

DATE: December 13, 2011

TO: Board of Trustees

FROM: Trustee Michael Janz, Chair, Audit Committee
Trustee Dave Colburn
Trustee Cheryl Johner

SUBJECT: 2010-2011 Financial Statements and Auditors' Report

ORIGINATOR: Brian J. Smith, Executive Director, Finance & Infrastructure

RESOURCE STAFF: Cheryl Hagen, Angela Komick

ISSUE

On an annual basis, Alberta Education requires the District to complete and submit audited financial statements based on an August 31st fiscal year end by November 30th. The Audit Committee reviews the financial statements and the auditors' report, and makes appropriate recommendations to the Board of Trustees.

RECOMMENDATION

- 1. That \$6.6 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, 2011 (Attachment I) be approved.**

BACKGROUND

This report:

- outlines the process involved in preparing and approving the 2010-2011 audited financial statements;
- includes the 2010-2011 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)

This report has been reviewed by the Audit Committee on December 7, 2011.

Financial Services prepared the financial statements for the 2010-2011 school year, and KPMG LLP performed the audit during October - November 2011. 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 the statement 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 result of the audit work that was performed enabled them to arrive at an unqualified audit opinion.

RELATED FACTS

- The District ended the year with a \$13.4 million deficit, compared to an \$11.5 million deficit in the previous year.
- The 2010-2011 net financial deficit position of \$6.6 million is a combination of an actual operating deficit of \$13.4 million and a capital fund surplus of \$6.8 million, resulting from the excess of amortization of capital assets compared to new capital additions.
- The transfer of \$6.6 million from the operating reserve leaves a balance of \$27.5 million in operating reserves compared to a balance of \$34.1 million in 2009-2010. The balance in actual operating surplus equates to sufficient funds for only 6.4 days of operation compared to 8.3 days in 2009-2010.
- The \$27.5 million in operating reserve is insufficient to cover the total of \$45.6 million in surplus carried forward by schools and Central Services, resulting in a net \$18.1 million operating reserve shortfall.

OPTIONS

N/A

CONSIDERATIONS & ANALYSIS

N/A

NEXT STEPS

The Audit Committee, at its meeting on December 7, 2011, had an opportunity to review and discuss the audited financial statements and the auditor's letter regarding their opinion prior to the public Board meeting.

The Audit Committee recommends to the Board, at its meeting on December 13, 2011, that the 2010-2011 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 auditor's 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, 2011. An electronic draft of the audited financial statements has been submitted to Alberta Education on November 30, and the final, approved documents will be submitted following Board approval on December 13.

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

BJS/ej

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011**
[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	
Dave Colburn Name	"ORIGINAL SIGNED" Signature
SUPERINTENDENT	
Edgar Schmidt Name	"ORIGINAL SIGNED" Signature
SECRETARY TREASURER OR TREASURER	
Brian Smith Name	"ORIGINAL SIGNED" Signature

13-Dec-11

Board-approved Release Date

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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, 2011, 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, 2011, 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 13, 2011

Edmonton, Canada

STATEMENT OF FINANCIAL POSITION
as at August 31, 2011

(in dollars)

