

EDMONTON PUBLIC SCHOOLS

November 29, 2005

TO: Board of Trustees

FROM: Trustee K. Gibson, Audit Committee Chair

SUBJECT: Report #1 of the Audit Committee (From the Meeting Held November 23, 2005)

RECOMMENDATION

1. That report #1 of the Audit Committee from the meeting held November 23, 2005 be received and considered.
2. That submission of the attached audited financial statements for the year ended August 31, 2005 to the Minister of Education be approved.

* * * * *

AS:mmf

ATTACHMENT 1 – Audited Financial Statements as Required by Alberta Education
ATTACHMENT 2 – Audited Financial Statements for the Year Ended August 31, 2005

School Jurisdiction Code: 3020

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2005**
[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

TEL NO.: 429-8000 FAX NO.: 429-8318

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules EDMONTON SCHOOL DISTRICT NO.7
(Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

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 budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board 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 have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules 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 Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

B. ESSLINGER

Name

Signature

SUPERINTENDENT

E. SCHMIDT (ACTING)

Name

Signature

SECRETARY TREASURER OR TREASURER

D.R.POWER

Name

Signature

NOVEMBER 29, 2005

Board-approved Release Date

c.c. ALBERTA EDUCATION, School Reporting Branch,
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NOTES TO FINANCIAL STATEMENTS

August 31, 2005

(amounts in thousands)

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 management'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 and 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. 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.

**NOTES TO FINANCIAL STATEMENTS . . . continued****August 31, 2005****(amounts in thousands)****Contributed services**

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

Inventories

Inventories consist of supplies valued at the lower of average cost or net realizable value.

Financial Instruments

The District's financial instruments consist of cash, accounts receivable, accounts payable and accruals; trust funds and long-term debt. It is the management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The District has invested surplus funds in accordance with Section 44 of the *School Act* and Section 5 of the *Trustees Act*.

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.

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. The service costs for employees for the current year of \$6,813 (2004 - \$5,572) are included in these statements and comprise the district costs of employer contribution.

3. Related party transactions

Alberta Education and Alberta Infrastructure are the departments of the Government of Alberta which administer education, various school boards and school board infrastructure funding.

The Edmonton School District No. 7's primary source of income is from the Alberta Government. The District's ability to continue viable operations is dependent on this funding.


NOTES TO FINANCIAL STATEMENTS . . . continued
August 31, 2005
(amounts in thousands)

The District has had the following transactions with Alberta Education, Alberta Infrastructure and Alberta Finance.

	<u>2005</u>	<u>2004</u>
Alberta Education		
Funding Received	\$ <u>521,609</u>	\$ <u>477,901</u>
Alberta Infrastructure		
Operations and Maintenance Support	28,258	49,919
Infrastructure Maintenance Program	6,576	7,408
Modernization Block Funding Program	89	1,671
Capital Allocations	<u>12,492</u>	<u>8,734</u>
	<u>47,415</u>	<u>67,732</u>
Alberta Finance		
Capital Block - supported capital debt interest	3,149	3,790
Capital Block - supported capital debt principal repayment	<u>5,722</u>	<u>7,183</u>
	<u>8,871</u>	<u>10,973</u>
Total funding received	\$ <u>577,895</u>	\$ <u>556,606</u>

4. Accounts Receivable

Accounts receivable comprises:

	<u>2005</u>	<u>2004</u>
Province of Alberta	\$ 17,147	\$ 25,475
Federal Government	1,205	1,103
Other Alberta School Jurisdictions	51	816
Other	<u>2,588</u>	<u>610</u>
Total	\$ <u>20,991</u>	\$ <u>28,004</u>

5. 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.

	<u>2005</u>	<u>2004</u>
School generated assets		
Cash	\$ 6,426	\$ 6,495
Term deposits	<u>1,334</u>	<u>1,351</u>
	<u>7,760</u>	<u>7,846</u>

**NOTES TO FINANCIAL STATEMENTS . . . continued****August 31, 2005****(amounts in thousands)**

Inventory		
Bookstore	15	13
Cafeteria	<u>2</u>	<u>2</u>
	17	15
Refundable deposits and advance fees	<u>(3,404)</u>	<u>(2,615)</u>
Net Assets and Funds	\$ <u>4,373</u>	\$ <u>5,246</u>

- (b) School Generated Funds revenue and expenses have been reported net of cost recoveries as follows:

	<u>2005</u>	<u>2004</u>
Total School Generated Funds	\$ 15,050	14,266
Less: Related cost recoveries	<u>2,005</u>	<u>1,941</u>
Net	\$ <u>13,045</u>	\$ <u>12,325</u>

6. Capital Assets

	<u>2005</u>			<u>2004</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Carrying Value</u>	<u>Carrying Value</u>
Land	\$ 838	-	\$ 838	\$ 838
Buildings and Site Improvements	613,081	353,485	259,596	257,670
Furniture and Equipment	204,099	174,395	29,704	32,088
Vehicles	<u>2,503</u>	<u>1,944</u>	<u>559</u>	<u>604</u>
	\$ <u>820,521</u>	\$ <u>529,824</u>	\$ <u>290,697</u>	\$ <u>291,200</u>

7. Accounts payable and accruals

Accounts payable and accruals comprises:

	<u>2005</u>	<u>2004</u>
Province of Alberta	\$ 1,785	\$ 2,040
Federal Government	1,053	1,148
Alberta Municipalities	9	3
Other	<u>20,688</u>	<u>26,940</u>
Total	\$ <u>23,535</u>	\$ <u>30,131</u>



NOTES TO FINANCIAL STATEMENTS . . . continued
August 31, 2005
(amounts in thousands)

8. Deferred Revenue

Deferred revenue comprises:

	<u>2005</u>	<u>2004</u>
Foreign Students Fees	\$ 3,030	\$ 2,763
Parkade Plant Operations & Maintenance Funding	250	-
Funding for Amiskwaciy Academy	571	1,564
Deferred Block Funding Revenue	787	764
Metro Continuing Education Fees	520	516
Curriculum & Programs	203	306
Alberta Initiative for School Improvement	-	841
Other	<u>2,354</u>	<u>454</u>
Total	\$ <u>7,715</u>	\$ <u>7,208</u>

Change in deferred revenue during the year:

	<u>2005</u>	<u>2004</u>
Balance at beginning of year	\$ 7,208	\$ 16,318
Add: Funding received during the year	<u>27,689</u>	<u>139,534</u>
	34,897	155,852
Less: Amount recognized as revenue for the year	<u>27,182</u>	<u>148,644</u>
Balance at end of year	\$ <u>7,715</u>	\$ <u>7,208</u>

