

DATE: November 24, 2015

TO: Board of Trustees

FROM: Darrel Robertson, Superintendent of Schools

SUBJECT: 2014-2015 Audited Financial Statements

ORIGINATOR: Jonah Lempogo, Treasurer & Managing Director, Financial Services

RESOURCE

STAFF: Vanessa Crosswell-Klettke, Barbara Thompson

REFERENCE: N/A

ISSUE

On an annual basis, Alberta Education requires the District to complete and submit audited financial statements based on an August 31 fiscal year end by November 30.

BACKGROUND

This report:

- includes the audited financial statements, notes to the financial statements and unaudited schedules: and
- includes the Auditor's Report from PricewaterhouseCoopers LLP (PwC) regarding their audit opinion.

RELATED FACTS

Under Section 150 of the *School Act*, the Board Chair is required to present the auditor's report to a public Board meeting to provide an opportunity for discussion. The *School Act* also requires the audited financial statements to be submitted to the Minister of Education by November 30, 2015.

The Audit Committee, at its meeting on November 13, 2015 had an opportunity to review and discuss the audited financial statements and auditor's letter regarding the opinion.

At its November 13, 2015 meeting the Audit Committee approved the following recommendation be brought forward to the Board of Trustees for approval.

RECOMMENDATION

That the 2014-2015 audited financial statements, notes to the financial statements, and unaudited schedules be approved.

OPTIONS

N/A

CONSIDERATIONS & ANALYSIS

N/A

NEXT STEPS

Once approved the 2014-2015 Audited Financial Statements will be posted on the District website and forwarded to the Minister of Education by November 30, 2015.

ATTACHMENTS & APPENDICES

ATTACHMENT I Audited Financial Statements for the year ended August 31, 2015

JAL:ja

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Edmonton School District No. 7

Legal Name of School Jurisdiction

One Kingsway Centre for Education Edmonton AB T5H 4G9

Mailing Address

(780) 429-8000 (780) 429-8383

Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Edmonton School District No. 7 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with Canadian Public Sector Accounting Standards and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong system of budgetary control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors were given full access to school jurisdiction records.

Declaration of Management and Board Chair

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position, results of operations and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

BOARD CHAIR

Michael Janz

Name

Signature

SUPERINTENDENT

Darrel Robertson

Name

Signature

SECRETARY-TREASURER OR TREASURER

Jonah Lempogo

Name

Signature

November 24, 2015

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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November 24, 2015

Independent Auditor's Report

To the Audit Committee of the Board of Trustees Edmonton School District No.7

We have audited the accompanying financial statements of Edmonton School District No.7, which comprise the statement of financial position as at August 31, 2015 and the statements of operations, cash flows, change in net financial assets (net debt), and remeasurement gain and losses for the year then ended, and the related notes which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Edmonton School District No.7 as at August 31, 2015 and the results of its operations, its remeasurement gains and losses, change in its net debt and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

*PricewaterhouseCoopers LLP
TD Tower, 10088 – 102 Avenue, Edmonton, Alberta, Canada T5J 3N5 T: +1
780 441 6700, F: +1 780 441 6776*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

STATEMENT OF FINANCIAL POSITION
As at August 31, 2015 (in dollars)

		2015	2014
FINANCIAL ASSETS			
Cash and cash equivalents		\$ 239,064,306	\$ 140,892,271
Accounts receivable (net after allowances)	(Note 3)	\$ 7,296,948	\$ 23,760,693
Portfolio investments		\$ -	\$ 45,006
Other financial assets		\$ -	\$ -
Total financial assets		\$ 246,361,254	\$ 164,697,970
LIABILITIES			
Bank indebtedness	(Note 4)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 5)	\$ 50,542,244	\$ 35,762,498
Deferred revenue	(Note 6)	\$ 661,564,460	\$ 628,529,653
Employee future benefit liabilities	(Note 7)	\$ 10,064,530	\$ 10,500,264
Liability for contaminated sites		\$ -	\$ -
Other liabilities	(Note 8)	\$ 2,649,588	\$ -
Debt	(Note 9)		
Supported: Debentures and other supported debt		\$ -	\$ 191,356
Unsupported: Debentures and capital loans		\$ 14,163,106	\$ 14,725,256
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 738,983,928	\$ 689,709,027
Net financial assets (debt)		\$ (492,622,674)	\$ (525,011,057)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Note 10)		
Land		\$ 837,590	\$ 837,590
Construction in progress		\$ 21,900,914	\$ 15,758,209
Buildings		\$ 1,193,691,738	
Less: Accumulated amortization		\$ (578,795,543)	\$ 614,896,195
Equipment		\$ 122,923,137	
Less: Accumulated amortization		\$ (102,586,329)	\$ 20,336,808
Vehicles		\$ 3,160,543	
Less: Accumulated amortization		\$ (2,057,962)	\$ 1,102,581
Computer Equipment		\$ 85,840,363	
Less: Accumulated amortization		\$ (72,722,653)	\$ 13,117,710
Total tangible capital assets		\$ 672,191,798	\$ 665,106,880
Prepaid expenses		\$ 2,534,925	\$ 1,921,638
Other non-financial assets		\$ 3,957,781	\$ 3,673,801
Total non-financial assets		\$ 678,684,504	\$ 670,702,319
Accumulated surplus	(Note 11)	\$ 186,061,830	\$ 145,691,262
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 186,061,830	\$ 145,690,495
Accumulated remeasurement gains (losses)		\$ -	\$ 767
		\$ 186,061,830	\$ 145,691,262
Contractual obligations	(Note 12)		
Contingent liabilities	(Note 13)		

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2015 (in dollars)