		2011	2010
ASSETS			
Current assets			
Cash and temporary investments		\$55,724,578	\$88,380,371
Accounts receivable (net after allowances)	(Note 3)	\$21,614,422	\$17,020,259
Prepaid expenses		\$423,072	\$691,411
Other current assets		\$5,775,282	\$5,845,531
Total current assets		\$83,537,354	\$111,937,572
School generated assets	(Note 4)	\$3,876,175	\$4,041,868
Trust assets			
Long term accounts receivable		\$0	\$156,994
Long term investments		\$0	\$0
Capital assets (Note 5)			
Land		\$837,590	\$837,590
Construction in progress		\$23,303,914	\$100,461,970
Buildings	\$1,037,107,625		
Less: accumulated amortization	(\$459,798,648)	\$577,308,977	\$514,463,685
Equipment	\$185,976,029		
Less: accumulated amortization	(\$145,794,865)	\$40,181,164	\$34,892,908
Vehicles	\$3,231,432		
Less: accumulated amortization	(\$1,331,266)	\$1,900,166	\$1,803,766
Total capital assets		\$643,531,811	\$652,459,919
TOTAL ASSETS		\$731,796,212	\$769,193,219
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities	(Note 6)	\$34,054,548	\$43,882,006
Deferred revenue	(Note 7)	\$9,790,632	\$9,416,308
Deferred capital allocations	(Note 9)	\$6,693,724	\$17,702,234
Current portion of long term debt		\$2,883,117	\$3,409,393
Total current liabilities		\$53,422,021	\$74,409,941
School generated liabilities	(Note 4)	\$3,876,175	\$4,041,868
Trust liabilities			
Employee future benefit liabilities		\$0	\$0
Long term debt (Note 8)			
Supported: Debentures and other supported debt		\$4,600,276	\$7,715,186
Less: Current portion		(\$2,610,043)	(\$3,114,911)
Unsupported: Debentures and capital loans		\$711,244	\$1,005,726
Capital leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		(\$273,074)	(\$294,482)
Other long term liabilities		\$0	\$156,994
Unamortized capital allocations	(Note 10)	\$518,996,656	\$519,010,325
Total long term liabilities		\$526,152,106	\$529,117,572
TOTAL LIABILITIES		\$579,574,127	\$603,527,513
NET ASSETS			
Unrestricted net assets		\$0	\$0
Operating reserves		\$27,514,775	\$34,097,868
Accumulated operating surplus (deficit)		\$27,514,775	\$34,097,868
Investment in capital assets		\$119,223,635	\$124,728,681
Capital reserves		\$5,483,675	\$6,839,157
Total capital funds		\$124,707,310	\$131,567,838
Total net assets		\$152,222,085	\$165,665,706
TOTAL LIABILITIES AND NET ASSETS		\$731,796,212	\$769,193,219

Note: Please input "(Restated)" in 2010 column heading where comparatives are not taken from the finalized 2009/2010 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2011

(in dollars)

	Actual 2011	Budget 2011	Actual 2010
REVENUES			
Government of Alberta	\$758,369,845	\$756,025,906	\$735,998,349
Federal Government and First Nations	\$2,426,052	\$2,670,591	\$2,841,935
Other Alberta school authorities	\$3,734,108	\$4,362,852	\$4,045,468
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$4,033,039	\$2,388,861	\$3,896,607
Transportation fees	\$9,462,414	\$10,034,000	\$8,894,651
Other sales and services	\$20,289,570	\$17,034,200	\$21,220,493
Investment income	\$1,064,668	\$500,000	\$600,197
Gifts and donations	\$6,118,116	\$1,746,140	\$6,528,630
Rental of facilities	\$5,193,466	\$3,377,601	\$4,113,879
Gross school generated funds	\$16,674,550	\$12,538,680	\$17,309,609
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$21,719,994	\$11,907,000	\$11,314,821
Other revenue	\$0	\$0	\$0
Total Revenues	\$849,085,822	\$822,585,831	\$816,764,639
EXPENSES			
Certificated salaries (Note 14)	\$412,144,535	\$386,065,568	\$400,019,420
Certificated benefits (Note 14)	\$47,445,210	\$45,941,803	\$44,819,962
Non-certificated salaries and wages (Note 14)	\$175,996,366	\$148,298,420	\$170,626,419
Non-certificated benefits (Note 14)	\$37,668,591	\$33,615,163	\$35,763,023
Services, contracts and supplies	\$133,289,965	\$174,862,078	\$130,914,383
Gross school generated funds	\$16,674,550	\$12,538,680	\$17,309,609
Capital and debt services			
Amortization of capital assets			
Supported	\$21,719,994	\$11,907,000	\$11,314,821
Unsupported	\$16,484,547	\$16,777,000	\$16,456,450
Total Amortization of capital assets	\$38,204,541	\$28,684,000	\$27,771,271
Interest on capital debt			
Supported	\$703,435	\$570,000	\$898,108
Unsupported	\$45,676	\$36,000	\$50,384
Total Interest on capital debt	\$749,111	\$606,000	\$948,492
Other interest and charges	\$351,970	\$500,000	\$97,062
Losses on disposal of capital assets	\$4,604	\$0	\$9,559
Other expense	\$0	\$0	\$0
Total Expenses	\$862,529,443	\$831,111,712	\$828,279,200
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	(\$13,443,621)	(\$8,525,881)	(\$11,514,561)
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$13,443,621)	(\$8,525,881)	(\$11,514,561)

