

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2012 and AUGUST 31, 2013**
[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 Chairman

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

Cindy Olsen

Name

"Original Signed"

Signature

SUPERINTENDENT

Joan Carr

Name

"Original Signed"

Signature

SECRETARY-TREASURER OR TREASURER

Barry Devlin

Name

"Original Signed"

Signature

November 26, 2013

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 statements of financial position as at August 31, 2013, August 31, 2012 and September 1, 2011, the statements of operations, changes in net debt, remeasurement gains and losses, changes in accumulated surplus, capital revenue, program operations and cash flows for the years ended August 31, 2013 and August 31, 2012, 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 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 District'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 District'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, 2013, August 31, 2012 and September 1, 2011 and the results of its operations, changes in net debt, remeasurement gains and losses, changes in accumulated surplus, capital revenue, program operations and its cash flows for the years ended August 31, 2013 and August 31, 2012 in accordance with public sector accounting standards.

Edmonton, Alberta

November 26, 2013



Chartered Accountants

STATEMENTS OF FINANCIAL POSITION
As at (in dollars)

		August 31		September 1
		2013	2012	2011
			Note 2	Note 2
FINANCIAL ASSETS				
Cash and cash equivalents	(Note 4)	\$53,534,224	\$39,447,352	\$29,448,802
Accounts receivable (net after allowances)	(Note 5)	\$13,911,492	\$15,116,462	\$18,169,571
Portfolio investments		\$0	\$0	\$0
Other financial assets		\$0	\$0	\$0
Total financial assets		\$67,445,716	\$54,563,814	\$47,618,373
LIABILITIES				
Bank indebtedness	(Note 6)	\$25,497	\$29,350	\$142,623
Accounts payable and accrued liabilities	(Note 7)	\$25,730,488	\$24,800,018	\$22,503,028
Deferred revenue	(Note 8)	\$197,632,038	\$203,133,137	\$200,193,888
Employee future benefit liabilities	(Note 9)	\$8,112,797	\$7,856,536	\$7,219,171
Other liabilities		\$0	\$0	\$0
Debt	(Note 10)			
Supported: Debentures and other supported debt		\$279,229	\$642,357	\$1,193,589
Unsupported: Debentures and capital loans		\$0	\$0	\$0
Capital leases		\$0	\$0	\$0
Mortgages		\$0	\$0	\$0
Total liabilities		\$231,780,049	\$236,461,398	\$231,252,299
Net financial assets (debt)		(\$164,334,333)	(\$181,897,584)	(\$183,633,926)
NON-FINANCIAL ASSETS				
Tangible capital assets	(Note 11)			
Land		\$4,939,308	\$4,939,308	\$4,939,308
Construction in progress		\$0	\$498,947	\$13,513,524
Buildings		\$350,542,766		
Less: Accumulated amortization		(\$153,057,926)	\$197,484,840	\$199,984,764
Equipment		\$16,314,838		
Less: Accumulated amortization		(\$7,491,308)	\$8,823,530	\$8,722,242
Vehicles		\$3,174,249		
Less: Accumulated amortization		(\$1,660,936)	\$1,513,313	\$1,777,198
Computer Equipment		\$8,672,558		
Less: Accumulated amortization		(\$4,504,715)	\$4,167,843	(\$3,392,076)
Total tangible capital assets		\$216,928,834	\$219,959,383	\$217,035,485
Prepaid expenses		\$2,910,322	\$2,436,220	\$3,726,391
Other non-financial assets		\$238,615	\$172,833	\$191,482
Total non-financial assets		\$220,077,771	\$222,568,436	\$220,953,358
Accumulated surplus	(Note 12)	\$55,743,438	\$40,670,852	\$37,319,432
Accumulating surplus / (deficit) is comprised of:				
Accumulated operating surplus (deficit)		\$55,743,438	\$40,670,852	\$37,319,432
Accumulated remeasurement gains (losses)		\$0	\$0	\$0
		\$55,743,438	\$40,670,852	\$37,319,432
Contractual obligations	(Note 21)			
Contingent liabilities	(Note 22)			

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

STATEMENTS OF OPERATIONS
For the Years Ended August 31 (in dollars)

		Budget 2013	Actual 2013	Actual 2012 Note 2
REVENUES				
Alberta Education		\$363,370,000	\$375,742,727	\$358,414,027
Other - Government of Alberta		\$100,000	\$701,523	\$700,375
Federal Government and First Nations		\$4,196,000	\$5,306,130	\$4,189,329
Other Alberta school authorities		\$250,000	\$241,378	\$301,140
Out of province authorities		\$0	\$0	\$0
Alberta Municipalities-special tax levies		\$0	\$0	\$0
Property taxes		\$0	\$0	\$0
Fees	(Note 14)	\$15,609,000	\$16,298,847	\$14,951,435
Other sales and services		\$6,600,000	\$5,611,699	\$5,363,561
Investment income		\$300,000	\$607,740	\$467,160
Gifts and donations		\$3,200,000	\$4,096,809	\$4,038,936
Rental of facilities		\$2,090,000	\$2,201,206	\$2,209,717
Fundraising		\$1,000,000	\$854,547	\$857,690
Gains (losses) on disposal of capital assets		\$0	\$3,469	\$1,760,968
Other revenue		\$0	\$0	\$0
Total revenues		\$396,715,000	\$411,666,075	\$393,254,338
EXPENSES				
Instruction		\$314,994,000	\$311,963,664	\$307,977,693
Plant operations and maintenance		\$49,949,000	\$50,895,401	\$49,099,375
Transportation		\$16,383,000	\$16,554,623	\$17,069,881
Administration		\$10,913,000	\$12,055,717	\$11,198,427
External services		\$4,476,000	\$5,124,084	\$4,557,542
Total expenses		\$396,715,000	\$396,593,489	\$389,902,918
Operating surplus (deficit)		\$0	\$15,072,586	\$3,351,420

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

STATEMENTS OF CASH FLOWS
For the Years Ended August 31 (in dollars)

	2013	2012 Note 2
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$15,072,586	\$3,351,420
Add (Deduct) items not affecting cash:		
Total amortization expense	\$11,371,290	\$10,369,813
Gains on disposal of tangible capital assets	(\$3,469)	(\$1,760,968)
Losses on disposal of tangible capital assets	\$41,490	\$42,608
Changes in:		
Accounts receivable	\$1,204,970	\$3,053,109
Prepays	(\$474,102)	\$1,290,171
Other financial assets	\$0	\$0
Non-financial assets	(\$65,782)	\$18,649
Accounts payable and accrued liabilities	\$930,470	\$2,296,990
Deferred revenue (Excluding EDCR)	(\$9,189,763)	(\$2,471,265)
Employee future benefit liabilities	\$256,261	\$637,365
Other (describe)	\$0	\$0
Total cash flows from operating transactions	\$19,143,951	\$16,827,892
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$0	\$0
Buildings	(\$816,963)	(\$2,003,942)
Equipment	(\$2,170,807)	(\$3,068,940)
Vehicles	(\$39,122)	(\$650,315)
Computer equipment	(\$1,688,516)	(\$2,209,111)
Net proceeds from disposal of unsupported capital assets	\$25,310	\$1,767,471
Other (describe)	\$0	\$0
Total cash flows from capital transactions	(\$4,690,098)	(\$6,164,837)
C. INVESTING TRANSACTIONS		
Changes in portfolio investments	\$0	\$0
Remeasurement gains (losses) reclassified to the statement of operations	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from investing transactions	\$0	\$0
D. FINANCING TRANSACTIONS		
Issue of debt	\$0	\$0
Repayment of debt	(\$363,128)	(\$551,232)
Other (describe)	\$0	\$0
Total cash flows from financing transactions	(\$363,128)	(\$551,232)
Increase (decrease) in cash and cash equivalents	\$14,090,725	\$10,111,823
Cash and cash equivalents, at beginning of year	\$39,418,002	\$29,306,179
Cash and cash equivalents, at end of year	\$53,508,727	\$39,418,002