9. Long-Term Debt

Principal payments and interest for the next five years and to maturity on debenture debt outstanding at August 31, 2005 are approximately as follows:

<u>Year Ending August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 5,869	\$ 3,018	\$ 8,887
2007	4,897	2,476	7,373
2007	4,717	2,002	6,719
2009	4,339	1,547	5,886
2010	3,928	1,134	5,062
2011 – maturity	<u>8,721</u>	<u>1,509</u>	<u>10,230</u>
Total	\$ <u>32,471</u>	\$ <u>11,686</u>	\$ <u>44,157</u>

**NOTES TO FINANCIAL STATEMENTS . . . continued****August 31, 2005****(amounts in thousands)**

Interest is payable at various rates ranging from 4.038% to 12.0% on the total long-term debt of:

	<u>2005</u>	<u>2004</u>
Total debenture debt	\$ 32,471	\$ 39,255
Due within one year	<u>5,869</u>	<u>6,807</u>
	\$ <u>26,602</u>	\$ <u>32,448</u>

The total district debenture debt will be repaid by the year 2015. The fair value of long-term debt does not differ significantly from its carrying value.

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>2005</u>	<u>2004</u>
Working Capital (Deficiency) Surplus per statements	\$ (5,972)	\$ 2,348
Supported Current Portion of long-term debt	<u>4,805</u>	<u>5,722</u>
	\$ <u>(1,167)</u>	\$ <u>8,070</u>

The District paid \$3,660 (2004 - \$4,426) 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>2005</u>	<u>2004</u>
Balance at beginning of year	\$ 1,599	\$ 9,346
Allocations received and receivable during the year	12,331	8,734
Transfers to Unamortized Capital Allocations	<u>(12,952)</u>	<u>(16,481)</u>
Balance at end of year	\$ <u>978</u>	\$ <u>1,599</u>


NOTES TO FINANCIAL STATEMENTS . . . continued
August 31, 2005
(amounts in thousands)
11. Unamortized Capital Allocations

Unamortized capital allocations (UCA) represents the jurisdiction's net investment in supported capital assets other than land and equipment purchased prior to September 1, 1995. The total debenture payments increase the balance in the UCA account, with the related amortization expense being deducted. Transfers from deferred capital allocation account also increase the balance in the UCA account. Details of the changes to the account are as follows:

	<u>2005</u>	<u>2004</u>
Balance at beginning of year	\$ 159,874	\$ 148,201
Supported Debenture Principal Repayment	5,722	7,183
Transfer from Investment in Capital Assets	804	-
Transfer from Deferred Capital Allocations	12,952	16,481
Transfer to Capital Allocation Revenue	<u>(11,790)</u>	<u>(11,991)</u>
Balance at end of year	\$ <u>167,652</u>	\$ <u>159,874</u>

12. 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, 2005 was \$ 2,102 (2004 - \$ 2,192). This amount has not been recognized in the district's financial statements, as the revenue has not been realized by the District.

13. Comparative Figures

The actual 2004 comparative figures have been reclassified where necessary, to conform to actual 2005 presentation. The 2004 comparative figures for provincial grants and for School Generated Funds have been reclassified from those presented in the audited financial statements for the year ended August 31, 2004.

STATEMENT OF FINANCIAL POSITION
as at August 31, 2005

(in dollars)

		2005	2004
ASSETS			
Current assets			
Cash and temporary investments		\$3,821,459	\$12,413,789
Accounts receivable (net after allowances)		\$20,205,220	\$28,004,421
Prepaid expenses		\$1,010,788	\$1,245,500
Other current assets		\$5,323,002	\$4,830,596
Total current assets		\$30,360,469	\$46,494,306
School generated assets		\$4,373,302	\$5,245,859
Trust assets		\$639,986	\$601,629
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
Land		\$837,590	\$837,590
Buildings	\$613,081,162		
Less: accumulated amortization	(\$353,485,143)	\$259,596,019	\$257,670,266
Equipment	\$204,098,648		
Less: accumulated amortization	(\$174,394,748)	\$29,703,900	\$32,089,054
Vehicles	\$2,503,004		
Less: accumulated amortization	(\$1,943,562)	\$559,442	\$603,334
Total capital assets		\$290,696,951	\$291,200,244
TOTAL ASSETS		\$326,070,708	\$343,542,038
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$23,534,903	\$30,131,583
Deferred revenue		\$5,883,361	\$7,208,378
Deferred capital allocations		\$978,232	\$1,598,821
Current portion of all long term debt		\$5,868,844	\$6,806,712
Total current liabilities		\$36,265,340	\$45,745,494
School generated liabilities		\$4,373,302	\$5,245,859
Trust liabilities		\$639,986	\$601,629
Employee future benefits liability		\$0	\$0
Long term payables and accrued liabilities		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$29,166,009	\$34,887,739
Less: Current portion of supported debt		(\$4,805,458)	(\$5,721,731)
Unsupported: Debentures and Capital Loans		\$3,305,416	\$4,367,802
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		(\$1,063,386)	(\$1,084,981)
Unamortized capital allocations		\$167,561,809	\$159,873,636
Total long term liabilities		\$199,177,678	\$198,169,953
TOTAL LIABILITIES		\$235,443,018	\$243,915,447
NET ASSETS			
Unrestricted net assets		(\$1,715,840)	\$5,353,851
Operating Reserves		\$0	\$0
Accumulated Operating Surplus (Deficit)		(\$1,715,840)	\$5,353,851
Investment in capital assets		\$90,663,717	\$92,461,024
Capital Reserves		\$1,679,813	\$1,811,716
Total Capital Funds		\$92,343,530	\$94,272,740
Total net assets		\$90,627,690	\$99,626,591
TOTAL LIABILITIES AND NET ASSETS		\$326,070,708	\$343,542,038

Note: Input "(Restated)" in 2004 column heading where comparatives are not taken from the finalized 2003-2004 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2005

(in dollars)

