

EDMONTON PUBLIC SCHOOLS

March 23, 2010

TO: Board of Trustees

FROM: E. Schmidt, Superintendent of Schools

SUBJECT: Financial Reporting Profile

ORIGINATOR: D. R. Power, Assistant Superintendent - Treasurer

RESOURCE
STAFF: Sultan Ibrahim

INFORMATION

Each year Alberta Education provides a profile to each school jurisdiction in the province, which summarizes the financial information contained in the audited financial statements.

The Financial Reporting Profile for the district is attached (Appendix I).

Overview

The District is in good financial health. With \$162.0 million in current assets compared to \$64.0 million in current liabilities, the District is in a very good cash position. Capital Assets increased by \$60.0 million primarily due to capital construction for Victoria School, Lillian Osborne School and board financial assets. Long-term debt continues to decrease and will be fully paid by 2015.

Accumulated Operating Surplus

For the 2008-09 year, the District reduced its accumulated operating surplus by \$2.4 million to \$52.8 million. The District still has the largest operating surplus of the four metro boards. These funds were set aside to fund school and decision unit surpluses, in order to ensure that when schools and decision units utilize these funds, the District will not have an accumulated operating deficit.

Capital Reserve

The District's capital reserve is in the mid-range for metro boards, but is significantly less than the average of all school jurisdictions in the Province.

Capital Assets

Buildings are amortized over 40 years or 2 ½ per cent per year. The net book value (NBV) is the difference between the historical cost (i.e. the original capital costs) and the annual amortization charges accumulated against the buildings. Any major Infrastructure Maintenance and Renewal (IMR) and modernization projects are added to the cost of the building and amortized over 40 years.

Equipment and vehicle information shows that the District has equipment and vehicles that are much older than other school jurisdictions. The administration is currently reviewing this situation to ensure that equipment that is no longer utilized by the District is removed from accounting records.

DRP/ej

APPENDIX I – Financial Reporting Profile – Edmonton Public Schools

**3020 Edmonton School District No. 7
FINANCIAL REPORTING PROFILE
2004/2005 to 2008/2009 School Years**

	2004/2005 Actuals	2005/2006 Actuals	2006/2007 Actuals	2007/2008 Actuals	2008/2009 Actuals
TOTAL FTE ENROLLED (K - 12)	78,127	77,190	77,935	77,041	76,908
ANNUAL OPERATIONS					
Total Revenues	\$631,820,916	\$655,971,588	\$714,911,716	\$763,046,374	\$781,009,262
Total Expenses	\$640,176,407	\$650,097,916	\$678,927,996	\$727,066,678	\$773,042,081
Excess (Deficiency) of Revenues over Expenses	(\$8,355,491)	\$5,873,672	\$35,983,720	\$35,979,698	\$7,967,181
Add (Deduct) Board-funded Capital & Unsupported Debt Transactions	\$1,285,800	\$1,447,812	(\$5,481,205)	(\$16,851,479)	(\$10,400,444)
Net Change to Accumulated Operating Surplus	(\$7,069,691)	\$7,321,484	\$30,502,515	\$19,128,219	(\$2,433,263)
ACCUMULATED OPERATING SURPLUS (DEFICIT) AND CAPITAL RESERVES					
Accumulated Operating Surplus (A.O.S.)	(\$1,715,840)	\$5,605,644	\$36,108,159	\$55,236,378	\$52,803,115
A.O.S. To Expenses Ratio:					
3020 Edmonton School District No. 7	-0.27%	0.86%	5.32%	7.60%	6.83%
Average of All Jurisdictions	3.81%	4.76%	6.60%	7.72%	6.61%
Median of All Jurisdictions	7.05%	8.22%	9.00%	9.57%	8.23%
Average of Jurisdictions having Comparable FTE Enrolment Size	0.50%	1.46%	3.72%	5.60%	4.45%
Median of Jurisdictions having Comparable FTE Enrolment Size	0.67%	1.58%	3.47%	5.33%	4.28%
A.O.S. Per Student:					
3020 Edmonton School District No. 7	(\$22)	\$73	\$463	\$717	\$687
Average of All Jurisdictions	\$320	\$417	\$602	\$758	\$688
Average of Jurisdictions having Comparable FTE Enrolment Size	\$40	\$120	\$322	\$520	\$440
A.O.S. - Days of Operation (Note 1):					
3020 Edmonton School District No. 7	(0.67)	2.16	13.30	18.99	17.08
Average of All Jurisdictions	9.53	11.91	16.51	19.29	16.52
Average of Jurisdictions having Comparable FTE Enrolment Size	1.26	3.64	9.31	13.99	11.12
Capital Reserves	\$1,679,813	\$3,702,966	\$6,087,955	\$6,498,832	\$6,782,663
Capital Reserves Per Student:					
3020 Edmonton School District No. 7	\$22	\$48	\$78	\$84	\$88
Average of All Jurisdictions	\$128	\$139	\$168	\$189	\$184
Average of Jurisdictions having Comparable FTE Enrolment Size	\$99	\$98	\$149	\$192	\$139
LIQUIDITY					
Current Ratio (Note 2):					
3020 Edmonton School District No. 7	0.97	1.28	1.71	1.43	1.80
Average of All Jurisdictions	1.52	1.69	1.59	1.48	1.50
Average of Jurisdictions having Comparable FTE Enrolment Size	1.19	1.29	1.35	1.35	1.35
Net Working Capital per Student (Note3):					
3020 Edmonton School District No. 7	(\$14)	\$117	\$537	\$797	\$790
Average of All Jurisdictions	\$433	\$552	\$718	\$867	\$795
Average of Jurisdictions having Comparable FTE Enrolment Size	\$136	\$232	\$393	\$609	\$484
CAPITAL ASSETS					
Schools and Other Buildings - NBV to Historical Cost:					
3020 Edmonton School District No. 7	42.34%	40.63%	39.00%	41.15%	35.18%
Average of All Jurisdictions	55.63%	55.02%	54.40%	55.03%	53.42%
Average of Jurisdictions having Comparable FTE Enrolment Size	51.47%	51.17%	50.69%	51.02%	49.52%
Equipment & Vehicles - NBV to Historical Cost:					
3020 Edmonton School District No. 7	14.65%	12.75%	12.66%	13.87%	15.01%
Average of All Jurisdictions	26.74%	28.17%	28.44%	28.74%	29.36%
Average of Jurisdictions having Comparable FTE Enrolment Size	23.85%	23.19%	23.61%	23.81%	23.17%

Notes:

- A.O.S. - Days of Operation = A.O.S. / (Total Expenses / 250 Operating Days).
- Current Ratio (Expressed as a value) = Current Assets / (Current Liabilities net of current portion of supported l/t debt).
- Net Working Capital per Student = (Current Assets - Current Liabilities net of current portion of supported l/t debt) / Total FTE Enrolled.