

Edmonton School District No. 7

FINANCIAL STATEMENTS
AUGUST 31, 2009



EDMONTON PUBLIC SCHOOLS


STATEMENT OF FINANCIAL POSITION
 (in thousands of dollars)

	August 31	
	2009	2008
ASSETS		
Current Assets		
Cash	\$ 144,599	\$ 186,096
Accounts receivable (Note 4)	11,412	13,803
Inventories	5,887	5,305
Prepaid expenses	<u>541</u>	<u>582</u>
	162,439	205,786
School Generated Funds (Note 5)	4,322	4,675
Trust Assets	474	471
Long Term Receivable (Note 12)	486	2,743
Capital Assets (Note 6)	<u>374,923</u>	<u>313,268</u>
	\$ <u>542,644</u>	\$ <u>526,943</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable and accruals (Note 7)	\$ 47,175	\$ 38,836
Deferred revenue (Note 8)	12,899	14,296
Current portion of long-term debt (Note 9)	<u>3,928</u>	<u>4,338</u>
	64,002	57,470
School Generated Funds (Note 5)	4,322	4,675
Trust Liabilities	474	471
Long-term Debt (Note 9)	8,721	12,649
Asset Retirement Obligation (Note 12)	1,325	2,743
Deferred Capital Allocations (Note 10)	41,941	90,920
Unamortized Capital Allocations (Note 11)	<u>244,671</u>	<u>188,794</u>
	<u>365,456</u>	<u>357,722</u>
NET ASSETS		
Investment in Capital Assets	117,602	107,486
Capital Reserve	6,783	6,499
Operating Reserve	52,803	38,100
Unrestricted Net Assets	<u>0</u>	<u>17,136</u>
	<u>177,188</u>	<u>169,221</u>
	\$ <u>542,644</u>	\$ <u>526,943</u>
Commitments (Note 13)		


STATEMENT OF REVENUES AND EXPENSES

(in thousands of dollars)

	Year ended August 31	
	2009	2008
Revenues		
Provincial Grants	\$ 700,112	\$ 677,984
Other	56,703	57,691
School Generated Funds – net	15,726	14,876
Amortization of Capital Allocations	8,468	12,495
Loss on Disposal of Capital Assets	<u>(12)</u>	<u>-</u>
	<u>780,997</u>	<u>763,046</u>
Expenses		
Salaries and employee benefits	609,784	576,923
Debt service including bank interest	1,622	2,038
Utility services	20,197	19,188
Transportation services	28,212	26,526
School generated activities – net	15,726	14,876
Other services	33,257	32,332
Supplies and materials	41,114	31,391
Amortization of capital assets	<u>23,118</u>	<u>23,792</u>
	<u>773,030</u>	<u>727,066</u>
Surplus of Revenues over Expenses	\$ <u>7,967</u>	\$ <u>35,980</u>
Represented by:		
Capital assets acquired from operational funding	\$ 24,660	\$ 27,431
Unsupported long-term debt principal repaid	311	307
Transfer to (from) Capital Reserve		
- net gain (loss) on disposal	(12)	-
- repayment and interest	91	136
Amortization of capital assets financed through operations	(14,650)	(11,297)
Excess of operating expenses over revenues and capital assets acquired there from	<u>(2,433)</u>	<u>19,403</u>
Excess of Revenues over Expenses	\$ <u>7,967</u>	\$ <u>35,980</u>



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

	August 31	
	2009	2008
Investment in Capital Assets:		
Balance at the beginning of the year	\$ 107,486	\$ 91,045
Capital assets acquired from operational funding	24,660	27,431
Unsupported long-term debt principal repaid	311	307
Retirement of assets (net)	(205)	-
Other	-	-
Amortization of capital assets financed through operations	<u>(14,650)</u>	<u>(11,297)</u>
Balance at the end of the year	\$ <u>117,602</u>	\$ <u>107,486</u>
Capital Reserve:		
Balance at the beginning of the year	\$ 6,499	\$ 6,088
Transfer from (to) Operations		
- repayment and interest	91	136
- for renovation costs	-	275
Proceeds of Disposal of Capital Assets financed through operations	<u>193</u>	<u>-</u>
Balance at the end of the year	\$ <u>6,783</u>	\$ <u>6,499</u>
Operating Reserve:		
Balance at the beginning of the year	\$ 38,100	\$ 22,700
Transfer from Operating Surplus	<u>14,703</u>	<u>15,400</u>
Balance at the end of the year	\$ <u>52,803</u>	\$ <u>38,100</u>
Unrestricted Net Assets:		
Balance at the beginning of the year	\$ 17,136	\$ 13,408
Transfer (to) from Capital Reserve	-	(275)
Transfer to Operating Reserve	(14,703)	(15,400)
(Deficit) Surplus for the year	<u>(2,433)</u>	<u>19,403</u>
Surplus balance at the end of the year	\$ <u>0</u>	\$ <u>17,136</u>
NET ASSETS	\$ <u>177,188</u>	\$ <u>169,221</u>