	Budget 2015	Actual 2015	Actual 2014
REVENUES			
Alberta Education	\$ 926,177,800	\$ 949,281,061	\$ 906,721,994
Other - Government of Alberta	\$ 2,947,000	\$ 3,950,928	\$ 3,719,485
Federal Government and First Nations	\$ 2,267,600	\$ 2,081,618	\$ 2,403,689
Other Alberta school authorities	\$ 616,200	\$ 1,018,587	\$ 1,564,928
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees	\$ 33,272,500	\$ 33,077,744	\$ 31,296,505
Other sales and services	\$ 18,004,200	\$ 24,019,555	\$ 24,317,212
Investment income	\$ 500,000	\$ 2,289,386	\$ 1,646,501
Gifts and donations	\$ 5,821,700	\$ 8,954,837	\$ 8,367,532
Rental of facilities	\$ 3,729,200	\$ 4,169,695	\$ 3,839,771
Fundraising	\$ 2,044,700	\$ 1,665,631	\$ 1,784,479
Gains on disposal of capital assets	\$ -	\$ 3,033,239	\$ 34,730
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 995,380,900	\$ 1,033,542,281	\$ 985,696,826
EXPENSES			
Instruction - ECS	\$ 59,362,277	\$ 57,668,884	\$ 53,710,088
Instruction - Grades 1 - 12	\$ 727,409,012	\$ 706,658,642	\$ 669,598,027
Plant operations and maintenance	\$ 128,690,468	\$ 139,537,427	\$ 136,306,858
Transportation	\$ 38,156,036	\$ 36,927,823	\$ 34,992,016
Board & system administration	\$ 32,147,858	\$ 31,644,163	\$ 30,903,447
External services	\$ 23,376,949	\$ 20,734,007	\$ 22,034,153
Total expenses	\$ 1,009,142,600	\$ 993,170,946	\$ 947,544,589
Operating surplus (deficit)	\$ (13,761,700)	\$ 40,371,335	\$ 38,152,237

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2015 (in dollars)

	2015	2014
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ 40,371,335	\$ 38,152,237
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 40,536,334	\$ 41,279,667
Gains on disposal of tangible capital assets	\$ (3,033,239)	\$ (34,730)
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (31,502,258)	\$ (31,706,250)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 16,463,745	\$ (6,900,908)
Prepays	\$ (613,287)	\$ (803,248)
Other financial assets	\$ -	\$ -
Non-financial assets	\$ (283,980)	\$ 278,503
Accounts payable, accrued and other liabilities	\$ 17,429,334	\$ 6,268,921
Deferred revenue (excluding EDCR)	\$ 60,616,121	\$ 22,075,558
Employee future benefit liabilities	\$ (435,734)	\$ (737,436)
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 139,548,371	\$ 67,872,314
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (35,106,897)	\$ (16,975,673)
Equipment	\$ (2,125,253)	\$ (1,922,568)
Vehicles	\$ (129,407)	\$ -
Computer equipment	\$ (6,544,628)	\$ (3,933,272)
Net proceeds from disposal of unsupported capital assets	\$ 3,239,116	\$ 367,578
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (40,667,069)	\$ (22,463,935)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ -	\$ (44,239)
Dispositions of portfolio investments	\$ 45,006	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ (767)	\$ -
Change in endowments	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ 44,239	\$ (44,239)
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ 5,000,000
Repayment of debt	\$ (753,506)	\$ (981,929)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other factors affecting capital leases (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ (753,506)	\$ 4,018,071
Increase (decrease) in cash and cash equivalents	\$ 98,172,035	\$ 49,382,211
Cash and cash equivalents, at beginning of year	\$ 140,892,271	\$ 91,510,060
Cash and cash equivalents, at end of year	\$ 239,064,306	\$ 140,892,271

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
For the Year Ended August 31, 2015 (in dollars)

	2015	2014
Operating surplus (deficit)	\$ 40,371,335	\$ 38,152,237
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (47,827,132)	\$ (36,303,062)
Amortization of tangible capital assets	\$ 40,536,334	\$ 41,279,667
Net carrying value of tangible capital assets disposed of	\$ 205,880	\$ 332,848
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ (7,084,918)	\$ 5,309,453
Changes in:		
Prepaid expenses	\$ (613,287)	\$ (803,248)
Other non-financial assets	\$ (283,980)	\$ 278,503
Net remeasurement gains and (losses)	\$ (767)	\$ 767
Endowments	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ 32,388,383	\$ 42,937,712
Net financial assets (net debt) at beginning of year	\$ (525,011,057)	\$ (567,948,769)
Net financial assets (net debt) at end of year	\$ (492,622,674)	\$ (525,011,057)

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2015 (in dollars)

	2015	2014
Accumulated remeasurement gains (losses) at beginning of year	\$ 767	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ 767
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ (767)	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ (767)	\$ 767
Accumulated remeasurement gains (losses) at end of year	\$ -	\$ 767

The accompanying notes and schedules are part of these financial statements.

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2015 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2014	\$ 145,691,262	\$ 767	\$ 145,690,495	\$ 63,661,113	\$ -	\$ -	\$ 67,426,038	\$ 14,603,344
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2014	\$ 145,691,262	\$ 767	\$ 145,690,495	\$ 63,661,113	\$ -	\$ -	\$ 67,426,038	\$ 14,603,344
Operating surplus (deficit)	\$ 40,371,335		\$ 40,371,335			\$ 40,371,335		
Board funded tangible capital asset additions				\$ 9,689,468		\$ (9,242,818)	\$ -	\$ (446,650)
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (205,880)		\$ (3,033,239)		\$ 3,239,119
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ (767)	\$ (767)						
Endowment expenses & disbursements	\$ -		\$ -		\$ -	\$ -		
Endowment contributions	\$ -		\$ -		\$ -	\$ -		
Investment income & realized capital gains on endowments	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (40,536,334)		\$ 40,536,334		
Capital revenue recognized	\$ -			\$ 31,502,258		\$ (31,502,258)		
Debt principal repayments (unsupported)	\$ -			\$ 562,150		\$ (562,150)		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ (16,287,541)	\$ 16,287,541	
Net transfers from operating reserves	\$ -					\$ -	\$ -	
Net transfers to capital reserves	\$ -					\$ (20,279,663)		\$ 20,279,663
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2015	\$ 186,061,830	\$ -	\$ 186,061,830	\$ 64,672,775	\$ -	\$ -	\$ 83,713,579	\$ 37,675,476

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2015 (in dollars)

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2014	\$ 67,426,038	\$ 14,603,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2014	\$ 67,426,038	\$ 14,603,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ (446,650)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported		\$ 3,239,119		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses & disbursements										
Endowment contributions										
Investment income & realized capital gains on endowments										
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Additional capital debt or capital leases										
Net transfers to operating reserves	\$ 16,287,541		\$ -		\$ -		\$ -		\$ -	
Net transfers from operating reserves	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers to capital reserves		\$ 20,279,663		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2015	\$ 83,713,579	\$ 37,675,476	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2015 (in dollars)

