

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Edmonton Catholic Separate School District No. 7

Legal Name of School Jurisdiction

9807-106 Street, Edmonton, Alberta, T5K 1C2

Mailing Address

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Edmonton Catholic Separate 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

Debbie Engel

Name

"Original Signed"

Signature

SUPERINTENDENT

Joan Carr

Name

"Original Signed"

Signature

SECRETARY-TREASURER OR TREASURER

Barry Devlin

Name

"Original Signed"

Signature

November 25, 2014

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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Independent Auditor's Report

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To the Board of Trustees of
Edmonton Catholic Separate School District No.7

We have audited the accompanying financial statements of Edmonton Catholic Separate School District No.7, which comprise the statement of financial position as at August 31, 2014, and the statements of operations, changes in net debt, remeasurement gains and losses, changes in accumulated surplus, capital revenue, program operations, plant operations and maintenance and cash flows for the year then ended, and 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 audits. We conducted our audits 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 Catholic Separate School District No. 7 as at August 31, 2014, and the results of its operations, changes in net debt, remeasurement gains and losses, changes in accumulated surplus, capital revenue, program operations, plant operations and maintenance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta

November 25, 2014

Grant Thornton LLP
Chartered Accountants

STATEMENT OF FINANCIAL POSITION
As at August 31, 2014 (in dollars)

		2014	2013 Restated (Note 22)
FINANCIAL ASSETS			
Cash and cash equivalents	(Note 3)	\$ 51,896,947	\$ 53,534,224
Accounts receivable (net after allowances)	(Note 4)	\$ 14,334,750	\$ 13,911,492
Portfolio investments	(Note 5)	\$ 10,100,137	\$ -
Other financial assets		\$ -	\$ -
Total financial assets		\$ 76,331,834	\$ 67,445,716
LIABILITIES			
Bank indebtedness	(Note 6)	\$ -	\$ 25,497
Accounts payable and accrued liabilities	(Note 7)	\$ 27,561,525	\$ 28,451,327
Deferred revenue	(Note 8)	\$ 190,366,633	\$ 197,632,038
Employee future benefit liabilities	(Note 9)	\$ 7,038,741	\$ 5,391,958
Other liabilities		\$ -	\$ -
Debt	(Note 10)		
Supported: Debentures and other supported debt		\$ 70,002	\$ 279,229
Unsupported: Debentures and capital loans		\$ -	\$ -
Capital leases		\$ -	\$ -
Mortgages		\$ -	\$ -
Total liabilities		\$ 225,036,901	\$ 231,780,049
Net financial assets (debt)		\$ (148,705,067)	\$ (164,334,333)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Note 11)		
Land		\$ 4,939,308	\$ 4,939,308
Construction in progress		\$ -	\$ -
Buildings		\$ 353,330,281	
Less: Accumulated amortization		\$ (158,902,727)	\$ 194,427,554
Equipment		\$ 18,576,706	
Less: Accumulated amortization		\$ (9,649,064)	\$ 8,927,642
Vehicles		\$ 3,161,386	
Less: Accumulated amortization		\$ (1,746,180)	\$ 1,415,206
Computer Equipment		\$ 10,921,325	
Less: Accumulated amortization		\$ (6,080,250)	\$ 4,841,075
Total tangible capital assets		\$ 214,550,785	\$ 216,928,834
Prepaid expenses		\$ 2,899,762	\$ 2,910,322
Other non-financial assets		\$ 179,812	\$ 238,615
Total non-financial assets		\$ 217,630,359	\$ 220,077,771
Accumulated surplus	(Note 12)	\$ 68,925,292	\$ 55,743,438
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 68,925,292	\$ 55,743,438
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 68,925,292	\$ 55,743,438
Contractual obligations	(Note 20)		
Contingent liabilities	(Note 21)		

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

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2014 (in dollars)

	Budget 2014	Actual 2014	Actual 2013 Restated (Note 22)
REVENUES			
Alberta Education	\$ 366,461,000	\$ 391,244,378	\$ 375,742,727
Other - Government of Alberta	\$ 500,000	\$ 375,510	\$ 701,523
Federal Government and First Nations	\$ 4,200,000	\$ 5,054,997	\$ 5,306,130
Other Alberta school authorities	\$ 250,000	\$ -	\$ 241,378
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Note 14)	\$ 15,800,000	\$ 16,370,216	\$ 16,298,847
Other sales and services	\$ 6,331,000	\$ 7,232,934	\$ 5,611,699
Investment income	\$ 450,000	\$ 721,237	\$ 607,740
Gifts and donations	\$ 3,300,000	\$ 4,218,393	\$ 4,096,809
Rental of facilities	\$ 2,100,000	\$ 2,462,342	\$ 2,201,206
Fundraising	\$ 800,000	\$ 754,938	\$ 854,547
Gains on disposal of capital assets	\$ 5,000	\$ 22,774	\$ 3,469
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 400,197,000	\$ 428,457,719	\$ 411,666,075
EXPENSES			
Instruction (ECS - Grade 12)	\$ 316,118,000	\$ 328,433,169	\$ 315,708,955
Plant operations and maintenance	\$ 51,281,000	\$ 50,879,250	\$ 47,129,587
Transportation	\$ 18,157,000	\$ 17,517,591	\$ 16,554,623
Board & system administration	\$ 9,986,000	\$ 13,429,390	\$ 12,076,240
External services	\$ 4,655,000	\$ 5,016,465	\$ 5,124,084
Total expenses	\$ 400,197,000	\$ 415,275,865	\$ 396,593,489
Operating surplus (deficit)	\$ -	\$ 13,181,854	\$ 15,072,586