Note: Please input "(Restated)" where Actual 2010 comparatives are not as presented in the finalized 2009/2010 Audited Financial Statements filed with Alberta Education. Budget 2011 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2011

(in dollars)

	2011	2010
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	(\$13,443,621)	(\$11,514,561)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$21,719,994)	(\$11,314,821)
Total amortization expense	\$38,204,541	\$27,771,271
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$4,604	\$9,559
Changes in:		
Accounts receivable	(\$4,594,163)	(\$5,607,930)
Prepays and other current assets	\$338,588	(\$109,049)
Long term accounts receivable	\$156,994	\$328,858
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$9,984,452)	(\$4,460,705)
Deferred revenue	\$374,324	(\$3,482,697)
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Operations	(\$10,663,179)	(\$8,380,075)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$17,153,027)	(\$48,325,551)
Equipment	(\$9,044,843)	(\$13,692,931)
Vehicles	(\$334,542)	(\$378,384)
Net proceeds from disposal of capital assets	\$228,841	\$8,968
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$26,303,571)	(\$62,387,898)
C. FINANCING ACTIVITIES		
Capital allocations	\$4,605,438	\$15,182,903
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$3,409,392)	(\$3,928,304)
Add back: supported portion	\$3,114,911	\$3,611,521
Other (describe) Set up and payment of ARO	\$0	(\$316,984)
Total cash flows from financing activities	\$4,310,957	\$14,549,136
Net cash flows from during the year	(\$32,655,793)	(\$56,218,837)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$88,380,371	\$144,599,208
Cash and temporary investments, net of bank indebtedness, at Aug. 31/11	\$55,724,578	\$88,380,371

Note: Please input "(Restated)" where Actual 2010 comparatives are not as presented in the finalized 2009/2010 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2011**

School Jurisdiction Code: 3020

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	INTERNALLY RESTRICTED 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	Operating Reserves	Capital Reserves
Balance at August 31, 2010	\$165,665,706	\$124,728,681	\$0	\$34,097,868	\$6,839,157	\$34,097,868	\$6,839,157	\$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
Adjusted Balance, Aug. 31, 2010	\$165,665,706	\$124,728,681	\$0	\$34,097,868	\$6,839,157	\$34,097,868	\$6,839,157	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Excess (deficiency) of revenues over expenses	(\$13,443,621)		(\$13,443,621)												
Board funded capital additions		\$10,918,464	(\$9,246,764)	\$0	(\$1,671,700)	\$0	(\$1,671,700)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	(\$233,445)	\$4,604		\$228,841		\$228,841		\$0		\$0		\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$38,204,541)	\$38,204,541												
Amortization of capital allocations		\$21,719,994	(\$21,719,994)												
Debt principal repayments (unsupported)		\$294,482	(\$294,482)												
Net transfers to operating reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0	
Net transfers from operating reserves			\$6,583,093	(\$6,583,093)		(\$6,583,093)		\$0		\$0		\$0		\$0	
Net transfers to capital reserves			(\$87,377)		\$87,377		\$87,377		\$0		\$0		\$0		\$0
Net transfers from capital reserves			\$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
Balance at August 31, 2011	\$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

**STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**

for the Year Ended August 31, 2011

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2010	\$17,702,234	\$519,010,325
Prior period adjustments		
Adjusted balance, August 31, 2010	\$17,702,234	\$519,010,325
Add:		
Restricted capital allocations from:		
Alberta Education school building and modular projects	\$4,605,438	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
P3, other ASAP and Alberta Infrastructure managed projects		\$3,048,980
Transferred in capital assets (amortizable, @ net book value)		\$0
Current year supported debenture principal repayment		\$3,114,911
Expended capital allocations - current year	(\$15,613,948)	\$15,613,948
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$71,514
Capital allocations amortized to revenue		\$21,719,994
Balance at August 31, 2011	\$6,693,724	\$518,996,656

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



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.



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 and the school generated assets, representing restricted cash, as held-for-trading financial assets. Accounts receivable, trust assets and the long-term receivable 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, including school generated 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.



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. This 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 current service and past service costs of the Alberta Teachers' Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers' Pension Plan Act, the District does not make pension contributions for certificated staff.

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 \$13,754 (2010 - \$12,457) are included in these statements and comprise the District costs of employer contribution. At December 31, 2010, the Local Authorities Pension Plan reported a deficiency of \$4,635,250 (2009 - \$3,998,614).