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

STATEMENTS OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)

For the Years Ended August 31 (in dollars)

	2013	2012
Operating surplus (deficit)	\$15,072,586	\$3,351,420
Effect of changes in tangible capital assets		
Aquisition of tangible capital assets	(\$8,404,072)	(\$13,342,822)
Amortization of tangible capital assets	\$11,371,290	\$10,369,813
Net carrying value of tangible capital assets disposed of	\$63,331	\$49,111
Write-down carrying value of tangible capital assets	\$0	\$0
Total effect of changes in tangible capital assets	\$3,030,549	(\$2,923,898)
Changes in:		
Prepaid expenses	(\$474,102)	\$1,290,171
Other non-financial assets	(\$65,782)	\$18,649
Net remeasurement gains and (losses)	\$0	\$0
Endowments	\$0	\$0
Increase (decrease) in net financial assets (net debt)	\$17,563,251	\$1,736,342
Net financial assets (net debt) at beginning of year	(\$181,897,584)	(\$183,633,926)
Net financial assets (net debt) at end of year	(\$164,334,333)	(\$181,897,584)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2013 (in dollars)

	2013
Opening accumulated remeasurement gains and (losses) upon adoption on September 1, 2012	\$0
Unrealized gains (losses) attributable to:	
Portfolio investments	\$0
Other	\$0
Amounts reclassified to the statement of operations:	
Portfolio investments	
Other	\$0
Net remeasurement gains (losses) for the year	\$0
Accumulated remeasurement gains (losses) at end of year	\$0

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

School Jurisdiction Code:

110

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110

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2013 (in dollars)

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2013 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED		INTERNALLY RESTRICTED RESERVES BY PROGRAM									
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES	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, 2012	\$39,167,678	\$0	\$39,167,678	\$26,566,899	\$0	\$8,713,627	\$0	\$3,887,152	\$0	\$0	\$0	\$0	\$3,887,152	\$0	\$0	\$0	\$0	\$0
Prior period adjustments:																		
PSAS transition reclassifications (Note 2)	\$1,503,174	\$0	\$1,503,174	\$1,487,910	\$0	\$15,264	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2012	\$40,670,852	\$0	\$40,670,852	\$28,054,809	\$0	\$8,728,891	\$0	\$3,887,152	\$0	\$0	\$0	\$0	\$3,887,152	\$0	\$0	\$0	\$0	\$0
Operating surplus (deficit)	\$15,072,586		\$15,072,586			\$15,072,586												
Board funded tangible capital asset additions				\$3,772,024		(\$3,154,918)	\$0	(\$617,106)	\$0	\$0	\$0	(\$617,106)	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported tangible capital assets	\$0		\$0	(\$63,331)		\$38,021		\$25,310		\$0		\$25,310		\$0		\$0		\$0
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Net remeasurement gains (losses) for the year	\$0	\$0																
Endowment expenses	\$0		\$0		\$0													
Direct credits to accumulated surplus	\$0		\$0		\$0	\$0												
Amortization of tangible capital assets	\$0			(\$11,371,290)		\$11,371,290												
Capital revenue recognized	\$0			\$7,893,690		(\$7,893,690)												
Debt principal repayments (unsupported)	\$0			\$0		\$0												
Externally imposed endowment restrictions	\$0				\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0	
Net transfers to operating reserves	\$0					\$0	\$0		\$0		\$0		\$0		\$0		\$0	
Net transfers from operating reserves	\$0					\$0	\$0		\$0		\$0		\$0		\$0		\$0	
Net transfers to capital reserves	\$0					\$0		\$0		\$0		\$0		\$0		\$0		\$0
Net transfers from capital reserves	\$0					\$0		\$0		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2013	\$55,743,438	\$0	\$55,743,438	\$28,285,902	\$0	\$24,162,180	\$0	\$3,295,356	\$0	\$0	\$0	\$0	\$3,295,356	\$0	\$0	\$0	\$0	\$0

School Jurisdiction Code: 110

School Jurisdiction Code: 110

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012 (in dollars)

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED		INTERNALLY RESTRICTED RESERVES BY PROGRAM									
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES	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, 2011	\$35,942,814	\$0	\$35,942,814	\$24,192,129	\$0	\$8,683,534	\$0	\$3,067,151	\$0	\$0	\$0	\$0	\$3,067,151	\$0	\$0	\$0	\$0	\$0
Prior period adjustments:																		
PSAS transition reclassifications (Note 2)	\$1,376,618	\$0	\$1,376,618	\$1,279,286	\$0	\$97,332	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2011	\$37,319,432	\$0	\$37,319,432	\$25,471,415	\$0	\$8,780,866	\$0	\$3,067,151	\$0	\$0	\$0	\$0	\$3,067,151	\$0	\$0	\$0	\$0	\$0
Operating surplus (deficit)	\$3,351,420		\$3,351,420			\$3,351,420												
Board funded tangible capital asset additions				\$5,411,628		(\$4,464,158)	\$0	(\$947,470)	\$0	\$0	\$0	(\$947,470)	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported tangible capital assets	\$0		\$0	(\$49,111)		\$20,643		\$28,468		\$0		\$28,468		\$0		\$0		\$0
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		(\$1,739,003)		\$1,739,003		\$0		\$1,739,003		\$0		\$0		\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Net remeasurement gains (losses) for the year	\$0	\$0																
Endowment expenses	\$0		\$0		\$0													
Direct credits to accumulated surplus	\$0		\$0		\$0	\$0												
Amortization of tangible capital assets	\$0			(\$10,369,813)		\$10,369,813												
Capital revenue recognized	\$0			\$7,590,689		(\$7,590,689)												
Debt principal repayments (unsupported)	\$0			\$0		\$0												
Externally imposed endowment restrictions	\$0				\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0	
Net transfers to operating reserves	\$0					\$0	\$0		\$0		\$0		\$0		\$0		\$0	
Net transfers from operating reserves	\$0					\$0	\$0		\$0		\$0		\$0		\$0		\$0	
Net transfers to capital reserves	\$0					\$0		\$0		\$0		\$0		\$0		\$0		\$0
Net transfers from capital reserves	\$0					\$0		\$0		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2012	\$40,670,852	\$0	\$40,670,852	\$28,054,808	\$0	\$8,728,892	\$0	\$3,887,152	\$0	\$0	\$0	\$0	\$3,887,152	\$0	\$0	\$0	\$0	\$0

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2013 (in dollars)

	Unexpended 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)	Expended Deferred Capital Revenue
Balance at August 31, 2012	\$1,321,991	\$0	\$1,432,960	\$15,264	\$192,750,130
Prior period adjustments	\$0	\$0	\$0	(\$15,264)	(\$845,553)
Adjusted balance, August 31, 2012	\$1,321,991	\$0	\$1,432,960	\$0	\$191,904,577
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$121,920				
Infrastructure Maintenance & Renewal capital related to school facilities	\$151,915				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$0	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$0				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$24,294	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$200	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$0
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$3,688,664
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$943,384)	\$0	\$0	\$0	\$943,384
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognized					\$7,893,690
Balance at August 31, 2013	\$676,736	\$0	\$1,433,160	\$0	\$188,642,935
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2013 (A) + (B) + (C) + (D)				\$2,109,896	

