

Financial results of the Calgary Board of Education



For the year ended August 31, 2015

learning | **as unique** | as every student



**Calgary Board
of Education**

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**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

Financial Statements

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Overview

We work with our students, families, employees, communities and Alberta Education to build positive learning and working environments. Our work is guided by the Board of Trustees' policies, the CBE Three-Year Education Plan and the direction set by Alberta Education.

Our values guide our work:

- Students come first
- Learning is our central purpose
- Public education serves the common good.

Public education is a shared responsibility. With our students, families, employees, communities and Alberta Education in mind, we made budgetary decisions knowing we needed to continue to work together to build positive learning and working environments. By sharing a common goal of student success, each one of us contributed to make it happen despite the difficult fiscal realities.

Our prudent spending in 2014-15 enabled us to end the year with an \$11.4 million surplus. This means we are able to retain some reserves that were originally planned for use in 2014-15, for spending in 2015-16. Our surplus came from continuing to focus spending on strategies that would generate efficiencies for future years when further operating deficits were projected. We also achieved higher than budgeted savings in service units. In addition, we received higher than expected investment gains during the 2014-15 school year.

We are pleased that we showed in 2014-15 that the CBE is well managed financially, achieving 99.8 per cent accuracy in terms of our actual expenditures against our fall budget update.

CBE students continued to demonstrate strong academic results on the 2014-15 Provincial Achievement Tests and Diploma Exams. In 10 of 11 subjects tested on Diploma Exams, CBE students outperformed the province at both the acceptable standard and the standard of excellence. CBE students in Grades 6 and 9 outperformed the province at the acceptable standard and the standard of excellence in 20 out of 20 measures. A full report on our [educational results](#) can be found online.

Student enrolment at the CBE continues to grow. Enrolment for 2014-15 increased to 114,500, up 3,737 (3.4 per cent) from the previous year. This growth continues to put tremendous pressure on space: square metres of learning space per student declined from 11.3 per student in 2011-12 to 10.2 per student in 2015-16. In addition to the pressures of rapid growth, financial planning is complicated by many unknowns, including:

- uncertainty around provincial funding from year to year
- considerable future costs in the commissioning of an unprecedented 24 new schools and 7 major modernization projects
- deferred maintenance costs of \$1 billion and growing.

Despite uncertain financial conditions in 2014-15, the CBE remained committed to offering choice, universal access, and inclusive and personalized learning. These cornerstones of our public education system come with associated costs.

The following review of the financial results for 2014-15 includes two comparisons: year-over-year actual results and actual 2014-15 results to the Fall 2014 Update budget.

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Year-over-year highlights

From 2013-14 to 2014-15, student enrolment increased by approximately 3.4 per cent (3,737 students) based on Sept. 30 count data. Comparing the 2014-15 actual results to the prior year highlights the following:

- Revenue from Alberta Education was up \$42.4 million, an increase of 3.8 per cent. Provincial funding per student increased marginally, however total funding increased due to enrolment growth (see page 25).
- Employee salaries and benefits represent 78 per cent of expenses. The expense increased year-over-year by \$45.8 million. This 4.9 per cent reflects an increase in school-based permanent positions due to increased enrolment and the negotiated salary and step increment increases for various employee groups. We would note that the increased funding from Alberta Education did not cover the cost of total salary and benefit increases.
- In 2014-15, the provincial government limited board and system administrative expenses to 3.6 per cent of the operating budget (from 4.0 per cent) and CBE provincial grants were reduced by an equivalent of 0.4 per cent. For 2014-15, the CBE spent 2.8 per cent of its total operating expenses on board and system administration, enabling more resources to be directed to the classroom and classroom support. And as a result, core programming supports are lean.
- CBE's accumulated surplus has increased by \$7.9 million due to favorable operating results and higher than expected investment gains.

Actual to budget highlights

The CBE's 2014-15 budgeting process started with the release of the Province of Alberta's budget on March 6, 2014. CBE administration then began developing the budget for approval by the Board of Trustees on May 20, 2014 for implementation in September. The budget was based on estimates of an expected enrolment increase of 3,232 for the 2014-15 school year. At the Sept. 30, 2014 student count date, it was determined that the actual enrolment for the year would be 505 students higher than originally budgeted and as a result, both revenues and expenses would be higher. The budget presented for comparative purposes in this report is the Fall 2014 Budget Update, accepted by the Board of Trustees on November 25, 2014.

A comparison of actual results to budget for 2014-15 highlights a number of specific variances.

- 91 per cent of CBE revenue comes from Alberta Education. Alberta Education funding received was higher than budgeted by \$7.4 million. The increase was due to higher IMR funding than what was anticipated as well as other grants received that were marginally higher than expected.
- Non-Alberta Education revenue was \$113.1 million. This amount is comprised mainly of fees, school generated revenues and investment income. Non-Alberta Education revenue was \$16.2 million higher than budgeted due primarily to revenues generated from investment income as well as higher school generated revenues which are inherently variable and fluctuate from year to year.
- \$13 million less was spent on salaries and benefits than planned due to lower actual rates and vacant positions. Most of these savings were redirected for additional supplies and services spending.
- The CBE did not need to apply the full \$18.8 million of operating reserves to cover the budget shortfall as initially planned. Due to more favorable results combined with increased capital activities, the actual net draws from operating reserves is \$3.8 million.
- The CBE actual spending on non-facility capital projects totalled \$22.2 million. To fund work not completed by the fiscal year-end, \$11.5 million is being carried forward to 2015-16.

Support for student success

Students are at the centre of everything we do at the CBE; our budget and spending reflects that. The funding provided to the CBE and the allocation of resources within the CBE supports the organization's achievement of the expectations and results established by the Board.

Our work is guided by our [Three-Year Education Plan](#), which connects each CBE employee to student success. We must create an environment where each student can become an engaged learner, prepared for success in life, work and future learning.

In 2014-15, \$989.6 million dollars was spent on instruction, in direct support of the achievement of success for each student. This includes the spending in schools and areas as well as supports that are centrally managed, such as but not limited to: psychologists, braille assistants, deaf and hard of hearing specialists, mental health specialists, occupational and physical therapists, speech language pathologists, multicultural services, school-based technology support, student records and more. Resources have been applied to support the pillars of the Three-Year Education Plan, notably building professional capital, personalized learning and engaging our public.

In addition, costs under the Plant, Operations and Maintenance block are essential for the safe and secure operation of our facilities and providing quality learning environments. \$157.5 million was spent in 2014-15 in support of the achievement of success for each student in this regard.

About 37,000 students were transported to CBE schools in 2014-15 using yellow school buses, Calgary Transit or Handi-bus. Some students did not have a community school where they live and needed to travel outside of their community to reach their designated school, others chose to attend an alternative program, and others have exceptional learning needs that were best met in special settings. We had a funding gap between the amount we receive from the Province and the costs of providing transportation service. The cost of transportation was \$44.3 million in support of student success and personalized learning. Regardless of the program, all students travelling by a yellow school bus or Handi-bus were charged the same fees. Parents paid \$7.9 million in fees to supplement the cost of providing transportation. CBE's practice has been that transportation costs are fully funded by provincial grants, parent fees and a contribution from the Transportation Fee Stabilization Reserve, if available. The CBE used \$2.2 million of that reserve during the year to help fund the transportation program. Without the use of that reserve, parent fees would have had to increase by approximately \$83 per rider.

Core services and support costs indirectly support student success by providing a foundation for the entire organization. Examples include governance structures and core information systems. These costs amounted to \$33.9 million in 2014-15.

External services costs of \$20.8 million (noon supervision program, adult education), are program costs that do not fall within the Early Childhood Services to Grade 12 education mandate and are generally operated on a cost-recovery basis (i.e. offset by related fees or other revenues).

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(In thousands)**

Financial Overview

Consolidated CBE financial results

A summary of the year-end financial results are as below.

During the year, the CBE implemented a new financial reporting system. During this process, the CBE's chart of accounts was thoroughly reviewed and updated to reflect better reporting practices and Alberta Education's evolving requirements. As a result, some of the 2013-14 actuals have been restated for comparative purposes, in this table and throughout the document.

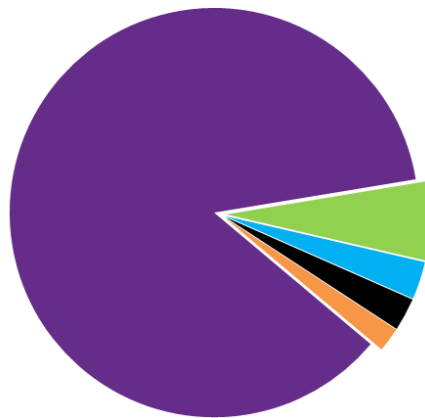
	Fall Budget 2014-15	Actuals 2014-15	Actuals 2013-14	Fall Update vs Actual Variance		Actual to Actual Variance	
				Favourable / (Unfavorable)	%	Increase / (Decrease)	%
Revenues							
Alberta Education	1,136,965	1,144,396	1,101,997	7,431		42,399	
Other Government of Alberta	1,134	1,108	2,113	(26)		(1,005)	
Federal Government & First Nations	2,220	2,904	2,329	684		575	
Other sales and services	19,684	24,329	24,479	4,645		(150)	
Fees revenue	46,736	47,148	40,429	412		6,719	
Investment revenue	3,026	14,863	7,395	11,837		7,468	
All other revenue	24,082	22,767	20,702	(1,315)		2,065	
	<u>1,233,847</u>	<u>1,257,515</u>	<u>1,199,444</u>	<u>23,668</u>	<u>1.9</u>	<u>58,071</u>	<u>4.6</u>
Expenses by object							
Salaries and benefits	986,194	973,227	927,429	12,967		45,798	
Supplies and services	205,467	217,687	207,290	(12,220)		10,397	
Other (interest, amortization and uncollectible accounts)	56,830	55,239	55,581	1,591		(342)	
	<u>1,248,491</u>	<u>1,246,153</u>	<u>1,190,300</u>	<u>2,338</u>	<u>0.2</u>	<u>55,853</u>	<u>4.5</u>
Annual surplus / (deficit)	(14,644)	11,362	9,144	26,006		2,218	
Net applications of operating funds	18,772	3,760	(6,856)	(15,012)		10,616	
Capital transactions	(4,129)	(15,122)	(2,288)	(10,993)		(12,834)	
Net operating surplus / (deficit)	-	-	-	-		-	

Year-over-year review

Revenue

Alberta Education funding

	Actuals		Variance	
	(all figures \$ in thousands)			
	2014-15	2013-14	\$	%
Student funding	987,400	951,128	36,272	3.8
Alberta teacher retirement funding	71,178	68,986	2,192	3.2
Student transportation	34,117	32,550	1,567	4.8
Expended deferred capital revenues	29,808	30,653	(845)	(2.8)
Infrastructure maintenance and renewal funding	21,893	18,680	3,213	17.2
	1,144,396	1,101,997	42,399	3.9



The CBE received \$1,144.4 million or 91 per cent of total revenue from Alberta Education. Of those funds, \$987.4 million were provided to address basic instruction and other differential funding factors that are specific to the CBE as a school jurisdiction. It also includes funding for one-time initiatives, such as curriculum prototyping. The CBE can generally decide how best to use these funds for student learning. The remaining \$157 million, or 14 per cent of total Alberta Education funding, has a specified use such as *Alberta Teachers Retirement Fund* (\$71.2 million), *transportation* (\$34.1 million) or *infrastructure maintenance and renewal* (\$21.9 million).