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

STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2014 (in dollars)

	2014	2013 (Restated) Note 22
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ 13,181,854	\$ 15,072,586
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 12,214,916	\$ 11,371,290
Gains on disposal of tangible capital assets	\$ (22,774)	\$ (3,469)
Losses on disposal of tangible capital assets	\$ 30,800	\$ 41,490
Expended deferred capital revenue recognition	\$ (8,591,883)	\$ (7,893,690)
Deferred capital revenue write-off	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (423,258)	\$ 1,204,970
Prepays	\$ 10,560	\$ (474,102)
Other financial assets	\$ -	\$ -
Non-financial assets	\$ 58,803	\$ (65,782)
Accounts payable and accrued liabilities	\$ (889,802)	\$ 673,716
Deferred revenue (excluding EDCR)	\$ 664,083	\$ (1,296,073)
Employee future benefit liabilities	\$ 1,646,783	\$ 513,015
Other (describe) Trade payables for capital projects	\$ (657,208)	\$ -
Total cash flows from operating transactions	\$ 17,222,874	\$ 19,143,951
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (4,305,120)	\$ (816,963)
Equipment	\$ (2,458,946)	\$ (2,170,807)
Vehicles	\$ (123,444)	\$ (39,122)
Computer equipment	\$ (2,317,764)	\$ (1,688,516)
Net proceeds from disposal of unsupported capital assets	\$ 22,776	\$ 25,310
Other (describe) Trade payables for capital projects	\$ 657,208	\$ -
Total cash flows from capital transactions	\$ (8,525,290)	\$ (4,690,098)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (10,100,137)	\$ -
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ (10,100,137)	\$ -
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (209,227)	\$ (363,128)
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ (209,227)	\$ (363,128)
Increase (decrease) in cash and cash equivalents	\$ (1,611,780)	\$ 14,090,725
Cash and cash equivalents, at beginning of year	\$ 53,508,727	\$ 39,418,002
Cash and cash equivalents, at end of year	\$ 51,896,947	\$ 53,508,727

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

STATEMENT OF CHANGE IN NET DEBT
For the Year Ended August 31, 2014

	Budget 2014	2014	2013
Operating surplus (deficit)	\$ -	\$ 13,181,854	\$ 15,072,586
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (4,900,000)	\$ (9,867,669)	\$ (8,404,072)
Amortization of tangible capital assets	\$ 12,258,000	\$ 12,214,916	\$ 11,371,290
Net carrying value of tangible capital assets disposed of	\$ -	\$ 30,802	\$ 63,331
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 7,358,000	\$ 2,378,049	\$ 3,030,549
Changes in:			
Prepaid expenses	\$ -	\$ 10,560	\$ (474,102)
Other non-financial assets	\$ -	\$ 58,803	\$ (65,782)
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
Decrease (increase) in net debt	\$ 7,358,000	\$ 15,629,266	\$ 17,563,251
Net debt at beginning of year	\$ (164,334,333)	\$ (164,334,333)	\$ (181,897,584)
Net debt at end of year	\$ (156,976,333)	\$ (148,705,067)	\$ (164,334,333)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended August 31, 2014 (in dollars)

	2014	2013
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
Accumulated remeasurement gains (losses) at end of year	\$ -	\$ -

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

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2014 (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, 2013	\$ 55,743,438	\$ -	\$ 55,743,438	\$ 28,285,902	\$ -	\$ 24,162,180	\$ -	\$ 3,295,356
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 55,743,438	\$ -	\$ 55,743,438	\$ 28,285,902	\$ -	\$ 24,162,180	\$ -	\$ 3,295,356
Operating surplus (deficit)	\$ 13,181,854		\$ 13,181,854			\$ 13,181,854		
Board funded tangible capital asset additions				\$ 6,950,357		\$ (4,256,523)	\$ -	\$ (2,693,834)
Disposal of unsupported tangible capital assets	\$ -		\$ -	\$ (30,802)		\$ 30,802		\$ -
Disposal of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -						
Endowment expenses	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (12,214,916)		\$ 12,214,916		
Capital revenue recognized	\$ -			\$ 8,591,883		\$ (8,591,883)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Externally imposed endowment restrictions	\$ -				\$ -	\$ -	\$ -	
Net transfers to operating reserves	\$ -					\$ (28,472,346)	\$ 28,472,346	
Net transfers from operating reserves	\$ -					\$ -	\$ -	
Net transfers to capital reserves	\$ -					\$ (8,269,000)		\$ 8,269,000
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ 68,925,292	\$ -	\$ 68,925,292	\$ 31,582,424	\$ -	\$ -	\$ 28,472,346	\$ 8,870,522

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2014 (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, 2013	\$ -	\$ -	\$ -	\$ 3,295,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ -	\$ -	\$ -	\$ 3,295,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ (2,693,834)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets		\$ -		\$ -		\$ -		\$ -		\$ -
Disposal of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers to operating reserves	\$ 21,874,346		\$ -		\$ 4,472,000		\$ 2,126,000		\$ -	
Net transfers from operating reserves	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers to capital reserves		\$ -		\$ 8,269,000		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ 21,874,346	\$ -	\$ -	\$ 8,870,522	\$ 4,472,000	\$ -	\$ 2,126,000	\$ -	\$ -	\$ -