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2014	\$ 20,480,951	\$ -	\$ 2,122,650	\$ -	\$ 589,407,271
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2014	\$ 20,480,951	\$ -	\$ 2,122,650	\$ -	\$ 589,407,271
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 36,068,439				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ 14,504,055				
Other sources: (Describe) Donations	\$ -			\$ 781,116	
Other sources (Describe):	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ 3,355,589				
Other sources: (Describe)	\$ -			\$ -	
Other sources: (Describe)	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ 367,901	\$ -	
Other unexpended capital revenue: (Describe)				\$ -	
Net proceeds on disposal of supported tangible capital assets			\$ 1,656,572	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets (Explain):					\$ -
Alberta Schools Alternative Program (ASAP), Building Alberta School Construction Program, (BASCP) and other Alberta Infrastructure managed projects					\$ 3,920,944
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (30,212,258)	\$ -	\$ (2,093,185)	\$ -	\$ 32,305,443
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain): School Paid F&E	\$ 26,503	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 31,502,258
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2015	\$ 44,223,279	\$ -	\$ 2,053,938	\$ 781,116	\$ 594,131,400
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2015 (A) + (B) + (C) + (D)				\$ 47,058,333	

Unexpended Deferred Capital Revenue

- (A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only.
(B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.
(C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved capital assets per 10(2)(a) of Disposition of Property Reg. 181/2010.
(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2015 (in dollars)

REVENUES	2015							2014
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 66,276,592	\$ 712,622,768	\$ 110,343,661	\$ 25,648,819	\$ 27,415,181	\$ 6,974,040	\$ 949,281,061	\$ 906,721,994
(2) Other - Government of Alberta		\$ 3,039,755	\$ 110,996	\$ -	\$ 214,856	\$ 585,321	\$ 3,950,928	\$ 3,719,485
(3) Federal Government and First Nations	\$ -	\$ 1,024,985	\$ -	\$ -	\$ 190,755	\$ 865,878	\$ 2,081,618	\$ 2,403,689
(4) Other Alberta school authorities	\$ 147,682	\$ 738,508	\$ 3,662	\$ -	\$ 125,247	\$ 3,488	\$ 1,018,587	\$ 1,564,928
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ -	\$ 19,650,840		\$ 11,721,020		\$ 1,705,884	\$ 33,077,744	\$ 31,296,505
(9) Other sales and services	\$ 1,797	\$ 10,086,347	\$ 632,674	\$ 93,704	\$ 2,388,868	\$ 10,816,165	\$ 24,019,555	\$ 24,317,212
(10) Investment income	\$ -	\$ -	\$ -	\$ -	\$ 2,289,386	\$ -	\$ 2,289,386	\$ 1,646,501
(11) Gifts and donations	\$ 90,000	\$ 8,831,649	\$ -	\$ -	\$ 28,691	\$ 4,497	\$ 8,954,837	\$ 8,367,532
(12) Rental of facilities	\$ -	\$ 1,710,833	\$ 1,609,814	\$ -	\$ 33,066	\$ 815,982	\$ 4,169,695	\$ 3,839,771
(13) Fundraising	\$ -	\$ 1,665,631	\$ -	\$ -	\$ -	\$ -	\$ 1,665,631	\$ 1,784,479
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ 3,033,239	\$ -	\$ -	\$ -	\$ 3,033,239	\$ 34,730
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) TOTAL REVENUES	\$ 66,516,071	\$ 759,371,316	\$ 115,734,046	\$ 37,463,543	\$ 32,686,050	\$ 21,771,255	\$ 1,033,542,281	\$ 985,696,826
EXPENSES								
(17) Certificated salaries	\$ 21,210,709	\$ 419,777,414			\$ 5,321,233	\$ 6,310,736	\$ 452,620,092	\$ 432,662,031
(18) Certificated benefits	\$ 2,535,321	\$ 104,159,720			\$ 590,259	\$ 579,286	\$ 107,864,586	\$ 102,810,456
(19) Non-certificated salaries and wages	\$ 23,052,698	\$ 85,153,759	\$ 49,331,869	\$ 1,039,242	\$ 14,626,484	\$ 4,194,018	\$ 177,398,070	\$ 174,235,702
(20) Non-certificated benefits	\$ 6,586,927	\$ 24,201,712	\$ 13,764,710	\$ 293,869	\$ 4,192,177	\$ 829,971	\$ 49,869,366	\$ 47,903,588
(21) SUB - TOTAL	\$ 53,385,655	\$ 633,292,605	\$ 63,096,579	\$ 1,333,111	\$ 24,730,153	\$ 11,914,011	\$ 787,752,114	\$ 757,611,777
(22) Services, contracts and supplies	\$ 4,018,886	\$ 65,892,768	\$ 44,086,289	\$ 35,594,712	\$ 5,835,942	\$ 8,645,083	\$ 164,073,680	\$ 147,850,257
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 31,502,258	\$ -	\$ -	\$ -	\$ 31,502,258	\$ 31,706,250
(24) Amortization of unsupported tangible capital assets	\$ 264,343	\$ 7,343,244	\$ 277,516	\$ -	\$ 1,040,151	\$ 108,822	\$ 9,034,076	\$ 9,573,417
(25) Supported interest on capital debt		\$ 1,929	\$ 17,188	\$ -	\$ 939	\$ -	\$ 20,056	\$ 34,505
(26) Unsupported interest on capital debt	\$ -	\$ 42,144	\$ 375,442	\$ -	\$ 20,503	\$ -	\$ 438,089	\$ 451,284
(27) Other interest and finance charges	\$ -	\$ 85,952	\$ 182,155	\$ -	\$ 16,475	\$ 66,091	\$ 350,673	\$ 317,099
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 57,668,884	\$ 706,658,642	\$ 139,537,427	\$ 36,927,823	\$ 31,644,163	\$ 20,734,007	\$ 993,170,946	\$ 947,544,589
(31) OPERATING SURPLUS (DEFICIT)	\$ 8,847,187	\$ 52,712,674	\$ (23,803,381)	\$ 535,720	\$ 1,041,887	\$ 1,037,248	\$ 40,371,335	\$ 38,152,237

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES
for the Year Ended August 31, 2015 (in dollars)