The \$42.4 million increase in base instruction funding is primarily driven by the increased enrolment. All funding rates remained the same with the exception of class size and inclusive education, which received a two per cent rate increase. \$38.6 million of the total increase relates to increased enrolment while \$3.8 million is a rate increase.

In the fall of 2014, the provincial government also announced an increase to *infrastructure maintenance and renewal funding*. A total of \$21.9 million was spent in the year and \$28.8 million is not yet spent but planned for spending in 2015-16.

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Non-Alberta Education revenue	Actuals		Variance	
	(all figures in \$ thousands)			
	2014-15	2013-14	\$	%
Fees (1)	47,148	40,429	6,719	16.6
Sales and services (2)	24,329	24,479	(150)	(0.6)
Investment income (3)	14,863	7,395	7,468	101.0
Gifts and donations (2)	7,023	6,141	882	14.4
Fundraising (2)	6,828	6,402	426	6.7
Rentals	6,698	7,137	(439)	(6.2)
Federal grants and education agreements	2,904	2,329	575	24.7
Other revenue	1,323	221	1,102	498.6
Other government of Alberta revenue	1,108	2,113	(1,005)	(47.6)
Other Alberta school authorities	831	801	30	3.7
Gain on disposal of assets	63	-	63	0.0
	113,118	97,447	15,671	16.1

Other revenue of \$113.1 million, or nine per cent of total revenue, was received from these sources:

1. *Fees* revenue has increased due to higher fee rates for transportation, noon supervision and instructional supplies and materials. The 2014-15 school year was the first year in which fees were increased so that no instructional grant dollars were used to fund these services. This is consistent with learning being our central purpose.
2. *Sales and services, fundraising, gifts and donations* revenues are mainly generated in schools and are inherently variable.
3. *Investment income* has increased mainly due to gains generated from the sale of investments in order to realize gains during year. These returns are well above CBE's expectations.

Fees

Fees are a reality in the CBE. We calculate our fees on a cost recovery basis. They are charged to cover the gap between the cost of programs and services and the funding provided to us by the government. Fees are charged for instructional supplies and materials (ISM), transportation, noon supervision and other incidentals. ISM fees are mandatory and charged to all students whereas transportation and noon supervision fees are only charged for students using those services. Fees are set in the spring prior to the school year and are estimated at a level to cover the cost of providing those services. Any surplus resulting from these programs is added to a related reserve to moderate year over year changes in fees.

	2013-14	2014-15	2015-16
Transportation	\$ 295	\$ 330	\$ 300
Noon Supervision (four day – five day)	\$135 - \$ 145 (bused) \$ 200 - \$ 220 (non-bused)	\$ 250 - \$ 280 (all)	\$ 255 - \$ 285 (all)
ISM: kindergarten	\$ 15	\$ 15	\$ 15
ISM: grades 1 – 6	\$ 30	\$ 30	\$ 30
ISM: grades 7 - 9	\$ 105	\$ 137	\$ 137
ISM: grades 10 - 12	\$ 132	\$ 152	\$ 152

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Non-Alberta Education revenue (continued)

Fees revenue reported in the tables below are the fees charged to parents in the year, including fees that are waived or deemed uncollectible. Fees reported in the audited financial statements are reported net of fees waived.

The increase in fee waivers can be attributed to the increase in the fee rates for all of the fees and the greater communication efforts to our parent population on the availability of waivers. No student is denied access to public education due to an inability to pay a fee.

Fees revenues are comprised of the following components:

	Fall Budget 2014-15*	Actual 2014-15	Actual 2013-14	Budget to 2014-15	Actual to Actual
				Favourable / (Unfavourable)	Increase / (Decrease)
	\$	\$	\$	\$	\$
Transportation	9,448	8,777	7,442	(671)	1,335
Noon supervision	11,707	12,439	8,239	732	4,200
ISM	8,933	9,099	8,845	166	254
Other fees	16,648	19,981	18,010	3,333	1,971
	<u>46,736</u>	<u>50,296</u>	<u>42,536</u>	<u>3,560</u>	<u>7,761</u>

Transportation fees

	Fall Budget 2014-15*	Actual 2014-15	Actual 2013-14	Budget to 2014-15	Actual to Actual
				Favourable / (Unfavourable)	Increase / (Decrease)
	\$	\$	\$	\$	\$
Government grants and other	33,825	34,283	32,712	458	1,571
Reserve funding	1,425	2,169	1,389	744	780
Available funding	<u>35,250</u>	<u>36,452</u>	<u>34,101</u>	<u>1,201</u>	<u>2,350</u>
Salaries and benefits					
Busing aides	1,390	1,353	1,301	37	52
Central administration	1,383	1,125	977	258	148
Contracts and Services					
Transportation services	40,834	41,418	38,155	(583)	3,263
Uncollectible accounts expense	281	439	382	(158)	57
Waived fees	810	894	728	(84)	166
	<u>44,698</u>	<u>45,229</u>	<u>41,543</u>	<u>(446)</u>	<u>3,520</u>
Funding gap	(9,448)	(8,777)	(7,442)	(671)	(1,335)
Fees	9,448	8,777	7,442	(671)	(1,335)
Net (deficit) / surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Non-Alberta Education revenue (continued)

The 2014-15 budget for transportation was developed in a deficit position in order to use all of the transportation reserve. Actual results show that the available reserve was greater than budget and almost all of the available balance was used. The small remaining reserve amount of \$0.1 million will be used in the 2015-16 year.

The CBE arranges transportation for all of its students by contracting with yellow school bus providers or working with the City of Calgary to ensure transit buses are available to move students within the correct time frames. A total of 36,900 students were transported in the 2014-15 year; 26,600 students were on yellow school buses, while 10,300 used City of Calgary transit buses. This is an increase of 500 compared to the 2013-14 year, in which 36,400 students were transported; 25,800 students were on yellow school buses, and 10,600 used City of Calgary transit buses.

Noon supervision fees

	Fall Budget 2014-15*	Actual 2014-15	Actual 2013-14	Budget to 2014-15	Actual to Actual
	Favourable / (Unfavourable)	Increase / (Decrease)			
	\$	\$	\$	\$	\$
Salaries and benefits	10,225	10,441	9,131	(216)	1,311
Contracts and services					
Other supplies and services	50	301	57	(251)	244
Uncollectible accounts expense	995	756	553	239	203
Waived fees	937	1,410	796	(473)	613
	<u>12,207</u>	<u>12,908</u>	<u>10,537</u>	<u>(701)</u>	<u>2,371</u>
Funding gap	(12,207)	(12,908)	(10,537)	(701)	(2,371)
Fees	<u>11,707</u>	<u>12,439</u>	<u>8,239</u>	<u>732</u>	<u>4,200</u>
Net (deficit) / surplus	<u>(500)</u>	<u>(469)</u>	<u>(2,298)</u>	<u>31</u>	<u>1,829</u>

The 2014-15 noon supervision program budget was developed in a balanced position and anticipated costs were used to set fee levels. When the Fall Budget Update was prepared, it was forecast that costs would be higher and would not be completely offset by fees. Actual 2014-15 results show that the fee revenues did not cover all of the costs of providing the service; therefore, the deficit will be covered using instructional grant dollars. Fees will increase for 2015-16 by \$5.00 per year across all categories.

In 2014-15, the average number of students attending a noon supervision program was 48,120 or 94% of the total elementary population. This was an increase of 3,610 students, or 8.1% over the 2013-14 average student count of 44,510.

Noon supervision fees for 2014-15 increased due to growth in students attending the program and due to the increase in the fees rate. Further, 2014-15 was the first school year that bused students paid the same amount of noon supervision as the other students attending the program.

Other supplies and services costs increased over budget and the 2013-14 year due to the inclusion of the cost of accepting credit and debit cards and technology system costs for maintaining the online fee payments system.

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Non-Alberta Education revenue (continued)

Instructional Supplies and Materials (ISM) Fees

The CBE charges parents and independent students fees for instructional supplies and materials as authorized under the provincial *School Act* (sec. 60(2)(j)). The supplies and materials go directly to schools and are deemed by the CBE to be necessary for the instruction of students. All students receive the necessary supplies and materials regardless of fee payment.

The fee levels for instructional supplies and materials for the Kindergarten to Grade 12 students were budgeted to offset all costs of supplying those instructional supplies and materials. This led to an increase to fee levels for Grades 7 to 12 for the first time in many years.

The CBE charges \$15 per student in kindergarten and \$30 per student in Grades 1 – 6. The supplies and materials purchased include pencils, markers, and photocopied materials, appropriate to their grade level.

The CBE charged \$137 per student in Grades 7 – 9 and \$152 in Grades 10 - 12. The proceeds of this fee are used to purchase items such as textbooks, novels, photocopy paper and per-copy charges, basic Career and Technology/Foundations supplies, and other instructional supplies and materials.