STATEMENT OF CASH FLOWS
 (in thousands of dollars)

	Year ended August 31	
	2009	2008
Cash Flows From:		
Operations		
Excess of revenues over expenses	\$ 7,967	\$ 35,980
Add (Deduct) items not requiring cash:		
Amortization of capital allocations	(8,468)	(12,495)
Loss on disposal of capital assets	12	-
Amortization of capital assets	<u>23,118</u>	<u>23,792</u>
	<u>22,629</u>	<u>47,277</u>
Changes in accrued accounts:		
Accounts receivable	4,648	(1,833)
Prepaid and other current assets	(541)	564
Trust & school generated fund assets	350	39
Accounts Payable and accrued liabilities	6,921	8,016
Deferred revenue	(1,397)	(3,553)
Trust & school generated fund liabilities	<u>(350)</u>	<u>(39)</u>
	<u>9,631</u>	<u>3,194</u>
Total sources of cash from Operations	<u>32,260</u>	<u>50,471</u>
Investing Activities		
Proceeds of sale of capital assets	<u>193</u>	<u>-</u>
Purchases of capital assets		
Buildings	(74,357)	(51,714)
Equipment	(10,530)	(10,533)
Vehicles	<u>(657)</u>	<u>(566)</u>
	<u>(85,544)</u>	<u>(62,813)</u>
Total uses of cash from investing activities	<u>(85,351)</u>	<u>(62,813)</u>
Financing Activities		
Capital allocations	11,905	116,090
Repayment of long-term debt	(4,338)	(4,718)
Add back: supported portion	<u>4,027</u>	<u>4,411</u>
Total sources from financing activities	<u>11,594</u>	<u>115,783</u>
Net (uses) sources of cash equivalents during year	\$ <u>(41,497)</u>	\$ <u>103,441</u>



NOTES TO FINANCIAL STATEMENTS

August 31, 2009

(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, 2009****(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 current replacement cost.

Effective September 1, 2008, the District adopted the new standards for inventory under Section 3031 of the Canadian Institute of Chartered Accountants Handbook – Accounting. These new standards require not-for-profit organizations to measure inventories consumed in the delivery of services or distributed at no or nominal charge at the lower of cost or current replacement cost. Cost may be determined under either the average cost or first-in, first-out basis. Previously, the District recorded inventory at the lower of cost and net realizable value. There was no effect to the statement of net assets, revenue or expenses as a result of adopting this new standard.

Financial Instruments and risk management

The District has designated cash and the school generated funds asset, 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 approximate their carrying values.

Transaction costs are recognized immediately in the statement of revenue and expenditures. 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.

NOTES TO FINANCIAL STATEMENTS . . . continued



August 31, 2009
(amounts in thousands)

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 resulting from the acquisition, construction, development and/or normal use of the 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 market 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 at the point in time when a reasonable estimate of fair value can be made which is generally when the remediation date becomes reasonably determinable. 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.



NOTES TO FINANCIAL STATEMENTS . . . continued

August 31, 2009

(amounts in thousands)

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 \$10,276 (2008 - \$8,611) are included in these statements and comprise the District costs of employer contribution. At December 31, 2008, the Local Authorities Pension Plan reported a deficiency of \$4,413,971 (2007 - \$1,183,000).

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, equals 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. Related party transactions

Alberta Education, Alberta Infrastructure and Alberta Finance 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.