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2015 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 27,817,123	\$ 16,095,768	\$ -	\$ -	\$ 5,418,979		\$ 49,331,870		\$ 49,331,870
Uncertificated benefits	\$ 7,252,609	\$ 3,673,122	\$ -	\$ -	\$ 2,838,980		\$ 13,764,711		\$ 13,764,711
Sub-total Remuneration	\$ 35,069,732	\$ 19,768,890	\$ -	\$ -	\$ 8,257,959		\$ 63,096,581		\$ 63,096,581
Supplies and services	\$ 2,771,484	\$ 3,932,470	\$ 682,267	\$ 10,617,741	\$ 799,143		\$ 18,803,105		\$ 18,803,105
Electricity			\$ 7,197,221				\$ 7,197,221		\$ 7,197,221
Natural gas/heating fuel			\$ 5,101,032				\$ 5,101,032		\$ 5,101,032
Sewer and water			\$ 1,999,691				\$ 1,999,691		\$ 1,999,691
Telecommunications			\$ 707,821				\$ 707,821		\$ 707,821
Insurance					\$ 2,288,734		\$ 2,288,734		\$ 2,288,734
ASAP maintenance & renewal payments								\$ 2,743,900	\$ 2,743,900
Amortization of tangible capital assets									
Supported								\$ 31,502,258	\$ 31,502,258
Unsupported						\$ 277,516	\$ 277,516		\$ 277,516
Total Amortization						\$ 277,516	\$ 277,516	\$ 31,502,258	\$ 31,779,774
Interest on capital debt									
Supported								\$ 17,188	\$ 17,188
Unsupported						\$ 375,442	\$ 375,442		\$ 375,442
Lease payments for facilities				\$ 5,244,783			\$ 5,244,783		\$ 5,244,783
Other interest charges						\$ 182,155	\$ 182,155		\$ 182,155
Losses on disposal of capital assets						\$ -	\$ -		\$ -
TOTAL EXPENSES	\$ 37,841,216	\$ 23,701,360	\$ 15,688,032	\$ 15,862,524	\$ 11,345,836	\$ 835,113	\$ 105,274,081	\$ 34,263,346	\$ 139,537,427

SQUARE METRES									
School buildings									1,069,695.0
Non school buildings									115,783.0

Note:

Custodial: All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.

Maintenance: All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.

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

Expensed IMR & Modular Unit Relocation & Lease Pmts: All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects, modular unit (portable) relocation, and payments on leased facilities.

Facility Planning & Operations Administration: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project 'administration', administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt.

UNAUDITED SCHEDULE OF FEE REVENUE
for the Year Ending August 31, 2015 (in dollars)

	Actual 2014/2015	Actual 2013/2014
FEES		
Transportation fees	\$11,721,020	\$10,317,249
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$2,353,581	\$2,555,382
Technology user fees		
Alternative program fees	\$174,774	\$168,156
Fees for optional courses (band, art, etc.)	\$3,617,370	\$3,510,813
Fees for students from other boards		
Tuition fees (international & out of province)	\$5,442,486	\$5,058,831
Kindergarten & preschool	\$551,756	\$524,899
Extracurricular fees (sports teams and clubs)	\$3,541,040	\$3,387,975
Field trips (related to curriculum)	\$5,608,564	\$5,713,221
Lunch supervision fees		
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$30,312	\$30,359
Other (describe)* Service Charge	\$36,841	\$29,620
Other (describe)*		
Other (describe)*		
TOTAL FEES	\$33,077,744	\$31,296,505

**PLEASE DO NOT USE "SCHOOL GENERATED FUNDS" AS A CATEGORY*

Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):	Actual 2014/2015	Actual 2013/2014
Cafeteria sales, hot lunch, milk programs	\$907,409	\$1,361,048
Special events, graduation, tickets	\$1,673,800	\$1,811,529
Student travel (international, recognition trips, non-curricular)		
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$1,529,071	\$1,643,085
Adult education revenue		
Child care & before and after school care		
Other (describe) Lunch supervision fees	\$4,719,324	\$4,434,720
Other (describe) Library fines, book donations	\$347,534	\$386,264
Other (describe)		
TOTAL	\$9,177,138	\$9,636,646

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2015 (in dollars)					
	PROGRAM AREA				
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)
Funded Students in Program	7,536	1,669	16,152		
REVENUES					
Alberta Education allocated funding	\$ 8,877,573	\$ 35,351,693	\$ 19,073,144	\$ 60,754,694	\$ -
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 8,877,573	\$ 35,351,693	\$ 19,073,144	\$ 60,754,694	\$ -
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 2,614,139	\$ 7,496,631	\$ 1,169,426	\$ 18,936,177	
Instructional non-certificated salaries & benefits	\$ 2,069,142	\$ 24,820,720	\$ 18,563,443	\$ 57,013,103	
SUB TOTAL	\$ 4,683,281	\$ 32,317,351	\$ 19,732,869	\$ 75,949,280	
Supplies, contracts and services	\$ 2,417,483	\$ 2,548,957	\$ 3,334,797	\$ 11,783,215	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ 1,125,652	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
Other - Transportation	\$ 861,344	\$ 485,385	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 9,087,760	\$ 35,351,693	\$ 23,067,666	\$ 87,732,495	
NET FUNDING SURPLUS (SHORTFALL)	\$ (210,187)	\$ -	\$ (3,994,522)	\$ (26,977,801)	

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES
for the Year Ended August 31, 2015 (in dollars)

EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs			TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	
1 Office of the superintendent	\$ 1,127,508	\$ 146,700	\$ -	\$ 1,274,208	\$ -	\$ -	\$ -	\$ 1,274,208
2 Educational administration (excluding superintendent)	\$ 1,714,271	\$ 849,859	\$ -	\$ 2,564,130	\$ 2,638,061	\$ 2,716,176	\$ -	\$ 7,918,367
3 Business administration	\$ 5,480,427	\$ 657,988	\$ -	\$ 6,138,415	\$ 1,343,035	\$ 1,597	\$ -	\$ 7,483,047
4 Board governance (Board of Trustees)	\$ 1,695,999	\$ 1,171,659	\$ -	\$ 2,867,658	\$ -	\$ -	\$ -	\$ 2,867,658
5 Information technology	\$ 2,689,792	\$ 486,902	\$ -	\$ 3,176,694	\$ -		\$ -	\$ 3,176,694
6 Human resources	\$ 6,392,104	\$ -	\$ -	\$ 6,392,104	\$ 4,026,594	\$ 654,790	\$ -	\$ 11,073,488
7 Central purchasing, communications, marketing	\$ 1,637,059	\$ 321,659	\$ 3,537	\$ 1,962,255	\$ 2,847,257	\$ -	\$ 13,399	\$ 4,822,911
8 Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Administration - insurance			\$ 204,670	\$ 204,670			\$ -	\$ 204,670
10 Administration - amortization			\$ 1,040,151	\$ 1,040,151			\$ 70,255	\$ 1,110,406
11 Administration - other (admin building, interest)			\$ -	\$ -				\$ -
12 Administration Other	\$ 1,611,738	\$ 1,719,736	\$ -	\$ 3,331,474	\$ -	\$ 67,587		\$ 3,399,061
13 District Support Serv./Student Information	\$ 1,727,515	\$ 31,959	\$ -	\$ 1,759,474	\$ -	\$ -	\$ -	\$ 1,759,474
14 Archives & Museum/Foundation	\$ 653,741	\$ 275,749	\$ 3,440	\$ 932,930	\$ -			\$ 932,930
TOTAL EXPENSES	\$ 24,730,154	\$ 5,662,211	\$ 1,251,798	\$ 31,644,163	\$ 10,854,947	\$ 3,440,150	\$ 83,654	\$ 46,022,914



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 *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The District receives funding for instruction and support under Education Grants Regulation (AR120/2008). The regulation allows for the setting of conditions and use of grant monies. The District is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the CPA Canadian public sector accounting standards (PSAS). 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:

(a) Basis of Consolidation

These financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity, which is comprised of all controlled entities on a line-by-line basis.

