7,144,524	6,992,747	2.2%
* Program Enhancement Allocations	7,848,502	6,811,972	15.2%
* Inservice/Professional Development	4,798,230	4,798,224	0.0%
* Other Miscellaneous Allocations	3,855,567	3,974,332	(3.0%)
Edmonton Regional Educational Consulting Serv (ERECS)	3,212,448	3,212,448	0.0%
High Social Vulnerability	3,103,796	3,103,796	0.0%
Facility Use Payments - Christian Schools	1,319,148	1,319,148	0.0%
Teacher Aide	1,295,150	1,295,137	0.0%
City Centre Education Partnership (CCEP)	839,193	733,587	14.4%
Argyll Reach Out Support	400,000	400,000	0.0%
Learning Resource Credit	634,200	634,200	0.0%
Outreach Program	377,838	440,811	(14.3%)
Community Use of Schools	491,903	537,394	(8.5%)
<b>Sub Total</b>	<b>130,684,720</b>	<b>129,020,077</b>	<b>1.3%</b>
<b>School Generated Funds/External Revenues</b>	<b>37,984,015</b>	<b>27,718,242</b>	<b>37.0%</b>
<b>Total Direct School Allocations</b>	<b>\$ 696,236,394</b>	<b>\$ 670,561,524</b>	<b>3.8%</b>

\* See Attachment V - Page 2 detailed breakdown

## 2012-2013 Budget

## Revised Budget - Direct School Allocations

## Detailed Breakdown - Other Supplemental School Allocations

	Revised 2012-2013	Approved 2012-2013	% Change
<b>First Nations, Metis and Inuit Education (FNMI)</b>			
FNMI Per Student	\$ 5,811,147	\$ 5,727,965	1.5%
Amiskwaciy Base Rent	1,103,377	1,038,510	6.2%
Aboriginal Block Grant	230,000	226,272	1.6%
	<u>\$ 7,144,524</u>	<u>\$ 6,992,747</u>	<u>2.2%</u>
<b>Inservice/Professional Development</b>			
Inservice Professional Development	\$ 3,045,006	\$ 3,045,000	0.0%
Alberta Initiative for School Improvement (AIS) Project	1,753,224	1,753,224	0.0%
	<u>\$ 4,798,230</u>	<u>\$ 4,798,224</u>	<u>0.0%</u>
<b>Program Enhancement Allocations</b>			
New to District	\$ 3,361,490	\$ 3,361,961	0.0%
Guaranteed Enrolment	3,046,709	2,000,000	52.3%
Transitions Grant	336,150	290,037	15.9%
Children and Youth with Complex Needs (CYCN)	500,000	500,000	0.0%
Transfers from Institutions	160,000	160,000	0.0%
Establishment Facility Grant	56,666	150,000	(62.2%)
Establishment Program Grant	100,000	100,000	0.0%
New School Establishment Grant ASAP II	132,927	150,000	(11.4%)
Mental Health Teacher	99,974	99,974	0.0%
LY Cairns Grandfathered Students	54,586	-	100%
	<u>\$ 7,848,502</u>	<u>\$ 6,811,972</u>	<u>15.2%</u>
<b>Other Miscellaneous Allocations</b>			
Other Services	\$ 2,165,957	\$ 2,165,961	0.0%
Addition to Basic	1,107,956	1,229,021	(9.9%)
Music Enrichment	220,000	220,000	0.0%
Facility Allocations	293,496	293,496	0.0%
Ballet Multiple Program	68,158	65,854	3.5%
	<u>\$ 3,855,567</u>	<u>\$ 3,974,332</u>	<u>(3.0%)</u>