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 tangible 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 CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2012 (in dollars)

	Unexpended 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)	Expended Deferred Capital Revenue
Balance at August 31, 2011	\$561,868	\$0	\$0	\$97,332	\$192,529,054
Prior period adjustments	\$0	\$0	\$0	(\$97,332)	(\$85,697)
Adjusted balance, August 31, 2011	\$561,868	\$0	\$0	\$0	\$192,443,357
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$2,376,172				
Infrastructure Maintenance & Renewal capital related to school facilities	\$0				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$0	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$0				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$25,346	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$1,432,960	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$0
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$5,410,514
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$1,641,395)	\$0	\$0	\$0	\$1,641,395
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognition					\$7,590,689
Balance at August 31, 2012	\$1,321,991	\$0	\$1,432,960	\$0	\$191,904,577
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2012 (A) + (B) + (C) + (D)				\$2,754,951	

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 tangible 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, 2013 (in dollars)

REVENUES	2013						2012
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	Note 2
							TOTAL
(1) Alberta Education	\$306,724,342	\$42,600,309	\$13,134,949	\$12,055,717	\$1,227,410	\$375,742,727	\$358,414,027
(2) Other - Government of Alberta	\$659,204	\$42,319	\$0	\$0	\$0	\$701,523	\$700,375
(3) Federal Government and First Nations	\$1,602,872	\$0	\$0	\$0	\$3,703,258	\$5,306,130	\$4,189,329
(4) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$241,378	\$241,378	\$301,140
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8) Fees	\$11,761,339		\$4,537,508		\$0	\$16,298,847	\$14,951,435
(9) Other sales and services	\$5,491,118	\$105,081	\$0	\$0	\$15,500	\$5,611,699	\$5,363,561
(10) Investment income	\$607,740	\$0	\$0	\$0	\$0	\$607,740	\$467,160
(11) Gifts and donations	\$4,091,199	\$0	\$0	\$0	\$5,610	\$4,096,809	\$4,038,936
(12) Rental of facilities	\$136,754	\$2,064,452	\$0	\$0	\$0	\$2,201,206	\$2,209,717
(13) Fundraising	\$854,547	\$0	\$0	\$0	\$0	\$854,547	\$857,690
(14) Gains on disposal of tangible capital assets	\$0	\$3,469	\$0	\$0	\$0	\$3,469	\$1,760,968
(15) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) TOTAL REVENUES	\$331,929,115	\$44,815,630	\$17,672,457	\$12,055,717	\$5,193,156	\$411,666,075	\$393,254,338
EXPENSES							
(17) Certificated salaries	\$178,385,555			\$1,667,686	\$269,128	\$180,322,369	\$175,929,636
(18) Certificated benefits	\$37,054,259			\$304,044	\$56,182	\$37,414,485	\$36,958,154
(19) Non-certificated salaries and wages	\$43,105,060	\$16,907,707	\$721,134	\$5,784,090	\$2,396,994	\$68,914,985	\$67,339,767
(20) Non-certificated benefits	\$11,985,344	\$4,417,423	\$157,705	\$1,197,967	\$122,174	\$17,880,613	\$16,310,968
(21) SUB - TOTAL	\$270,530,218	\$21,325,130	\$878,839	\$8,953,787	\$2,844,478	\$304,532,452	\$296,538,525
(22) Services, contracts and supplies	\$41,328,013	\$18,115,172	\$15,675,784	\$3,086,628	\$2,279,606	\$80,485,203	\$82,776,158
(23) Amortization of supported tangible capital assets		\$7,893,690				\$7,893,690	\$7,590,689
(24) Amortization of unsupported tangible capital assets	\$0	\$3,477,600	\$0	\$0	\$0	\$3,477,600	\$2,779,124
(25) Supported interest on capital debt	\$0	\$42,319	\$0	\$0	\$0	\$42,319	\$58,136
(26) Unsupported interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(27) Other interest and finance charges	\$0	\$0	\$0	\$15,302	\$0	\$15,302	\$15,796
(28) Losses on disposal of tangible capital assets	\$0	\$41,490	\$0	\$0	\$0	\$41,490	\$42,608
(29) Other expense	\$105,433	\$0	\$0	\$0	\$0	\$105,433	\$101,882
(30) TOTAL EXPENSES	\$311,963,664	\$50,895,401	\$16,554,623	\$12,055,717	\$5,124,084	\$396,593,489	\$389,902,918
(31) OPERATING SURPLUS (DEFICIT)	\$19,965,451	(\$6,079,771)	\$1,117,834	\$0	\$69,072	\$15,072,586	\$3,351,420

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

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. Conversion to Public Sector Accounting Standards

Commencing with the 2012/13 fiscal year, the District has adopted Canadian Public Sector Accounting Standards ("PSAS") without not-for-profit provisions. These financial statements are the first financial statements for which the District has applied PSAS with retroactive application. Comparative figure information presented for the year ended August 31, 2012 and September 1, 2011 was prepared in accordance with PSAS.

The District has elected to use the following exemptions in accordance with the Canadian Institute of Chartered Accountants (CICA) PSA Handbook *Section 2125- First-time adoption by government organizations*:

- Tangible capital asset impairment:
The District has elected to apply *Section PS 3150.31 Tangible capital assets* on a prospective basis from the date of transition per *Section PS 2125.14 First-time adoption by government organizations*.

Key adjustments to the District's financial statements resulting from the adoption of these accounting standards are as follows:

- Previously, the District was not required to record an accrued benefit obligation related to sick leave benefits as the benefits do not vest. PSAS requires that a liability and an expense be recognized for post-employment benefits and compensated absences that vest or accumulate in the period in which employees render services to the District. No adjustments were made by the District regarding sick leave benefits on the basis that the sick leave benefits earned in a fiscal year exceeds that used by employees.
- The District recorded an asset impairment of \$nil as at September 1, 2011.

The date of transition to PSAS was September 1, 2011. As a result of the adoption of PSAS, comparative information has been restated as follows:

2. Conversion to Public Sector Accounting Standards (cont'd)

a) Reconciliation of opening Statement of Financial Position

	September 1, 2011 Not-for-Profit	Adjustment	September 1, 2011 PSAS
FINANCIAL ASSETS			
Cash and cash equivalents / Cash and temporary investments	\$29,448,802	\$0	\$29,448,802
Accounts receivable (net after allowances)	\$16,975,982	\$1,193,589	\$18,169,571
Portfolio investments / Long term investments	\$0	\$0	\$0
Other financial assets		\$0	\$0
Other current assets	\$191,482	(\$191,482)	
Trust assets	\$3,906,626	(\$3,906,626)	
Long term accounts receivable	\$0	\$0	
Total financial assets	\$50,522,892	(\$2,904,519)	\$47,618,373
LIABILITIES			
Bank indebtedness	\$142,623	\$0	\$142,623
Accounts payable and accrued liabilities	\$25,175,903	(\$2,672,875)	\$22,503,028
Deferred revenue	\$7,188,663	\$193,005,225	\$200,193,888
Deferred capital allocations	\$659,200	(\$659,200)	
Trust liabilities	\$3,906,626	(\$3,906,626)	
Employee future benefit liabilities	\$4,546,296	\$2,672,875	\$7,219,171
Other liabilities		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt	\$1,193,589	\$0	\$1,193,589
Unsupported: Debentures and capital loans	\$0	\$0	\$0
Capital leases	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Other long-term liabilities	\$0	\$0	
Unamortized capital allocations	\$192,529,054	(\$192,529,054)	
Total liabilities	\$235,341,954	(\$4,089,655)	\$231,252,299
Net Debt	(\$184,819,062)	\$1,185,136	(\$183,633,926)
NON-FINANCIAL ASSETS			
Tangible capital assets			
Land	\$4,939,308	\$0	\$4,939,308
Construction in progress	\$13,513,524	\$0	\$13,513,524
Buildings	\$325,533,039	\$0	\$325,533,039
Less: Accumulated amortization	(\$138,602,394)	\$0	(\$138,602,394)
Equipment	\$17,523,949	(\$5,339,420)	\$12,184,529
Less: Accumulated amortization	(\$7,241,838)	\$2,391,619	(\$4,850,219)
Vehicles	\$2,793,513	\$0	\$2,793,513
Less: Accumulated amortization	(\$1,423,616)	\$0	(\$1,423,616)
Computer Equipment		\$5,339,420	\$5,339,420
Less: Accumulated amortization		(\$2,391,619)	(\$2,391,619)
Total tangible capital assets	\$217,035,485	\$0	\$217,035,485
Prepaid expenses	\$3,726,391	\$0	\$3,726,391
Other non-financial assets		\$191,482	\$191,482
Total non-financial assets	\$220,761,876	\$191,482	\$220,953,358
Total accumulated surplus	\$35,942,814	\$1,376,618	\$37,319,432
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	\$35,942,814	\$1,376,618	\$37,319,432
Accumulated remeasurement gains (losses)		\$0	\$0
	\$35,942,814	\$1,376,618	\$37,319,432

2. Conversion to Public Sector Accounting Standards (cont'd)

b. Reconciliation of Statement of Financial Position

	August 31, 2012 Not-for-Profit	Adjustment	Adjustment	August 31, 2012 PSAS
FINANCIAL ASSETS				
Cash and cash equivalents / Cash and temporary investments	\$39,447,352	\$0	\$0	\$39,447,352
Accounts receivable (net after allowances)	\$14,474,105	\$642,357	\$0	\$15,116,462
Portfolio investments / Long term investments	\$0	\$0	\$0	\$0
Other financial assets		\$0	\$0	\$0
Other current assets	\$172,833	(\$172,833)	\$0	
Trust assets	\$3,851,019	(\$3,851,019)	\$0	
Long term accounts receivable	\$0	\$0	\$0	
Total financial assets	\$57,945,309	(\$3,381,495)	\$0	\$54,563,814
LIABILITIES				
Bank indebtedness	\$29,350	\$0	\$0	\$29,350
Accounts payable and accrued liabilities	\$27,777,611	(\$2,977,593)	\$0	\$24,800,018
Deferred revenue	\$8,473,609	\$196,162,702	(\$1,503,174)	\$203,133,137
Deferred capital allocations	\$2,770,215	(\$2,770,215)	\$0	
Trust liabilities	\$3,851,019	(\$3,851,019)	\$0	
Employee future benefit liabilities	\$4,878,943	\$2,977,593	\$0	\$7,856,536
Other liabilities		\$0	\$0	\$0
Long term debt				
Supported: Debentures and other supported debt	\$642,357	\$0	\$0	\$642,357
Unsupported: Debentures and capital loans	\$0	\$0	\$0	\$0
Capital leases	\$0	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0	\$0
Other long-term liabilities	\$0	\$0	\$0	
Unamortized capital allocations	\$192,750,130	(\$192,750,130)	\$0	
Total liabilities	\$241,173,234	(\$3,208,662)	(\$1,503,174)	\$236,461,398
Net Debt	(\$183,227,925)	(\$172,833)	\$1,503,174	(\$181,897,584)
NON-FINANCIAL ASSETS				
Tangible capital assets				
Land	\$4,939,308	\$0	\$0	\$4,939,308
Construction in progress	\$498,947	\$0	\$0	\$498,947
Buildings	\$345,618,192	\$0	\$0	\$345,618,192
Less: Accumulated amortization	(\$145,633,428)	\$0	\$0	(\$145,633,428)
Equipment	\$21,942,690	(\$7,429,000)	\$0	\$14,513,690
Less: Accumulated amortization	(\$9,183,524)	\$3,392,076	\$0	(\$5,791,448)
Vehicles	\$3,261,766	\$0	\$0	\$3,261,766
Less: Accumulated amortization	(\$1,484,568)	\$0	\$0	(\$1,484,568)
Computer Equipment		\$7,429,000	\$0	\$7,429,000
Less: Accumulated amortization		(\$3,392,076)	\$0	(\$3,392,076)
Total tangible capital assets	\$219,959,383	\$0	\$0	\$219,959,383
Prepaid expenses	\$2,436,220	\$0	\$0	\$2,436,220
Other non-financial assets		\$172,833	\$0	\$172,833
Total non-financial assets	\$222,395,603	\$172,833	\$0	\$222,568,436
Total accumulated surplus	\$39,167,678	\$0	\$1,503,174	\$40,670,852
Accumulating surplus / (deficit) is comprised of:				
Accumulated operating surplus (deficit)	\$39,167,678	\$0	\$1,503,174	\$40,670,852
Accumulated remeasurement gains (losses)		\$0	\$0	\$0
	\$39,167,678	\$0	\$1,503,174	\$40,670,852

2. Conversion to Public Sector Accounting Standards (cont'd)

c) Reconciliation of Statement of Operations

	August 31, 2012 Not-for-Profit	Adjustment	August 31, 2012 PSAS
REVENUES			
Alberta Education	\$351,523,713	\$6,890,314	\$358,414,027
Other - Government of Alberta	\$0	\$700,375	\$700,375
Federal Government and First Nations	\$4,189,329	\$0	\$4,189,329
Other Alberta school authorities	\$301,140	\$0	\$301,140
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes		\$0	\$0
Fees	\$14,951,435	\$0	\$14,951,435
Other sales and services	\$5,363,561	\$0	\$5,363,561
Investment income	\$467,160	\$0	\$467,160
Gifts and donations	\$3,896,380	\$142,556	\$4,038,936
Rental of facilities	\$2,209,717	\$0	\$2,209,717
Fundraising	\$857,690	\$0	\$857,690
Gains (losses) on disposal of capital assets	\$1,760,968	\$0	\$1,760,968
Amortization of capital contributions	\$7,606,689	(\$7,606,689)	
Other revenue	\$0	\$0	\$0
Total Revenues	\$393,127,782	\$126,556	\$393,254,338
EXPENSES			
Instruction	\$308,735,394	(\$757,701)	\$307,977,693
Plant operations and maintenance	\$49,225,551	(\$126,176)	\$49,099,375
Transportation	\$17,755,325	(\$685,444)	\$17,069,881
Administration	\$9,673,768	\$1,524,659	\$11,198,427
External services	\$4,512,880	\$44,662	\$4,557,542
Total Expenses	\$389,902,918	\$0	\$389,902,918
Operating surplus (deficit)	\$3,224,864	\$126,556	\$3,351,420

d) Reconciliation of the Schedule of Expenses by Object

	August 31, 2012 Not-for-Profit	Adjustments	August 31, 2012 PSAS
EXPENSES			
Certificated salaries	\$175,929,636	\$0	\$175,929,636
Certificated benefits	\$36,958,154	\$0	\$36,958,154
Non-certificated salaries and wages	\$67,339,767	\$0	\$67,339,767
Non-certificated benefits	\$16,310,968	\$0	\$16,310,968
SUB - TOTAL	\$296,538,525	\$0	\$296,538,525
Services, contracts and supplies	\$82,776,158	\$0	\$82,776,158
Amortization of supported tangible capital assets	\$7,606,689	(\$16,000)	\$7,590,689
Amortization of unsupported tangible capital assets	\$2,763,124	\$16,000	\$2,779,124
Supported interest on capital debt	\$58,136	\$0	\$58,136
Unsupported interest on capital debt	\$0	\$0	\$0
Other interest and finance charges	\$15,796	\$0	\$15,796
Losses on disposal of tangible capital assets	\$42,608	\$0	\$42,608
Other expense	\$101,882	\$0	\$101,882
TOTAL EXPENSES	\$389,902,918	\$0	\$389,902,918

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

2. Conversion to Public Sector Accounting Standards (cont'd)

An explanation of the above noted PSAS adjustments is as follows:

Accounts receivable

The District's supported debentures that are paid by Alberta Treasury Board and Finance must be recorded in accounts receivable. As a result of this requirement, the District increased accounts receivable by \$1,193,589 as at September 1, 2011 and by \$642,357 as at August 31, 2012 with a corresponding increase to expended deferred capital revenue which is presented in deferred revenue.