The total amount of Instructional Supplies and Materials fees collected at schools for the year ended Aug. 31, 2015 is \$9.1 million (budgeted at \$8.9 million). Each school is required to provide an annual report to parents on fees, which is posted on each school's website in the fall for the previous school year.

Other fees of \$20.0 million are charged and collected by schools. These include fees for field trips, musical instruments, online learning, etc. These are subject to school-based decision making, in conjunction with parent, teacher and student input.

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Expenses

In 2014-15, with student enrolment increasing by 3.4 per cent and the CBE's objective to generally maintain student to school-based staffing ratios, expenses have increased by \$55.9 million, or 4.7 per cent. The majority of this increase is in salaries and benefits.

	Actual		Variance	
	2014-15	2013-14		
	\$	\$	\$	%
Certificated salaries, wages & benefits	728,527	695,584	32,943	4.7
Non-certificated salaries, wages & benefits	244,700	231,845	12,855	5.5
Services, contracts & supplies	217,687	207,290	10,397	5.0
Amortization & other	55,239	55,581	(342)	(0.6)
Total	1,246,153	1,190,300	55,853	4.7



- \$32.9 million (4.7 per cent) increase in certificated salaries & benefits is largely the result of wage rate increases, movement within the ATA salary grid along with staffing increases in schools in order to generally maintain school-based staffing to student ratios at or near 2013-14 levels.
- \$12.9 million increase in non-certificated salaries, wages & benefits is the net impact of increased non-certificated staff in schools due to higher enrolment and negotiated wage rate increases.
- \$10.4 million increase in services, contracts & supplies is largely the result of increased maintenance costs and spending in schools.
- Superintendent positions filled at some point during the year (with the exception of the Chief Superintendent) fall within three salary range categories:

Category	Minimum	Median	Maximum
L (1 FTE)	171,684	206,022	226,624
M (6 FTEs)	198,050	237,660	261,426
N (1 FTE)	218,450	262,140	288,354

When determining remuneration, benefits and allowances for superintendents, consideration is given to the relative value of the role both out in the market and within the organization, along with the individual's qualifications and performance.

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Expenses by Operating Unit (actual expenditures versus fall budget)

Expenses can also be viewed by service unit and schools. This chart shows that the vast majority of the CBE's resources are allocated to schools and how the service units spend money to support student success in schools.

FTEs presented here and in the following schools / service unit tables reflect budgeted positions; actual positions filled during the year may vary.

2014-15 Actual Spending												
	Schools & Areas	Learning Services	Learning Innovation	Facilities and Environ Services	Legal	Communi-cations	Finance/ Tech Services	Human Resources	Chief Supt's Office	Board of Trustees	Corporate Accounts	Total
FTEs by:												
Superintendent	-	1	1	1	1	1	1	1	2	-	-	9
Staff (incl ATA, Staff Assn, CUPE, trades)	8,566	169	42	214	3	11	137	42	-	-	53	9,237
Exempt Staff	5	20	5	54	8	10	49	41	4	2	-	198
Total FTEs	8,571	190	48	269	12	22	187	84	6	2	53	9,444
2014-15 Actuals												
Salaries and benefits	868,548	27,349	5,565	28,585	1,649	2,447	23,138	9,632	1,003	454	4,858	973,228
Supplies and services	78,083	4,307	2,006	111,366	58	116	1,375	5,112	283	951	14,030	217,687
Other (interest, amortization and uncollectible accounts)	50	168	1,173	4,272	10	4	2,422	13	-	-	47,126	55,238
	946,681	31,824	8,744	144,223	1,717	2,567	26,935	14,757	1,286	1,405	66,014	1,246,153
2014-15 Fall Budget	952,555	33,081	7,444	136,667	1,825	2,673	27,642	15,521	1,371	1,508	68,204	1,248,491
Favourable / (Unfavourable)	5,874	1,257	(1,300)	(7,556)	108	106	707	764	85	103	2,190	2,338

- Schools and Areas spending was \$5.9 million lower than budget due to lower than estimated average salary and benefit rates.
- Corporate Accounts spending was less than budgeted due to lower Professional Improvement Fund costs and differences in benefit-related costs.
- Facilities and Environmental Services actual expenses were \$7.6 million unfavourable due to maintenance projects identified and completed during the year.
- Learning Services and Learning Innovation had variances due to different levels of externally funded project work than anticipated.

**CALGARY BOARD OF EDUCATION
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Schools and Areas

	2014-15 Actuals		2013-14 Actuals		Increase/(Decrease) (Actuals vs. Actuals)	
	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)
Expenses						
Certificated salaries and benefits	6,009	706,739	5,861	674,255	148	32,484
Non-certificated salaries and benefits	2,562	161,809	2,523	153,810	40	7,999
Dues and fees	-	738	-	652	-	86
Rental equipment and facilities	-	709	-	725	-	(16)
Maintenance and repairs	-	2,154	-	1,672	-	482
Insurance	-	2	-	-	-	2
Professional services	-	10,553	-	11,008	-	(455)
Utilities	-	376	-	422	-	(46)
Transportation charges	-	2,326	-	2,364	-	(38)
Travel and subsistence	-	673	-	635	-	38
Other supplies	-	52,403	-	51,785	-	618
Minor equipment	-	6,411	-	5,392	-	1,019
Textbooks and materials	-	1,738	-	1,668	-	70
Amortization expenses	-	9	-	10	-	(1)
Interest and finance charges	-	41	-	46	-	(5)
Total expenses	8,572	946,681	8,384	904,444	188	42,237

The number of FTEs presented reflects school-based budgeted positions including teachers, school administration, school support and professional support staff, cleaners and facility operators.

Significant variances from 2013-14 to highlight include:

- \$40.5 million increase in total *salaries and benefits* is the result of additional staffing due to increased enrolment in order to generally maintain school-based staff to student ratios for 2014-15 as well as collective agreement negotiated wage grid and rate increases.
- Spending in other expense categories will fluctuate relative to enrolment and are also dependent on school generated revenues, which are inherently variable from year to year.
- The 188 FTE increase is driven by the enrolment increase in schools.

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Learning Services

	2014-15 Actuals		2013-14 Actuals		Increase/(Decrease) (Actuals vs. Actuals)	
	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)
Expenses						
Certificated salaries and benefits	42	6,201	42	5,541		660
Non-certificated salaries and benefits	76	10,095	76	8,968		1,127
Dues and fees		61		39		22
Maintenance and repairs		24		12		12
Insurance		3		4		(1)
Professional services		629		949		(320)
Utilities		34		33		1
Transportation charges						
Travel and subsistence		315		256		59
Other supplies		758		646		112
Minor equipment		100		186		(86)
Textbooks and materials		24		7		17
Amortization expenses				231		(231)
Interest and finance charges		99		81		18
Total expenses	118	18,343	118	16,953		1,390

Learning Services provides supports and services that are designed and implemented to achieve student success, the goal of the Three-Year Education Plan.

These supports and services focus on: aboriginal education, alternative programs, assessment, attendance, curriculum, early learning, English language learning, exceptional needs, international students, the personalization of learning (Iris), multicultural services, outreach, psychological services, suspension, speech language, deaf & hard of hearing, braille, second languages programming family school liaison and critical incident response team.

In 2014-15 the work of Learning Services supported student learning in many ways:

- Further developing our professional capital to support students in realizing their learning goals while addressing achievement gaps.
 - building our professional and cultural capital of our First Nations, Métis and Inuit students and the community through system and school-based leadership.
 - ensuring a systemic approach for continued improvement for success for English Language Learners through action research and work in schools
 - building professional capital in support of students with complex needs and mental health concerns.
- Expanding the utilization of Iris: learner profiles, learning plans, teacher workspaces, IPP's, and other reports
- Advancing district-wide professional learning to develop greater coherence in reporting practices related to academic success, citizenship, personal development and character. Working collaboratively with schools, staff refined the stems related to the single system k-9 report card. They developed the associated resources to support teachers and schools in this work.
- Completing the expectations of curriculum prototyping with Alberta Education.

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Learning Services (cont'd)

Significant changes from 2013-14 to highlight include:

- \$1.8 million increase in *Salaries and benefits* is the result of collective agreement negotiated wage grid and wage rate increases as well as new teacher cohort program to prepare beginning teachers to work with a variety of learners. Temporary staff costs have increased for the Mental Health Project funded from Alberta Health Services

Chinook Learning Services

	2014-15 Actuals		2013-14 Actuals		Increase/(Decrease) (Actuals vs. Actuals)	
	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)
Expenses						
Certificated salaries and benefits	14	5,095	7	5,298	7	(203)
Non-certificated salaries and benefits	58	5,958	61	6,113	(3)	(155)
Dues and fees	-	5	-	1	-	4
Rental equipment and facilities	-	27	-	45	-	(18)
Maintenance and repairs	-	52	-	40	-	12
Professional services	-	400	-	449	-	(49)
Utilities	-	70	-	108	-	(38)
Travel and subsistence	-	19	-	22	-	(3)
Other supplies	-	1,425	-	1,633	-	(208)
Minor equipment	-	276	-	61	-	215
Textbooks and materials	-	84	-	155	-	(71)
Interest and finance charges	-	70	-	72	-	(2)
Total expenses	72	13,481	68	13,997	4	(516)

Chinook Learning Services support student success to complete, upgrade or enhance their high school diplomas as they prepare to enter post-secondary institutions or the world of work.

In 2014-15, the services of Chinook Learning supported student achievement in a several ways. Staff supported students in:

- High school upgrading
- Summer school for students in grades 10-12
- Off-campus programs and summer band camps
- Adult English Language Learning
- Non-credit continuing education (professional development, personal development & corporate training).

Programming provided to over-age students and adult learners is provided for a fee, which is included in other sales and services (\$3.7 million). Programming that is not within the ECS – grade 12 mandate is provided on a cost-recovery basis.