**Edmonton Public Schools  
2012-2013 Budget  
Revised Budget - Other Allocations**

	<u>Revised 2012-2013</u>	<u>Approved 2012-2013</u>	<u>% Change</u>
<b>District Level Fixed Costs</b>			
Debt and Fiscal Services	\$ 41,973,896	42,680,208	(1.7%)
Utilities	19,540,000	19,540,000	0.0%
Insurance	2,750,000	2,750,000	0.0%
High Speed Networking	2,179,200	1,923,600	13.3%
VOIP Telephone Services	924,684	924,684	0.0%
	<u>67,367,780</u>	<u>67,818,492</u>	<u>(0.7%)</u>
<b>District Level Committed Costs</b>			
Student Transportation	32,837,154	33,067,154	(0.7%)
School Plant Operations & Maintenance	13,621,730	13,621,730	0.0%
Personnel Supply Services	8,200,000	8,200,000	0.0%
Language and Cultural Support	4,516,724	4,622,329	(2.3%)
Action on Inclusion	-	950,000	(100.0%)
Professional Improvement Leaves	1,540,000	1,540,000	0.0%
Human Resources Supply Services	514,770	514,770	0.0%
Access Copyright & Edulink	450,323	397,000	13.4%
Election	450,000	450,000	0.0%
Pinpoint	150,000	150,000	0.0%
Audit Fees	81,200	81,200	0.0%
Board Initiative Fund	50,000	50,000	0.0%
	<u>62,411,901</u>	<u>63,644,183</u>	<u>(1.9%)</u>
<b>External Revenue Allocation</b>	<b>15,142,224</b>	<b>17,306,871</b>	<b>(12.5%)</b>
<b>Metro Continuing Education</b>	<b>10,570,387</b>	<b>10,594,074</b>	<b>(0.2%)</b>
	<u>25,712,611</u>	<u>27,900,945</u>	<u>(7.8%)</u>
<b>Central Decision Units</b>			
* Corporate Services	18,252,769	18,208,753	0.2%
* Student Learning Services	16,577,844	16,577,844	0.0%
* Finance and Infrastructure	14,338,362	14,382,378	(0.3%)
* Board and Superintendent	3,818,692	3,871,492	(1.4%)
	<u>52,987,667</u>	<u>53,040,467</u>	<u>(0.1%)</u>
<b>Total</b>	<u>\$ 208,479,959</u>	<u>\$ 212,404,087</u>	<u>(1.8%)</u>

\* See Attachment VI - Page 2 detailed breakdown

**Edmonton Public Schools  
2012-2013 Budget  
Revised Budget - Other Allocations  
Detailed Breakdown - Central Decision Units**

	<u>Revised 2012-2013</u>	<u>Approved 2012-2013</u>	<u>% Change</u>
<b>Corporate Services</b>			
Human Resources Compensation & HRMS	\$ 8,783,788	\$ 8,783,788	0.0%
District Technology	4,919,214	4,919,214	0.0%
Communications	2,715,921	2,715,921	0.0%
District Records and FOIP Management	565,045	565,045	0.0%
District Information Security	451,852	451,852	0.0%
Corporate Services	597,125	553,109	8.0%
Edmonton Public Schools Foundation	219,824	219,824	0.0%
	<u>\$ 18,252,769</u>	<u>\$ 18,208,753</u>	<u>0.2%</u>
<b>Student Learning Services</b>			
Support for Staff and Students	\$ 1,945,372	\$ 1,945,372	0.0%
Alberta Initiative for School Improvement (AISi)	3,800,000	3,800,000	0.0%
Inclusive Learning	5,566,553	5,566,553	0.0%
Inclusive Learning - ERECS internal	400,000	400,000	0.0%
Projects and Research	2,113,906	2,113,906	0.0%
Executive Services	1,621,411	1,621,411	0.0%
Archives and Museum	507,629	507,629	0.0%
Student Learning Services	340,454	340,454	0.0%
Bennett Centre	167,541	167,541	0.0%
International Programs	114,978	114,978	0.0%
	<u>\$ 16,577,844</u>	<u>\$ 16,577,844</u>	<u>0.0%</u>
<b>Finance and Infrastructure</b>			
Financial Operations	\$ 6,179,906	\$ 6,179,906	0.0%
Facilities Services	4,718,703	4,718,703	0.0%
Planning	2,450,083	2,450,083	0.0%
Property Management	725,680	725,680	0.0%
Finance and Infrastructure	263,990	308,006	(14.3%)
	<u>\$ 14,338,362</u>	<u>\$ 14,382,378</u>	<u>(0.3%)</u>
<b>Board and Superintendent</b>			
Superintendent of Schools	\$ 2,364,326	\$ 2,403,126	(1.6%)
Board Administration	579,178	593,178	(2.4%)
Board of Trustees	875,188	875,188	0.0%
	<u>\$ 3,818,692</u>	<u>\$ 3,871,492</u>	<u>(1.4%)</u>