Trust assets and trust liabilities

Trust assets and trust liabilities are no longer reported on the Statement of Financial Position, as the amount may be expended as directed by the contributor for the benefit of a third party. These amounts are disclosed in the notes to the financial statements. As a result, as at September 1, 2011 and August 31, 2012 trust assets and trust liabilities decreased by \$3,906,626 and \$3,851,019 respectively.

Accounts payable

Included in accounts payable were amounts related to employee accrued vacation payable. Management determined this payable meets the definition of an employee future benefit. As a result, employee future benefit liability increased by \$2,672,875 as at September 1, 2011 and by \$2,977,593 as at August 31, 2012 with corresponding decreases in accounts payable and accrued liabilities.

Deferred revenue

Unexpended deferred capital revenue (formerly deferred capital allocations) and expended deferred capital revenue (formerly unamortized capital allocations) are now presented in deferred revenue. As a result, deferred revenue increased by \$193,188,254 and \$195,520,345 as at September 1, 2011 and August 31, 2012 respectively.

Included in unexpended deferred capital revenue (formerly deferred capital allocations) and expended deferred capital revenue (formerly unamortized capital allocations) were amounts related to receipt of funding from third parties which management determined did not meet the definition of deferred revenue. As a result, deferred revenue decreased by \$1,376,618, and accumulated surplus increased by \$1,376,618 as at September 1, 2011. For the year ended August 31, 2012, deferred revenue decreased by \$1,503,174, gift and donation revenue increased \$142,556 and accumulated surplus increased by \$1,645,730.

Equipment

Computer equipment is no longer combined on the Statement of Financial Position with equipment. As a result, as at September 1, 2011 the cost of equipment decreased by \$5,339,420, equipment accumulated amortization decreased by \$2,391,619, with corresponding increases in computer equipment cost and accumulated amortization. As at August 31, 2012, the cost of equipment decreased by \$7,429,000 and equipment accumulated amortization decreased by \$3,392,076 with corresponding increases in computer equipment cost and accumulated amortization.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

2. Conversion to Public Sector Accounting Standards (cont'd)

Revenue

The District reclassified expended deferred capital revenue (formerly amortization of capital contributions) to Alberta Education revenue. As a result revenue from Alberta Education increased by \$7,606,689 for the year ended August 31, 2012.

Funding from Alberta Education and Other – Government of Alberta entities are now to be presented as separate revenue sources. For the year ended August 31, 2012 the impact was to allocate \$700,375 from Alberta Education revenue to Other-Government of Alberta revenue.

These reclassifications had no effect on the excess of revenues over expenses for the year previously reported.

Expenses

For the year ended August 31, 2012 the District reclassified expenses by program to correspond with the current year's classifications. The net impact is to increase expenses for Administration by \$1,524,659, increase expenses for External Services by \$44,662, decrease expenses for Instruction by \$757,701, decrease expenses for Plant Operations and Maintenance by \$126,176 and decrease expenses for Transportation by \$685,444.

The above noted changes for the year ended August 31, 2012 have been adjusted in the Statement of Cash Flows.

3. 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 2012, and does not reflect the amended budget, adjusted for identified circumstances relating to operating and program changes, submitted in November 2012. 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 a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

3. Summary of significant accounting policies (cont'd)

ii) 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.
- Construction-in-progress is recorded as an acquisition to the applicable asset class 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	2.5% to 5%
Vehicles & Buses	10% and 20%
Computer Hardware & Software	20%
Other Equipment & Furnishings	10% and 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.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

3. Summary of significant accounting policies (cont'd)

iii) 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* when expended.

- 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.

iv) Employee future benefits

The District accrues its obligations under employee future benefit plans, excluding pension benefits, and expenses the related costs. Benefits include primarily retirement allowances and vacation. The total net expense recorded in the financial statements is \$256,261 (2012 - \$637,365).

v) 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.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

3. Summary of significant accounting policies (cont'd)

vi) 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.

vii) 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:

- 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.

viii) 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.

ix) 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 programs revenue from Alberta Education.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

3. Summary of significant accounting policies (cont'd)

x) 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, 2013, the amount contributed to the Teachers' Retirement Fund by the Province was \$18,365,546 (2012 - \$17,369,371).

The District participates in the Local Authorities Pension Plan, a multi-employer, defined contribution pension plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$12,528,570 for the year ended August 31, 2013 (2012 - \$11,150,928).

At December 31, 2012, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,977,303,000 (2011 - \$4,639,390,000). Effective for year-ends starting in 2008-2009, the Government of Alberta has taken responsibility for the LAPP unfunded liabilities.

xi) 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.
- 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.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

3. Summary of significant accounting policies (cont'd)

xii) 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.

xiii) 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.

xiv) 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.

xv) Financial instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, bank indebtedness, accounts payable and accrued liabilities and debt. Realized investment income and unrealized gains and losses, if any, are reported in the Statement of Operations.

All financial assets and financial liabilities are classified into one of the following categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale and other financial liabilities.

All financial instruments are initially recognized on the statement of financial position at their fair value. Subsequent to their initial recognition, all financial instruments continue to be measured at their fair value except for held-to-maturity investments, loans and receivables and other financial liabilities which must be measured at amortized cost using the effective interest method.

The District has classified its cash and cash equivalents, and accounts receivable as held-for-trading. They are measured at fair values which approximately equal to their carrying values due to short term maturity.

The District has classified its bank indebtedness, accounts payable and accrued liabilities and debt as other financial liabilities, which are measured at amortized cost using the effective interest method. The District has no financial instruments classified as available-for-sale, held-to-maturity and loans and receivables.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

3. Summary of significant accounting policies (cont'd)

xvi) 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.

4. Cash and cash equivalents

Cash and cash equivalents include \$200,000 (August 31, 2012 - \$229,231; September 1, 2011 - \$219,949) deposit in a share account at a Credit Union. Interest earned on this account for the year ended August 31, 2013 totaled \$9,107 (2012 -\$9,281) and is included in investment income.

5. Accounts receivable

	<u>August 31, 2013</u>	<u>August 31, 2012</u> (Note 2)	<u>September 1, 2011</u> (Note 2)
Alberta Education	\$ 549,754	\$ 253,650	\$ 3,829,903
Alberta Treasury Board and Finance	294,743	673,396	1,243,724
First Nations	1,157,120	1,029,123	1,200,080
City of Edmonton	9,787,950	10,050,735	9,197,786
Other	2,121,925	3,109,558	2,698,078
Allowance for doubtful accounts	-	-	-
	<u>\$ 13,911,492</u>	<u>\$ 15,116,462</u>	<u>\$ 18,169,571</u>

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

6. Bank indebtedness

Bank indebtedness consists of cheques written in excess of bank balances. 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, 2013 there was a \$nil balance outstanding (August 31, 2012 - \$nil; September 1, 2011 - \$nil).