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2014 (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, 2013	\$ 676,736	\$ -	\$ 1,433,160	\$ -	\$ 188,642,935
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2013	\$ 676,736	\$ -	\$ 1,433,160	\$ -	\$ 188,642,935
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 1,319,800				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ 1,528,495				
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Other sources <i>(Describe)</i> :	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ -				
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ 25,292	\$ -	\$ -	\$ -	
Other unexpended capital revenue: <i>(Describe)</i>				\$ -	
Net proceeds on disposal of supported tangible capital assets			\$ -	\$ -	
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					\$ 662,395
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (2,254,917)	\$ -	\$ -	\$ -	\$ 2,254,917
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 8,591,883
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2014	\$ 1,295,406	\$ -	\$ 1,433,160	\$ -	\$ 182,968,364
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2014 (A) + (B) + (C) + (D)					\$ 2,728,566

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, 2014 (in dollars)

REVENUES	2014						2013
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
(1) Alberta Education	\$ 323,573,506	\$ 39,736,371	\$ 13,070,344	\$ 13,429,390	\$ 1,434,767	\$ 391,244,378	\$ 375,742,727
(2) Other - Government of Alberta	\$ 361,354	\$ 14,156	\$ -	\$ -	\$ -	\$ 375,510	\$ 701,523
(3) Federal Government and First Nations	\$ 1,404,339	\$ -	\$ -	\$ -	\$ 3,650,658	\$ 5,054,997	\$ 5,306,130
(4) Other Alberta school authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,378
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 11,394,941		\$ 4,975,275		\$ -	\$ 16,370,216	\$ 16,298,847
(9) Other sales and services	\$ 7,092,853	\$ 105,081	\$ -	\$ -	\$ 35,000	\$ 7,232,934	\$ 5,611,699
(10) Investment income	\$ 721,237	\$ -	\$ -	\$ -	\$ -	\$ 721,237	\$ 607,740
(11) Gifts and donations	\$ 4,216,318	\$ -	\$ -	\$ -	\$ 2,075	\$ 4,218,393	\$ 4,096,809
(12) Rental of facilities	\$ 126,064	\$ 2,336,278	\$ -	\$ -	\$ -	\$ 2,462,342	\$ 2,201,206
(13) Fundraising	\$ 754,938	\$ -	\$ -	\$ -	\$ -	\$ 754,938	\$ 854,547
(14) Gains on disposal of tangible capital assets	\$ 13,800	\$ 8,974	\$ -	\$ -	\$ -	\$ 22,774	\$ 3,469
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) TOTAL REVENUES	\$ 349,659,350	\$ 42,200,860	\$ 18,045,619	\$ 13,429,390	\$ 5,122,500	\$ 428,457,719	\$ 411,666,075
EXPENSES							
(17) Certificated salaries	\$ 183,019,738			\$ 1,647,137	\$ 284,754	\$ 184,951,629	\$ 180,322,369
(18) Certificated benefits	\$ 42,810,124			\$ 791,303	\$ 63,103	\$ 43,664,530	\$ 37,414,485
(19) Non-certificated salaries and wages	\$ 45,418,427	\$ 16,093,018	\$ 741,793	\$ 5,847,137	\$ 2,588,356	\$ 70,688,731	\$ 68,914,985
(20) Non-certificated benefits	\$ 11,786,607	\$ 4,621,735	\$ 197,467	\$ 1,643,220	\$ 134,587	\$ 18,383,616	\$ 17,880,613
(21) SUB - TOTAL	\$ 283,034,896	\$ 20,714,753	\$ 939,260	\$ 9,928,797	\$ 3,070,800	\$ 317,688,506	\$ 304,532,452
(22) Services, contracts and supplies	\$ 41,324,332	\$ 22,023,823	\$ 16,578,331	\$ 3,408,295	\$ 1,945,665	\$ 85,280,446	\$ 80,485,203
(23) Amortization of supported tangible capital assets	\$ 1,159,717	\$ 7,432,166	\$ -	\$ -	\$ -	\$ 8,591,883	\$ 7,893,690
(24) Amortization of unsupported tangible capital assets	\$ 2,849,144	\$ 694,351	\$ -	\$ 79,538	\$ -	\$ 3,623,033	\$ 3,477,600
(25) Supported interest on capital debt	\$ -	\$ 14,156	\$ -	\$ -	\$ -	\$ 14,156	\$ 42,319
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ 12,760	\$ -	\$ 12,760	\$ 15,302
(28) Losses on disposal of tangible capital assets	\$ 30,799	\$ 1	\$ -	\$ -	\$ -	\$ 30,800	\$ 41,490
(29) Other expense	\$ 34,281	\$ -	\$ -	\$ -	\$ -	\$ 34,281	\$ 105,433
(30) TOTAL EXPENSES	\$ 328,433,169	\$ 50,879,250	\$ 17,517,591	\$ 13,429,390	\$ 5,016,465	\$ 415,275,865	\$ 396,593,489
(31) OPERATING SURPLUS (DEFICIT)	\$ 21,226,181	\$ (8,678,390)	\$ 528,028	\$ -	\$ 106,035	\$ 13,181,854	\$ 15,072,586

**SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES
for the Year Ended August 31, 2014 (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	2014 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 9,951,402	\$ 4,716,127	\$ -	\$ 105,520	\$ 1,319,969		\$ 16,093,018		\$ 16,093,018
Uncertificated benefits	\$ 3,197,347	\$ 1,129,151	\$ -	\$ -	\$ 295,236		\$ 4,621,734		\$ 4,621,734
Sub-total Remuneration	\$ 13,148,749	\$ 5,845,278	\$ -	\$ 105,520	\$ 1,615,205		\$ 20,714,752		\$ 20,714,752
Supplies and services	\$ 964,262	\$ 4,719,166	\$ -	\$ 8,659,776	\$ 436,282		\$ 14,779,486		\$ 14,779,486
Electricity			\$ 3,332,631				\$ 3,332,631		\$ 3,332,631
Natural gas/heating fuel			\$ 2,318,391				\$ 2,318,391		\$ 2,318,391
Sewer and water			\$ 842,756				\$ 842,756		\$ 842,756
Telecommunications			\$ 88,580				\$ 88,580		\$ 88,580
Insurance					\$ 661,980		\$ 661,980		\$ 661,980
Amortization of tangible capital assets									
Supported								\$ 7,432,166	\$ 7,432,166
Unsupported						\$ 694,351	\$ 694,351		\$ 694,351
Total Amortization						\$ 694,351	\$ 694,351	\$ 7,432,166	\$ 8,126,517
Interest on capital debt									
Supported								\$ 14,156	\$ 14,156
Unsupported						\$ -	\$ -		\$ -
Lease payments for facilities				\$ -			\$ -		\$ -
Other interest charges						\$ -	\$ -		\$ -
Losses on disposal of capital assets						\$ 1	\$ 1		\$ 1
TOTAL EXPENSES	\$ 14,113,011	\$ 10,564,444	\$ 6,582,358	\$ 8,765,296	\$ 2,713,467	\$ 694,352	\$ 43,432,928	\$ 7,446,322	\$ 50,879,250
SQUARE METRES									
School buildings									425,061.0
Non school buildings									49,194.0

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.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2014

1. Authority and purpose

The Edmonton Catholic Separate School District No. 7 (the "District") operates under the provisions of the *School Act*, Chapter S-3 Revised, Statutes of Alberta 2000, and through its own bylaws. The District is directed by an elected Board of Trustees.

The District receives instruction and support allocations under Education Grants Regulation (AR 120/2008). 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 CICA Canadian Public Sector Accounting Standards (PSAS) and accounting policies consistent with those prescribed by Alberta Education for Alberta school districts.

Budget information represents the original budget submitted to Alberta Education in June 2013, and does not reflect the amended budget, adjusted for identified circumstances relating to operating and program changes, submitted in November 2013. The Board of Trustees approved the original budget.

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.

i) Cash and cash equivalents

Cash and cash equivalents include cash and short-term 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 an original maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

ii) Portfolio investments

Investments in Guaranteed Investment Certificates (GIC's) with original maturities of greater than three months are reported at cost or amortized cost.

iii) Tangible capital assets

Certain tangible capital assets, including new school construction and major renovations (except administrative buildings and replacement of equipment and vehicles), are funded by Alberta Education when approved.

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement 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.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2014

- Construction-in-progress is recorded as an addition to buildings at substantial completion.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue.
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Provincially funded Infrastructure Maintenance Renewal (IMR) projects that improve or sustain the operating functionality of building components or land improvements and do not extend the useful life of the underlying asset are expensed when incurred.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.0% to 5%
Vehicles & Buses	10% to 20%
Computer Hardware & Software	20% to 25%
Other Equipment & Furnishings	10% to 20%

Construction-in-progress is not amortized. When construction-in-progress is transferred to buildings amortization on the building commences one year subsequent to the transfer from construction-in-progress.

iv) **Deferred revenue**

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per *Public Sector Accounting Standard (PSAS) PS 3200- Liabilities*. These contributions are recognized by the School 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**
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- Liabilities*.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2014

- **Expended Deferred Capital Revenue**
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 that the District to use the asset in a prescribed manner over the life of the associated asset.

- v) **Employee future benefits**
The District accrues its obligations under employee future benefit plans, excluding pension benefits, and expenses the related costs. Benefits primarily include retirement allowances. The total net expense recorded in the financial statements for these benefits is \$1,646,782 (2013 - \$513,015).

- vi) **Asset retirement obligations**
Asset retirement obligations represent legal obligations associated with the retirement of a tangible long-lived asset that result from its acquisition, construction, development or normal operation. The District has determined that there is no asset retirement obligation liability as the District has no identifiable asset retirement obligations.

- vii) **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.

- viii) **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.

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 *PSAS Section 3200 Liabilities*. Such liabilities are recorded as deferred revenue. The following items fall under this category:

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2014

- 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.

ix) Contributed services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Contributed services are not recognized in the financial statements.

x) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Allocation of Costs

- Alberta Teachers Pension costs are allocated based on each programs' proportional share of total certificated salaries. A matching amount is recorded in each program's revenue from Alberta Education.

xi) Pensions

Pension costs included in these statements comprise the costs of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the *Teachers' Pension Plan Act*, the District does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the District is included in both revenues (Alberta Education), and expenses (certificated benefits) in the financial statements.

For the year ended August 31, 2014, the amount contributed to the Teachers' Retirement Fund by the Province was \$22,581,471 (2013 - \$18,365,546).