	Actual 2005	Budget 2005 Restated	Actual 2004 Restated
REVENUES			
Government of Alberta	\$564,238,815	\$544,199,144	\$543,614,859
Federal Government and/or First Nations	\$1,998,782	\$1,404,000	\$1,669,731
Other Alberta school authorities	\$2,329,647	\$2,017,500	\$2,103,165
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	\$0
Instruction resource fees	\$3,180,759	\$1,987,945	\$2,335,281
Transportation fees	\$5,726,171	\$5,509,752	\$5,288,167
Other sales and services	\$21,076,769	\$14,971,103	\$18,761,429
Investment income	\$711,440	\$0	\$1,046,188
Gifts and donations	\$4,346,401	\$3,133,309	\$4,545,946
Rentals of facilities	\$2,761,147	\$1,672,896	\$2,228,628
Net school generated funds	\$13,044,784	\$10,804,416	\$12,324,866
Gains on disposal of capital assets	\$616,484	\$0	\$0
Amortization of capital allocations	\$11,789,717	\$14,276,000	\$11,990,618
Total Revenues	\$631,820,916	\$599,976,065	\$605,908,878
EXPENSES			
Certificated salaries	\$317,783,869	\$282,593,815	\$293,144,823
Certificated benefits	\$35,194,765	\$34,476,449	\$33,254,851
Uncertificated salaries and wages	\$117,183,057	\$106,031,133	\$108,939,137
Uncertificated benefits	\$25,143,711	\$22,644,353	\$21,851,448
Services, contracts and supplies	\$102,727,050	\$109,487,877	\$96,447,905
Net school generated funds	\$13,044,784	\$3,826,379	\$12,324,866
Capital and debt services			
Amortization of capital assets			
Supported	\$11,799,439	\$14,276,000	\$11,990,618
Unsupported	\$13,878,897	\$15,426,000	\$13,483,902
Total Amortization of capital assets	\$25,678,336	\$29,702,000	\$25,474,520
Interest on capital debt			
Supported	\$3,148,805	\$3,790,000	\$3,790,041
Unsupported	\$197,230	\$189,000	\$213,006
Total Interest on capital debt	\$3,346,035	\$3,979,000	\$4,003,047
Other interest charges	\$74,800	\$301,000	\$261,758
Losses on disposal of capital assets	\$0	\$0	\$28,974
Total Expenses	\$640,176,407	\$593,042,006	\$595,731,329
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	(\$8,355,491)	\$6,934,059	\$10,177,549
Extraordinary Item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$8,355,491)	\$6,934,059	\$10,177,549

Note: Input "(Restated)" in Budget 2005 and/or Actuals 2004 column headings where comparatives are not taken from the respective finalized 2004-2005 Budget Report and/or finalized 2003-2004 Audited Financial Statements.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2005

(in dollars)

	2005	2004
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$8,355,491)	\$10,177,549
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$11,789,717)	(\$11,990,618)
Total amortization expense	\$25,678,336	\$25,474,520
Gains on disposal of capital assets	(\$616,484)	\$0
Losses on sale of capital assets	\$0	\$28,974
Changes in accrued accounts:		
Accounts receivable	\$7,799,201	(\$13,611,089)
Prepays and other current assets	(\$257,694)	\$49,439
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$6,596,680)	\$7,156,517
Deferred revenue	(\$1,325,017)	(\$9,109,701)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$4,536,454	\$8,175,591
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$17,977,294)	(\$24,197,665)
Equipment	(\$7,203,966)	(\$7,892,883)
Vehicles	(\$51,475)	(\$112,651)
Net proceeds from disposal of capital assets	\$30,766	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$25,201,969)	(\$32,203,199)
C. FINANCING ACTIVITIES		
Capital allocations	\$13,135,570	\$8,734,038
Issue of long term debt	\$0	\$1,340,500
Repayment of long term debt	(\$6,784,116)	(\$8,411,563)
Add back: supported portion	\$5,721,731	\$7,182,632
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$12,073,185	\$8,845,607
Net sources (uses) of cash during year	(\$8,592,330)	(\$15,182,001)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/04	\$12,413,789	\$27,595,790
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	\$3,821,459	\$12,413,789

Note: 1 Input "(Restated)" in 2004 column heading where not taken from the finalized 2003-2004 Audited Financial Statements.
2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2005

School Jurisdiction 3020

(in dollars)																	
(1)	(2)	(3)	(4)	INTERNALLY RESTRICTED NET ASSETS										(11)	(12)	(13)	(14)
TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	School Based		Infrastructure		Board & System Admin.		Transportation		External Services					
				Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves						
Balance at August 31, 2004	\$99,626,591	\$92,461,024	\$5,353,851	\$1,811,716	\$0	\$0	\$0	\$0	\$1,811,716	\$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, 2004	\$99,626,591	\$92,461,024	\$5,353,851	\$1,811,716	\$0	\$0	\$0	\$0	\$1,811,716	\$0	\$0	\$0	\$0	\$0		\$0	
Surplus(def) of revenue over expenses	(\$8,355,491)		(\$8,355,491)														
Board funded capital transactions		\$11,086,618	(\$11,222,846)	\$136,228	\$0	\$0	\$0	\$0	\$136,228	\$0	\$0	\$0	\$0	\$0		\$0	
Direct credits to net assets	\$0	\$0															
Amortization of capital assets		(\$25,678,336)	\$25,678,336														
Amortization of capital allocations		\$11,789,717	(\$11,789,717)														
Disposal of unsupported capital assets	\$0	(\$57,692)	\$26,926	\$30,766		\$0		\$0	\$30,766		\$0					\$0	
Disposal of supported capital assets (board funded portion)	(\$643,410)	\$0	(\$643,410)	\$0		\$0		\$0	\$0		\$0					\$0	
Debt principal payments (unsupported)		\$1,062,386	(\$1,062,386)														
Net transfers to operating reserves			\$0	\$0	\$0		\$0		\$0		\$0		\$0				
Net transfers from operating reserves			\$0	\$0	\$0		\$0		\$0		\$0		\$0				
Net transfers to capital reserves			(\$94,812)	\$94,812		\$0		\$0	\$94,812		\$0					\$0	
Net transfers from capital reserves			\$393,709	(\$393,709)		\$0		\$0	(\$393,709)		\$0					\$0	
Balance at August 31, 2005	\$90,627,690	\$90,663,717	(\$1,715,840)	\$1,679,813	\$0	\$0	\$0	\$0	\$1,679,813	\$0	\$0	\$0	\$0	\$0		\$0	

STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)
for the Year Ended August 31, 2005
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 20	\$1,598,821	\$159,873,636
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2004	\$1,598,821	\$159,873,636
Add:		
Capital allocations from: Infrastructure and Transportation-New/Modernization Projects	\$12,485,481	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$6,679	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$643,410	
Insurance proceeds	\$0	
Donated capital assets (amortizable, at Fair Market Value)		\$0
Transferred in capital assets (amortizable, at Net Book Value)		\$0
Current Year Debenture Principal Repayment		\$5,721,731
Expended capital allocations - current year	(\$13,756,159)	\$13,756,159
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$11,789,717
Balance at August 31, 2005	\$978,232	\$167,561,809