7. Accounts payable and accrued liabilities

	<u>August 31, 2013</u>	<u>August 31, 2012</u> (Note 2)	<u>September 1, 2011</u> (Note 2)
Alberta Education	\$ 10,253,058	\$ 10,498,311	\$ 9,597,786
Alberta Capital Finance Authority	15,514	31,039	50,135
Other payables and accrued liabilities	15,461,916	14,270,668	12,855,107
	<u>\$ 25,730,488</u>	<u>\$ 24,800,018</u>	<u>\$ 22,503,028</u>

As at August 31, 2013, the District accrued \$2,401,633 for a one time incentive payment to qualifying employees considering retirement. This amount is included in other payables and accrued liabilities and will be settled in full by January 31, 2014.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

8. Deferred Revenue

	DEFERRED REVENUE as at Aug. 31, 2012	ADD: 2012/2013 Restricted Funds Received/ Receivable	DEDUCT: 2012/2013 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2012/2013 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2013
Unexpended deferred operating revenue					
Alberta Education:					
Action on Inclusion	\$ 649,513	\$ -	\$ (229,343)	\$ -	\$ 420,170
Provision of Programs	23,026	-	(23,026)	-	-
Student Performance	12,568	-	(12,568)	-	-
Enriched School Environment	3,034	-	(3,034)	-	-
Regional Collaborative Service Delivery	-	100,000	-	-	100,000
Infrastructure Maintenance Renewal	2,730,098	6,048,141	(7,008,446)	-	1,769,793
Other Government of Alberta:					
High School Portal Initiative (myECSD)	56,785	-	(56,785)	-	-
Health Services Strategy	160,285	-	(129,391)	-	30,894
Career and Technology Studies	25,126	-	(21,371)	-	3,755
Text to speech	20,023	-	(12,268)	-	7,755
Student owned devices	8,300	-	(8,300)	-	-
Spanish Bilingual Professional Development	23,895	-	(23,895)	-	-
Carpentry Apprenticeship	160,000	68,000	(132,282)	-	95,718
School Technology Service	50,000	-	(50,000)	-	-
Grant 2011-988	50,000	-	(2,174)	-	47,826
CIP - Capital Purchase	-	15,156	-	-	15,156
Active Exergaming	-	26,000	-	-	26,000
Other Deferred Revenue:					
Fees and other funds	4,179,515	4,525,474	(4,622,269)	-	4,082,720
Donations	136,087	91,964	(107,341)	-	120,710
Future renovation projects	185,354	14,138	(40,782)	-	158,710
Total unexpended deferred operating revenue	\$ 8,473,609	\$ 10,888,873	\$ (12,483,275)	\$ -	\$ 6,879,207
Unexpended deferred capital revenue	2,754,951	298,329	(943,384)	-	2,109,896
Expended deferred capital revenue	191,904,577	4,632,048	(7,893,690)	-	188,642,935
Total	\$ 203,133,137	\$ 15,819,250	\$ (21,320,349)	\$ -	\$ 197,632,038

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

8. Deferred Revenue (cont'd)

	DEFERRED REVENUE as at Sept. 1, 2011	ADD: 2011/2012 Restricted Funds Received/ Receivable	DEDUCT: 2011/2012 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2011/2012 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2012
Unexpended deferred operating revenue					
Alberta Education:					
Action on Inclusion	\$ -	\$ 815,614	\$ (166,101)	\$ -	\$ 649,513
Provision of Programs	-	37,500	(14,474)	-	23,026
Student Performance	-	71,000	(58,432)	-	12,568
Enriched School Environment	-	80,000	(76,966)	-	3,034
Infrastructure Maintenance Renewal	2,587,889	5,918,114	(5,775,905)	-	2,730,098
Other Government of Alberta:					
High School Portal Initiative (myECSD)	64,822	-	(8,037)	-	56,785
Health Services Strategy	351,547	-	(191,262)	-	160,285
One to One Mobile Commuting	35,585	-	(35,585)	-	-
Career and Technology Studies	169,964	18,000	(162,838)	-	25,126
Text to speech	35,000	-	(14,977)	-	20,023
Student owned devices	30,000	-	(21,700)	-	8,300
Spanish Bilingual Professional Development	-	23,895	-	-	23,895
Carpentry Apprenticeship	-	160,000	-	-	160,000
School Technology Service	50,000	-	-	-	50,000
Grant 2011-988	-	50,000	-	-	50,000
Other Deferred Revenue:					
Fees and other funds	3,676,735	5,254,846	(4,752,066)	-	4,179,515
Donations	1,767	144,128	(9,808)	-	136,087
Future renovation projects	185,354	-	-	-	185,354
Total unexpended deferred operating revenue	\$ 7,188,663	\$12,573,097	\$ (11,288,151)	\$ -	\$ 8,473,609
Unexpended deferred capital revenue	561,868	3,834,478	(1,641,395)	-	2,754,951
Expended deferred capital revenue	192,443,357	7,051,909	(7,590,689)	-	191,904,577
Total	\$ 200,193,888	\$ 23,459,484	\$ (20,520,235)	\$ -	\$ 203,133,137

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

9. Employee future benefit liabilities

	<u>August 31, 2013</u>	<u>August 31, 2012</u> (Note 2)	<u>September 1, 2011</u> (Note 2)
Vacation accrual liability	\$ 2,720,839	\$ 2,977,593	\$ 2,672,875
Retirement allowances	5,244,372	4,731,357	4,398,710
Other employee future benefits	147,586	147,586	147,586
Total	<u>\$ 8,112,797</u>	<u>\$ 7,856,536</u>	<u>\$ 7,219,171</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 two years are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013 - 2014	\$ 209,227	\$ 25,480	\$ 234,707
2014 - 2015	70,002	6,738	76,740
Total	<u>\$ 279,229</u>	<u>\$ 32,218</u>	<u>\$ 311,447</u>

Accrued interest of \$15,514 (August 31, 2012 - \$31,039; September 1, 2011 - \$50,135) is included in accounts receivable and accounts payable and accrued liabilities. Total interest paid for the year is \$57,844 (2012 - \$108,271).

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

11. Tangible capital assets

(Estimated useful life years)	Land	Construction in Progress - Buildings	Buildings 25-40 years	Equipment Computer 5 years	Equipment Other 5-10 years	Vehicles 5-10 years	<u>Total</u>
Historical Cost							
August 31, 2012 (Note 2)	\$ 4,939,308	\$ 498,947	\$ 345,618,192	\$ 7,429,000	\$ 14,513,690	\$ 3,261,766	\$ 376,260,903
Additions	-	-	4,505,627	1,688,516	2,170,807	39,122	8,404,072
Transfer in (out)	-	(498,947)	498,947	-	-	-	-
Less disposals including write-offs	-	-	(80,000)	(444,958)	(369,659)	(126,639)	(1,021,256)
August 31, 2013	<u>4,939,308</u>	<u>-</u>	<u>350,542,766</u>	<u>8,672,558</u>	<u>16,314,838</u>	<u>3,174,249</u>	<u>383,643,719</u>
Accumulated Amortization							
August 31, 2012 (Note 2)	-	-	145,633,428	3,392,076	5,791,448	1,484,568	156,301,520
Amortization expense	-	-	7,504,498	1,531,889	2,069,515	265,388	11,371,290
Disposals	-	-	(80,000)	(419,250)	(369,655)	(89,020)	(957,925)
August 31, 2013	<u>-</u>	<u>-</u>	<u>153,057,926</u>	<u>4,504,715</u>	<u>7,491,308</u>	<u>1,660,936</u>	<u>166,714,885</u>
Net Book Value at August 31, 2013	<u>\$ 4,939,308</u>	<u>\$ -</u>	<u>\$ 197,484,840</u>	<u>\$ 4,167,843</u>	<u>\$ 8,823,530</u>	<u>\$ 1,513,313</u>	<u>\$ 216,928,834</u>