The District participates in the Local Authorities Pension Plan, a multi-employer, defined benefit pension plan, and does not report on any unfunded liabilities. The expense recorded by the District for this pension plan is the annual contributions of \$13,779,466 for the year ended August 31, 2014 (2013 - \$12,528,570).

At December 31, 2013, the Local Authorities Pension Plan (LAPP) reported an actuarial deficiency of \$4,861,516,000 (2012 - \$4,977,303,000). Effective for year-ends starting in 2008-2009, the Government of Alberta has taken responsibility for the LAPP unfunded liabilities.

xii) Program reporting

The District's operations have been segmented as follows:

- ECS - Grade 12 Instruction: The provision of Early Childhood Services education and grades 1 - 12 instructional services that fall under the basic public education mandate.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2014

- 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 facilities.
- 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.

Revenues and expenses are reported by program on the Schedule of Program Operations.

xiii) Trusts under administration

The District has cash that has been transferred 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 are disclosed in Note 16.

xiv) Other non-financial assets

Other non-financial assets include inventories which are recorded at the lower of cost and net realizable value. Net realizable value is defined as the estimated selling price less estimated selling costs. Cost is determined using the average cost method.

xv) Funds collected by schools

Funds generated from school activities are included with the assets, liabilities, revenue and expenses of the District as accountability and control of these funds rests with the District.

xvi) 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, portfolio investments, bank indebtedness, accounts payable and accrued liabilities and debt. 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.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2014

All the District's financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of items in the cost or amortized cost upon initial recognition. The gain or loss arising from derecognition of a financial instrument is recognized in the statement of operations. Impairment losses such as write-downs or write-offs are reported in the statement of operations.

xvii) 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. Cash and cash equivalents

	2014			2013
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 41,878,010	\$ 41,878,010	\$ 53,534,224
Cash equivalents				
Guaranteed Investment Certificate	1.44%	10,000,000	10,018,937	-
Total cash and cash equivalents		\$ 51,878,010	\$ 51,896,947	\$ 53,534,224

Interest earned on the GIC totaled \$18,937 and is included in investment income.

Cash and cash equivalents include \$200,000 (2013 - \$200,000) deposit in a share account at a Credit Union. Interest earned on this account for the year ended August 31, 2014 totaled \$8,225 (2013 -\$9,107) and is included in investment income.

4. Accounts receivable

	<u>2014</u>	<u>2013</u>
Alberta Education	\$ -	\$ 549,754
Alberta Treasury Board and Finance	74,192	294,743
First Nations	957,761	1,157,120
City of Edmonton	9,921,563	9,787,950
Other	3,381,234	2,121,925
Allowance for doubtful accounts	-	-
	<u>\$ 14,334,750</u>	<u>\$ 13,911,492</u>

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2014

5. Portfolio investments

	2014			2013
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Guaranteed Investment Certificate	2.17%	\$10,000,000	\$10,100,137	-

Interest earned on the GIC totaled \$100,137 and is included in investment income.

6. Bank indebtedness

The District has a \$10,000,000 Canadian Dollar Demand Overdraft facility which bears interest at prime less 0.5%. The District is subject to interest rate risk on outstanding balances as overdraft interest fluctuates with the prime interest rate.

The District has a purchasing card facility in the amount of \$1,500,000 and as of August 31, 2014 there was a \$nil balance outstanding (2013 - \$nil).

7. Accounts payable and accrued liabilities

	<u>2014</u>	<u>2013</u>
Alberta Education	\$ 10,261,928	\$ 10,253,058
Alberta Capital Finance Authority	4,190	15,514
Accrued vacation pay liability	2,888,755	2,720,839
Other payables and accrued liabilities	14,406,652	15,461,916
	<u>\$ 27,561,525</u>	<u>\$ 28,451,327</u>

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2014

8. Deferred revenue

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at August 31, 2013	ADD: 2013/2014 Restricted Funds Received/ Receivable	DEDUCT: 2013/2014 Restricted Funds Expended (Paid/Payable)	ADD (DEDUCT): 2013/2014 Adjustments for Returned Fund	DEFERRED REVENUE as at August 31, 2014
Unexpended deferred operating revenue					
Alberta Education					
Action on Inclusion	\$ 420,170	\$ -	\$ (120,265)	\$ -	\$ 299,905
Regional collaborative Service Delivery	100,000	-	(100,000)	-	-
Infrastructure Maintenance Renewal	1,769,793	4,716,314	(6,486,107)	-	-
Other Government of Alberta:					
Health Services Strategy	30,894	-	(30,894)	-	-
Career and Technology Studies	3,755	-	(3,755)	-	-
Text to speech	7,755	-	(2,539)	-	5,216
Carpentry Apprenticeship	95,718	-	(77,718)	-	18,000
Grant 2011-988	47,826	-	(47,826)	-	-
CIP – Purchases	15,156	-	(15,156)	-	-
Active Exergaming	26,000	-	(15,107)	-	10,893
Health and Wellness		5,000	(3,251)	-	1,749
Other Deferred Revenue:					
Fees and other funds	4,082,720	4,225,584	(4,095,094)	-	4,213,210
Donations	120,710	172,415	(199,784)	-	93,341
Future renovation projects	158,710	-	(117,183)	(14,138)	27,389
Total unexpended deferred operating revenue	\$ 6,879,207	\$ 9,119,313	\$ (11,314,679)	\$ (14,138)	\$ 4,669,703
Unexpended deferred capital revenue	2,109,896	1,345,092	(726,422)	-	2,728,566
Expended deferred capital revenue	188,642,935	2,917,312	(8,591,883)	-	182,968,364
Total	\$ 197,632,038	\$ 13,381,717	\$ (20,632,984)	\$ (14,138)	\$ 190,366,633