SCHEDULE A to the AFS

School Jurisdiction Code

3020

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2004-2005

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education Revenues	\$523,113,210	\$458,131,056	\$20,873,961	\$16,103,044	\$20,513,631	\$7,491,518
Alberta Infrastructure and Transportation						
(2) Infrastructure Maintenance Program & Portable Relocations support	\$6,665,475	\$0	\$6,665,475			
(3) Regular Operations & Maintenance support	\$27,800,339		\$27,800,339			
(4) Other support	\$0	\$0	\$0			
(5) Total Alberta Infrastructure and Transportation Revenues	\$34,465,814	\$0	\$34,465,814			
(6) Alberta Finance	\$3,148,505		\$3,148,505			\$0
(7) Other - Government of Alberta	\$3,511,286	\$1,389,688	\$0	\$0	\$140,451	\$1,981,147
(8) Federal Government and/or First Nations	\$1,998,782	\$1,351,229	\$0	\$0	\$79,951	\$567,602
(9) Other Alberta school authorities	\$2,329,647	\$972,992	\$0	\$9,380	\$93,186	\$1,254,089
(10) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(11) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(12) Instruction resource fees	\$3,180,759	\$3,180,759				
(13) Transportation fees	\$5,726,171			\$5,726,171		
(14) Other sales and services	\$21,076,769	\$11,453,688	\$1,019,114	\$0	\$843,071	\$7,760,896
(15) Investment income	\$711,440	\$682,982	\$0	\$0	\$28,458	\$0
(16) Gifts and donations	\$4,346,401	\$4,346,401	\$0	\$0	\$0	\$0
(17) Rentals of facilities	\$2,761,147	\$1,839,181	\$0	\$0	\$110,446	\$811,520
(18) Net school generated funds	\$13,044,784	\$12,522,993			\$521,791	
(19) Gains on disposal of capital assets	\$616,484	\$0	\$591,825	\$0	\$24,659	\$0
(20) Amortization of capital allocations	\$11,789,717	\$0	\$11,789,717	\$0	\$0	\$0
(21) TOTAL REVENUES	\$631,820,916	\$495,870,969	\$71,888,936	\$21,836,595	\$22,355,644	\$19,866,772
EXPENSES						
(22) Certificated salaries	\$317,783,869	\$312,632,562			\$1,498,761	\$3,652,546
(23) Certificated benefits	\$35,194,765	\$34,613,218			\$170,511	\$411,036
(24) Uncertificated salaries and wages	\$117,183,057	\$63,363,364	\$31,988,421	\$467,261	\$9,448,953	\$11,915,058
(25) Uncertificated benefits	\$25,143,711	\$13,555,263	\$7,430,853	\$98,384	\$1,741,611	\$2,317,600
(26) SUB - TOTAL	\$495,305,402	\$424,164,407	\$39,419,274	\$565,645	\$12,859,836	\$18,296,240
(27) Services, contracts & supplies	\$102,727,050	\$43,699,365	\$26,070,878	\$24,301,587	\$7,084,688	\$1,570,532
(28) Cost recoveries & charges to programs	\$0	\$0	\$0	\$0	\$0	\$0
(29) Net school generated funds	\$13,044,784	\$13,044,784				
Capital and debt services						
Amortization of capital assets						
(30) Supported	\$11,799,439	\$0	\$11,789,717	\$9,722	\$0	\$0
(31) Unsupported	\$13,878,897	\$9,460,927	\$4,208,282	\$0	\$209,718	\$0
(32) Total Amortization	\$25,678,336	\$9,460,927	\$15,997,999	\$9,722	\$209,718	\$0
Interest on capital debt						
(33) Supported	\$3,148,805	\$771,457	\$2,239,430	\$17,004	\$120,914	\$0
(34) Unsupported	\$197,230	\$0	\$197,230	\$0	\$0	\$0
(35) Other interest charges	\$74,800	\$74,800	\$0	\$0	\$0	\$0
(36) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(37) TOTAL EXPENSES	\$640,176,407	\$491,215,740	\$83,924,781	\$24,893,958	\$20,275,156	\$19,866,772
(38) SURPLUS (DEFICIT) BEFORE EXTRAORDINARY ITEM	(\$8,355,491)	\$4,655,229	(\$12,035,845)	(\$3,055,363)	\$2,080,488	\$0

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUES 2004-2005

	TOTAL
Base Funding	
Early Childhood Services (ECS)	\$13,062,766
Base Instruction (Gr 1-12)	\$362,332,590
Outreach Programs	\$312,120
Home Education	\$1,045,307
Differential Cost Funding *	\$84,823,004
Other Provincial Support	
Institutional Programs	\$5,078,240
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	\$2,581,400
Learning Resources Credit	\$551,345
Federal French Funding	\$349,580
Provincial Priority Targeted Funding	
Class Size Initiative	\$13,217,716
Student Health Initiative (SHI)	\$1,328,749
Alberta Initiative for School Improvement (AISi)	\$10,624,007
High Speed Networking	\$283,962
Children and Youth with Complex Needs	\$32,433
Other Alberta Education Revenues (describe): PO&M EDUCATION PORTION, EXTERNAL CONTRACTS (CURRICULUM,ITS),S	\$27,489,991
Total Alberta Education Revenues	\$523,113,210

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for students with severe disabilities, English as a second language students, Francisation and support services for immigrant students, aboriginal students, gifted & talented early childhood services children and those with mild or moderate or severe disabilities, the percentage of the student population experiencing low socio-economic status, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and cost differences among school jurisdictions for purchasing goods and services.

SCHEDULE C the AFS
ECS to Grade 12 INSTRUCTION PROGRAMS Expense Details - 2004-2005

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certified Remuneration	Uncertified Remuneration	Services, Contracts & Supplies ¹	Learning Resources	Cost Recoveries & Transfers	Other Expenses ²	TOTAL EXPENSES
School Administration & All Instruction Support	\$40,898,792	\$1,350,754	\$1,859,923		\$0	\$0	\$44,109,469
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$25,572,882	\$11,583,966	\$5,100,900		\$0		\$42,257,748
ECS Program Unit (PUF)	\$4,750,303	\$11,085,229	\$2,058,925		\$0		\$17,894,457
Severe Disabilities (Gr 1-12)	\$11,442,622	\$10,808,594	\$1,220,250		\$0		\$23,471,466
English as a Second Language	\$1,535,120	\$619,818	\$443,878		\$0		\$2,598,816
French Language Program & Francisation (all jurisdictions)	\$206,505	\$83,367	\$59,708		\$0		\$349,580
First Nations, Metis and Inuit Education (ECS - Gr 12)	\$1,359,423	\$551,491	\$633,135		\$0		\$2,544,049
Home Education	\$566,138	\$143,207	\$335,962		\$0		\$1,045,307
Institutional Programs	\$5,682,520	\$806,084	\$399,428		\$0		\$6,888,032
Alberta Initiative for School Improvement	\$8,144,275	\$453,888	\$2,669,330	\$423,828	\$0		\$11,691,321
Student Health Initiative	\$0	\$1,159,016	\$165,049		\$0		\$1,324,065
High Speed Networking			\$283,962		\$0		\$283,962
Class Size	\$13,217,715	\$0	\$0	\$0	\$0		\$13,217,715
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$32,466		\$0		\$32,466
All Other Student Instruction Expenses (ECS - Gr 12)	\$233,869,485	\$38,273,211	\$22,523,479	\$5,773,105	\$0	\$23,351,968	\$323,507,287
TOTAL EXPENSES	\$347,245,780	\$76,918,625	\$37,786,395	\$6,196,933	\$0	\$0	\$491,215,740