**DATE:** December 4, 2012  
**TO:** Board of Trustees  
**FROM:** Edgar Schmidt, Superintendent of Schools  
**SUBJECT:** Replacement School Model (Response to Request for Information #224)  
**ORIGINATOR:** Tanni Parker, Assistant Superintendent  
**RESOURCE STAFF:** Leanne Fedor, Roland Labbe, Ann Parker, Lorne Parker  
**REFERENCE:** October 9, 2012 Board Meeting (Trustee Colburn)

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**ISSUE**

The following information was requested:

That information be provided regarding the feasibility of a replacement school model becoming the preferred Board strategy in response to school closure.

**BACKGROUND**

Information with regard to this issue was provided in the March 6, 2012 Information Report to Board "*Replacement Schools Concept*" (Attachment I).

**CURRENT SITUATION**

On October 23, 2012, the Board approved a motion directing Administration to develop and implement a District space strategy that identifies timelines and goals to address deferred maintenance deficit and right size district space to more effectively meet short-term and long-term needs. This strategy will include actions that provide the best outcomes to deliver quality educational facilities for all communities, including school consolidations, right sizing, expansions, space sharing with other jurisdictions and/or replacement schools.

**KEY POINTS**

- The Board determines its preference of school closure strategy. What a consolidation strategy contemplates is one renewed or new facility being invested into a collection of neighbourhoods where there was once three or four schools.
- The report of January 10, 2012 outlines some of the opportunities and challenges associated with a replacement school strategy.

**ATTACHMENTS & APPENDICES**

ATTACHMENT I March 6, 2012 Information Report "*Replacement Schools Concept (Response to Trustee Request #157)*"

LP:sb

**DATE:** March 6, 2012

**TO:** Board of Trustees

**FROM:** Edgar Schmidt, Superintendent of Schools

**SUBJECT:** Replacement Schools Concept (Response to Trustee Request #157)

**ORIGINATOR:** Brian Smith, Executive Director, Finance and Infrastructure

**RESOURCE STAFF:** Leanne Fedor, Roland Labbe, Ann Parker, Lorne Parker

**REFERENCE:** January 10, 2010 Board Meeting (Trustee Janz)

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#### **ISSUE**

The following information was requested by Trustee Janz:  
Provide a brief background report on the concept of replacement schools.

#### **BACKGROUND**

Replacement schools become an option when the expense to repair or renovate existing buildings exceeds that of building an entirely new facility. Replacement schools afford the opportunity to consolidate deteriorating buildings into a new facility with modern design standards. Although there is significant capital involved in the construction of a replacement school, the consolidation of multiple buildings into one relieves all of the deferred maintenance on the original buildings.

According to Alberta Education, for situations where a modernization project is estimated to cost more than 75 per cent of a replacement facility, the school jurisdiction may wish to include a replacement facility in their Three-Year Capital Plan as stated in the *School Capital Manual Alberta Education*. (Attachment I)

Alberta Education has approved 36 replacement schools between 2002 and 2010. Edmonton Public Schools will be opening its first replacement school in September 2012, on the Major General Griesbach site. Prior to Major General Griesbach, the only other replacement school in Edmonton was Mother Theresa School in 2003. Mother Theresa School was a new replacement school for the consolidation of Sacred Heart and St. Michael schools (built on St. Michael site in Boyle Street Neighbourhood).

#### **CURRENT SITUATION**

The concept of replacement schools would involve the consolidation of existing sites into new school facilities. In the event that the Province would consider providing the District with a replacement school(s) the District would proceed in the following manner:

Clusters of schools would be identified, taking into consideration the following:

- School Enrolments
- Demographics of the neighbourhoods
- Program Requirements
- Transportation
- A determination of how many student spaces are required in the short term and long term
- Deferred maintenance on existing buildings

Once a cluster of schools is identified by the District, a request to the Province would be made to undertake a Value Management Study. The District's parameters for the Value Management Study would be determined using the factors above and would be communicated to the Province prior to engaging in a Value Management Study.