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.

3. Accounts Receivable

Accounts receivable comprises:	<u>2011</u>	<u>2010</u>
Province of Alberta	\$17,406	\$10,954
Federal Government	2,331	2,925
Other Alberta School Jurisdictions	529	541
Other	<u>1,348</u>	<u>2,600</u>
Total	<u>\$21,614</u>	<u>\$17,020</u>

4. School Generated Funds

(a) School generated assets arise from the receipt of monies for various services and activities offered by individual schools such as student unions, yearbooks, instructional materials, textbook rentals, field trips and fundraising projects of various types. Any excess of receipts over disbursements from these services and activities is placed on deposit with various chartered banks and is available for future use by the schools.

EDMONTON SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
August 31, 2011
(Amounts in thousands)



	<u>2011</u>	<u>2010</u>
School generated assets		
Cash	\$7,935	\$8,031
Term deposits	<u>780</u>	<u>914</u>
	<u>8,715</u>	<u>8,945</u>
Inventory		
Bookstore	7	4
Cafeteria	<u>0</u>	<u>2</u>
	<u>7</u>	<u>6</u>
Refundable deposits and advance fees	<u>(4,846)</u>	<u>(4,909)</u>
Net Assets and Funds	<u>\$ 3,876</u>	<u>\$ 4,042</u>

(b) School Generated Funds revenue and expenses have been reported as follows:

	<u>2011</u>	<u>2010</u>
Net School Generated Funds	\$15,295	\$15,757
Add: Related cost recoveries	<u>1,380</u>	<u>1,553</u>
Gross	<u>\$ 16,675</u>	<u>\$ 17,310</u>

5. Capital Assets

In 2010, the District assumed control over six 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 \$242,977. During the year, additional capital costs of \$3,049 for these six schools related to price adjustments agreed to by the Ministry of Education (the Ministry) have been recognized in capital assets and the related unamortized capital allocations.

Currently, the Ministry is constructing additional schools under a new ASAP of which three schools are being constructed on sites owned by the District. It is expected that these three schools will be transferred to the District prior to September 2012. The estimated net present value of the work in progress completed by August 31, 2011 for the three schools was \$43,079. 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 schools under construction. The estimated work in progress has not been recognized in these financial statements.

EDMONTON SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
August 31, 2011
(Amounts in thousands)



	Cost	2011 Accumulated Amortization	Carrying Value	2010 Carrying Value
Land	\$838	\$0	\$838	\$838
Buildings and Site Improvements	1,060,412	459,799	600,613	614,925
Furniture & Equipment	185,976	145,795	40,181	34,893
Vehicles	3,231	1,331	1,900	1,804
Total	<u>\$1,250,457</u>	<u>\$606,925</u>	<u>\$643,532</u>	<u>\$652,460</u>

	Land	Construction in Progress - Buildings	Buildings	Equipment - Computer Hardware/ Software	Other Equipment	Vehicles	Total August 31/11	Total August 31/10
Estimated Useful Life			25-40 Years	5 Years	5-10 Years	5-10 Years		
Cost								
September 1, 2010	\$838	\$100,462	\$947,872	\$66,783	\$107,034	\$2,897	\$1,225,885	\$989,356
Additions	0	19,551	651	3,350	5,695	335	29,581	305,374
Transfers in (out)	0	(96,709)	92,035	37	4,637	0	0	0
Less disposals including write-offs	0	0	(3,450)	(227)	(1,332)	0	(5,010)	(68,845)
August 31, 2011	<u>838</u>	<u>23,304</u>	<u>1,037,108</u>	<u>69,942</u>	<u>116,034</u>	<u>3,231</u>	<u>1,250,457</u>	<u>1,225,885</u>
Accumulated Amortization								
September 1, 2010			(433,408)	(53,710)	(85,214)	(1,093)	(573,425)	(614,434)
Additions			(29,779)	(4,023)	(4,164)	(238)	(38,205)	(27,771)
Transfers in (out)			2	0	(2)	0	0	0
Less disposals			3,387	227	1,091	0	4,705	68,780
August 31, 2011	<u>0</u>	<u>0</u>	<u>(459,799)</u>	<u>(57,506)</u>	<u>(88,289)</u>	<u>(1,331)</u>	<u>(606,925)</u>	<u>(573,425)</u>
Net Book Value at August 31, 2011	<u>\$838</u>	<u>\$23,304</u>	<u>\$577,309</u>	<u>\$12,437</u>	<u>\$27,745</u>	<u>\$1,900</u>	<u>\$643,532</u>	<u>\$652,460</u>