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE	
	Certified	Uncertified
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	348.6	309.9
ECS Program Unit (PUF)	58.5	251.5
Severe Disabilities (Gr 1-12)	156.0	295.5

Note 1 Excludes Learning Resources.

Note 2 Includes Net School Generated Funds, Amortization, Interest, and Losses on Disposal of Instruction Program Capital Assets.

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMIT FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION - 2004-2005

TOTAL EXPENSES	\$640,176,407
STEP 1	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	4.00%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
<p>The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.</p> <p>EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.</p> <p>Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.</p>	
STEP 2	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$25,607,056
Considerations for Charter Schools and Small School Boards:	
If Charter School , enter \$56,100	\$0
If School Board , please enter your 04-05 Gr 1 - 12 funded enrolment	0
	\$0
MAXIMUM EXPENSE LIMIT	\$25,607,056
STEP 3	
Compare maximum expense limit amounts calculated in Step 2 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$20,275,156
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$0
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$20,275,156
MAXIMUM EXPENSE LIMIT	\$25,607,056
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$5,331,900

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2004-2005

Unexpended SGF - Opening Balance August 31, 2004 (Note 1)			\$5,245,859
Source of Net School Generated Funds:			
	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$4,030,099	\$1,993,135	\$2,036,964
Student fees (Non-Instructional) (Note 2)	\$9,639,353		\$9,639,353
Donations and grants to schools	\$242,480		\$242,480
Other (describe): CASH SHORTAGES/OVERAGES, INTEREST	\$265,507	\$12,077	\$253,430
Net Additions to SGF	\$14,177,439	\$2,005,212	\$12,172,227
Net SGF Available for Discretionary Spending			\$17,418,086
Application of Net School Generated Funds:			
Extra-curricular activities			\$9,217,615
School beautification			\$13,730
Field Trips			\$3,379,924
Equipment			\$0
Family literacy and other community resources			\$420,243
Other (describe): I.D. CARDS			\$13,272
Net SGF Expended for Discretionary Purposes (Note 3)			\$13,044,784
Unexpended SGF - Closing Balance August 31, 2005 (Note 4)			\$4,373,302
<p>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 fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the <i>School Act</i>, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)</p> <p>Note 1 Input "(Restated)" beside Balance at August 31, 2004 where not taken from the finalized 2003-2004 Audited Financial Statements.</p> <p>Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.</p> <p>Note 3 Net SGF Expended for Discretionary Purposes is recorded as revenue and expense in the Statement of Revenues & Expenses.</p> <p>Note 4 Unexpended SGF is carried forward to the Statement of Financial Position.</p>			

SCHEDULE F to the AFS
Operations and Maintenance Program Expenses - 2004-2005

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed Mod./I.M.P. & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$19,811,266	\$9,801,434	\$0	\$0	\$2,375,721	\$31,988,421		\$31,988,421
Uncertificated benefits	\$4,946,237	\$1,887,628	\$0	\$0	\$596,988	\$7,430,853		\$7,430,853
Sub-total Remuneration	\$24,757,503	\$11,689,062	\$0	\$0	\$2,972,709	\$39,419,274		\$39,419,274
Contracted Services	\$100,717	\$738,239	\$308,003	\$2,583,679	\$121,168	\$3,851,806		\$3,851,806
Supplies	\$560,917	\$3,095,789	\$0	\$0	\$179,939	\$3,836,645		\$3,836,645
Electricity			\$5,781,244			\$5,781,244		\$5,781,244
Natural Gas/Heating Fuel			\$8,612,436			\$8,612,436		\$8,612,436
Sewer and Water			\$1,105,379			\$1,105,379		\$1,105,379
Telecommunications			\$1,485,132			\$1,485,132		\$1,485,132
Insurance					\$1,398,236	\$1,398,236		\$1,398,236
Amortization of capital assets								
Supported							\$11,789,717	\$11,789,717
Unsupported						\$4,208,252		\$4,208,252
Total Amortization						\$4,208,252	\$11,789,717	\$15,997,969
Interest on capital debt								
Supported							\$2,239,430	\$2,239,430
Unsupported				\$197,230		\$0		\$197,230
Other interest charges						\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$25,419,137	\$15,523,090	\$17,292,194	\$2,780,909	\$4,672,052	\$69,698,404	\$14,029,147	\$83,924,781
SQUARE METRES								
School Buildings								1,091,063.0
Non School Buildings								53,125.0
UNCERTIFICATED FTE'S (Board/Contract)	538.7	204.6						

Notes:

All expenses related to activities undertaken to keep the school environment clean and safe.

Custodial:

All expenses associated with the repair, replacement 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:

All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.

Utilities & Telecommunications:

Expensed Block Mod/I.M.P. & Portable Relocations: All expenses associated with non-capital activities related to Block Modernization, Infrastructure Maintenance Programs (AKA Building Quality Restoration Program) and 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 and contractors, administration of capital projects (including new schools, I.M.P., block modernization and portable relocations), 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.