Alberta Education and Alberta Infrastructure have implemented a new value management study process to determine facility needs within a specific community. The Edmonton Public School Board, working together with Alberta Infrastructure would undertake a Value Management Study on the best use of a cluster of schools. As part of the Value Management Study, there may be an opportunity for consultation with the community, the City of Edmonton and any other relevant stakeholders on the future of the facilities. Value management is a process used to develop all-inclusive solutions to complex problems and involves evaluating a number of criteria including but not limited to: building conditions, the nature and extent of building upgrades, the overall quality and size of teaching spaces, barrier free accessibility as well as all of the parameters determined by the District as outlined above.

Value Management Studies:

- Provide a mechanism to define the most effective infrastructure required to meet the current and long term learning needs of students.
- Identify financial efficiencies through replacement or consolidation.
- Provide a higher level of transparency to stakeholders regarding infrastructure management.
- Have proven to be effective in terms of eliminating road blocks that can significantly delay the approval and completion of construction projects.

The outcome(s) of a Value Management Study may include:

- Replacement school(s)
- Modernization of existing buildings
- Re-alignment of programming

There are potential challenges with the outcomes of a Value Management Study:

- Community dissatisfaction with which a school(s) is identified to be consolidated into a replacement school or modernized building.

- Community dissatisfaction with the recommended site selected for a replacement school or modernized building.
- Challenges with selecting a location in a mature neighbourhood in regards to site layout and accessibility when proposing a replacement school.

*Scenario:* A cluster of schools have been identified by the district to undergo a Value Management Study facilitated by the Province. These schools are all within close geographic proximity to one another and provide various programs and grade levels from Kindergarten to Grade 9. These school buildings were all built in the 1950's and 1960's and are in deteriorating condition.

<b>SCHOOL</b>	<b>ENROLMENT</b>	<b>TOTAL CAPACITY</b>	<b>RESIDENT STUDENTS</b>
A	121	226	180
B	186	267	169
C	113	300	148
D	238	776	138
E	522	837	289
<b>TOTAL</b>	<b>1180</b>	<b>2406</b>	<b>924</b>

In this example, the capacity of the existing buildings is far greater than that of the student enrolment and resident students. The scenario presents an opportunity to consolidate buildings into one or two replacement schools, either through a new build or modernization of existing buildings. Reducing the number of buildings would decrease the deferred maintenance for this cluster of schools, increase the utilization rate and provide for the construction of buildings with modern standards and amenities in an established neighbourhood.

#### **ATTACHMENTS & APPENDICES**

ATTACHMENT I School Capital Manual Alberta Education, Page 7

LF:sa

## 2.2 Modernization Funding

Modernization funding supports the renovation of a school building or portion of a school building to address physical obsolescence and/or improve functional adequacy and suitability for present and future educational programs. It applies exclusively to viable schools, which are assessed based on the following criteria:

- current and projected enrolments,
- utilization rate,
- strategic location,
- economies of scale,
- functionality and condition as determined by a facility audit.

A modernization project involves renovations to all or part of an existing school in order to:

- Overcome major deficiencies throughout a building or a section of a building, which threaten the health and safety of students and staff, including situations under the *Safety Codes Act* or other legislation.
- Accommodate educational programs and integrate delivery of technology, including Career and Technology Studies (CTS) equipment, associated with the modernization project.
- Provide access and facilities for persons with disabilities.
- Replace or upgrade building structural components, mechanical and electrical services, and architectural finishes.
- Support lifelong learning.

Modernization funding is provided for projects where the total construction cost for renovations and/or upgrading to accommodate new programming or to enhance current programming exceeds \$250,000 or where non-program specific renovations exceeds \$1,000,000. For situations where a modernization project is estimated to cost more than 75 per cent of a replacement facility, the school jurisdiction may wish to include a replacement facility in their Three-Year Capital Plan. For any projects under the above-noted cost thresholds, school jurisdictions should use IMR funding (see section 7).