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Learning Innovation

	2014-15 Actuals		2013-14 Actuals		Increase/(Decrease) (Actuals vs. Actuals)	
	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)
Expenses						
Certificated salaries and benefits	23	3,699	25	3,218	(2)	481
Non-certificated salaries and benefits	25	1,866	29	2,251	(4)	(385)
Dues and fees	-	136	-	22	-	114
Maintenance and repairs	-	2	-	2	-	-
Professional services	-	108	-	369	-	(261)
Utilities	-	7	-	11	-	(4)
Transportation charges	-	14	-	24	-	(10)
Travel and subsistence	-	38	-	29	-	9
Other supplies	-	868	-	837	-	31
Minor equipment	-	814	-	165	-	649
Textbooks and materials	-	19	-	(9)	-	28
Amortization expenses	-	1,173	-	1,481	-	(308)
Total expenses	48	8,744	53	8,400	(6)	344

Learning Innovation includes specialists and support staff that work directly to support schools including: corporate partnerships, comprehensive school health, Campus Calgary/Open Minds, school nutrition and noon hour programs, K - 12 curriculum including Off-Site and Off-Campus learning programs, innovation and learning technologies (professional learning), educational resources and learning systems, student records systems, research and reporting to the province.

In 2014-15, the work in Learning Innovation supported student learning directly by:

- Providing increased access to the learning tools, resources, and environments that help create flexible, responsive and personalized learning opportunities and support student leadership and success.
- Implementing Student Learning Assessments (SLAs) for grade 3 students, which was initiated by Alberta Education to support the assessment of student learning.
- Fostering a variety of corporate and community partnerships and donations of services, goods (resources, equipment) and funds to enhance learning opportunities and create conditions for success for students.
- Expanding the High School Course Guide and dual credit opportunities for students as well as building capacity for high school leaders.

At the beginning of 2015-16, Learning Innovation and Learning Services merged under the direction of a single superintendent. This report reflects the separate operations for 2014-15.

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Facilities and Environmental Services

	2014-15 Actuals		2013-14 Actuals		Increase/(Decrease) (Actuals vs. Actuals)	
	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)
Expenses						
Certificated salaries and benefits	6	565	3	456	3	109
Non-certificated salaries and benefits	263	28,020	255	26,252	8	1,768
Dues and fees	-	206	-	219	-	(13)
Rental equipment and facilities	-	8,927	-	8,829	-	98
Maintenance and repairs	-	25,702	-	21,262	-	4,440
Insurance	-	4,518	-	4,897	-	(379)
Professional services	-	4,961	-	4,568	-	393
Utilities	-	17,875	-	20,707	-	(2,832)
Transportation charges	-	41,022	-	38,061	-	2,961
Travel and subsistence	-	189	-	202	-	(13)
Other supplies	-	7,954	-	4,400	-	3,554
Minor equipment	-	12	-	40	-	(28)
Textbooks and materials	-	-	-	2	-	(2)
Amortization expenses	-	4,272	-	4,066	-	206
Total expenses	269	144,223	258	133,961	11	10,262

Facilities & Environmental Services (FES) provides students and employees with quality learning and working environments.

The supports and services provided by FES include the areas of planning for student accommodation and transportation; design, construction, renovation, maintenance and day-to-day operations of school and CBE facilities; internal deliveries; environmental initiatives; and, emergency, safety and security services.

Significant variances from 2013-14 to highlight include:

- \$1.8 million increase in *non-certificated salaries and benefits* is due primarily to increased staff hired during the year relating to new school construction projects.
- \$4.4 million increase in *maintenance and repair* is due to increased maintenance needs identified during the year.
- \$2.8 million decrease in *utilities* is largely driven by lower gas and electricity rates and volume in 2014-15 compared with 2013-14.
- \$3.0 million increase in *transportation* is driven by more routes to accommodate increased ridership as well as higher charter bus rates.

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Legal Services

	2014-15 Actuals		2013-14 Actuals		Increase/(Decrease) (Actuals vs. Actuals)	
	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)
Expenses						
Certificated salaries and benefits	1	159	1	153	-	6
Non-certificated salaries and benefits	11	1,491	11	1,619	-	(128)
Dues and fees	-	13	-	11	-	2
Maintenance and repairs	-	-	-	1	-	(1)
Professional services	-	1	-	1	-	-
Utilities	-	3	-	3	-	-
Travel and subsistence	-	6	-	6	-	-
Other supplies	-	17	-	19	-	(2)
Minor equipment	-	6	-	6	-	-
Textbooks and materials	-	11	-	11	-	-
Amortization expenses	-	10	-	-	-	10
Total expenses	12	1,717	12	1,830	-	(113)

Legal Services provides the business functions of law, privacy and access.

The service unit handles CBE's Administrative Regulation development, contract administration, Corporate Secretary and administrative support to the Board of Trustees.

In 2014-15, Legal Services supported students, schools and the organization by:

- Delivering important information and training to schools on complex legal and privacy issues
- Managing the legal affairs of the CBE
- Providing or coordinate the delivery of legal services on behalf of the CBE
- Providing risk mitigation oversight
- Managing the CBE's compliance with the FOIP
- Overseeing the CBE's compliance with applicable law, regulations and policies
- Coordinating the development of the CBE's administrative regulations and procedures
- Managing contract processes and standards and maintaining repository
- Providing legal counsel to the Board of Trustees and the Chief Superintendent
- Managing the proceedings of the Board of Trustees
- Maintaining the corporate record of the Board of Trustees proceedings

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Communications

	2014-15		2013-14		Increase/(Decrease)	
	Actuals		Actuals		(Actuals vs. Actuals)	
	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)
Expenses						
Certificated salaries and benefits	-	-	1	59	(1)	(59)
Non-certificated salaries and benefits	22	2,447	22	2,362	0	85
Dues and fees	-	2	-	2	-	-
Rental equipment and facilities	-	8	-	7	-	1
Maintenance and repairs	-	1	-	1	-	-
Professional services	-	65	-	138	-	(73)
Utilities	-	8	-	10	-	(2)
Travel and subsistence	-	3	-	3	-	-
Other supplies	-	21	-	23	-	(2)
Minor equipment	-	8	-	2	-	6
Textbooks and materials	-	-	-	1	-	(1)
Amortization expenses	-	4	-	4	-	-
Total expenses	22	2,567	23	2,612	(1)	(45)

Communication Services engages and communicates with parents, government and community stakeholders and staff about what matters most to them. Communications Services supports student learning by allowing schools and service units to focus their time on teaching and learning while Communications Services deals with areas such as media relations, emergency communications, website management and development, public information, strategic communications planning, and print and production design.

The services and supports provided by Communications Services include:

- Assisting schools in communicating with parents and their communities
- Corporate communications planning and strategic counsel, including support for service units
- Crisis communications
- Management of corporate media relations and social media
- Communications support for the Board of Trustees and board-government relations
- Development of corporate information products (reports, stories, videos and web material) for print and web communication
- Acting as the first point of contact for public information
- Developing and producing teaching and learning materials, such as professional development training videos for teachers

In 2014-15, Communications Services launched the redesigned cbe.ab.ca, began work on new school websites, set up an internal Communications Council, began the use of social media, started planning for a mass communication tool to communicate to parents system-wide, and supported communications related to 31 capital projects, including web communications.

Communications Services was slightly under budget, with a positive variance of \$0.05 million.

**CALGARY BOARD OF EDUCATION
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Finance / Information Technology

	2014-15		2013-14		Increase/(Decrease)	
	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)
Expenses						
Certificated salaries and benefits	-	125	-	2	-	123
Non-certificated salaries and benefits	187	23,013	186	21,138	1	1,875
Dues and fees	-	201	-	168	-	33
Maintenance and repairs	-	8	-	7	-	1
Professional services	-	758	-	918	-	(160)
Utilities	-	41	-	49	-	(8)
Travel and subsistence	-	44	-	56	-	(12)
Other supplies	-	203	-	285	-	(82)
Minor equipment	-	120	-	122	-	(2)
Textbooks and materials	-	-	-	2	-	(2)
Amortization expenses	-	1,710	-	1,031	-	679
Interest and finance charges	-	596	-	500	-	96
Other (uncollectible accounts)	-	116	-	177	-	(61)
Total expenses	187	26,935	186	24,455	1	2,480

Finance Technology Services facilitates financial and technology decision-making within CBE so that resources are used to maximize student outcomes and, at the same time, ensuring a fiscally responsible CBE.

FTS provides a range of services including School Financial Management, the Fees Central team, Information and Client Technology services, procurement as well as financial operations such as accounts payable, revenue and treasury, and budget development and control and financial reporting.

In 2014-15, FTS supported students, schools and the organization by:

- Preparing the annual budget and related reports
- Monitoring and reporting on financial performance through the year
- Supporting sound financial practices in schools and across the CBE
- Providing financial administration of fees for the school noon supervision services, student transportation, and instructional supplies and materials programs, including waivers and collections
- Seeking the best deals possible when purchasing goods and service
- Paying the bills on time
- Designing, building, and supporting the CBE's technology infrastructure
- Ensuring that computers, tablets and other school-based technology is available, accessible and appropriate for students and their learning

Significant variances from 2013-14 to highlight include:

- \$1.9 million increase in *Non-certificated salaries and benefits* is due to vacant positions filled in 2014-15, an additional finance position was added in 2014-15 as part of a reorganization as well as collective agreement negotiated wage grid and wage rate increases.

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Human Resources

	2014-15		2013-14		Increase/(Decrease)	
	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)
Expenses						
Certificated salaries and benefits	7	1,381	6	845	1	536
Non-certificated salaries and benefits	77	8,251	78	8,601	(1)	(350)
Dues and fees	-	58	-	57	-	1
Rental equipment and facilities	-	7	-	-	-	7
Maintenance and repairs	-	-	-	1	-	(1)
Professional services	-	4,805	-	4,382	-	423
Utilities	-	19	-	19	-	-
Travel and subsistence	-	92	-	65	-	27
Other supplies	-	98	-	106	-	(8)
Minor equipment	-	28	-	17	-	11
Textbooks and materials	-	5	-	1	-	4
Amortization expenses	-	13	-	14	-	(1)
Total expenses	84	14,757	84	14,108	-	649

During the year, General Counsel assumed responsibility for the leadership of the Human Resources service unit and a Superintendent position was eliminated.