6. Accounts Payable and Accruals

Accounts payable and accruals comprise:	<u>2011</u>	<u>2010</u>
Province of Alberta	\$481	\$1,755
Federal Government	65	110
Other	<u>33,509</u>	<u>42,017</u>
Total	<u>\$34,055</u>	<u>\$43,882</u>

EDMONTON SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
August 31, 2011
(Amounts in thousands)



7. Deferred Revenue

Deferred revenue comprises:

SOURCE AND GRANT OR FUND TYPE	Deferred Revenue as at Aug 31/10	Add: 2010-11 Funds Received	Deduct: 2010-11 Funds Recognized	Deferred Revenue as at Aug 31/11
Alberta Education Restricted Operations Funding:				
Infrastructure Maintenance Renewal	\$5,925	\$17,669	\$18,077	\$5,517
Alberta Initiative for School Improvement	0	10,812	10,812	0
Children and Youth with Complex Needs	0	1,100	1,042	58
Institutional Education Programs	0	8,836	8,836	0
Regional Educational Consulting Services	0	3,142	3,142	0
Small Class Size Initiative	0	33,335	33,335	0
Student Health Initiative	0	1,588	1,588	0
SuperNet Service	0	1,384	1,384	0
Other Alberta Education Deferred Revenue	633	811	292	1,152
Other Government of Alberta Restricted Funding:				
Community Helper Project	0	60	2	58
Safe Communities Innovation Fund (SCIF) Grant	69	69	69	69
Alberta Justice- The Way In Project	13	0	13	0
Other Deferred Revenue				
Expolingua Berlin Student Recruitment Fair	0	2	0	2
International Students	2,376	3,441	3,226	2,591
Lease/Rental	9	9	9	9
Metro Continuing Education	389	1,234	1,290	333
Other	2	0	0	2
Total	<u>\$9,416</u>	<u>\$83,492</u>	<u>\$83,117</u>	<u>\$9,791</u>



8. Long-Term Debt

Debenture Debt - Supported

The debenture debt bears interest at rates varying between 6.0% and 12.0% with an overall effective rate of 9.15%. 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>
2011 - 2012	\$2,610	\$421	\$3,031
2012 - 2013	1,251	178	1,429
2013 - 2014	548	68	616
2014 - 2015	<u>191</u>	<u>19</u>	<u>210</u>
Total	<u>\$4,600</u>	<u>\$686</u>	<u>\$5,286</u>

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, 2011:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011 - 2012	\$273	\$32	\$305
2012 - 2013	279	19	298
2013 - 2014	<u>159</u>	<u>6</u>	<u>65</u>
Total	<u>\$711</u>	<u>\$57</u>	<u>\$768</u>

	<u>2011</u>	<u>2010</u>
Total debenture debt	\$5,311	\$8,721
Due within one year	<u>(2,883)</u>	<u>(3,409)</u>
	<u>\$2,428</u>	<u>\$5,312</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>2011</u>	<u>2010</u>
Working Capital Surplus per statements	\$36,809	\$55,229
Supported Current Portion of long-term debt	<u>2,610</u>	<u>3,115</u>
	<u>\$39,419</u>	<u>\$58,344</u>

The District paid \$765 (2010 - \$1,134) interest on long-term debt in the year.

9. 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>2011</u>	<u>2010</u>
Balance at beginning of year	\$17,702	\$41,941
Allocations received and receivable during the year	4,606	15,182
Transfers to Unamortized Capital Allocations	<u>(15,614)</u>	<u>(39,421)</u>
Balance at end of year	<u>\$6,694</u>	<u>\$17,702</u>

10. 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, 2011
(Amounts in thousands)



Details of the changes to the account are as follows:

	<u>2011</u>	<u>2010</u>
Balance at beginning of year	\$519,010	\$ 244,671
Supported Debenture Principal Repayment	3,115	3,611
Set-up & relieved of ARO (Net)	0	(317)
Retirement of Assets (Net)	(71)	(38)
Transfer from Deferred Capital Allocations	15,614	39,421
ASAP Schools (Note 5)	3,049	242,977
Transfer to Capital Allocation Revenue	<u>(21,720)</u>	<u>(11,315)</u>
Balance at end of year	<u>\$518,997</u>	<u>\$ 519,010</u>

11. 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.