Edmonton Public Schools Foundation (the "Foundation") was established in 2009 by the District for the purposes of fundraising. The Foundation was incorporated under the *Societies Act* of the Province of Alberta. The District controls the Foundation and as such it is consolidated in these financial statements.

Funds generated at the schools are included as assets, liabilities, revenue and expenses of the District when the accountability, control and ownership of these funds rest with the District and are under control of the school.

Interdepartmental and inter-organizational transactions and balances between consolidated entities are eliminated upon consolidation.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of three months or less at acquisition.

(c) Accounts receivable

Accounts receivable are shown net of allowance for doubtful accounts.

(d) Tangible capital assets

Tangible capital assets acquired or constructed are recorded at cost, including amounts directly related to the acquisition, design, construction, development, or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value.

Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

Buildings that are demolished or destroyed are written-off.

Tangible capital assets with costs in excess of \$5,000 are capitalized.



Commencing the following 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%
Vehicles	10%
Computer equipment	20%

(e) Deferred Revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per *Public Sector Accounting Standards (PSAS) PS 3200*. These contributions are recognized by the District once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

Deferred revenue also includes contributions for capital expenditures, unexpended and expended:

- Unexpended Deferred Capital Revenue (UDCR)
Unexpended Deferred Capital Revenue represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the District, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per *PS 3200* when expended.
- Expended Deferred Capital Revenue (EDCR)
Expended Deferred Capital Revenue represent externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require the District to use the asset in a prescribed manner over the life of the associated asset.

(f) Employee Future Benefits

The District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans in the reporting period the benefits are earned by employees. Benefits include the non-registered Supplemental Executive Retirement Program (SERP), retirement allowances and non-vested sick leave. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, benefit usage, termination and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

(g) Liability for Contaminated Sites

In June 2010, the Public Sector Accounting Board issued this accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into the air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The District adopted this accounting standard retroactively as of April 1, 2014.

(h) Asset Retirement Obligations

The District recognizes the fair value of future asset retirement obligations as a liability when a legal obligation exists associated with the retirement of tangible long-lived assets. The District concurrently recognizes a



corresponding increase in the carrying amount of the related long-lived asset that is amortized over the life of the asset or the expected date of remediation. The fair value of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a credit-adjusted risk-free interest rate.

Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset that is being amortized. The District has a legal obligation to remove hazardous materials from District buildings. A liability is recognized when the asset has been approved by the Board of Trustees for disposition and when the fair value of the liability can be reasonably determined. When there is reasonable assurance of capital support for such obligations (funding commitments), the District accrues the receivable and reduces the remaining carrying amount of the related long-lived asset.

(i) Operating and Capital Reserves

Certain amounts are internally or externally restricted for future operating or capital purposes. Transfers to and from reserves are recorded when approved by the Board of Trustees. Capital reserves are restricted to capital purposes and may only be used for operating purposes with approval by the Minister of Education. Reserves are disclosed in the Schedule of Changes in Accumulated Surplus.

(j) Revenue Recognition

Revenues are recorded on an accrual basis. Instruction and support allocations are recognized in the year to which they relate. Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Volunteers contribute a considerable number of hours per year to assist schools operated by the District in carrying out certain activities. Contributed services are not recognized in the financial statements due to the difficulty of determining the fair value and the fact that such assistance is generally not otherwise purchased.

Eligibility criteria are criteria that the District has to meet in order to receive certain contributions. *Stipulations* describe what the District must perform in order to keep the contributions.

Contributions without eligibility criteria or stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity. Contributions with eligibility criteria but without stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity and all eligibility criteria have been met.

Contributions with stipulations are recognized as revenue in the period the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with section *PS 3200*. Such liabilities are recorded as deferred revenue. The following items fall under this category:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year the stipulated related expenses are incurred;
- Unexpended Deferred Capital Revenue; or
- Expended Deferred Capital Revenue.

(k) Pensions

The District and its staff participate in multi-employer defined benefit pension plans. Multi-employer defined pension plans are accounted for as a defined contribution plan whereby the District's contributions for current and past service pension benefits required for participating staff during the year are recorded as expenditures; the net pension assets or liabilities of the plan are not recognized in the financial statements.



The District's certificated employees are required to contribute to the Alberta Teachers' Retirement Fund (ATRF). The plan's sponsor is the Province of Alberta. ATRF contributions by the plan sponsor for current service are reflected as a component part of education system costs and are formally recognized in the accounts of the District, even though the District has no legal obligation to pay these costs. The amount of current service contributions are recognized as "Government of Alberta" revenue and as "Certificated benefits" expense. The plan sponsor's current service costs for employees for the current year are \$54,420,598 (2014 - \$51,816,492). At August 31, 2014 the ATRF reported a surplus of \$519,473,000 (2013 - \$825,590,000 deficiency).

The District and its uncertificated staff participate in the multi-employer Local Authorities Pension Plan. The service costs for employees for the current year of \$17,651,738 (2014 - \$16,971,133) are included in these statements and comprise the District costs of employer contribution. At December 31, 2014, the Local Authorities Pension Plan reported a deficiency of \$2,454,636,000 (2013 - \$4,861,516,000).

The District and the Superintendent participate in a multi-employer registered Supplemental Integrated Pension Plan (SIPP). This plan is supplemental to the ATRF. Employers are solely responsible for contributions to the pension plan.

(l) Program Reporting

The Division's operations have been segmented as follows:

- **ECS Instruction:** The provision of Early Childhood Services education instructional services that fall under the basic public education mandate.
- **Grade 1 – 12 Instruction:** The provision of education instructional services for grades 1 – 12 that fall under the basic public education mandate.
- **Plant Operations and Maintenance:** The operation and maintenance of all school buildings and maintenance shop facilities.
- **Transportation:** The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facility expenses.
- **Board & System Administration:** The provision of board governance and system-based / central office administration.
- **External Services:** All projects, activities, and services offered outside the public education mandate for ECS children and students in grades 1-12. Services offered beyond the mandate for public education are to be self-supporting, and Alberta Education funding may not be utilized to support these programs.