Human Resources supports employees with all matters related to their employment relationship with the CBE.

In 2014-15, the work of Human Resources supported students, schools and the organization by:

- Supporting over 13,000 employees while they provide a first-class education to Calgary students.
- Proactively recruit talent while balancing current and future projected needs.
- Supporting continuous learning and leadership development for all employees.
- Overseeing recruitment, total rewards, workforce planning, labour and employee relations, partner services, employee development, payroll, our human resources management system, the Employee Health Resource Centre, operations and integrated solutions, and organizational development and leadership.

Significant variances from 2013-14 to highlight include:

- Budgeted FTEs and actual staffing costs in 2014-15 changed from the prior year due to a reorganization and staff turnover.
- \$0.4 Million increase in professional services is mainly due to the CBE's collaboration with Galileo Educational Network which provides support for educators in designing intellectually engaging learning environments for students and also offers professional learning opportunities for all the Learning Leaders and lead teachers in the system.

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Chief Superintendent's Office

	2014-15 Actuals		2013-14 Actuals		Increase/(Decrease) (Actuals vs. Actuals)	
	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)
Expenses						
Certificated salaries and benefits	3	758	2	1,030	1	(272)
Non-certificated salaries and benefits	3	245	3	302	-	(57)
Dues and fees	-	11	-	22	-	(11)
Rental equipment and facilities	-	143	-	65	-	78
Maintenance and repairs	-	1	-	1	-	-
Professional services	-	104	-	-	-	104
Utilities	-	4	-	7	-	(3)
Travel and subsistence	-	4	-	28	-	(24)
Other supplies	-	16	-	27	-	(11)
Minor equipment	-	-	-	6	-	(6)
Textbooks and materials	-	-	-	2	-	(2)
Total expenses	6	1,286	5	1,490	1	(204)

The Chief Superintendent's office leads strategic planning for student success based on the Board of Trustees' values and policies.

- The Chief Superintendent, as both the Chief Executive Officer and Chief Educational Officer, develops the Three Year Education Plan to improve student success and ensures that students and their learning are at the centre of organizational decisions.
- The Deputy Chief Superintendent leads the learning and operations in each of CBE's 227 schools.
- The Chief Superintendent's Office is a key liaison point between all components of the CBE and the many individuals and groups who hold an interest in public education.

Significant variances from 2013-14 to highlight include:

- Salaries and benefits expense decreased by \$0.3 million due to:
 - No retirement or vacation payouts made in 2014-15.
 - One support position was vacant for a portion of the year.
- Starting in 2014-15 the cost of the services provided by Aspen Consulting Services were shared between the Chief Superintendent's Office and the Board of Trustees to reflect that the service is partially for administrative support and partially for the Board. These services include advice and recommendations related to the CBE's governance model. This is reflected in the increase of professional services costs in 2014-15.

For more information on the remuneration of the Chief Superintendent, please see Note 18(b) to the consolidated financial statements.

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Board of Trustees

	2014-15		2013-14		Increase/(Decrease)	
	FTEs	Actuals (in \$ thousands)	FTEs	Actuals (in \$ thousands)	FTEs	Actuals (in \$ thousands)
Expenses						
Non-certificated salaries and benefits	2	454	2	492	-	(38)
Dues and fees	-	259	-	256	-	3
Rental equipment and facilities	-	1	-	-	-	1
Professional services	-	676	-	574	-	102
Utilities	-	1	-	1	-	-
Travel and subsistence	-	9	-	10	-	(1)
Other supplies	-	5	-	13	-	(8)
Textbooks and materials	-	-	-	-	-	-
Total expenses	2	1,405	2	1,346	-	59

The Board of Trustees budget includes all items related to the governance of the organization, including Trustee remuneration, office expenses and travel costs, financial audit fees, election costs, and Alberta School Boards Association fees.

Significant variances from 2013-14 to highlight include:

- \$0.03 million decrease in salaries and benefits expenses are largely due to a lower board retirement accrual in 2014-15, as well as one full-time administration position being vacant for the entire year.
- \$0.1 million increase in professional services is due to the by-election held in 2014-15 for Wards 11 & 13.

For more information on the remuneration of the Board of Trustees, please see Note 18(a) to the consolidated financial statements.

During the course of the year, the Board of Trustees may draw upon the services and supports of other service units. Those costs are not reflected here.

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Corporate Accounts

	2014-15 Actuals		2013-14 Actuals		Increase/(Decrease) (Actuals vs. Actuals)	
	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)
Expenses						
Certificated salaries and benefits	44	3,807	43	4,722	1	(915)
Non-certificated salaries and benefits	9	1,051	9	(65)	-	1,116
Dues and fees	-	1,420	-	1,028	-	392
Maintenance and repairs	-	5,546	-	6,554	-	(1,008)
Professional services	-	1,099	-	2,316	-	(1,217)
Utilities	-	3,925	-	3,729	-	196
Travel and subsistence	-	2	-	-	-	2
Other supplies	-	1,851	-	128	-	1,723
Minor equipment	-	187	-	414	-	(227)
Amortization expenses	-	44,453	-	45,321	-	(868)
Interest and finance charges	-	1,232	-	1,404	-	(172)
Other (uncollectible accounts)	-	1,441	-	1,144	-	297
Total expenses	53	66,014	52	66,695	1	(681)

Corporate accounts are those held and monitored by service units, but which relate to system-wide activities or expenses.

Examples of costs include Professional Improvement Fund (ATA and non-ATA) leave costs, staff secondments for union activities, legal fees, amortization of facilities, interest expense and bank charges. In some years, these accounts may also include system provisions for severance accruals or retroactive payroll costs due to union settlements.

Significant changes from 2013-14 to highlight include:

- \$1.1 million increase in non-certificated salaries and benefits due to increases in the wage rates of seconded staff, additional staff working on new school construction projects as well as differences in benefit-related costs.
- \$1.0 million reduction in maintenance and repairs is mainly due reduced maintenance expenses for P3 schools which fluctuate from year to year and are inherently variable.
- \$1.2 million reduction in professional services due to the discontinuation of the REACH program (Regional Educational Assessment and Consultation Services).
- \$1.7 million increase in other supplies spending is mainly due to an increase in school purchased assets capitalized in 2014-15 (offset against the spending in schools) as well as increased expenses of \$0.5 million for Curriculum Development Prototyping.
- The \$0.07 million negative expense in non-certificated salaries and benefits in 2013-14 is due to an accrual reversal for which actual payments made were less than the estimated accrual.

Staffing and Full-Time Equivalents (FTEs)

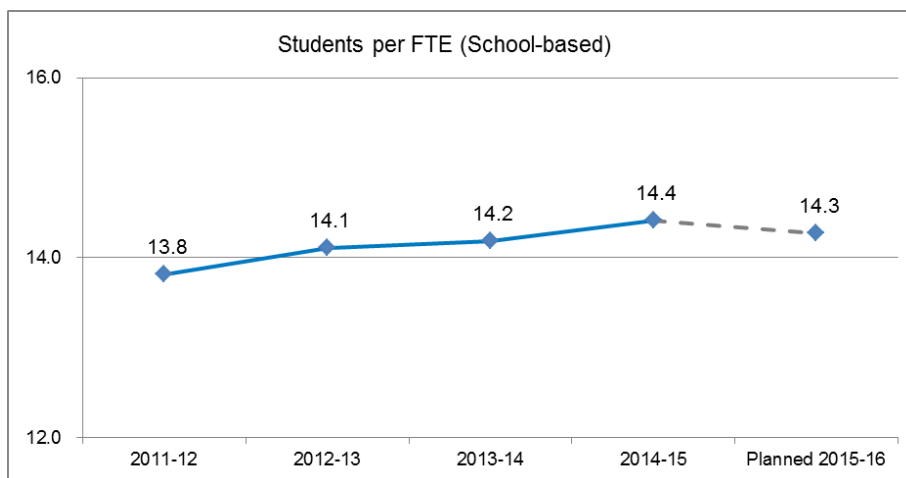
More than 13,000 people worked for the CBE, which equated to 9,444 full-time equivalent (FTE) positions for fiscal 2014-15.

Each one of our employees plays an important role in supporting students in their learning. Teachers, principals and school-based employees work with students to unlock their passions and potential. They are supported by knowledgeable employees who work in a variety of other capacities.

The CBE spends the greatest proportion of its funds (78 per cent) on salaries and benefits with certificated staff (teachers) making up the majority of that total. The provincial grant increases in recent years has not been sufficient to keep up with enrolment growth and to cover the negotiated wage rate increases and wage grid movement for teachers and support staff. As a result, the number of FTEs has not been increasing at a rate equal to enrolment growth. This impacts the ratio of students to school-based staff.

The 2014-15 budget was developed with the goal of generally maintaining student to school-based staff ratios at 2013-14 levels. In 2015-16, we anticipate seeing that ratio improve slightly, which is due to an increase in provincial funding per student.

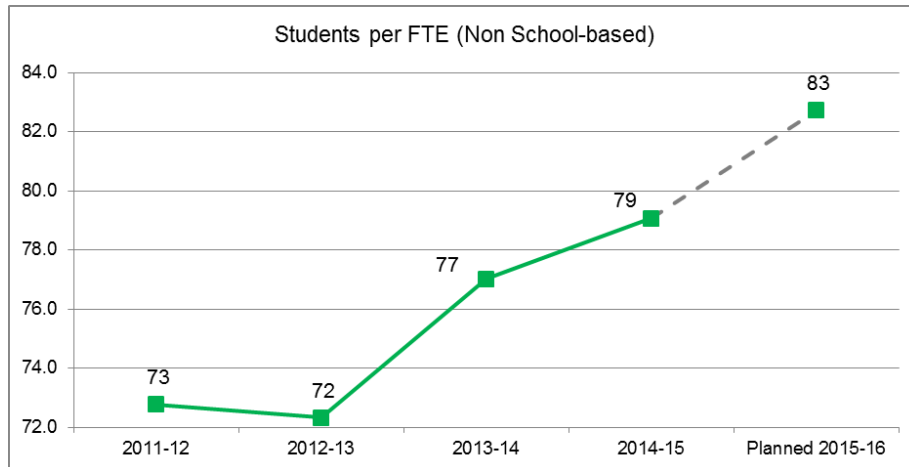
The following tables show the average number of CBE students per full-time equivalent staff position:



School-based staff includes all staff hired via the Resource Allocation Method (RAM) deployment as well as FTEs budgeted under centrally held school-related budgets where specific funding has been received in support of schools, such as Regional Collaborative Service Delivery (formerly Student Health Partnership) and Program Unit Funding. These resources are then deployed to schools to support specialized needs.