# EDMONTON PUBLIC SCHOOLS



## Summary of Board Meeting #8 Held Tuesday, December 4, 2012

**A. O Canada:  (2:00 p.m.)**

**B. Roll Call:** All Trustees were present.

**C. Communications from the Board Chair** - *This information will be included in the minutes of the December 4, 2012 board meeting.*

**D. Communications from the Superintendent of Schools** - *This information will be included in the minutes of the December 4, 2012 board meeting.*

**E. Comments from the Public and Staff Group Representatives** – None.

### **F. Reports**

5. 2011-2012 Financial Statements and Auditors' Report

a) Approved recommendation.

b) Trustee MacKenzie requested information be provided regarding the reasons for the increase in revenues from the rental of facilities from the projected amount (Statement of Revenues and Expenses – page 5).

1. Motion re Development of a District Policy to Guide Social Media Communication

The motion was defeated.

2. Motion re Questions Regarding Board Performance for District Satisfaction Survey

The motion was withdrawn.

3. Motion re Public Reporting Process for Travel and Expenses

Approved recommendation.

4. Acquiring Locally Developed Courses – Yoga 15, Yoga 25, Reading 25  
Approved recommendation.
6. Fall 2012 Update to the 2012-2013 Budget  
Received for information.
7. Replacement School Model (Response to Request for Information #224)  
Received for information.

**G. Other Committee, Board Representative and Trustee Reports -** *This information will be included in the minutes of the December 4, 2012 board meeting.*

**H. Comments from the Public and Staff Group Representatives – 5:00 p.m. -** None.

**I. Trustee and Board Requests for Information –** None.

**J. Notices of Motion**

- Trustee Colburn served notice of the following motion:

*That the District Priorities and Governance Committee work with the Administration to review and possibly revise the district satisfaction survey.*

**K. Next Board Meeting Date: Tuesday, December 11, 2012 at 2:00 p.m.**

**L. Duration of Meeting: 2:00 p.m. to 4:50 p.m.**

**MINUTE BOOK**

**- Board Meeting #8 -**

Minutes of the Board Meeting of the Trustees of the Edmonton School District No. 7 of the Province of Alberta held in McCauley Chambers in the Centre for Education on Tuesday, December 4, 2012 at 2:00 p.m.

**Present:**

**Trustees**

Leslie Cleary  
David Colburn  
Sarah Hoffman

Michael Janz  
Cheryl Johner  
Heather MacKenzie

Catherine Ripley  
Ken Shipka  
Christopher Spencer

**Officials**

Edgar Schmidt  
Bruce Coggles

Cheryl Hagen  
Mark Liguori  
Ron MacNeil

Jamie Pallett  
Tanni Parker  
Tash Taylor

**Board Chair:** Sarah Hoffman

**Recording Secretary:** Manon Fraser

A. O Canada 

**Staff Group Representatives**

Edmonton Public Teachers – Ed Butler, President

B. **Roll Call:** (2:00 p.m.)

The Superintendent advised that all Trustees were present.

C. **Communications from the Board Chair**

The Board Chair advised that the Confucius Institute has invited a delegation of five people including her to attend the Confucius Institute International Conference in Beijing December 15 to 18, 2012. Representatives from Confucius Institutes from around the world will come together to share best practices. She looks forward to learning how other Confucius Institutes support learning about Chinese language and culture and sharing



## MINUTE BOOK

district success stories. The cost for the conference and related travel expenses will be covered by the Confucius Institute.

The Board Chair advised that, last Friday, she attended Confucius Institute Edmonton's celebration of Chinese second language learners. \$80,000 was donated to cover the costs for the event as well as a number of scholarships for second language learners in and around the Edmonton area. Fourteen of the seventeen scholarship recipients were district students.

The Board Chair noted the District Recognition Awards will be held this evening at the Eva O. Howard Theatre in Victoria School.