The allocation of revenues and expenses are reported by program, source, and object on the Schedule of Program Operations. Respective instruction expenses include the cost of certificated teachers, non-certificated teaching assistants as well as a proportionate share of supplies & services, school administration & instruction support, and System Instructional Support.

(m) Trusts Under Administration

The District has property that has been transferred or assigned to it to be administered or directed by a trust agreement or statute. The District holds title to the property for the benefit of the beneficiary. Trusts under administration have been excluded from the financial reporting of the District. Trust balances can be found in Note 14.

(n) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial



statements. The District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and debentures. All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of the item upon initial recognition. Gains or losses arising from the derecognition of financial instruments are recognized in the Statement of Operations. Impairment losses are also reported in the Statement of Operations.

Unless otherwise noted, it is management's opinion that the District is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks. The District has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The District does not use derivative financial instruments to manage risks.

(o) Measurement Uncertainty

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 judgment. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits.



3. ACCOUNTS RECEIVABLE

	2015			2014
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Capital	706,000	-	706,000	18,947,264
Alberta Education - ARO	2,649,588	-	2,649,588	-
Alberta Education - Other	446,539	-	446,539	683,789
Other Alberta school jurisdictions	192,803	-	192,803	301,367
Treasury Board and Finance - Supported debenture principal	-	-	-	197,265
Alberta Health Services	59,873	-	59,873	229,392
Post-secondary institutions	-	-	-	46,280
Alberta Infrastructure	65,174	-	65,174	26,788
Alberta Human Services	6,769	-	6,769	7,932
Government of Alberta Ministry - Other	190	-	190	740
Federal government	1,349,960	-	1,349,960	1,608,264
First Nations	299,033	-	299,033	461,452
Other	2,495,157	(974,138)	1,521,019	1,250,160
Total	\$8,271,086	\$ (974,138)	\$7,296,948	\$ 23,760,693

4. BANK INDEBTEDNESS

The District has negotiated a line of credit in the amount of \$42.27 million dollars that bears interest at prime less 0.50%. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the District. There was no balance at August 31, 2015 or August 31, 2014.



5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Alberta Education	\$ 4,144,847	\$ 6,040,722
Other Alberta school jurisdictions	-	92,112
Alberta Capital Finance Authority (Interest on long-term debt - Supported)	-	30,909
Alberta Health & Wellness	-	53,262
Alberta Health Services	680	-
Post-secondary institutions	50,158	1,598
Alberta Local Authorities Pension Plan Corp	834,617	1,000,046
Other Government of Alberta ministries	-	2,413
Federal government	9,140,352	135,710
Accrued vacation pay liability	6,069,274	6,155,931
Other salaries & benefit costs	6,454,729	815,595
Other trade payables and accrued liabilities	23,847,586	21,434,200
Total	\$50,542,244	\$35,762,498

6. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2014	ADD: 2014/2015 Restricted Funds Received/ Receivable	DEDUCT: 2014/2015 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2014/2015 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2015
Unexpended deferred operating revenue					
Alberta Education:					
Infrastructure Maintenance Renew al	\$ 3,825,283	\$ 29,253,631	(25,121,796)	-	7,957,118
SuperNet Service	471,689	2,171,200	(2,506,389)	-	136,500
Other-WrapAround Project	206,515	-	-	-	206,515
Other Alberta Education (opening balance <\$100,000)	62,796	101,176	(62,795)	-	101,177
Other Government of Alberta:					
AHSCWF-Alberta Health and Alberta Education	38,138	50,000	(83,054)	-	5,084
CASS Dual Credit-Alberta Education, Enterprise and Advanced and Human Services	-	121,500	(64,708)	-	56,792
Community Helper Program -Alberta Health Services	-	69,025	(59,411)	-	9,614
Community Partnership Program-Alberta Human Services	28,976	45,000	(52,090)	-	21,886
Infrastructure Study Grant-Alberta Infrastructure	748,854	-	(143,229)	-	605,625
McKay Avenue Roof Repair-Alberta Culture	-	300,916	(170,630)	-	130,286
Other Deferred Revenue:					
School Generated Funds-Fundraising	645,308	1,791,264	(1,748,611)	-	687,961
School Generated Funds-Donation	895,929	5,461,873	(5,072,787)	-	1,285,015
School Fees Received in Advance of School Year	3,593,674	1,625,662	(3,593,674)	-	1,625,662
EPSB Foundaiton	733,889	601,497	(559,549)	-	775,837
International Students	4,567,267	7,628,774	(6,238,477)	-	5,957,564
International Students Insurance	201,909	-	(201,909)	-	-
Non Resident Students	-	31,925	-	-	31,925
Metro Continuing Education	390,939	1,116,127	(1,193,805)	-	313,261
Reach	-	225,000	(225,000)	-	-
Trades Bootcamp	-	400,000	(41,899)	-	358,101
Other Deferred Revenue (opening balance <\$100,000)	107,615	78,407	(77,218)	-	108,804
Total unexpended deferred operating revenue	\$ 16,518,781	\$ 51,072,977	\$ (47,217,031)	\$ -	\$ 20,374,727
Unexpended deferred capital revenue	22,603,601	55,033,573	(30,578,841)	-	47,058,333
Expended deferred capital revenue	589,407,271	36,226,387	(31,502,258)	-	594,131,400
Total	\$ 628,529,653	\$ 142,332,937	\$ (109,298,130)	\$ -	\$ 661,564,460



7. EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities consist of the following:

	2015	2014
Accumulating sick pay liability	5,343,500	5,303,300
Retirement allowances	4,665,400	5,169,100
Other employee future benefits	55,630	27,864
Total	<u>\$ 10,064,530</u>	<u>\$ 10,500,264</u>

8. OTHER LIABILITIES

Other liabilities consist of the following:

	2015	2014
Asset retirement obligation	\$ 2,649,588	\$ -
Total	<u>\$ 2,649,588</u>	<u>\$ -</u>

*The following table summarizes the changes in asset retirement obligations (ARO):

	2015	2014
Balance beginning of year	\$ -	\$ -
Additional obligations recognized*	2,649,588	-
Obligations discharged	-	-
Total	<u>\$ 2,649,588</u>	<u>\$ -</u>

The District has recorded two ARO totaling \$2,649,588 (2014 - \$0) representing the estimated cost to remove hazardous materials from two schools.