	<u>2011</u>	<u>2010</u>
Balance, beginning year	\$157	\$1,325
Liabilities incurred/adjusted during the year	0	812
Liabilities relieved during the year	(157)	(1,968)
Accretion expense	<u>0</u>	<u>(12)</u>
Balance, end of year	<u>\$0</u>	<u>\$157</u>

12. Commitments

a) Building Projects: The District is committed to further capital expenditures for the new construction and modernization projects of approximately \$5,988 (2010 - \$27,825). It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.



- b) Lease of Premises: The District is committed to lease of premises for the following years:

	<u>Year Ending August 31</u>	
	<u>2011</u>	<u>2010</u>
2012	2,967	2,796
2013	1,587	2,657
2014	1,480	1,321
2015	1,386	1,294
2016	1,139	1,266
2017 – Thereafter	<u>12,045</u>	<u>13,113</u>
Total	<u>\$ 20,604</u>	<u>\$ 22,447</u>

- c) Purchase Order commitments: As at August 31, 2011 the District has \$3,093 (2010 - \$5,615) outstanding purchase orders relating to services and contracts.

13. 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 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, 2011
(Amounts in thousands)



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

2010/2011	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Government of Alberta (GOA):				
Education	\$17,356	\$6,834	\$754,074	\$3,826
Education (Deferred Capital Allocations)	N/A	6,694	N/A	N/A
Infrastructure	0	0	6	0
Finance and Enterprise	0	\$4,973	0	0
Other GOA departments	50	128	4,296	5
TOTAL Government of Alberta	\$17,406	\$18,629	\$758,376	\$3,831
Other:				
Health authorities	0	12	159	55
Post-secondary institutions	0	0	8	141
Other Alberta school jurisdictions	529	1	4,918	451
Other related parties	0	0	0	7
TOTAL 2010/2011	\$17,935	\$18,642	\$763,461	\$4,485
TOTAL 2009/2010	\$11,495	\$33,822	\$740,044	\$4,929

Assets include accounts receivable as disclosed in Note 3.

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

Accounts Payable & Accrued Liabilities	\$121
Deferred Revenue	6,854
Debenture Principal & Accrued Interest	4,973
Deferred Capital Allocations	6,694
Total Related Party Liabilities	<u>\$18,642</u>

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

Government of Alberta	\$758,370
Other Alberta school authorities	3,734
Other sales and services	126
Rental of facilities	1,231
Total Related Party Revenues	<u>\$763,461</u>

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

EDMONTON SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
August 31, 2011
(Amounts in thousands)



14. Remuneration and Monetary Incentives (amounts in dollars)

The District had paid or accrued expenses for the year ended August 31, 2011 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Allowances	ERIP's/ Other	Total	Expenses
Chairperson: D. Colburn	1.0	40,288	6,552	3,303		50,143	8,545
Other Board Members							
G.Rice (1)	1.0	10,610	280	569	3,993	15,452	(973)
B. Esslinger (1)	1.0	14,196	719	569	8,708	24,192	
G.Gibeault (1)	1.0	24,768	687	569	19,146	45,170	24
D.Fleming (1)	1.0	27,703	668	569	19,637	48,577	240
K.Gibson (1)	1.0	12,999	1,179	569	7,645	22,392	
S.J.Huff (1)	1.0	9,233	689	569	3,611	14,102	32
C.G.Ripley	1.0	33,429	6,173	3,303		42,905	8,402
K.Shipka	1.0	31,246	3,514	3,303		38,063	6,724
L. Cleary	1.0	27,993	2,780	2,747		33,520	8,741
C.R. Johner	1.0	27,483	5,340	2,746		35,569	5,766
H. MacKenzie	1.0	26,813	5,305	2,746		34,864	1,128
M.C. Janz	1.0	30,166	3,421	2,746		36,333	1,233
S.M. Hoffman	1.0	30,301	3,432	2,746		36,479	2,341
C. K. Spencer	1.0	29,199	4,123	2,746		36,068	4,483
Sub-Total	15.0	376,427	44,862	29,800	62,740	513,829	46,686
Superintendent E.Schmidt (2)	1.0	228,075	37,722			265,797	1,278
Board Secretary A.Sherwood	1.0	123,916	25,282	3,303		152,501	6,162
Board Treasurer B. Smith	1.0	178,184	32,021	3,316		213,521	3,976
Certificated Teachers	4,535.0	411,419,298	47,445,210	725,237		459,589,745	
Non-Certificated (Other)	3,090.1	171,793,121	37,528,704	3,197,484		212,519,309	
TOTAL	7,643.1	584,119,021	85,113,801	3,959,140	62,740	673,254,702	