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2014

9. Employee future benefit liabilities

	<u>2014</u>	<u>2013</u>
Retirement allowances	\$ 6,891,155	\$ 5,244,372
Other employee future benefits	147,586	147,586
Total	<u>\$ 7,038,741</u>	<u>\$ 5,391,958</u>

10. Debt

In prior years, the District issued debentures to the Alberta Capital Finance Authority (formerly Alberta Municipal Finance Corporation) to finance the construction of capital assets. These debentures mature in annual amounts to the year 2015 and interest is payable at rates ranging from 8% to 12% per annum. The debenture debt is fully supported by Alberta Treasury Board and Finance.

Debenture payments due over the remaining year is:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014 - 2015	<u>\$ 70,002</u>	<u>\$ 6,738</u>	<u>\$ 76,740</u>

Accrued interest of \$4,190 (2013 - \$15,514) is included in accounts receivable and accounts payable and accrued liabilities. Total interest paid for the year is \$25,480 (2013 - \$57,844).

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2014

11. Tangible capital assets

	2014						2013	
	Land	Construction in Progress - Buildings	Buildings	Equipment Computer	Equipment Other	Vehicles	Total	
Estimated useful life			20-40 Years	4-5 Years	5-10 Years	5-10 Years		
Historical cost								
Beginning of year	\$ 4,939,308	\$ -	\$ 350,542,766	\$ 8,672,558	\$ 16,314,838	\$ 3,174,249	\$ 383,643,719	\$ 376,260,903
Additions	-	-	4,967,515	2,317,764	2,458,946	123,444	9,867,669	8,404,072
Less disposals including write-offs	-	-	(2,180,000)	(68,997)	(197,078)	(136,307)	(2,582,382)	(1,021,256)
	<u>\$ 4,939,308</u>	<u>\$ -</u>	<u>\$ 353,330,281</u>	<u>\$ 10,921,325</u>	<u>\$ 18,576,706</u>	<u>\$ 3,161,386</u>	<u>\$ 390,929,006</u>	<u>\$ 383,643,719</u>
Accumulated amortization								
Beginning of year	\$ -	\$ -	\$ 153,057,926	\$ 4,504,715	\$ 7,491,308	\$ 1,660,936	\$ 166,714,885	\$ 156,301,520
Amortization	-	-	8,024,801	1,629,308	2,339,259	221,548	12,214,916	11,371,290
Less disposals including write-offs	-	-	(2,180,000)	(53,773)	(181,503)	(136,304)	(2,551,580)	(957,925)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,902,727</u>	<u>\$ 6,080,250</u>	<u>\$ 9,649,064</u>	<u>\$ 1,746,180</u>	<u>\$ 176,378,221</u>	<u>\$ 166,714,885</u>
Net Book Value at End of Year	<u>\$ 4,939,308</u>	<u>\$ -</u>	<u>\$ 194,427,554</u>	<u>\$ 4,841,075</u>	<u>\$ 8,927,642</u>	<u>\$ 1,415,206</u>	<u>\$ 214,550,785</u>	<u>\$ 216,928,834</u>

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2014

12. Accumulated surplus

Detailed information related to accumulated surplus is available on the Schedule of Changes in Accumulated Surplus.

The District's accumulated surplus is summarized as follows:

	<u>2014</u>	<u>2013</u>
Unrestricted surplus	\$ -	\$ 24,162,180
Operating reserves	<u>28,472,346</u>	<u>-</u>
Accumulated surplus from operations	\$ 28,472,346	24,162,180
Investment in tangible capital assets	31,582,424	28,285,902
Capital reserves	8,870,522	3,295,356
Accumulated surplus	<u>\$ 68,925,292</u>	<u>\$ 55,743,438</u>

The activity for Capital Reserves are as follows:

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 3,295,356	\$ 3,887,152
Transfer to Capital reserves	8,269,000	-
Net proceeds from sale of unsupported assets	-	25,310
Repairs and renovations of non-school building	(122,235)	(3,555)
School projects – modulars	(2,571,599)	(613,551)
Balance, end of year	<u>\$ 8,870,522</u>	<u>\$ 3,295,356</u>

Included in capital reserves is a remaining balance of \$601,522 for projects previously approved by the Board and the Minister to complete certain critical repairs of non-school building and purchase, installation and transfer of modular classrooms and pods. The Board also approved the transfer of \$8,269,000 to the capital reserves to fund identified future capital expenditures.

13. Unexpended and expended deferred capital revenue

	<u>2014</u>		<u>2013</u>	
	Unexpended Capital	Expended Capital	Unexpended Capital	Expended Capital
Balances, beginning of year	<u>\$ 2,109,896</u>	<u>\$ 188,642,935</u>	<u>\$ 2,754,951</u>	<u>\$ 191,904,577</u>
Government grants	2,848,295	662,395	273,835	3,688,664
Interest earned	25,292	-	24,294	-
Net proceeds on disposal of supported capital assets	-	-	200	-
Expended on capital assets	(2,254,917)	2,254,917	(943,384)	943,384
Capital revenue recognized	-	(8,591,883)	-	(7,893,690)
Balances, end of year	<u>\$ 2,728,566</u>	<u>\$ 182,968,364</u>	<u>\$ 2,109,896</u>	<u>\$ 188,642,935</u>

Included in government grants and expended on tangible capital assets are contributions related to buildings totaling \$1,762,427 (2013 - \$3,688,664).