Included in total tangible capital asset additions for the year ending August 31, 2013 is \$3,688,664 (August 31, 2012 - \$5,410,514) of government supported tangible capital asset additions.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

11. Tangible capital assets (cont'd)

(Estimated useful life years)	Land	Construction in Progress	Buildings 25-40 years	Equipment Computer 5 years	Equipment Other 5-10 years	Vehicles 5-10 years	August 31, 2012 (Note 2)	September 1, 2011 (Note 2)
Historical Cost								
September 1, 2011 (Note 2)	\$ 4,939,308	\$ 13,513,524	\$ 325,533,039	\$ 5,339,420	\$ 12,184,529	\$ 2,793,513	\$ 364,303,333	\$ 345,896,391
Additions	-	5,491,514	1,922,940	2,209,112	3,068,941	650,315	13,342,822	19,286,131
Transfer in (out)	-	(18,506,091)	18,506,091	-	-	-	-	-
Less disposals including write-offs	-	-	(343,878)	(119,532)	(739,780)	(182,062)	(1,385,252)	(879,189)
August 31, 2012 (Note 2)	<u>4,939,308</u>	<u>498,947</u>	<u>345,618,192</u>	<u>7,429,000</u>	<u>14,513,690</u>	<u>3,261,766</u>	<u>376,260,903</u>	<u>364,303,333</u>
Accumulated Amortization								
September 1, 2011 (Note 2)	-	-	138,602,394	2,391,619	4,850,219	1,423,616	147,267,848	141,551,987
Amortization expense	-	-	7,374,911	1,119,988	1,651,416	223,498	10,369,813	6,481,808
Disposals	-	-	(343,877)	(119,531)	(710,187)	(162,546)	(1,336,141)	(765,947)
August 31, 2012 (Note 2)	<u>\$ -</u>	<u>-</u>	<u>145,633,428</u>	<u>3,392,076</u>	<u>5,791,448</u>	<u>1,484,568</u>	<u>156,301,520</u>	<u>147,267,848</u>
Net Book Value at August 31, 2012	<u>\$ 4,939,308</u>	<u>\$ 498,947</u>	<u>\$ 199,984,764</u>	<u>\$ 4,036,924</u>	<u>\$ 8,722,242</u>	<u>\$ 1,777,198</u>	<u>\$ 219,959,383</u>	<u>\$ 217,035,485</u>

In 2012, the District assumed control over one new school constructed and financed by the province under the *Alberta Schools Alternative Procurement (ASAP)* project. The school and associated site improvements, constructed on District land, were recorded based on Administration's best estimate of fair value of \$15,616,377. In accordance with the agreement with the Ministry of Education, the Ministry is responsible for all capital, maintenance and renewal payments to the contractor over a 30 year period related to the school.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

12. Accumulated surplus

The District's accumulated surplus is summarized as follows:

	<u>August 31, 2013</u>	<u>August 31, 2012</u> (Note 2)	<u>September 1, 2011</u> (Note 2)
Unrestricted surplus	\$ 24,162,180	\$ 8,728,891	\$ 8,780,866
Operating reserves	-	-	-
Accumulated surplus from operations	24,162,180	8,728,891	8,780,866
Investment in tangible capital assets	28,285,902	28,054,809	25,471,415
Capital reserves	3,295,356	3,887,152	3,067,151
Accumulated surplus	<u>\$ 55,743,438</u>	<u>\$ 40,670,852</u>	<u>\$ 37,319,432</u>

The activity for Capital Reserves are as follows:

	<u>August 31, 2013</u>	<u>August 31, 2012</u> (Note 2)	<u>September 1, 2011</u> (Note 2)
Balance, beginning of year	\$ 3,887,152	3,067,151	\$ 2,637,132
Net proceeds from sale of unsupported assets	25,310	1,767,471	1,481,159
Repairs and renovations of non-school building	(3,555)	(310,327)	(363,726)
School projects – modulars	(613,551)	(637,143)	(687,414)
Balance, end of year	<u>\$ 3,295,356</u>	<u>\$ 3,887,152</u>	<u>\$ 3,067,151</u>

Included in the capital reserves are reserves with an ending balance of \$1,752,646 (August 31, 2012 - \$1,961,690; September 1, 2011 - \$1,512,829) that have been approved by the Board and the Minister to complete certain critical repairs of a non-school building, and purchase, installation and transfer of modular classrooms. Of this reserved amount \$617,106 (2012 - \$947,470) has been spent during the year. The remaining reserves are available for the Board and Minister approved projects in the future.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

13. Unexpended and expended deferred capital revenue

	August 31, 2013		August 31, 2012 (Note 2)	
	Unexpended Capital	Expended Capital	Unexpended Capital	Expended Capital
Balances, beginning of year	\$ 2,770,215	\$ 192,750,130	\$ 659,200	\$ 192,529,054
PSAS transition adjustment (Note 2)	<u>(15,264)</u>	<u>(845,553)</u>	<u>(97,332)</u>	<u>(85,697)</u>
Balances, beginning of year, as restated	<u>2,754,951</u>	<u>191,904,577</u>	<u>561,868</u>	<u>192,443,357</u>
Government grants	3,962,499	-	7,786,686	-
Interest earned	24,294	-	25,346	-
Net proceeds on disposal of supported capital assets	200	-	1,432,960	-
Expended on capital assets	<u>(4,632,048)</u>	<u>4,632,048</u>	<u>(7,051,909)</u>	<u>7,051,909</u>
Capital revenue recognized	-	<u>(7,893,690)</u>	-	<u>(7,590,689)</u>
Balances, end of year	<u>\$ 2,109,896</u>	<u>\$ 188,642,935</u>	<u>\$ 2,754,951</u>	<u>\$ 191,904,577</u>

	September 1, 2011 (Note 2)	
	Unexpended Capital	Expended Capital
Balances, beginning of year	\$ 1,321,419	\$ 179,899,872
PSAS transition adjustment (Note 2)	<u>-</u>	<u>2,130,330</u>
Balances, beginning of year, as restated	<u>1,321,419</u>	<u>182,030,202</u>
Government grants	13,813,722	-
Interest earned	-	-
Net proceeds on disposal of supported capital assets	-	-
Expended on capital assets	<u>(14,573,273)</u>	<u>14,573,273</u>
Capital revenue recognized	-	<u>(4,160,118)</u>
Balances, end of year	<u>\$ 561,868</u>	<u>\$ 192,443,357</u>

Included in government grants and expended on tangible capital assets are contributions related to buildings totaling \$3,688,664 (2012 - \$5,410,514).