For purposes of this presentation, school-based staff does not include staff in service units that work directly in schools, such as facility operators, cleaners, psychologists, etc.

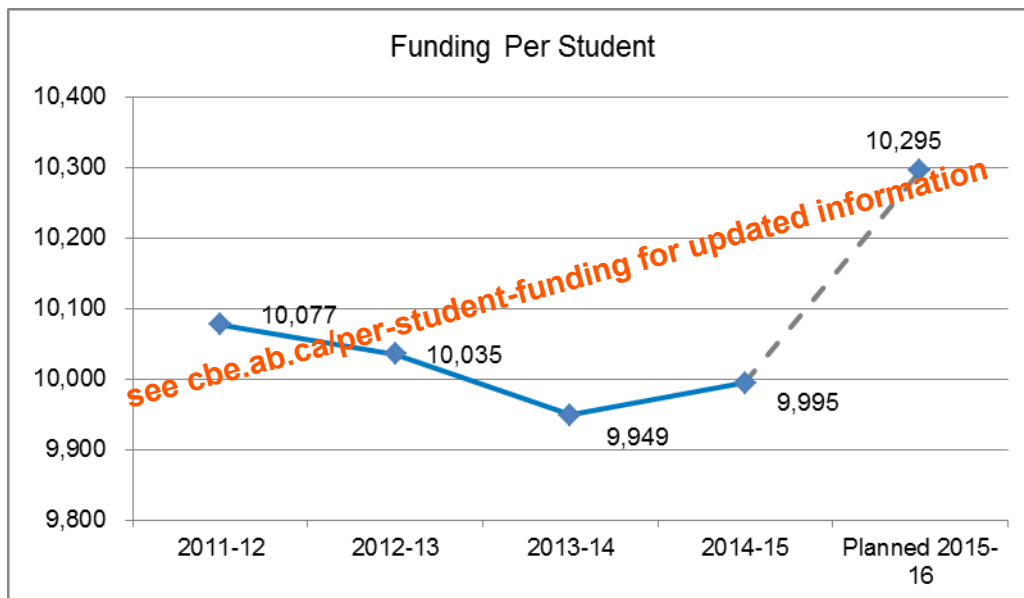
Staffing and Full-Time Equivalents (FTEs) (continued)



Alberta Education funding per student

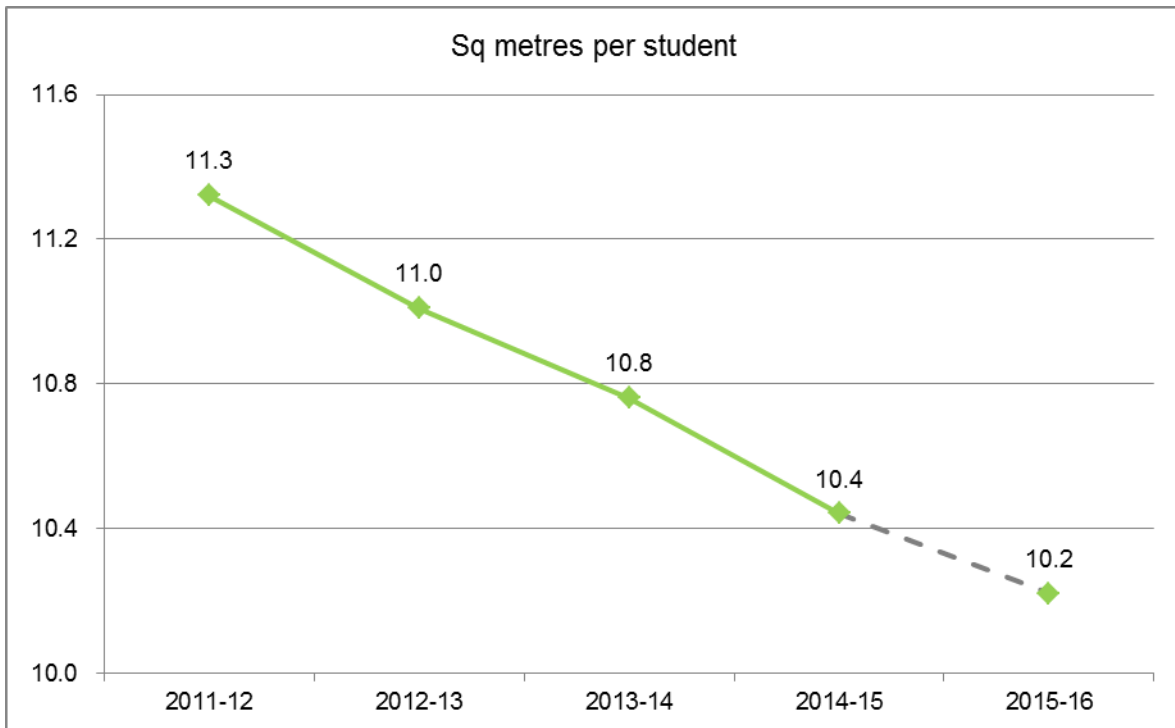
For 2014-15, CBE's enrolment was up by 3,737 students from Sept. 30 of the prior year. Funding from Alberta Education increased for enrolment, as well as some small rate increases which results in a small increase in overall funding per student. In 2015-16, the CBE anticipates welcoming an additional 2,483 students.

Funding per student is summarized below:



Space per student

The learning space available at the CBE is compared against enrolment to demonstrate the increasing capacity challenge.



**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

Reserves

CBE's Operating Reserves

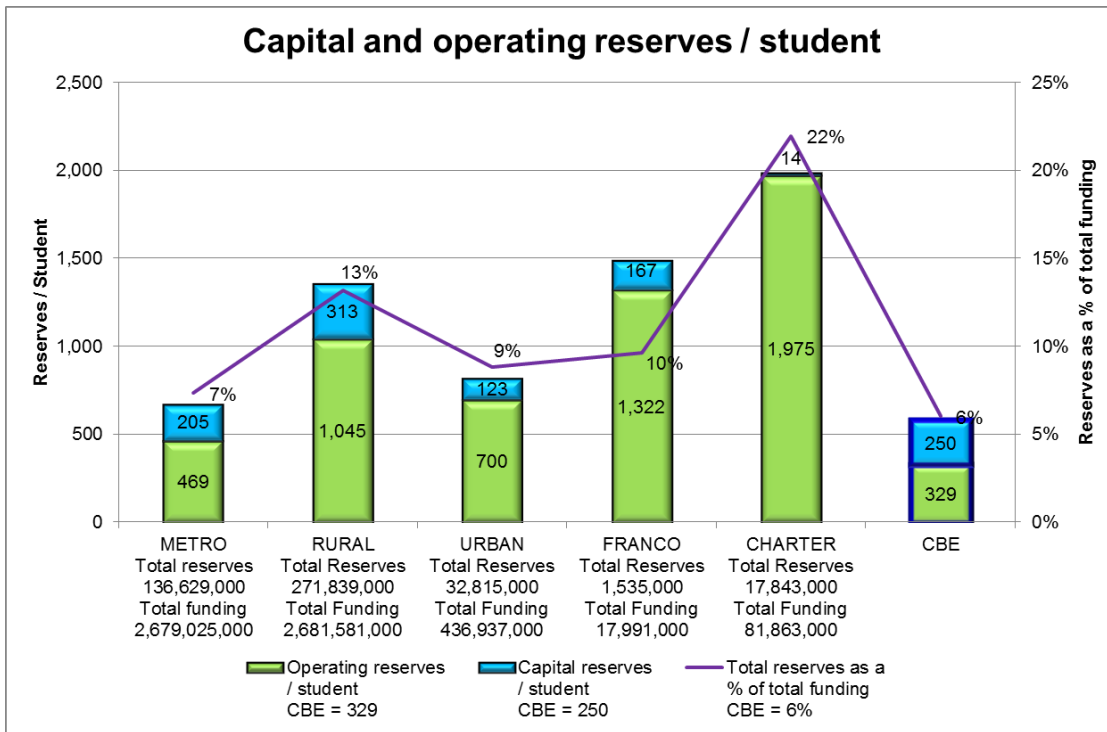
	Reserve balance Sep 1, 2014	Fall Update planned transfers from reserves	Recommended actual transfers to/(from) reserves	Reserve balance Aug 31, 2015
(all figures in \$ thousands)				
Operating reserves				
Restricted reserves	(4,678)	(1,425)	(5,364)	(10,042)
Available for use reserves	37,270	(14,747)	461	37,731
Remeasurement gains and losses	13,353	-	(3,673)	9,680
Designated operating funds	4,355	(2,599)	1,039	5,394
Endowments	3,292	-	228	3,520
Unrestricted surplus	-	-	104	104
Total operating reserves	53,592	(18,771)	(7,205)	46,387

The 2014-15 budget anticipated the use of \$18.8 million operating reserves in order to balance. The year ended in a surplus position which, combined with higher capital activities, results in a smaller draw on operating reserves than anticipated in the fall budget update. At this time, the CBE is making plans for the use of remaining reserves for one-time initiatives in 2015-16 including the fit-up and commissioning of new schools and enhancing the wireless capacity in schools.

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

Comparison to other Alberta school jurisdictions

All types and sizes of school jurisdictions in Alberta have reserves. The following chart shows the quantity relative to size and as a proportion of total funding.