Note:

- 1) These trustees did not run or were defeated in the October 2010 Civic Election. Each received a Transition Allowance based on the number of years served as Trustee totaling \$62,740.
- 2) The benefit cost for the Superintendent includes payments to the Supplementary Pension Plan of \$24,174 but does not reflect the Alberta Teachers' Retirement Fund (ATRF) contribution made by Alberta Education on behalf of Edmonton School District No.7 in the amount of \$14,244 for 2010/11 (\$12,320 for 2009/10).



15. 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 thirteen 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, 2011 was \$1,972 (2010 - \$1,805). This amount has not been recognized in the district's financial statements, as the revenue has not been realized by the District.

16. Comparative Figures

The comparative figures for 2010 have been reclassified where necessary, to conform to the current year's presentation.

UNAUDITED SCHEDULES
TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011
[School Act, Section 276]

EDMONTON SCHOOL DISTRICT NO.7

Legal Name of School Jurisdiction

ONE KINGSWAY, EDMONTON, AB T5H 4G9

Mailing Address

TEL.NO: 780.429.8000 FAX NO: 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

B. SMITH

Name

Signature

13-Dec-11

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Wang@gov.ab.ca
PHONE: (780) 644-5672 FAX: (780) 422-6996

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SCHEDULE A

School Jurisdiction Code: 3020

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2010/2011

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$48,967,863	\$562,012,095	\$86,856,606	\$20,897,895	\$29,516,880	\$5,822,764	\$754,074,103
(2) Other - Government of Alberta	\$0	\$2,129,561	\$703,435	\$0	\$26,160	\$1,436,586	\$4,295,742
(3) Federal Government and First Nations	\$0	\$2,426,052	\$0	\$0	\$0	\$0	\$2,426,052
(4) Other Alberta school authorities	\$0	\$1,978,114	\$29,885	\$19,633	\$0	\$1,706,476	\$3,734,108
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Instruction resource fees	\$0	\$4,033,039	\$0	\$0	\$0	\$0	\$4,033,039
(8) Transportation fees-ECS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9) Transportation fees-Grades 1-12	\$0	\$0	\$0	\$9,462,414	\$0	\$0	\$9,462,414
(10) Other sales and services	\$57,939	\$11,059,053	\$0	\$0	\$713,198	\$8,459,380	\$20,289,570
(11) Investment income	\$0	\$1,064,668	\$0	\$0	\$0	\$0	\$1,064,668
(12) Gifts and donations	\$0	\$6,118,116	\$0	\$0	\$0	\$0	\$6,118,116
(13) Rental of facilities	\$0	\$3,332,929	\$908,049	\$0	\$598,746	\$353,742	\$5,193,466
(14) Gross school generated funds	\$0	\$16,674,550	\$0	\$0	\$0	\$0	\$16,674,550
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Amortization of capital allocations	\$0	\$0	\$21,719,994	\$0	\$0	\$0	\$21,719,994
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$49,025,802	\$610,828,177	\$110,217,969	\$30,379,942	\$30,854,984	\$17,778,948	\$849,085,822
EXPENSES							
(19) Certificated salaries	\$20,006,477	\$381,849,211	\$0	\$0	\$2,745,724	\$7,543,123	\$412,144,535
(20) Certificated benefits	\$2,260,072	\$43,995,044	\$0	\$0	\$311,031	\$879,063	\$47,445,210
(21) Non-certificated salaries and wages	\$18,180,545	\$82,626,969	\$50,800,694	\$934,077	\$17,135,948	\$6,318,133	\$175,996,366
(22) Non-certificated benefits	\$4,203,425	\$18,565,127	\$10,269,691	\$194,580	\$3,226,529	\$1,209,239	\$37,668,591
(23) SUB - TOTAL	\$44,650,519	\$527,036,351	\$61,070,385	\$1,128,657	\$23,419,232	\$15,949,558	\$673,254,702
(24) Services, contracts and supplies	\$3,530,842	\$43,497,301	\$48,360,217	\$29,272,886	\$7,506,014	\$1,122,705	\$133,289,965
(25) Gross school generated funds	\$0	\$16,674,550	\$0	\$0	\$0	\$0	\$16,674,550
(26) Amortization of capital assets	\$440,764	\$10,788,509	\$26,714,812	\$11,539	\$248,917	\$0	\$38,204,541
(27) Interest and charges	\$0	\$363,160	\$735,920	\$247	\$1,754	\$0	\$1,101,081
(28) Losses on disposal of capital assets	\$0	\$0	\$4,604	\$0	\$0	\$0	\$4,604
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$48,622,125	\$598,359,871	\$136,885,938	\$30,413,329	\$31,175,917	\$17,072,263	\$862,529,443
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$403,677	\$12,468,306	(\$26,667,969)	(\$33,387)	(\$320,933)	\$706,685	(\$13,443,621)