The District has completed a review to determine if there is a liability for contaminated sites and none have been noted.

9. DEBT

	2015	2014
Supported debentures outstanding at August 31, 2014 had interest rates between 7.5% to 9.88%. The terms of the loans were 20 years, payments made annually supported by Alberta Treasury Board and Finance.	\$ -	\$ 191,356
Unsupported debenture outstanding at August 31, 2015 has an interest rate of 3.06%. The term of the loan is 20 years payments made semi-annually.	14,163,106	14,725,256
Total	<u>\$ 14,163,106</u>	<u>\$ 14,916,612</u>



Unsupported Debenture – Alberta Capital Finance Authority

The District has a debenture outstanding in the amount of \$14,163,106. The debenture bears interest at 3.06% per annum and expires September 2033. The following is a summary of principal and interest payments on the related unsupported debenture:

	Principal	Interest	Total
2015-2016	\$579,467	\$428,571	\$1,008,038
2016-2017	597,316	410,721	1,008,037
2017-2018	615,716	392,322	1,008,038
2018-2019	634,682	373,356	1,008,038
2019-2020	654,233	353,805	1,008,038
2020 to maturity	11,081,692	2,526,816	13,608,508
Total	<u>\$14,163,106</u>	<u>\$4,485,591</u>	<u>\$ 18,648,696</u>

10. TANGIBLE CAPITAL ASSETS

	2015							2014
	Land	Construction In Progress - Buildings	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total	Total
Estimated useful life			10-40 Years	10 Years	10 Years	5 Years		
Historical cost								
Beginning of year	\$ 837,590	\$ 15,758,209	\$ 1,162,778,559	\$ 121,166,696	\$ 3,186,000	\$ 79,405,343	\$ 1,383,132,397	\$ 1,347,731,357
Prior period adjustments	-	-	-	-	-	-	-	-
Additions	-	25,932,058	13,095,783	2,125,253	129,407	6,544,628	47,827,129	36,303,062
Transfers in (out)	-	(19,789,353)	19,789,353	-	-	-	-	-
Less disposals including write-offs	-	-	(1,971,957)	(368,812)	(154,864)	(109,608)	(2,605,241)	(902,022)
	<u>\$ 837,590</u>	<u>\$ 21,900,914</u>	<u>\$ 1,193,691,738</u>	<u>\$ 122,923,137</u>	<u>\$ 3,160,543</u>	<u>\$ 85,840,363</u>	<u>\$ 1,428,354,285</u>	<u>\$ 1,383,132,397</u>
Accumulated amortization								
Beginning of year	\$ -	\$ -	\$ 548,135,277	\$ 98,457,098	\$ 1,926,681	\$ 69,506,461	\$ 718,025,517	\$ 677,315,024
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	32,632,223	4,329,470	248,840	3,325,800	40,536,333	41,279,666
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	(1,971,957)	(200,239)	(117,559)	(109,608)	(2,399,363)	(569,173)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 578,795,543</u>	<u>\$ 102,586,329</u>	<u>\$ 2,057,962</u>	<u>\$ 72,722,653</u>	<u>\$ 756,162,487</u>	<u>\$ 718,025,517</u>
Net Book Value at End of Year	<u>\$ 837,590</u>	<u>\$ 21,900,914</u>	<u>\$ 614,896,195</u>	<u>\$ 20,336,808</u>	<u>\$ 1,102,581</u>	<u>\$ 13,117,710</u>	<u>\$ 672,191,798</u>	<u>\$ 665,106,880</u>



11. ACCUMULATED SURPLUS

The District's accumulated surplus is summarized as follows:

	2015	2014
Internally restricted reserves	\$ 2,959,090	\$ 3,275,617
Operating reserves	<u>80,754,489</u>	<u>64,150,421</u>
Accumulated surplus (deficit) from operations	83,713,579	67,426,038
Investment in tangible capital assets	64,672,775	63,661,113
Capital reserves	37,675,476	14,603,344
Accumulated rereasurement gains (losses)	-	767
Accumulated surplus (deficit)	<u>\$ 186,061,830</u>	<u>\$ 145,691,262</u>

Included in Accumulated surplus from operations are school generated funds to which the Division has no claim. Adjusted accumulated surplus represents funds owned by the District.

	2015	2014
Accumulated surplus (deficit) from operations	\$ 83,713,579	\$ 67,426,038
Deduct: School generated funds included in accumulated surplus (Note 20)	<u>2,959,090</u>	<u>3,275,617</u>
Adjusted accumulated surplus (deficit) from operations ⁽¹⁾	<u>\$ 80,754,489</u>	<u>\$ 64,150,421</u>

⁽¹⁾ Accumulated surplus represents funding available for use by the District after deducting funds committed for use by the schools.

12. CONTRACTUAL OBLIGATIONS

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Building Projects	Building Leases	Service Providers
2015-2016	\$79,416,023	\$5,022,822	\$ 4,391,077
2016-2017	1,752,866	3,673,778	2,316,122
2017-2018	-	3,602,172	1,544,081
2018-2019	-	3,464,008	-
2019-2020	-	3,344,659	-
Thereafter	-	7,716,820	-
	<u>\$ 81,168,889</u>	<u>\$ 26,824,259</u>	<u>\$ 8,251,280</u>



13. CONTINGENT LIABILITIES

- a) The District is a member of Urban Schools Insurance Consortium (USIC), a licensed reciprocal insurance exchange under Alberta's Insurance Act, which facilitates the placement of property and liability insurance coverage for fourteen jurisdictions throughout the province of Alberta. Member contributions pay for premiums on insurance policies and self-insure a portion of each member's risk exposure. Premium rebates are received by the reciprocal from the insurer's favorable claims experience. Under the terms of its membership, each member could become liable for its proportionate share of any claim losses in excess of the funds held by the reciprocal. The District's share of the accumulated consortium funds as at August 31, 2015 was \$1,363,499 (2014 - \$1,327,223). This amount has not been recognized in the District's financial statements.
- b) The District was involved in various legal disputes as of August 31, 2015. While it is not possible to estimate the outcome of these disputes, management believes that there will be no significant adverse effects on the financial position of the District.

14. TRUSTS UNDER ADMINISTRATION

These balances represent assets that are held in trust. They are not recorded on the statements of the District.