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2014

14. Fees

	<u>2014</u>	<u>2013</u>
Transportation fees	\$ 4,975,275	\$ 4,537,508
Fees for instruction material and supplies	10,762,850	11,306,592
Other	<u>632,091</u>	<u>454,747</u>
	<u>\$ 16,370,216</u>	<u>\$ 16,298,847</u>

15. School generated funds - Unexpended

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 259,081	\$ 354,969
Gross receipts		
Fees	2,437,549	3,365,068
Fundraising	754,938	854,547
Gifts and donations	3,471,270	3,348,574
Other sales and services	<u>1,506,826</u>	<u>1,057,457</u>
Total gross receipts	<u>8,170,583</u>	<u>8,625,646</u>
Total direct costs and use of funds	<u>8,285,744</u>	<u>8,721,534</u>
Balance, end of year	<u>\$ 143,920</u>	<u>\$ 259,081</u>

Total direct costs include cost of goods sold to raise funds. Unexpended school generated funds are included in fees and other funds in deferred revenue (Note 8).

16. Trusts under administration

These balances represent mainly cash held in trust on behalf of the Regional Collaborative Service Delivery (RCSD), (formerly Edmonton Student Health Initiative Partnership, (ESHIP)), cash held to fund scholarships and cash held for the Deferred Salary Leave Plan. The RCSD was created so that school-aged children in Edmonton, in particular those with special needs, have access to culturally-responsive health and related support services they need to participate in their school programs and attain their potential. The District was appointed banker for the RCSD and is responsible for distributing the cash in accordance with the wishes of the RCSD. These cash balances are not recorded on the statements of the District.

	<u>2014</u>	<u>2013</u>
Regional Collaborative Service Delivery	\$ 1,447,056	-
Student Health Initiative Partnership	-	\$ 1,455,639
Scholarships	191,517	192,409
Deferred Salary Leave Plan	1,093,280	1,296,752
Other	<u>19,446</u>	<u>-</u>
	<u>\$ 2,751,299</u>	<u>\$ 2,944,800</u>

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17. Economic dependence on related third party

The District's primary source of income is from the Alberta Government. The District received allocations from related parties; Alberta Education and Alberta Treasury Board and Finance. The District's ability to continue viable operations is dependent on this funding. In the current year \$391,619,890 or 91.4% (2013 - \$376,444,250 or 91.4%) of operating revenue was recognized from the Government of Alberta. Included in accounts receivable at August 31, 2014 was \$nil (2013 - \$549,754) related to this revenue (Note 4).

In the current year, \$59,260,757 or 13.83% (2013 - \$59,252,623 or 14.39%) of operating revenue was recognized from the City of Edmonton supplementary requisition of municipal taxes from Catholic rate payers. Included in accounts receivable at August 31, 2014 is \$9,921,563 (2013 - \$9,787,950) related to this revenue (Note 4).

18. Related party transactions

Effective 2005-2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in *PSAS Section 1300 – Government reporting entity*. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta

The District is related to the Edmonton Catholic Schools Foundation by virtue of providing significant financial support and representation on the board of the Foundation.

The Foundation was established in 2013 with a mission to raise public awareness concerning the benefits of and to enhance the funding for; Catholic education in the City of Edmonton. The Foundation was incorporated under the *Companies Act* of the Province of Alberta. Under the provisions of the *Income Tax Act*, the Foundation is exempt from income tax.

The Foundation is not a controlled entity and has not been consolidated with the District's financial statements.

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The District had the following related party transactions for the year ended August 31, 2014.

	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	\$ -	\$ -	\$ -	\$ -
Prepaid expenses / Deferred operating revenue	-	-	-	-
Unexpended deferred capital revenue	-	737,069	-	-
Expended deferred capital revenue	-	1,245,126	-	-
Other assets & liabilities	-	10,261,928	-	-
Grant revenue & expenses	-	-	391,244,378	-
Other Alberta school jurisdictions	-	-	-	-
Treasury Board and Finance (Principal)	70,002		-	-
Treasury Board and Finance (Accrued interest)	4,190		14,156	-
Other:				
Alberta Capital Financing Authority		74,192	-	-
Other Related Parties	-	-	361,354	14,043,622
TOTAL 2013/2014	<u>\$ 74,192</u>	<u>\$ 12,318,315</u>	<u>\$ 391,619,888</u>	<u>\$ 14,043,622</u>
TOTAL 2012/2013	<u>\$ 844,497</u>	<u>\$ 14,358,385</u>	<u>\$ 376,727,948</u>	<u>\$ 12,570,889</u>

During the year, capital allocations of \$1,982,195 (2013 - \$3,810,584) were received from Alberta Education.

The District's principal and interest on capital debt in the amount of \$209,227 (2013 - \$363,128) and \$25,480 (2013 - \$57,844) respectively, were paid by the Government of Alberta during the year (Note 10). Debenture principal payments are recorded as a decrease in debt and decrease in accounts receivable. Interest payments are recorded as an increase in other Government of Alberta revenue and increase in interest on debt expense.