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

	<u>2009</u>	<u>2008</u>
Alberta Education		
Funding Received	\$ <u>681,385</u>	\$ <u>655,973</u>
Alberta Infrastructure		
Infrastructure Maintenance Program	14,825	18,400
Modernization Block Funding Program	1	27
Capital Allocations	<u>11,905</u>	<u>116,090</u>
	<u>26,731</u>	<u>134,517</u>

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

August 31, 2009

(amounts in thousands)

Alberta Finance		
Capital Block - supported capital debt interest	1,280	1,709
Capital Block - supported capital debt principal repayment	<u>4,027</u>	<u>4,411</u>
	<u>5,307</u>	<u>6,120</u>
Other	<u>2,621</u>	<u>1,875</u>
Total funding received	\$ <u>716,044</u>	\$ <u>798,485</u>

4. Accounts Receivable

Accounts receivable comprises:

	<u>2009</u>	<u>2008</u>
Province of Alberta	\$ 4,830	\$ 3,376
Federal Government	3,200	2,982
Other Alberta School Jurisdictions	398	462
Other	<u>2,984</u>	<u>6,983</u>
Total	\$ <u>11,412</u>	\$ <u>13,803</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>2009</u>	<u>2008</u>
School generated assets		
Cash	\$ 7,640	\$ 7,976
Term deposits	<u>936</u>	<u>1,129</u>
	<u>8,576</u>	<u>9,105</u>
Inventory		
Bookstore	7	27
Cafeteria	<u>2</u>	<u>2</u>
	<u>9</u>	<u>29</u>
Refundable deposits and advance fees	<u>(4,263)</u>	<u>(4,459)</u>
Net Assets and Funds	\$ <u>4,322</u>	\$ <u>4,675</u>


NOTES TO FINANCIAL STATEMENTS . . . continued
August 31, 2009
(amounts in thousands)

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

	2009	2008
Total School Generated Funds	\$ 17,207	\$ 16,497
Less: Related cost recoveries	<u>1,931</u>	<u>1,621</u>
Net	\$ <u>15,276</u>	\$ <u>14,876</u>

6. Capital Assets

	2009			2008
	Cost	Accumulated Amortization	Carrying Value	Carrying Value
Land	\$ 838	-	\$ 838	\$ 838
Buildings and site improvements	753,331	414,695	338,636	280,553
Furniture and equipment	232,570	198,761	33,809	30,633
Vehicles	<u>2,618</u>	<u>978</u>	<u>1,640</u>	<u>1,244</u>
	<u>\$ 989,357</u>	<u>\$ 614,434</u>	<u>\$ 374,923</u>	<u>\$ 313,268</u>

7. Accounts payable and accruals

Accounts payable and accruals comprise:

	2009	2008
Province of Alberta	\$ 1,676	\$ 2,858
Federal Government	707	649
Other	<u>44,792</u>	<u>35,329</u>
Total	<u>\$ 47,175</u>	<u>\$ 38,836</u>

8. Deferred Revenue

Deferred revenue comprises:

SOURCE AND GRANT OR FUND TYPE	Deferred Revenue as at Aug 31/08	Add: 2008-09 Funds Received	Deduct: 2008-09 Funds Expended	Add/Deduct: 2008-09 Adjustments	Deferred Revenue as at Aug 31/09
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Alberta Education Restricted Operations Funding:

Deferred Block Funding Revenue	9,489	13,350	14,825	0	8,014
Alberta Initiative for School Improvement	863	10,659	11,522	0	0
Children and Youth with Complex Needs	77	383	270	0	190
Curriculum Development Contracts	257	371	628	0	0
Technology Initiative Funding Agreements	105	300	405	0	0
Success for Kids in Care	0	250	20	0	230
Wraparound Project	0	1,000	0	0	1,000
Strobe Light Funding	0	239	0	0	239


NOTES TO FINANCIAL STATEMENTS . . . continued
August 31, 2009
(amounts in thousands)
Other Government of Alberta Restricted Funding:

Children's Services - The Way In Project	37	0	37	0	0
Children's Services - City Centre Education Project	56	55	56	0	55
Health & Wellness - City Centre Education Project	87	120	87	0	120

Other Deferred Revenue

Alberta Health Services – Skills Centre	0	301	0	0	301
Safe Communities Secretariat	0	69	0	0	69
International Student Program	2,864	3,025	3,206	(325)	2,358
Metro Continuing Education	409	2,636	2,779	0	266
Programs Initiatives	35	19	35	0	19
Leases	17	2,416	2,418	0	15
Non-Alberta Resident Fee	0	25	7	0	18
ATA – Principal Research Pilot Project	0	5	0	0	5
Total	\$ 14,296	\$ 35,223	\$ 36,295	\$ (325)	\$ 12,899

9. Long-Term Debt

Principal payments and interest for the next five years and to maturity on debenture debt outstanding at August 31, 2009 are approximately as follows:

<u>Year Ending August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 3,928	\$ 1,134	\$ 5,062
2011	3,409	766	4,175
2012	2,883	453	3,336
2013	1,530	198	1,728
2014	707	74	781
2015	<u>192</u>	<u>18</u>	<u>210</u>
Total	\$ 12,649	\$ 2,643	\$ 15,292

Interest is payable at various rates ranging from 4.04% to 12.00%, with an overall effective rate of 9.22% on the total long-term debt of:

	<u>2009</u>	<u>2008</u>
Total debenture debt	\$ 12,649	\$ 16,987
Due within one year	<u>3,928</u>	<u>4,338</u>
	\$ 8,721	\$ 12,649

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.