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2004-2005
 (SECTION 148.1 OF THE SCHOOL ACT)

	FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:								
Name	1.0	\$29,879	\$1,177	\$6,906			\$37,962	\$7,261
Name	0.0	\$0	\$0	\$0			\$0	\$0
Other Board Members:								
Name	0.8	\$18,660	\$1,832	\$7,808			\$28,300	\$8,262
Name	1.0	\$23,647	\$969	\$8,518			\$33,034	\$8,806
Name	1.0	\$23,455	\$5,805	\$12,431			\$41,691	\$8,639
Name	1.0	\$20,556	\$4,228	\$10,457			\$35,241	\$9,078
Name	0.8	\$17,426	\$4,058	\$9,775			\$31,259	\$5,627
Name	0.8	\$17,426	\$4,973	\$9,228			\$31,627	\$5,561
Name	0.8	\$17,426	\$3,989	\$7,650			\$29,065	\$5,601
Name	0.8	\$17,371	\$3,824	\$4,782			\$25,977	\$3,162
Name	0.2	\$3,497	\$207	\$726			\$4,430	\$1,532
Name	0.2	\$3,542	\$209	\$575			\$4,326	\$369
Name	0.2	\$3,646	\$546	\$319			\$4,511	\$369
Name	0.2	\$3,132	\$703	\$318			\$4,153	\$369
Name	0.2	\$3,130	\$312	\$425			\$3,867	\$369
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Subtotal	9.0	\$202,793	\$32,732	\$79,918			\$315,443	\$65,005
Superintendent								
McBEATH, ANGUS	1.0	\$168,310	\$8,440	\$0	\$0	\$0	\$176,750	\$476
Superintendent								
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	1.0	\$86,279	\$13,917	\$2,409	\$0	\$0	\$102,605	\$6,306
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	1.0	\$121,486	\$18,162	\$2,409	\$0	\$0	\$142,057	\$5,538
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries								
Uncertificated Salaries & Wages	4,472.1	\$317,783,869	\$35,194,765	\$0	\$0	\$0	\$352,978,634	
	2,889.8	\$116,604,189	\$25,097,722	\$0	\$0	\$0	\$141,701,911	
TOTALS		\$434,966,926	\$60,365,738	\$84,736	\$0	\$0	\$495,417,400	

SCHEDULE G1 to the AFS
DISCLOSURE OF SALARIES AND BENEFITS (SECTION 148.1 OF THE SCHOOL ACT)
COMPLETION INFORMATION

(1)	Salary and benefits consist of and agree with the amounts properly recorded in the school jurisdiction's payroll records and related object codes for salaries, wages and benefits.
(2)	Remuneration includes regular base salaries, certificated school-based employee allowances outlined in collective agreements, overtime, honoraria, deferred salary leave accruals, lump sum payments EXCEPTING TERMINATION BENEFITS (See #10A below), any other direct cash remuneration EXCEPTING PERFORMANCE PAY (See #10 below).
(3)	Certificated salaries include the aggregate of all payments for certificated staff regardless of the length, nature or definition of the employment agreement. The number of full time equivalent (FTE) staff should be measured as at September 30.
(4)	Uncertificated salaries and wages should be measured in terms of the number of FTE staff employed as at September 30.
(5)	Salary and benefits information should be the aggregate amount covering the same fiscal period as the audited financial statements.
(6)	Salary must include deferred salary accruals.
(7)	Salary includes only payments for services subject to an employer-employee relationship.
(8)	Benefits include the employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pensions, Canada pension plan (CPP), employment insurance (EI), health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans.
(9)	Allowances include all monies paid to an employee as miscellaneous negotiated allowances. This category will include car or travel allowances, isolation allowances, relocation expenses, sabbaticals, special leave with pay, financial and retirement planning services, and club memberships. CERTIFICATED SCHOOL-BASED EMPLOYEE ALLOWANCES , as outlined in collective agreements, are included in Remuneration - NOT Allowances.
(10)	Performance Bonuses include those monies paid to employees of the school authority that are tied to the achievement of some specified goal or objective.
(10A)	Other includes termination benefits ((severance pay, retiring allowances (ERIP's), sick leave and other settlement costs due to loss of employment).
(11)	Expenses will include the reimbursements of travel, subsistence, moving costs, conference fees, etc., paid by the employee or on his/her behalf in performing the responsibilities of employment.
(12)	The superintendent's position disclosure is in terms of one individual who is the Chief Executive Officer. Benefits for the superintendent do not include Alberta Learning contributions to the Teachers Retirement Fund pension plan.
(13)	The secretary-treasurer's position disclosure is in terms of one individual who is the Chief Financial Officer. If the board has not appointed one person to act as secretary-treasurer, then the disclosure is in terms of separate individuals appointed to the Board Treasurer and Board Secretary positions. Benefits for the secretary-treasurer include the Local Authorities Pension Plan contributions.
(13)	A position should include salary, benefits and allowances earned and expenses accrued by an individual who officially acted in a position while it was vacant or was appointed to the position. If a position was vacant and no one acted in the position, the position should not be disclosed.
(14)	Benefits and allowances need not include an amount for automobile, housing or other benefits for which a value cannot be reasonably estimated.
(15)	If a position is occupied by more than one individual during a year, each of those individual's specific expenses and salary, benefits and allowances earned by each of the individuals in the position need be disclosed separately.

Edmonton School District No. 7

FINANCIAL STATEMENTS
AUGUST 31, 2005



STATEMENT OF FINANCIAL POSITION
(in thousands of dollars)

	August 31	
	2005	2004
ASSETS		
Current Assets		
Cash	\$ 3,822	\$ 12,414
Accounts receivable (Note 4)	20,205	28,004
Inventories	5,323	4,831
Prepaid expenses	<u>1,011</u>	<u>1,245</u>
	30,361	46,494
School Generated Funds (Note 5)	4,373	5,246
Trust Assets	640	602
Capital Assets (Note 6)	<u>290,697</u>	<u>291,200</u>
	\$ <u>326,071</u>	\$ <u>343,542</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable and accruals (Note 7)	\$ 23,535	\$ 30,131
Deferred revenue (Note 8)	5,883	7,208
Current portion of long-term debt (Note 9)	<u>5,869</u>	<u>6,807</u>
	35,287	44,146
School Generated Funds (Note 5)	4,373	5,246
Trust Liabilities	640	602
Long-term Debt (Note 9)	26,602	32,448
Deferred Capital Allocations (Note 10)	978	1,599
Unamortized Capital Allocations (Note 11)	<u>167,562</u>	<u>159,874</u>
	<u>235,442</u>	<u>243,915</u>
NET ASSETS		
Investment in Capital Assets	90,664	92,461
Capital Reserve	1,680	1,812
Unrestricted Net Assets	<u>(1,715)</u>	<u>5,354</u>
	<u>90,629</u>	<u>99,627</u>
	\$ <u>326,071</u>	\$ <u>343,542</u>

**STATEMENT OF REVENUES AND EXPENSES**

(in thousands of dollars)