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

14. Fees

	<u>August 31, 2013</u>	<u>August 31, 2012</u> (Note 2)
Transportation fees	\$ 4,537,508	\$ 4,775,401
Fees for instruction material and supplies	11,306,592	9,642,899
Other	454,747	533,135
	<u>\$ 16,298,847</u>	<u>\$ 14,951,435</u>

15. School generated funds - Unexpended

	<u>August 31, 2013</u>	<u>August 31, 2012</u> (Note 2)	<u>September 1, 2011</u> (Note 2)
Balance, beginning of year	\$ 354,969	\$ 189,598	\$ 148,455
Gross receipts			
Fees	3,365,068	3,173,693	3,756,621
Fundraising	854,547	857,690	697,115
Gifts and donations	3,348,574	3,159,297	2,767,350
Other sales and services	1,057,457	560,696	591,550
Total gross receipts	<u>8,625,646</u>	<u>7,751,376</u>	<u>7,812,636</u>
Total direct costs and use of funds	<u>8,721,534</u>	<u>7,586,005</u>	<u>7,771,493</u>
Balance, end of year	<u>\$ 259,081</u>	<u>\$ 354,969</u>	<u>\$ 189,598</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 cash held in trust on behalf of the Edmonton Student Health Initiative Partnership, cash held to fund scholarships and cash held for the Deferred Salary Leave Plan. The Edmonton Student Health Initiative Partnership (ESHIP) 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 partnership and is responsible for distributing the cash in accordance with the wishes of the partnership. Subsequent to August 31, 2013, ESHIP was inactivated and replaced with the Regional Collaborative Service Delivery (RCSL) program. These cash balances are not recorded on the statements of the District.

	<u>August 31, 2013</u>	<u>August 31, 2012</u> (Note 2)	<u>September 1, 2011</u> (Note 2)
Student Health Initiative Partnership	\$ 1,455,639	\$ 2,103,246	\$ 1,982,600
Scholarships	192,409	188,326	204,222
Deferred Salary Leave Plan	1,296,752	1,559,447	1,719,804
	<u>\$ 2,944,800</u>	<u>\$ 3,851,019</u>	<u>\$ 3,906,626</u>

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

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 \$376,444,250 or 91.4% (2012 - \$359,114,402 or 91.3%) of operating revenue was recognized from the Government of Alberta. Included in accounts receivable at August 31, 2013 was \$549,754 (August 31, 2012 - \$253,650; September 1, 2011 - \$836,104) related to this revenue (Note 5).

In the current year, \$59,252,623 or 14.39% (2012 - \$58,590,438 or 14.90%) 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, 2013 is \$9,787,950 (2012 - \$10,050,735; 2011 - \$9,197,786) related to this revenue (Note 5).

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 had the following related party transactions for the year ended August 31, 2013.

	Balances		Transactions	
	Financial Assets (at cost or net realizable)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta:				
Education				
Accounts receivable / Accounts payable	\$ 549,754	-	-	-
Expended deferred capital revenue	-	3,810,584	-	-
Other assets & liabilities	-	10,253,058	-	-
Grant revenue & expenses	-	-	375,742,728	-
Other Alberta school jurisdictions	-	-	241,378	-
Treasury Board and Finance (Principal)	279,229	-	-	-
Treasury Board and Finance (Accrued interest)	15,514	-	42,319	-
Other:				
Other Related Parties	-	294,743	701,523	12,570,889
TOTAL 2012/2013	\$ 844,497	\$ 14,358,385	\$ 376,727,948	\$ 12,570,889
TOTAL 2011/2012	\$ 284,689	\$ 18,316,036	\$ 351,824,853	\$ 11,209,064
TOTAL 2010/2011	\$ 3,880,038	\$ 23,674,731		

During the year, capital allocations of \$3,810,584 (2012 - \$7,786,686) were received from Alberta Education.

Edmonton Catholic Separate School District No.7

Notes to the Financial Statements

August 31, 2013

18. Related party transactions (cont'd)

The District's principal and interest on capital debt in the amount of \$363,128 (2012 - \$551,202) and \$57,844 (2012 - \$58,136) respectively, are paid by the Government of Alberta (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 \$608,546 (2012 - \$877,992) related to the four schools constructed under the ASAP project are 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.

19. Controlled not-for-profit organization

The District controls the Edmonton Catholic Schools Foundation (the "Foundation") by virtue of providing the majority of funding and through the provision of administration services, until the Foundation is self-sufficient.

The Foundation was established during the year 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 provision of the Income Tax Act, the Foundation is exempt from income tax.

The Foundation has not been consolidated in the District's financial statements. The District incurred costs of \$111,916 (2012 - \$nil) related to the start-up costs of the Foundation. These costs have been included in Administration on the Statement of Operations. As of August 31, 2013 the Foundation was not operational and therefore a financial summary has not been provided. The foundation will commence operation in fiscal 2014.

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Notes to the Financial Statements

August 31, 2013

20. Remuneration and monetary incentives

The District had paid or accrued expenses for the year ended August 31, 2013 to or on behalf of the following positions and persons in groups as follows:

		FTEs	Remuneration	Benefits	Allowances	ERIPs/ other	Total 2013	Total 2012	Expenses 2013	Expenses 2012
Chairperson:	Becky Kallal	1.00	\$59,756	\$6,126	\$6,000	\$1,700	\$73,582	\$69,492	\$10,847	\$8,747
Other board members:										
	Cynthia Olsen	1.00	46,119	5,676	6,000	1,700	59,495	56,492	10,177	4,346
	John Adeson	1.00	50,424	3,922	6,000	1,700	62,046	63,358	4,811	8,282
	Marilyn Bergstra	1.00	50,844	5,835	6,000	1,700	64,379	66,037	8,107	8,949
	Debbie Engel	1.00	54,357	5,937	6,000	1,700	67,994	79,458	10,332	9,653
	Lary Kowalczyk	1.00	41,919	5,127	6,000	1,700	54,746	57,313	6,606	7,566
	Laura Thibert	1.00	54,662	5,968	6,000	1,700	68,330	68,686	10,624	7,248
Subtotal		7.00	358,081	38,591	42,000	11,900	450,572	460,836	61,504	54,791
Superintendent	Joan Carr	1.00	297,055	31,145	18,753	-	346,954	318,773	3,102	6,759
Board Treasurer	Bary Devlin	1.00	170,458	27,614	-	-	198,072	198,657	4,714	4,234
Board Secretary	Andrea Klotz	1.00	91,466	17,009	-	-	108,475	107,877	4,845	3,241
Certificated Salaries		1895.80	180,025,314	37,364,587	-	-	217,389,901	212,569,017	-	-
Uncertificated Salaries And Wages		1200.40	68,294,980	17,743,499	-	-	86,038,478	82,883,365	-	-
Totals		3106.20	\$249,237,354	\$55,222,445	\$60,753	\$11,900	\$304,532,452	\$296,538,525	\$74,165	\$69,025

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 \$15,679 (2012 - \$14,707).

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Notes to the Financial Statements

August 31, 2013

21. 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>
2014	\$ 468,525	\$ 10,188,611	\$ 682,609	\$ 11,339,745
2015	129,437	493,223	-	622,660
2016	91,069	228,273	-	319,342
2017	91,069	-	-	91,069
Thereafter	-	-	-	-
Total	<u>\$ 780,100</u>	<u>\$ 10,910,107</u>	<u>\$ 682,609</u>	<u>\$ 12,372,816</u>

In addition, the District has made a commitment to the City of Edmonton regarding the construction of a High School Completion Centre in northwest Edmonton. The construction costs of the facility are expected to be approximately \$12 million of which the City of Edmonton will initially fund. Significant terms of the agreement include the District entering into a long term lease with the City upon completion of the construction. Additionally, the District will remain responsible for the operating and maintenance costs of the High School Completion Centre.

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 pay 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 5.53 cents per kilowatt hour. This agreement expires December 31, 2013.

22. 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.