NOTES TO FINANCIAL STATEMENTS . . . continued
August 31, 2009
(amounts in thousands)

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>2009</u>	<u>2008</u>
Working Capital Surplus per statements	\$ 98,437	\$ 148,316
Supported Current Portion of long-term debt	<u>3,612</u>	<u>4,027</u>
	<u>\$ 102,049</u>	<u>\$ 152,343</u>

The District paid \$1,547 (2008 - \$2,002) 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>2009</u>	<u>2008</u>
Balance at beginning of year	\$ 90,920	\$ 10,211
Allocations received and receivable during the year	13,824	115,113
Transfers to Unamortized Capital Allocations	<u>(62,803)</u>	<u>(34,404)</u>
Balance at end of year	<u>\$ 41,941</u>	<u>\$ 90,920</u>

11. Unamortized Capital Allocations

Unamortized capital allocations (UCA) represent 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>2009</u>	<u>2008</u>
Balance at beginning of year	\$ 188,794	\$ 161,497
Supported Debenture Principal Repayment	4,027	4,411
Set-up & relieved of ARO (Net)	(2,295)	977
Retirement of Asset – net	(566)	-
Day Care Modular Projects	376	-
Transfer from Deferred Capital Allocations	62,803	34,404
Transfer to Capital Allocation Revenue	<u>(8,468)</u>	<u>(12,495)</u>
Balance at end of year	<u>\$ 244,671</u>	<u>\$ 188,794</u>


NOTES TO FINANCIAL STATEMENTS . . . continued
August 31, 2009
(amounts in thousands)
12. Asset Retirement Obligation

The District records an asset retirement obligation for the removal of hazardous material from District buildings once the amount is deemed determinable. The following is a reconciliation of the changes in the asset retirement obligation during the year:

	<u>2009</u>	<u>2008</u>
Balance, beginning year	\$ 2,743	\$ 1,716
Liabilities incurred/adjusted during the year	(1,095)	1,850
Liabilities relieved during the year	(355)	(873)
Accretion expense	<u>32</u>	<u>50</u>
Balance, end of year	\$ <u>1,325</u>	\$ <u>2,743</u>

The accretion expense is included in other services expenses. The undiscounted estimated cash flows required to settle the obligation range from \$2,743 to \$1,325 during the years 2008 to 2010. The cash flows are discounted using a credit-adjusted risk-free rate of 3.90% (2008 - 4.17%).

Other assumptions used by management to determine the carrying amount of the asset retirement obligation are: labour costs based on current marketplace wages required to hire contractors to remove the hazardous materials; market risk premium for unforeseeable circumstances; and the rate of inflation over the expected years to settlement.

Funding for the above obligations at the end of year have been fully committed by Alberta Education and Alberta Infrastructure and are represented as accounts receivable of \$486 in the statement of financial position. Other retirement obligations have not been recognized because a reasonably determinable fair value cannot be established with a reasonable certainty of time.

13. Commitments

- a) Building Projects: The District is committed to further capital expenditures for the new construction and modernization projects of approximately \$57,674 (2008 - \$110,645). It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.


NOTES TO FINANCIAL STATEMENTS . . . continued
August 31, 2009
(amounts in thousands)

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

	<u>Year Ending August 31</u>	
	<u>2009</u>	<u>2008</u>
2010	2,730	2,190
2011	2,236	2,024
2012	2,271	2,072
2013	1,062	1,062
2014	1,062	1,062
2015 – Thereafter	<u>14,169</u>	<u>14,169</u>
Total	\$ <u>23,530</u>	\$ <u>22,579</u>

- c) Purchase Order commitments: As at August 31, 2009 the district has \$4,170 (2008 - \$3,569) outstanding purchase orders relating to services and contracts.