	Year ended August 31	
	2005	2004
Revenues		
Provincial Grants	\$ 564,239	\$ 543,615
Other	42,131	37,978
School Generated Funds – net	13,045	12,325
Amortization of Capital Allocations	11,790	11,991
Gain (Loss) on Disposal of Capital Assets	616	(29)
	<u>631,821</u>	<u>605,880</u>
Expenses		
Salaries and employee benefits	495,305	457,190
Debt service including bank interest	3,421	4,265
Utility services	18,399	16,611
Transportation services	23,720	22,733
School generated activities – net	13,045	12,325
Other services	28,016	27,490
Supplies and materials	32,592	29,613
Amortization of capital assets	25,678	25,475
	<u>640,176</u>	<u>595,702</u>
(Deficiency) Surplus of Revenues over Expenses	\$ <u>(8,355)</u>	\$ <u>10,178</u>
Represented by:		
Capital assets acquired from operational funding	\$ 11,223	\$ 14,518
Unsupported long-term debt principal repaid	1,062	1,229
Transfer to Deferred Capital Allocation – gain on disposal of capital assets	643	-
Transfer to Capital Reserve – repayment and interest	95	103
Transfer from Capital Reserve – for school closure costs	(363)	-
Transfer from Capital Reserve – proceeds of disposal used for acquisition of capital assets	(31)	-
Transfer to Capital Reserve – loss on disposal of capital assets	(27)	(29)
Amortization of capital assets financed through operations	(13,888)	(13,484)
(Deficiency) excess of operating revenues over expenses and capital assets acquired there from	<u>(7,069)</u>	<u>7,841</u>
Excess of Revenues over Expenses	\$ <u>(8,355)</u>	\$ <u>10,178</u>



STATEMENT OF CHANGES IN NET ASSETS
(in thousands of dollars)

	August 31	
	2005	2004
Investment In Capital Assets:		
Balance at the beginning of the year	\$ 92,461	\$ 89,973
Capital assets acquired from operational funding	11,223	14,518
Unsupported long-term debt principal repaid	1,062	1,229
Retirement of assets (net)	(58)	(29)
Transfer from Capital Reserve	(136)	254
Amortization of capital assets financed through operations	<u>(13,888)</u>	<u>(13,484)</u>
Balance at the end of the year	\$ <u>90,664</u>	\$ <u>92,461</u>
Capital Reserve:		
Balance at the beginning of the year	\$ 1,812	\$ 1,963
Transfer to Operations for school closure costs	(363)	-
Transfer to Operations for acquisition of capital assets	(31)	-
Transfer of Interest on Capital Reserve	35	43
Repayment of Capital Reserve	60	60
Transfer to Investment in Capital Assets	136	(254)
Proceeds of Disposal of Capital Assets financed through operations	<u>31</u>	<u>-</u>
Balance at the end of the year	\$ <u>1,680</u>	\$ <u>1,812</u>
Unrestricted Net Assets:		
Balance at the beginning of the year	\$ 5,354	\$ (2,487)
(Deficit) surplus for the year	<u>(7,069)</u>	<u>7,841</u>
(Deficit) surplus balance at the end of the year	\$ <u>(1,715)</u>	\$ <u>5,354</u>
NET ASSETS	\$ <u>90,629</u>	\$ <u>99,627</u>


STATEMENT OF CASH FLOWS
 (in thousands of dollars)

	Year ended August 31	
	2005	2004
Cash Flows From:		
Operations		
(Deficiency) excess of revenues over expenses for the year	\$ (8,355)	\$ 10,178
Add (Deduct) items not requiring cash:		
Amortization of capital allocations	(11,790)	(11,991)
Loss (gain) on disposal of capital assets	(616)	29
Amortization of capital assets	<u>25,678</u>	<u>25,475</u>
	<u>4,917</u>	<u>23,691</u>
Changes in accrued accounts:		
Accounts receivable	7,799	(13,611)
Prepaid and other current assets	(258)	50
Trust & school generated fund assets	835	(318)
Accounts Payable and accrued liabilities	(6,596)	7,156
Deferred revenue	(1,325)	(9,110)
Trust & school generated fund liabilities	<u>(835)</u>	<u>318</u>
	<u>(380)</u>	<u>(15,515)</u>
Total sources of cash from Operations	<u>4,537</u>	<u>8,176</u>
Investing Activities		
Proceeds of sale of capital assets	<u>31</u>	<u>-</u>
Purchases of capital assets		
Buildings	(17,977)	(24,197)
Equipment	(7,204)	(7,893)
Vehicles	<u>(52)</u>	<u>(113)</u>
	<u>(25,233)</u>	<u>(32,203)</u>
Total uses of cash from investing activities	<u>(25,202)</u>	<u>(32,203)</u>
Financing Activities		
Capital allocations and other financing received	13,135	8,734
Issue of long-term debt	-	1,340
Repayment of long-term debt	(6,784)	(8,412)
Add back: supported portion	<u>5,722</u>	<u>7,183</u>
Total sources from financing activities	<u>12,073</u>	<u>8,845</u>
Net (uses) sources of cash equivalents during year	\$ <u>(8,592)</u>	\$ <u>(15,182)</u>



NOTES TO FINANCIAL STATEMENTS

August 31, 2005

(amounts in thousands)

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 management'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 and 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. 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.

**NOTES TO FINANCIAL STATEMENTS . . . continued**

August 31, 2005

(amounts in thousands)

Contributed services

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

Inventories

Inventories consist of supplies valued at the lower of average cost or net realizable value.

Financial Instruments

The District's financial instruments consist of cash, accounts receivable, accounts payable and accruals; trust funds and long-term debt. It is the management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The District has invested surplus funds in accordance with Section 44 of the *School Act* and Section 5 of the *Trustees Act*.

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.

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. The service costs for employees for the current year of \$6,813 (2004 - \$5,572) are included in these statements and comprise the district costs of employer contribution.

3. Related party transactions

Alberta Education and Alberta Infrastructure are the departments of the Government of Alberta which administer education, various school boards and school board infrastructure funding.

The Edmonton School District No. 7's primary source of income is from the Alberta Government. The District's ability to continue viable operations is dependent on this funding.

**NOTES TO FINANCIAL STATEMENTS . . . continued****August 31, 2005****(amounts in thousands)**

The District has had the following transactions with Alberta Education, Alberta Infrastructure and Alberta Finance.

	<u>2005</u>	<u>2004</u>
Alberta Education		
Funding Received	\$ <u>523,113</u>	\$ <u>477,901</u>
Alberta Infrastructure		
Operations and Maintenance Support	27,800	49,919
Infrastructure Maintenance Program	6,576	7,408
Modernization Block Funding Program	89	1,671
Capital Allocations	<u>13,135</u>	<u>8,734</u>
	<u>47,600</u>	<u>67,732</u>
Alberta Finance		
Capital Block - supported capital debt interest	3,149	3,790
Capital Block - supported capital debt principal repayment	<u>5,722</u>	<u>7,183</u>
	<u>8,871</u>	<u>10,973</u>
Other	<u>3,511</u>	<u>2,925</u>
Total funding received	\$ <u>583,095</u>	\$ <u>559,531</u>

4. Accounts Receivable

Accounts receivable comprises:

	<u>2005</u>	<u>2004</u>
Province of Alberta	\$ 16,362	\$ 25,475
Federal Government	1,204	1,103
Other Alberta School Jurisdictions	51	816
Other	<u>2,588</u>	<u>610</u>
Total	\$ <u>20,205</u>	\$ <u>28,004</u>

5. 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.

