

EDMONTON PUBLIC SCHOOLS

May 26, 2009

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).

Accumulated Operating Surplus

For the 2007-08 year, the District had the largest operating surplus of the four metro boards (Calgary Board of Education, Edmonton Public Schools, Calgary Catholic School District, Edmonton Catholic School District). The Board of Trustees and the administration felt that the operating surplus was large and took appropriate action of allocating \$17.1 million to schools and central services. The remaining \$38.1 million (\$55.2 million minus the \$17.1 allocation) was carried forward to this year in order to fund school and decision unit surpluses.

Capital Reserve

The District's capital reserve is significantly less than the average of all school jurisdictions in the Province. However, school jurisdictions that operate a student transportation program that is not contracted out to a provider, normally build a capital reserve for bus replacement.

Capital Assets

The school buildings and non-school buildings appear to be older in Edmonton than average school jurisdictions in Alberta. The lower the percentage shown in the profile, the older the buildings or the more the costs have been amortized. 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 (13.87% versus 28.72%). Your administration believes that there may be equipment that is still recorded in the District's accounting records that may no longer be utilized by the District. The administration is currently reviewing this issue; however the review may take two years.

DRP/ej

APPENDIX I -- Financial Reporting Profile – Edmonton Public Schools

**3020 Edmonton School District No. 7
FINANCIAL REPORTING PROFILE
2003/2004 to 2007/2008 School Years**

	2003/2004 Actuals	2004/2005 Actuals	2005/2006 Actuals	2006/2007 Actuals	2007/2008 Actuals
TOTAL FTE ENROLLED (K - 12)	79,340	78,127	77,190	77,935	77,041

ANNUAL OPERATIONS

Total Revenues	\$590,915,655	\$631,820,916	\$655,971,588	\$714,911,716	\$763,046,374
Total Expenses	\$587,436,512	\$640,176,407	\$650,097,916	\$678,927,996	\$727,066,676
Excess (Deficiency) of Revenues over Expenses	\$3,479,043	(\$8,355,491)	\$5,873,672	\$35,983,720	\$35,979,698
Add (Deduct) Board-funded Capital & Unsupported Debt Transactions	(\$8,754,808)	\$1,285,800	\$1,447,812	(\$5,481,205)	(\$16,851,479)
Net Change to Accumulated Operating Surplus	(\$3,275,765)	(\$7,069,691)	\$7,321,484	\$30,502,515	\$19,128,219

ACCUMULATED OPERATING SURPLUS (DEFICIT) AND CAPITAL RESERVES

Accumulated Operating Surplus (A.O.S.)	\$5,353,851	(\$1,715,840)	\$5,605,644	\$36,108,159	\$55,236,378
A.O.S. To Expenses Ratio:					
3020 Edmonton School District No. 7	0.91%	-0.27%	0.86%	5.32%	7.60%
Average of All Jurisdictions	4.01%	3.80%	4.75%	6.61%	7.66%
Median of All Jurisdictions	6.49%	7.05%	8.19%	9.00%	9.33%
Average of Jurisdictions having Comparable FTE Enrolment Size	0.70%	0.50%	1.46%	3.73%	5.80%
Median of Jurisdictions having Comparable FTE Enrolment Size	0.52%	0.67%	1.58%	3.47%	5.33%
A.O.S. Per Student:					
3020 Edmonton School District No. 7	\$67	(\$22)	\$73	\$463	\$717
Average of All Jurisdictions	\$314	\$319	\$416	\$604	\$753
Average of Jurisdictions having Comparable FTE Enrolment Size	\$52	\$40	\$120	\$322	\$520
A.O.S. - Days of Operation (Note 1):					
3020 Edmonton School District No. 7	2.28	(0.67)	2.16	13.30	18.99
Average of All Jurisdictions	9.97	9.47	11.69	16.02	19.17
Average of Jurisdictions having Comparable FTE Enrolment Size	1.75	1.26	3.65	9.31	13.99
Capital Reserves	\$1,811,716	\$1,679,813	\$3,702,966	\$6,087,955	\$6,498,832
Capital Reserves Per Student:					
3020 Edmonton School District No. 7	\$23	\$22	\$48	\$78	\$84
Average of All Jurisdictions	\$132	\$128	\$135	\$168	\$188
Average of Jurisdictions having Comparable FTE Enrolment Size	\$110	\$99	\$98	\$149	\$192

LIQUIDITY

Current Ratio (Note 2):					
3020 Edmonton School District No. 7	1.16	0.97	1.28	1.71	1.43
Average of All Jurisdictions	1.45	1.52	1.69	1.59	1.48
Average of Jurisdictions having Comparable FTE Enrolment Size	1.15	1.19	1.29	1.38	1.35
Net Working Capital per Student (Note3):					
3020 Edmonton School District No. 7	\$82	(\$14)	\$115	\$537	\$797
Average of All Jurisdictions	\$401	\$433	\$551	\$720	\$859
Average of Jurisdictions having Comparable FTE Enrolment Size	\$121	\$136	\$231	\$393	\$609

CAPITAL ASSETS

Schools and Other Buildings - NBV to Historical Cost:					
3020 Edmonton School District No. 7	42.03%	42.34%	40.63%	39.00%	41.15%
Average of All Jurisdictions	54.03%	55.68%	55.03%	54.40%	55.02%
Average of Jurisdictions having Comparable FTE Enrolment Size	45.98%	47.40%	46.88%	46.45%	51.02%
Equipment & Vehicles - NBV to Historical Cost:					
3020 Edmonton School District No. 7	15.82%	14.65%	12.75%	12.66%	13.67%
Average of All Jurisdictions	26.10%	28.76%	28.17%	28.44%	28.72%
Average of Jurisdictions having Comparable FTE Enrolment Size	23.36%	23.85%	23.19%	23.61%	23.81%

Notes:

- A.O.S. - Days of Operation = A.O.S. / (Total Expenses / 260 Operating Days).
- Current Ratio (Expressed as a value) = Current Assets / (Current Liabilities net of current portion of supported /lt debt).
- Net Working Capital per Student = (Current Assets - Current Liabilities net of current portion of supported /lt debt) / Total FTE Enrolled.