Analysis of Financial Operating Results to Budget

The 2014-15 Budget was prepared and approved by the Board of Trustees in the spring of 2014 using projected numbers. The CBE's budget was updated in Nov. 2014 for actual Sept. 30 student enrolment with a planned operating deficit of \$14.6 million and net board-funded capital spending of \$4.1 million. In the budget, the CBE planned to cover this operating deficit with reserve draws of \$18.8 million.

Operating surplus

With Board of Trustee approval, the budget anticipated a \$14.6 million deficit in order to generally maintain student to school-based staffing ratios similar to 2013-14.

With the realization of investment gains along with prudent spending, the CBE reports a surplus of \$11.4 million. The \$26.0 million difference predominantly reflects:

- \$11.8 million higher realized investment income due to favorable market conditions and actual gains realized;
- \$2.3 million net savings in salaries, benefits and other expenses due to prudent financial management;
- \$2.8 million in lower utility costs than budgeted due to both a reduction in usage and rates than anticipated;
- \$2.7 million in additional Alberta Education revenue received on differential cost factor funding;
- \$3.4 million in increased revenue from other sources (federal government, sales and services, other revenue);
- (\$0.7 million) higher deficit in the Transportation block than budgeted due to higher waived fees and uncollectible accounts;
- \$3.7 million for projects budgeted in 2014-15 that were incomplete at year-end and the budget will be carried forward to 2015-16.

Use of surplus

The CBE has applied a prudent financial management practice due to concerns about future pressures and realized a surplus of \$11.4 million. This amount is transferred to reserves as follows:

- transfer from operating reserves totalling \$(3.7) million:
 - \$0.5 million to administrative systems renewal reserve;
 - \$(2.2) million from the transportation fee stabilization reserve;
 - \$(3.2) million from unrealized investment gains reserve;
 - \$1.1 million to designated funds.
 - \$0.1 million in unrestricted surplus.
- investment of \$15.1 million in board-funded capital.

The surplus means that the CBE's reliance on funding from operating reserves in 2014-15 was less than anticipated, making the funds available for use in future years.

Financial Position

As at Aug. 31, 2015, the CBE has an accumulated surplus balance of \$217.3 million, reflecting net financial debt of (\$625.3) million and non-financial assets of \$842.5 million. Net debt includes \$691.2 million of deferred revenue already expended on the acquisition of capital assets and will be recognized as revenue over the useful life of the related assets. If the deferred revenue were fully recognized, the Aug. 31, 2015 financial position would result in net financial assets of \$65.9 million.

Accumulated Surplus

	Accumulated surplus	
	Aug. 31, 2015	Aug. 31, 2014
	(all figures in \$ thousands)	
Available for use reserves, surplus and designated funds	43,229	41,625
Restricted operating reserves	(10,042)	(4,678)
Capital reserves	36,216	28,074
Endowments	3,520	3,292
Remeasurement gains and losses	9,680	13,353
Investment in capital assets	134,684	127,704
	217,287	209,370

Whenever possible, the CBE has established specific operating and capital reserves to mitigate:

- the adverse impact of significant, uncontrollable increases in certain costs;
- the uncertainty of future funding decisions by the provincial government; and
- any adverse impacts to parents and students through service reductions and fee increases.

Capital Expenditures

The CBE receives funding for capital assets through two main sources. Funds are received for specific buildings or projects through targeted grants. In addition, the CBE funds other capital—such as technology, furniture, equipment and vehicles—by setting aside the funds from regular grants.

Capital reserves have increased \$8.1 million from 2013-14 due to a large number of capital projects that were not complete at year-end that have been carried forward to 2015-16. This includes the implementation of a new student information system, a number of enhancements planned for school facilities as well as wireless network upgrades and technology replacements.

Investment in capital assets increased by \$7.0 million due to:

- Board-funded capital additions of \$22.2 million, such as the purchase of computer equipment, the Corporate Planning & Management system development, replacement of vehicles, equipment purchases, school purchased assets and information technology projects;
- debt repayment of \$6.6 million; and
- (\$21.8) million amortization of board-funded capital assets.

The CBE is challenged by the large number of concurrently developing communities in the city, which puts increased pressure on the CBE to meet the expectations of parents for school construction in their community. The CBE continues to plan for and request provincial funding required to meet this significant shortfall of public schools.

Another challenge the CBE faces is providing the resources for maintenance and renewal work necessary for established school facilities.

With space per student decreasing and student enrolment expected to increase to more than 125,000 students by 2018, major modernization of aged schools is necessary to effectively deliver today's curriculum. Ongoing capital investments are required to replace various building components in our schools once they reach the end of their lifecycle. This would make it possible to utilize a facility up to and beyond the original design life.

In order to manage space constraints until new schools are opened, modular classrooms are being installed at ten schools for use in the 2015-16 year.

Planning and construction is underway for an unprecedented 24 new schools and seven major modernization projects. The CBE faces a significant challenge in managing this volume of capital projects, particularly because there have been reductions in central services and no additional funding for support services anticipated.

Meanwhile, the CBE continues to develop appropriate strategies to better utilize some of its school buildings in low enrolment areas, and the associated costs of operating and maintaining any excess space. In the past years, strategies included leasing unused space, program consolidation, expanding programs of choice and - as a last resort - school closure.

Outlook for 2015-16

The 2014-15 budget year followed several years of declining provincial funding per student. The small increase in 2014-15 funding per student meant that the CBE could generally maintain school-based staff to student ratios and central supports for students and schools at 2013-14 levels. The CBE continues to achieve great results for students by making operating decisions that are consistent with our values. The favourable financial results in 2014-15 demonstrate the CBE's prudent financial management.

The CBE will continue to be challenged by the unprecedented growth of the system in 2015-16. There are 31 capital projects under way to add capacity to the system that currently has utilization rates of up to 129 per cent in some areas. These new schools will come with commissioning costs to get them furnished and ready for students. Funding the start-up costs for these provincially funded schools will be challenging and will likely be funded by up to \$25.0 million in operating reserves.

The 2015-16 operating budget was prepared within the framework of Alberta Education's *Inspiring Education*, which sets out the values for public education: opportunity, fairness, citizenship, choice, diversity and excellence. We are also guided by the CBE's Three-Year Year Education Plan 2015-2018.

The new provincial government made a funding announcement for education in May 2015, which increased per-student funding and made it possible for the CBE to maintain school-based staff to student ratios and centrally provided services. The budget also has capital provisions for the replacement of equipment, technology enhancement and maintenance projects as well as school facility enhancements. The budget was balanced without the planned use of reserves.

In 2015-16 we will focus on:

- Ensuring a systemic approach to improving academic success for our First Nations, Metis and Inuit learners.
- Advancing district-wide professional learning and leadership to strengthen the personalization of learning and inclusive learning practices.
- Developing and implementing an expanded public engagement framework.
- Continuously improving in ways that benefit students and their learning. Strategies for improvement include:
 - Further integrating the provision of centralized and decentralized specialized supports and services to students, teachers and schools,
 - Enhancing and further integrating programs and services provided by CBe-Learn, Chinook Learning Services, Encore, Discovering Choices and other outreach services,
 - Making school-based management easier by streamlining the provision of administrative services and supports to schools and moving to further standardization in non-teaching supports,
 - Evaluating the current model of the RAM to schools,
 - Seeking further operational efficiencies where appropriate.

Student success is at the center of every budget-related decision we make. Our values guide our work: students come first, learning is our central purpose and public education serves the common good.

Compliance

For the year ended Aug. 31, 2015, the CBE was in full compliance with the provincial funding framework. In addition, all transfers of funds affecting the CBE's operating and capital reserves were made in accordance with provincial regulations and the Board of Trustees' direction and approval.

Appendix I: Third party invoice summary and analysis



Summary of Third Parties Payments by Total Value Group

For the Year ending August 31, 2015

Category	Number of Vendor	Total Invoices Amount	% of Total Amount
1. Vendors with total invoices amount greater than \$250,000	150	612,600,307	95%
2. Vendors with total invoices amount between \$200,000 and \$250,000	17	3,860,548	1%
3. Vendors with total invoices amount between \$100,000 and \$200,000	72	9,993,704	2%
4. Vendors with total invoices amount between \$50,000 and \$100,000	123	8,489,851	1%
5. Vendors with total invoices amount less than \$50,000	3,329	12,957,447	2%
Grand Total	3,691	647,901,857	

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**



**Third Parties Payments with Total Payments Value >\$250,000
For the Year ending August 31, 2015**

Vendor	Total Payments
RECEIVER GENERAL FOR CANADA	204,396,539
BOARD OF ADMINISTRATORS	75,460,096
ALBERTA PENSIONS ADMINISTRATION CORP.	38,251,065
SUN LIFE INSURANCE CO. GROUPS INSURANCE	36,757,627
CARDINAL COACH LINES ULC	20,442,663
SOUTHLAND TRANSPORTATION LTD.	19,871,602
ALBERTA SCHOOL EMPLOYEE BENEFIT PLAN (ASEBP)	14,021,688
BENTALL KENNEDY (CANADA) LP	13,081,249
ENMAX ENERGY CORPORATION	10,521,380
BANK OF MONTREAL	10,434,850
ALBERTA TEACHERS ASSOCIATION	9,731,250
CITY OF CALGARY	8,462,293
LEAR CONSTRUCTION MANAGEMENT LTD.	7,155,881
DIRECT ENERGY BUSINESS SERVICES	4,912,020
GROUP2 ARCHITECTURE INTERIOR DESIGN LTD.	4,891,055
APPLE CANADA INC.	4,485,698
HULL SERVICES	4,474,160
MARSH CANADA LIMITED	4,369,824
TRIBUILD CONTRACTING (CALGARY) LTD.	4,339,476
TELUS SOURCING SOLUTIONS PARTNERSHIP	3,490,121
AXIA SUPERNET LTD.	3,429,880
PC CORP INC.	3,308,432
GRAND & TOY	2,952,600
WESTERN WEATHER PROTECTORS LTD.	2,927,522
GIBBS GAGE ARCHITECTS	2,882,497
CARBON CONSTRUCTORS INC.	2,806,781
LASERNETWORKS INC.	2,684,986
WOOD'S HOMES	2,423,105
APM CONSTRUCTION SERVICES INC.	2,218,997
PEDDIE ROOFING & WATERPROOFING LTD.	2,143,037
WORKERS' COMPENSATION BOARD	1,986,703
IBM CANADA LTD	1,954,541
STARCRAFT CONSTRUCTION LTD.	1,944,329
ZEIDLER BKDI ARCHITECTS	1,897,405
EVEREST CONSTRUCTION MANAGEMENT LTD.	1,892,726