	<u>2005</u>	<u>2004</u>
School generated assets		
Cash	\$ 6,426	\$ 6,495
Term deposits	<u>1,334</u>	<u>1,351</u>
	<u>7,760</u>	<u>7,846</u>

**NOTES TO FINANCIAL STATEMENTS . . . continued****August 31, 2005****(amounts in thousands)**

Inventory		
Bookstore	15	13
Cafeteria	<u>2</u>	<u>2</u>
	17	15
Refundable deposits and advance fees	<u>(3,404)</u>	<u>(2,615)</u>
Net Assets and Funds	\$ <u>4,373</u>	\$ <u>5,246</u>

- (b) School Generated Funds revenue and expenses have been reported net of cost recoveries as follows:

	<u>2005</u>	<u>2004</u>
Total School Generated Funds	\$ 15,050	\$ 14,266
Less: Related cost recoveries	<u>2,005</u>	<u>1,941</u>
Net	\$ <u>13,045</u>	\$ <u>12,325</u>

6. Capital Assets

	<u>2005</u>			<u>2004</u>
	Cost	Accumulated Amortization	Carrying Value	Carrying Value
Land	\$ 838	-	\$ 838	\$ 838
Buildings and Site Improvements	613,081	353,485	259,596	257,670
Furniture and Equipment	204,099	174,395	29,704	32,088
Vehicles	<u>2,503</u>	<u>1,944</u>	<u>559</u>	<u>604</u>
	\$ <u>820,521</u>	\$ <u>529,824</u>	\$ <u>290,697</u>	\$ <u>291,200</u>

7. Accounts payable and accruals

Accounts payable and accruals comprises:

	<u>2005</u>	<u>2004</u>
Province of Alberta	\$ 1,785	\$ 2,040
Federal Government	1,053	1,148
Alberta Municipalities	9	3
Other	<u>20,688</u>	<u>26,940</u>
Total	\$ <u>23,535</u>	\$ <u>30,131</u>

**NOTES TO FINANCIAL STATEMENTS . . . continued****August 31, 2005**

(amounts in thousands)

8. Deferred Revenue

Deferred revenue comprises:

	<u>2005</u>	<u>2004</u>
Foreign Students Fees	\$ 3,030	\$ 2,763
Parkade Plant Operations & Maintenance Funding	250	-
Funding for Amiskwaciy Academy	571	1,564
Deferred Block Funding Revenue	787	764
Metro Continuing Education Fees	520	516
Curriculum & Programs	203	306
Alberta Initiative for School Improvement	-	841
Other	<u>522</u>	<u>454</u>
Total	\$ <u>5,883</u>	\$ <u>7,208</u>

Change in deferred revenue during the year:

	<u>2005</u>	<u>2004</u>
Balance at beginning of year	\$ 7,208	\$ 16,318
Add: Funding received during the year	<u>27,689</u>	<u>139,534</u>
	34,897	155,852
Less: Amount recognized as revenue for the year	<u>29,014</u>	<u>148,644</u>
Balance at end of year	\$ <u>5,883</u>	\$ <u>7,208</u>

9. Long-Term Debt

Principal payments and interest for the next five years and to maturity on debenture debt outstanding at August 31, 2005 are approximately as follows:

<u>Year Ending August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 5,869	\$ 3,018	\$ 8,887
2007	4,897	2,476	7,373
2007	4,717	2,002	6,719
2009	4,339	1,547	5,886
2010	3,928	1,134	5,062
2011 – maturity	<u>8,721</u>	<u>1,509</u>	<u>10,230</u>
Total	\$ <u>32,471</u>	\$ <u>11,686</u>	\$ <u>44,157</u>


NOTES TO FINANCIAL STATEMENTS . . . continued
August 31, 2005
(amounts in thousands)

Interest is payable at various rates ranging from 4.038% to 12.0% on the total long-term debt of:

	<u>2005</u>	<u>2004</u>
Total debenture debt	\$ 32,471	\$ 39,255
Due within one year	<u>5,869</u>	<u>6,807</u>
	\$ <u>26,602</u>	\$ <u>32,448</u>

The total district debenture debt will be repaid by the year 2015. The fair value of long-term debt does not differ significantly from its carrying value.

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>2005</u>	<u>2004</u>
Working Capital (Deficiency) Surplus per statements	\$ (5,972)	\$ 2,348
Supported Current Portion of long-term debt	<u>4,805</u>	<u>5,722</u>
	\$ <u>(1,167)</u>	\$ <u>8,070</u>

The District paid \$3,660 (2004 - \$4,426) 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>2005</u>	<u>2004</u>
Balance at beginning of year	\$ 1,599	\$ 9,346
Allocations received and receivable during the year	12,331	8,734
Transfers to Unamortized Capital Allocations	<u>(12,952)</u>	<u>(16,481)</u>
Balance at end of year	\$ <u>978</u>	\$ <u>1,599</u>


NOTES TO FINANCIAL STATEMENTS . . . continued
August 31, 2005
(amounts in thousands)
11. Unamortized Capital Allocations

Unamortized capital allocations (UCA) represents the jurisdiction's net investment in supported capital assets other than land and equipment purchased prior to September 1, 1995. The total debenture payments increase the balance in the UCA account, with the related amortization expense being deducted. Transfers from deferred capital allocation account also increase the balance in the UCA account. Details of the changes to the account are as follows:

	<u>2005</u>	<u>2004</u>
Balance at beginning of year	\$ 159,874	\$ 148,201
Supported Debenture Principal Repayment	5,722	7,183
Transfer from Investment in Capital Assets	804	-
Transfer from Deferred Capital Allocations	12,952	16,481
Transfer to Capital Allocation Revenue	<u>(11,790)</u>	<u>(11,991)</u>
Balance at end of year	\$ <u>167,652</u>	\$ <u>159,874</u>

12. 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, 2005 was \$ 2,102 (2004 - \$ 2,192). This amount has not been recognized in the district's financial statements, as the revenue has not been realized by the District.

13. Comparative Figures

The actual 2004 comparative figures have been reclassified where necessary, to conform to actual 2005 presentation. The 2004 comparative figures for provincial grants and for School Generated Funds have been reclassified from those presented in the audited financial statements for the year ended August 31, 2004.