### **D. Communications from the Superintendent of Schools**

The Superintendent acknowledged the outstanding efforts of District Facilities and Maintenance as well as the District's custodial staff for their committed and dedicated work to clean up and make Meadowlark Christian School ready to welcome back students as quickly as they were able to following a fire at the school. It took the concerted efforts of many staff members, including those from Executive Services, Occupational Health and Safety, Human Resources, Finance and Insurance, Planning and Transportation and Communications. Staff worked together to make sure students could get back into the school as soon as possible. Their collective effort has been remarkable and worthy of recognition.

The Superintendent acknowledged the ongoing professional efforts of two staff members who have committed to more in-depth professional learning. They applied and were successful in obtaining the Language Teacher Bursary of \$5,000 in recognition of successful completion of second language professional development programming. He congratulated Mr. Adam Dickau and Ms. Jianyi Li-Mitra for earning this bursary.

**E. Comments from the Public and Staff Group Representatives** – None.

### **F. Reports**

The Board Chair sought the Board's concurrence for reordering the agenda so that report #5 could be dealt with at this point.

There were no objections.

MINUTE BOOK

5. 2011-2012 Financial Statements and Auditors' Report

**MOVED BY Trustee Shipka:**

- "1. That \$4.4 million be transferred from the operating reserve to offset the net deficit position in unrestricted net assets.**
  
- 2. That the audited financial statements for the year ending August 31, 2012 be approved."**

Trustee MacKenzie requested information be provided regarding the reasons for the increase in revenues from the rental of facilities from the projected amount (page 5 of the Statement of Revenues and Expenses).

**The Board Chair called the question.**

**The Motion was UNANIMOUSLY CARRIED.**

1. Motion re Development of District Policy to Guide Social Media Communication

**MOVED BY Trustee Cleary:**

**"That the Policy Review Committee develop a District policy to guide social media communication."**

**MOVED BY Trustee Hoffman:**

**"That the motion be referred to the Policy Review Committee for integration in existing policies as well as to the District Priorities and Governance Committee for consideration in both the policy review process as well as the review of the Trustees' Manual."**

**MOVED BY Trustee Spencer:**

**"That the Referral motion be amended to read: That the motion be referred to the Policy Review Committee for integration in ~~existing policies~~ **the policy review process** as well as to the District Priorities and Governance Committee ~~for consideration in both the policy review process as well as the~~ **as part of the** review of the Trustees' Manual."**

**The Board Chair called the question on the Amendment to the Referral Motion.**

**The Amendment to the Referral Motion was UNANIMOUSLY CARRIED.**

**MINUTE BOOK**

**The Board Chair called the question on the Referral Motion as Amended.**

**IN FAVOUR: Trustee Cleary and Hoffman**

**OPPOSED: Trustees Colburn, Janz, Johner, MacKenzie, Ripley, Shipka and Spencer**

**The Referral Motion was DEFEATED.**

**The Board Chair called the question.**

**IN FAVOUR: Trustees Cleary and Ripley**

**OPPOSED: Trustees Colburn, Hoffman, Janz, Johner, MacKenzie, Shipka and Spencer**

**The Motion was DEFEATED.**

There was a break at this point in the meeting.

2. Motion re Questions Regarding Board Performance for the District Satisfaction Survey

Trustee Colburn withdrew the motion and noted he would serve notice of a revised motion at the end of the meeting under the Notices of Motion.

3. Motion re Public Reporting Process for Travel and Expenses

**MOVED BY Trustee Hoffman:**

**“That the Administration develop a public reporting process applicable to Trustees, the Superintendent, Executives and Managing Directors that aligns with the Government of Alberta’s Directive on Public Disclosure of Travel and Expenses to take effect by the next fiscal year.”**

MINUTE BOOK

**MOVED BY Trustee Hoffman:**

“That the motion be referred to the January 8, 2013 board meeting.”