**SCHEDULE B
SCHOOL GENERATED FUNDS (SGF) - 2010/2011**

Unexpended SGF - Opening Balance August 31, 2010 (Note 1)			\$4,041,868
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$3,302,859	\$1,375,979	\$1,926,880
Student fees (non-instructional) (note 1)	\$13,088,482	\$0	\$13,088,482
Donations and grants to schools	\$71,376	\$0	\$71,376
Other (describe): Interest	\$46,141	\$3,340	\$42,801
Net Additions to SGF	\$16,508,858	\$1,379,319	\$15,129,539
Net SGF Available			\$19,171,407
Uses of Net School Generated Funds:			
Extra-curricular activities			\$9,515,850
Field trips			\$5,320,162
Other (describe): Library			\$459,220
Total Uses of Net SGF (Note 2)			\$15,295,232
Unexpended SGF - Closing Balance August 31, 2011 (Note 3)			\$3,876,175

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)

Notes:

- 1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.
- 2 The sum of "total related expenses" and "total uses of net SGF" is reported as "gross school generated funds" in the Statement of Revenues & Expenses.
- 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.

**SCHEDULE C
OPERATIONS AND MAINTENANCE OF SCHOOLS & MAINTENANCE SHOPS PROGRAM EXPENSE DETAILS - 2010/2011**

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	\$28,601,055	\$18,320,158	\$0	\$0	\$3,879,481		\$50,800,694		\$50,800,694
Uncertificated benefits	\$6,500,697	\$3,036,722	\$0	\$0	\$732,272		\$10,269,691		\$10,269,691
Sub-total Remuneration	\$35,101,752	\$21,356,880	\$0	\$0	\$4,611,753		\$61,070,385		\$61,070,385
Supplies and services	\$2,851,070	\$3,871,773	\$606,124	\$12,332,412	\$3,410,682		\$23,072,061		\$23,072,061
Electricity			\$9,898,773				\$9,898,773		\$9,898,773
Natural gas/heating fuel			\$11,818,457				\$11,818,457		\$11,818,457
Sewer and water			\$1,419,976				\$1,419,976		\$1,419,976
Telecommunications			\$607,152				\$607,152		\$607,152
Insurance					\$1,543,798		\$1,543,798		\$1,543,798
Amortization of capital assets									
Supported								\$21,719,994	\$21,719,994
Unsupported				\$0		\$4,994,818	\$4,994,818		\$4,994,818
Total Amortization				\$0		\$4,994,818	\$4,994,818	\$21,719,994	\$26,714,812
Interest on capital debt									
Supported								\$703,435	\$703,435
Unsupported				\$0		\$32,485	\$32,485		\$32,485
Other interest charges						\$0	\$0		\$0
Losses on disposal of capital assets						\$4,604	\$4,604		\$4,604
TOTAL EXPENSES	\$37,952,822	\$25,228,653	\$24,350,482	\$12,332,412	\$9,566,233	\$5,031,907	\$114,462,509	\$22,423,429	\$136,885,938
SQUARE METRES									
School buildings									1,066,223.0
Non school buildings									125,062.0

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.