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

The Edmonton School District No. 7 had paid or accrued expenses for the year ended August 31, 2009 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's/Other	Note	Total	Expenses
Chairperson: B.Esslinger	1.0	39,531	6,622	3,028	-	-	-	49,181	6,968
Other Board Members									
G.Rice	1.0	38,020	4,505	3,028	-	-	-	45,553	10,586
D.Fleming	1.0	31,220	6,686	3,028	-	-	-	40,934	8,685
G.Gibeault	1.0	30,111	6,598	3,028	-	-	-	39,737	6,266
D.Colburn	1.0	30,609	6,677	3,028	-	-	-	40,314	8,123
K.Gibson	1.0	28,391	6,186	3,027	-	-	-	37,604	-
C.G.Ripley	1.0	34,456	6,829	3,027	-	-	-	44,312	7,503
S.J.Huff	1.0	29,008	6,613	3,027	-	-	-	38,648	8,315
K.Shipka	1.0	29,749	4,173	3,027	-	-	-	36,949	7,057
Sub-Total	9.0	291,095	54,889	27,248	-	-	-	373,232	63,503
Superintendent E.Schmidt	1.0	209,123	13,417	-	-	59,525	(1)	282,065	8,079
Board Secretary A.Sherwood	1.0	114,017	21,791	3,028	-	-	-	138,836	7,310
Board Treasurer D.R.Power	1.0	178,293	24,875	3,028	-	-	-	206,196	4,827
Certificated Teachers	4,525.1	374,379,365	44,046,560	595,764	-	-	-	419,021,689	
Non-Certificated (Other)	3,141.7	153,845,261	33,106,175	2,810,473	-	-	-	189,761,909	
TOTAL	7,678.8	529,017,154	77,267,707	3,439,541	-	59,525	-	609,783,927	

Note: (1) Supplementary Pension Plan.

59,525

59,525

**NOTES TO FINANCIAL STATEMENTS . . . continued****August 31, 2009****(amounts in thousands)****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, 2009 was \$2,083 (2008 - \$ 1,807). This amount has not been recognized in the district's financial statements, as the revenue has not been realized by the District.

16. Reduction in Provincial funding based on accumulated surplus to August 31, 2008

In response to provincial budgetary measures to address the provincial budget deficit, the Government of Alberta announced in August of 2009 that school jurisdictions would be required to provide contributions based on their accumulated surplus as at August 31, 2008. The amount of contribution from each jurisdiction is calculated as a percentage of the balance of the surplus remaining after a deduction of 3.25 per cent of the jurisdiction's total reported expenses. Based on this calculation, the District is required to contribute the amount \$3,997,782 by way of seven equal monthly reductions from the monthly funding due from Alberta Education in the 2009-10 fiscal year.

17. Private Public Partnerships (P3) Alberta School Alternative Procurement (ASAP) – School Construction

The Ministry of Education (The Ministry) entered into a design, build, finance, and maintenance (DBFM) contract for 18 new schools in Calgary and Edmonton of which 6 schools are being constructed on sites owned by the District. These schools will be available for use June 2010. The Ministry is responsible for all capital, maintenance and renewal payments to the contractor. Under the agreement the Ministry will pay these costs through a lump sum and monthly payments over a 30 year period. The maintenance and renewal payments will be indexed for inflation.

The Ministry has estimated the net present value (NPV) for the capital payments for the schools under construction for the District to be \$242,387 at completion date. The estimated NPV of the work in progress completed by August 31, 2009 for the 6 schools was \$160,380.

18. Future changes in accounting policies

The Canadian Institute of Chartered Accountants (CICA) has issued several amendments to the not-for-profit accounting standards, effective for fiscal years commencing on or after January 1, 2009. Accordingly, the District will be required to adopt these amended standards September 1, 2009.

**NOTES TO FINANCIAL STATEMENTS . . . continued****August 31, 2009****(amounts in thousands)**

Under these amended standards, there will no longer be a requirement to treat net assets invested in capital assets as a separate component of net assets and, instead, permit such amount as a category of internally restricted net assets when an organization chooses to do so. The amended standards also:

- clarify that revenues and expenses must be recognized and presented on a gross basis when an organization is acting as a principal in the transactions;
- make Section 1540, Cash flow statements, and Section 1751, Interim financial statements, applicable; and
- provide consistency with other sections of the CICA Handbook with respect to related parties.

In addition, the CICA has issued a new standard, Section 4470, Disclosure of allocated expenses by not-for-profit organizations. This Section establishes disclosure standards for those organizations that choose to classify their expenses by function and allocate expenses from one function to another.

The impact of these changes will result in changes to the method used to present information related to the District's investment in capital assets. The District continues to analyze these changes to determine their effects on the financial statements.

19. Comparative Figures

The comparative figures for 2008 have been reclassified where necessary, to conform to the current year's presentation.