Maintenance costs totaling \$833,094 (2013 - \$608,546) related to the four schools constructed under the ASAP project were paid by Alberta Education and are recorded as an increase in revenue from Alberta Education and an increase in services, contracts and supplies expense included in plant operations and maintenance.

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Notes to the Financial Statements

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19. Remuneration and monetary incentives

		FTEs	Remuneration	Benefits	Allowances	Performance bonuses	ERIPs/ other	Total	Expenses
Chairperson:	Cynthia Olsen	1.00	\$48,321	\$6,022	\$6,000	-	\$1,700	\$62,043	\$5,037
Other board members:									
	Patricia Grell	0.83	33,333	4,773	5,000	-	\$1,700	44,806	5,445
	John Acheson	1.00	39,777	2,662	6,000	-	\$1,700	50,139	4,722
	Marilyn Bergstra	1.00	39,777	5,740	6,000	-	\$1,700	53,217	8,205
	Debbie Engel	1.00	40,807	5,774	6,000	-	\$1,700	54,281	8,280
	Rebecca Kallal	0.17	9,637	1,073	1,000	-	-	11,710	442
	Larry Kowalczyk	1.00	39,672	4,299	6,000	-	\$1,700	51,671	1,258
	Laura Thibert	1.00	44,849	5,908	6,000	-	\$1,700	58,457	5,097
Subtotal		7.00	296,173	36,251	42,000	-	11,900	386,324	38,486
Superintendent	Joan Carr	1.00	320,008	34,690	19,691	-	-	374,389	5,480
Board Treasurer	Barry Devlin	1.00	170,455	29,940	0	-	-	200,395	5,082
Board Secretary	Andrea Klotz	1.00	79,123	17,149	0	-	-	96,272	5,152
Certificated Employees		1961.85	184,631,621	43,610,149	0	-	-	228,241,770	-
Uncertificated Employees		1151.55	70,142,980	18,246,376	0	-	-	88,389,356	-
Totals			\$255,640,360	\$61,974,555	\$61,691	\$0	\$11,900	\$317,688,506	\$54,200

Benefits include the Government of Alberta portion of the current service contribution to the Alberta Teachers Pension Fund on behalf of the District.

The amount included in benefits for the Superintendent is \$19,340 (2013 - \$15,679).

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20. Commitments

The District has commitments relating to various lease, service and construction contracts under which the District will be required to make annual payments. The estimated minimum annual payments required under these agreements are as follows:

	<u>Leases</u>	<u>Services</u>	<u>Construction</u>	<u>Total</u>
2015	\$ 1,138,662	\$ 555,838	\$ 950,997	\$ 2,645,497
2016	1,141,154	205,713	-	1,346,867
2017	1,143,625	80,747	-	1,224,372
2018	980,006	-	-	980,006
2019	934,254	-	-	934,254
Thereafter	17,432,824	-	-	17,432,824
Total	\$ 22,770,525	\$ 842,298	\$ 950,997	\$ 24,563,820

The District made a commitment to the City of Edmonton regarding the Cardinal Collins Academic Centre in northwest Edmonton. Significant terms of the agreement include the District entering a long term lease with the City for about \$21 million over a 30 year period. The District will be responsible for the operating and maintenance costs of the facility.

The District also made a commitment to the City of Edmonton regarding a Sports Facility in west Edmonton, The District will make an annual operating contribution to cover the operating costs of the facility equal to 30% of the total usage of the Facility by the District. The District will provide additional operating contributions if the actual expenditures of the Facility exceeded the annual operation contributions and the District will be reimbursed if the actual expenditures are less than the annual operating contributions. The District also committed to by 22% of the cost of major/life cycle maintenance of the Facility if there are insufficient funds in the Facility's Reserve Account.

The District entered into an agreement for the purchase of electricity at a flat rate of 6.21 cents per kilowatt hour. This agreement expires December 31, 2015.

21. Contingencies

The District is involved in various claims and litigation arising in the normal course of operations. While the outcome of these matters are uncertain and there is no assurance that such matters will be resolved in the District's favour, the District does not currently believe that the disposition of claims presently outstanding will be significant to the overall financial position of the District. Therefore no provision for these claims and litigation has been included in these financial statements.

22. Prior period reclassification adjustment

For the year ended August 31, 2013 the District has reclassified balances related to the classification of accrued vacation and amortization of capital assets. These reclassifications are required by the Minister of Education of the Province of Alberta. For the August 31, 2013 year end, the impact of the accrued liability reclassification was an increase of \$2,720,839 in accounts payable and accrued liabilities, and a decrease of \$2,720,839 in employee future

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benefit liabilities. The impact of the amortization reclassification was an increase in instruction expenses by \$3,745,291, an increase in board and system administration expenses by \$20,523 and a decrease in plant operations and maintenance expenses by \$3,765,814. This reclassification had no effect on the excess of revenues over expenses for the year previously reported.

	2013 As previously reported	Reclassification	2013 Restated
Liabilities			
Accounts payable and accrued liabilities	\$ 25,730,488	\$ 2,720,839	\$ 28,451,327
Employee future benefit liabilities	8,112,797	(2,720,839)	5,391,958
Expenses			
Instruction	311,963,664	3,745,291	\$ 315,708,955
Plant operations and maintenance	50,895,401	(3,765,814)	\$ 47,129,587
Board and system Administration	12,055,717	20,523	\$ 12,076,240