	2015	2014
Deferred salary leave plan	\$ 1,836,783	\$ 1,976,676
Scholarship trusts	507,099	491,481
International Student Health Insurance	10,966	-
Total	<u>\$ 2,354,848</u>	<u>\$ 2,468,157</u>

15. SCHOOL GENERATED FUNDS

	2015	2014
School Generated Funds, Beginning of Year	\$ 4,816,854	\$ 4,870,680
Gross Receipts:		
Fees	13,062,270	12,841,021
Fundraising	1,717,851	1,756,057
Gifts and donations	5,461,873	4,900,895
Grants to schools	73,413	66,609
Other sales and services	5,003,340	5,428,126
Total gross receipts	25,318,747	24,992,708
Total Related Expenses and Uses of Funds	18,766,670	18,534,704
Total Direct Costs Including Cost of Goods Sold to Raise Funds	6,436,865	6,511,830
School Generated Funds, End of Year	<u>\$ 4,932,066</u>	<u>\$ 4,816,854</u>
Balance included in Deferred Revenue	\$ 1,972,976	\$ 1,541,237
Balance included in Accumulated Surplus (Operating Reserves)	\$ 2,959,090	\$ 3,275,617



16. RELATED PARTY TRANSACTIONS

All entities that are consolidated in the accounts of the Government of Alberta are related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Education				
Accounts receivable / Accounts payable	\$ 3,802,127	\$ 4,144,847	\$ -	\$ -
Prepaid expenses / Deferred operating revenue	-	8,401,310	-	-
Unexpended deferred capital revenue	-	47,058,333	-	-
Expended deferred capital revenue	-	594,131,400	-	-
Other assets & liabilities	-	-	-	-
Grant revenue & expenses	-	-	894,706,783	-
ATRF payments made on behalf of district	-	-	54,420,598	-
Other revenues & expenses	-	-	153,680	263,981
Other Alberta school jurisdictions	192,803	-	1,559,456	237,982
Alberta Treasury Board and Finance (Principal)	-	-	-	-
Alberta Treasury Board and Finance (Accrued)	-	-	-	-
Alberta Health	-	-	-	-
Alberta Health Services	59,873	15,378	4,102,402	123,188
Enterprise and Advanced Education	-	56,792	1,015	-
Post-secondary institutions	-	50,158	406,592	196,708
Alberta Infrastructure	65,174	605,625	64,687	488
Human Services	6,769	21,886	1,949,360	(1,062)
Other GOA ministry - Culture and Tourism	-	130,286	(5,926)	5,926
Other GOA ministry - Municipal Affairs	-	-	200	-
Other GOA ministry - Alberta Energy Regulator	-	-	2,200	-
Other GOA ministries	-	-	-	517
Other:				
Alberta Capital Financing Authority	-	-	-	-
Other Related Parties - Support to the Legislative	-	-	(1,122)	-
Alberta Local Authorities Pension Plan Corp.	-	834,617	-	17,651,738
Other Related Parties	190	-	-	84,749
TOTAL 2014/2015	<u>\$ 4,126,936</u>	<u>\$ 655,450,632</u>	<u>\$ 957,359,925</u>	<u>\$ 18,564,215</u>
TOTAL 2013/2014	<u>\$ 20,440,817</u>	<u>\$ 624,780,538</u>	<u>\$ 862,171,118</u>	<u>\$ 19,268,956</u>

17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The District's primary source of income is from the Government of Alberta. The District's ability to continue viable operations is dependent on this funding.



18. REMUNERATION AND MONETARY INCENTIVES

The District had paid or accrued expense for the year ended August 31, 2015 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	ERIP's / Other	Expenses
Chair: S. Hoffman ⁽¹⁾	0.4	\$14,962	\$1,431	\$1,091		\$292
Chair - M. Janz ⁽²⁾	0.6	\$28,069	\$2,815	\$1,954		\$8,890
Other members						
S. Adams	1.0	\$31,704	\$6,664	\$2,937		\$5,093
O. Chubb	1.0	\$32,039	\$6,680	\$2,937		\$702
M. Draper	1.0	\$34,750	\$6,829	\$3,377		\$7,019
K. Gibson	1.0	\$31,704	\$6,679	\$3,377		\$1,063
N. Ip	1.0	\$31,704	\$4,064	\$3,377		\$6,208
M. Janz ⁽²⁾	0.4	\$15,038	\$1,813	\$1,423		\$1,870
C. Johner	1.0	\$32,776	\$6,732	\$3,377		\$4,087
R. Martin	1.0	\$34,988	\$753	\$3,377		\$1,766
S. Hoffman ⁽¹⁾	0.3	\$16,458	\$1,574	\$1,200		
Subtotal	8.7	\$304,192	\$46,034	\$28,427		\$36,990
Superintendent - D. Robertson ⁽³⁾	1.0	\$243,069	\$68,264	\$10,039	\$0	\$7,422
Treasurer - C. Hagen ⁽⁴⁾	0.3	\$78,801	\$13,370	\$1,216	\$0	\$49
Treasurer - C. Cole ⁽⁴⁾	0.4	\$68,906	\$17,297	\$1,682	\$0	\$1,209
Treasurer - J. Lempogo ⁽⁴⁾	0.3	\$40,024	\$9,783	\$763	\$0	\$1,667
Secretary - S. Stoddard	1.0	\$183,239	\$32,249	\$3,377	\$0	\$5,138
Certificated teachers	4,593.7	\$452,620,092	\$107,864,586	\$584,650	\$211,312	
Non-certificated - other	3,041.3	\$177,398,070	\$49,869,366	\$3,093,765	\$99,939	
TOTALS		\$630,936,393	\$157,920,949	\$3,723,919	\$311,251	

Notes:

1) Sarah Hoffman resigned as Board Chair effective January 19, 2015 and as EPSB Trustee effective May 25, 2015

2) Michael Janz was appointed as Board Chair effective January 20, 2015

3) The benefit cost for the Superintendent includes payments to the Supplementary Pension Plan of \$34,772 (2014 - \$34,728) and the Alberta Teachers' Retirement Fund (ATRF) contribution made by Alberta Education on behalf of Edmonton School District No.7 in the amount of \$19,747 (2014 - \$19,340)

4) The role of Treasurer was divided in 2014-15 year as follows:

Cheryl Hagen - September 1, 2014 to January 8, 2015

Candace Cole - January 9, 2015 to June 10, 2015

Jonah Lempogo - June 10, 2015 - August 31, 2015

19. BUDGET AMOUNTS

The budget was prepared by the District and approved by the Board of Trustees on June 24, 2014. It is presented for information purposes only and has not been audited.

20. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2014-2015 presentation.