**The Board Chair called the question on the Referral Motion.**

**IN FAVOUR:** Trustees Cleary, Colburn, Hoffman and Johner

**OPPOSED:** Trustees Janz, MacKenzie, Ripley, Shipka and Spencer

**The Referral Motion was DEFEATED.**

**The Board Chair called the question.**

**The Motion was UNANIMOUSLY CARRIED.**

4. Acquiring Locally Developed Courses – Yoga 15, Yoga 25, Reading 25

**MOVED BY Trustee Cleary:**

“That the acquisition of the following locally developed courses and resources be approved for use in the District:

Course Name	Credits	Developing Jurisdiction	Approval Period
Yoga 15	3 credits	Calgary Board of Education	February 2013 – August 2015
Yoga 25	3 credits	Calgary Board of Education	February 2013 – August 2015
Reading 25	3 or 5 credits	Calgary Board of Education	February 2013 – August 2013”

**The Board Chair called the question.**

**The Motion was UNANIMOUSLY CARRIED.**

6. Fall 2012 Update to the 2012-2013 Budget

**MOVED BY Trustee MacKenzie:**

“That the report titled ‘Fall 2012 Update to the 2012-2013 Budget’ be received for information.” (UNANIMOUSLY CARRIED)

## MINUTE BOOK

7. Replacement School Model (Response to Request for Information #224)

**MOVED BY Trustee Colburn:**

**“That the report titled ‘Replacement School Model (Response to Request for Information #224)’ be received for information.” (UNANIMOUSLY CARRIED)**

**G. Other Committee, Board Representative and Trustee Reports**

Trustee Cleary, the Board’s representative on the Edmonton Public Schools Foundation Board of Governors, advised that the Teddy Bear Picnic held on November 29, 2012 at Tipaskan School to celebrate three full-day kindergarten programs made available by donations to the Foundation was a great success with sixty people in attendance. She noted the MCs were students who had graduated from full-day kindergarten. She also noted the food for the event was prepared by the students from W.P. Wagner School’s culinary arts program.

Trustee Cleary advised that volunteers are still needed for the *Wrap and Roll Fundraiser* to man the coat check and gift-wrapping station until December 24<sup>th</sup> at Kingsway Mall – all the proceeds will go to the Foundation. Those wanting to volunteer are asked to contact Ms Alva Shewchuk at the Foundation.

Trustee Colburn, the Board’s representative on the Alberta School Boards Association (ASBA) Board of Directors, advised that the next meeting will be held December 7, 2012.

Trustee Johner, the Board’s representative on ASBA Zone 23, had no report at this time. The next scheduled meeting will be held on January 25, 2013.

Trustee Janz, the Board’s representative on the Public School Boards Council (PSBC), had no report at this time.

Trustee Cleary, the Board’s representative on the Capital Region Services to Children Linkages Committee, advised that she has requested the minutes and key messages from the November 8, 2012 be posted on the Board Intranet Site.

Trustee Cleary, Chair of the District Priorities and Governance Committee, advised that the results of the recently conducted Trustee survey concluded that there is not sufficient interest in holding a Trustee winter retreat.

## MINUTE BOOK

Trustee Cleary advised that she had attended the Edmonton and Area Child and Family Services Authority (CSFA) Annual Meeting which showcased and celebrated the many achievements in service to children, youth and families in the community. The highlight of the evening was the Heather Jacobs Governors' Award recognizing outstanding youth who have made a significant contribution to their community, peers and their futures. One of the recipients of the award was a McNally School student.

Trustee Cleary advised that she and a number of other Trustees attended the 2012-2013 New Teacher Induction Ceremony on November 22, 2012. She congratulated the following teachers who are teaching in Ward I schools:

- LeBao Doan, Sakaw School
- Naomi Legg, Michael Strembitsky School
- Kimberley Littlejohn, Hillview School
- Melodie Picco, Michael Strembitsky School
- Peng Wu, Edith Rogers School

### **H. Comments from the Public and Staff Group Representatives – 5:00 p.m.**

There were no pre-registered speakers.

### **I. Trustee and Board Requests for Information – None.**

### **J. Notices of Motion**

Trustee Colburn served notice of the following motion:

*That the District Priorities and Governance Committee work with the Administration to review and possibly revise the district satisfaction survey.*

### **K. Next Board Meeting Date: Tuesday, December 11, 2012 at 2:00 p.m.**

**MINUTE BOOK**

**L. Adjournment (4:50 p.m.)**

**The Board Chair adjourned the meeting.**

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Sarah Hoffman, Board Chair

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Cheryl Hagen, Acting Secretary-Treasurer