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**



**Third Parties Payments with Total Payments Value >\$250,000
For the Year ending August 31, 2015**

Vendor	Total Payments
URBAN SCHOOLS INSURANCE CONSORTIUM	1,857,032
VECTUS INC.	1,766,657
CBE STAFF ASSOCIATION	1,763,128
STUART OLSON CONSTRUCTION LTD.	1,679,445
SHARP'S AUDIO-VISUAL LTD.	1,629,701
ORACLE CANADA ULC	1,437,032
RIDDELL KURCZABA ARCHITECTURE	1,374,546
LYNNWOOD ROOFING (1991) INC.	1,358,755
CHISHOLM INDUSTRIES LTD.	1,357,614
ALBERTA FIRE & FLOOD LTD.	1,350,074
ST. JOHN'S MUSIC LTD.	1,302,778
BIG COUNTRY PLASTERING LTD.	1,260,613
MARSHALL TITTEMORE ARCHITECTS	1,171,720
ALL-STAR PAVING LTD.	1,147,141
METAFORE TECHNOLOGIES INC.	1,140,654
DIALOG ALBERTA ARCHITECTURE ENGINEERING INTERIOR DESIGN PLANNING INC. o/a	1,100,470
SAHURI + PARTNERS ARCHITECTURE INC.	1,081,187
WESTERN ROOFING AND CONTRACTING INC.	970,827
ALBERTA HEALTH SERVICES-CHR	928,545
DATA GROUP OF COMPANIES	918,028
ELLISDON CONSTRUCTION SERVICES INC.	910,392
TELUS COMMUNICATIONS INC.	906,896
TROTTER & MORTON BLDG TECH. INC	896,805
GATEWAY MECHANICAL SERVICES	892,943
S.I. SYSTEMS LTD.	891,302
WASTE MANAGEMENT OF CANADA CORP.	889,128
CDI SPACES	827,794
SPICERS CANADA ULC	803,007
SWISH MAINTENANCE LIMITED	797,068
RBC DEXIA INVESTOR SERVICES	789,487
MANASC ISAAC ARCHITECTS LTD.	787,789
TRU-CRAFT ROOFING (2005) LTD.	786,698
KAMEX CONSTRUCTION LTD.	774,764
ENVIRONMENTAL RENOVATIONS & ABATEMENT INC.	759,247
ALBERTA BLUE CROSS	754,727

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**



**Third Parties Payments with Total Payments Value >\$250,000
For the Year ending August 31, 2015**

Vendor	Total Payments
UNISOURCE CANADA, INC. (WESTERN REGION)	739,916
TSUU T'INA NATION EDUCATION	736,402
SEBRING CONSTRUCTION LTD.	730,000
SUPREME OFFICE PRODUCTS LTD	696,207
RYDON CONSTRUCTION INC.	694,641
STANDARD LIFE	681,599
CONCEPT ELECTRIC LTD.	674,061
CHANDOS CONSTRUCTION LTD.	672,422
CHECKER CABS LTD.	668,374
EducationMatters	667,798
D2L CORPORATION	639,595
SOCIETY FOR TREATMENT OF AUTISM	625,625
PEARSON EDUCATION CANADA	624,600
D. OWEN CONSTRUCTION LTD	623,313
LOCAL 40 CANADIAN UNION OF PUBLIC EMPLOYEES	619,600
WEST SOURCE ENTERPRISES INC.	614,814
SKYLINE BUILDING ENVELOPE SOLUTIONS (CGY) INC.	606,654
ACRODEX INC.	606,298
ASPEN FAMILY AND COMMUNITY NETWORK SOCIETY	605,101
UNITED LIBRARY SERVICES INC.	603,241
LEBLOND PARTNERSHIP ARCHITECTS *PLANNERS, THE	601,384
WESTCOR CONSTRUCTION LTD.	598,949
NOSE CREEK ELECTRICAL SERVICES	587,569
GALILEO EDUCATIONAL NETWORK	579,800
ONX ENTERPRISE SOLUTIONS LTD.	571,988
DONE RITE JANITORIAL SALES & SERVICE	548,377
ENMAX POWER SERVICES CORPORATION	546,478
PIVOTAL PROJECTS INC.	536,525
SHAW GMC CHEVROLET BUICK LIMITED PARTNERSHIP	533,781
CHARTER TELECOM, INC.	528,091
BIG KAHUNA SPORT COMPANY	517,142
DLA PIPER (CANADA) LLP	502,864
OFFICE SOLUTIONS (ALBERTA) INC.	498,219
BELL MOBILITY INC.	492,472

**CALGARY BOARD OF EDUCATION
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(In thousands)**



**Third Parties Payments with Total Payments Value >\$250,000
For the Year ending August 31, 2015**

Vendor	Total Payments
COBRA CORPORATE MANAGEMENT INC.	477,701
IMPERIAL PARKING CANADA CORP.	468,124
ACKLANDS-GRAINGER INC.	465,254
ALL SYSTEMS COMMUNICATIONS CONTRACTING INC.	460,176
SKYLINE ATHLETICS INC.	448,337
FOOTHILLS DECORATING LTD.	442,969
LONDON LIFE INSURANCE CO.	432,516
WEST CANADIAN DIGITAL IMAGING INC.	432,294
MAINLAND INFORMATION SYSTEMS LTD.	416,541
INGLE INTERNATIONAL	412,551
KMS TOOLS AND EQUIPMENT LTD.	387,361
RGO FLOORING LTD.	386,799
UNIVERSITY OF CALGARY	383,349
INTERNATIONAL BACCALAUREATE ORGANIZATION	374,997
SYSCO CALGARY, A DIVISION OF SYSCO CANADA INC.	373,899
TECH-COST CONSULTANTS LTD.	369,390
IMPERIAL OIL LTD.	362,466
W.E. GREER LTD.	360,595
SYNCON MANAGEMENT LTD	358,145
SCHOOLHOUSE PRODUCTS INC.	354,092
BELL CANADA	351,558
SPRUCE PARK ELECTRIC INC.	332,608
LONDON LIFE/CAPITAL ESTATE PLANNING CORP.	331,524
CERVUS EQUIPMENT	327,923
POSTAGE BY PHONE/PITNEYWORKS PREPAID	315,000
MODUS STRUCTURES INC.	312,835
SCHOOL SPECIALTY CANADA	312,204
SHAW TELECOM G.P.	312,179
JOHNSON CONTROLS CANADA LP	309,125
DBI SYSTEMS INTEGRATION INC	296,298
CALGARY SENIOR HIGH SCHOOL ATHLETIC ASSOCIATION	294,500
20 VIC MANAGEMENT INC.	293,781
EDUCAN SCHOOL FURNITURE	289,688
MICROSOFT CANADA CO.	286,516

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**



**Third Parties Payments with Total Payments Value >\$250,000
For the Year ending August 31, 2015**

Vendor	Total Payments
LONG & MCQUADE LTD.	283,288
WOLSELEY	278,496
FLYNN CANADA LTD.	277,993
VANNIN TECHNOLOGY INC.	275,244
REGGIN TECHNICAL SERVICES LTD.	272,058
DISCOVERY EDUCATION CANADA ULC	268,064
EMM DECORATING & GRAFFITI REMOVAL LTD.	266,807
ALBERTA SCHOOL BOARDS ASSOCIATION	262,771
MJS MECHANICAL LTD.	261,402
IRON MOUNTAIN CANADA CORP.	260,931
SHANAHAN'S LIMITED PARTNERSHIP	259,319
CHILD SAFE CANADA	258,669
Grand Total	612,600,307

Appendix II: EducationMatters financial statements



Financial Statements
December 31, 2014

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**



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Independent Auditors' Report

To the Board of Governors
EducationMatters, Calgary's Public Education Trust

We have audited the accompanying financial statements of EducationMatters, Calgary's Public Education Trust, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, changes in fund balances 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 accounting standards for not-for-profit organizations, 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.

Auditors' 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 auditors' 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.

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**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

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 EducationMatters, Calgary's Public Education Trust as at December 31, 2014, and the results of its operations, changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Collins Barrow Calgary LLP

CHARTERED ACCOUNTANTS

Calgary, Canada
March 19, 2015

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

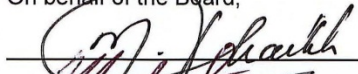
**EducationMatters, Calgary's Public Education Trust
Statement of Financial Position
December 31, 2014**


	2014	2013
Assets		
Current assets		
Cash and cash equivalents (notes 3 and 6)	\$ 1,954,955	\$ 1,977,556
Goods and Services Tax recoverable	1,401	548
Prepaid expenses	<u>4,400</u>	<u>5,000</u>
	1,960,756	1,983,104
Investments (notes 4 and 6)	3,998,032	2,996,467
Property and equipment (note 5)	<u>32,488</u>	<u>2,735</u>
	<u>\$ 5,991,276</u>	<u>\$ 4,982,306</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 25,337	\$ 21,331
Deferred operating contributions (note 7)	<u>440,000</u>	<u>440,000</u>
	<u>465,337</u>	<u>461,331</u>
Funds		
Operating funds (including investment in capital assets)	707,463	614,842
Flow-through funds	725,289	844,975
Endowment funds (note 6)	<u>4,093,187</u>	<u>3,061,158</u>
	<u>5,525,939</u>	<u>4,520,975</u>
	<u>\$ 5,991,276</u>	<u>\$ 4,982,306</u>

Commitments (note 8)

See accompanying notes to the financial statements.

On behalf of the Board,


_____, Governor


_____, Governor

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

**EducationMatters, Calgary's Public Education Trust
Statement of Operations
Year Ended December 31, 2014**

	2014				2013
	Operating Funds	Flow-Through Funds	Endowment Funds	Total	
Revenue					
Contributions	\$ 725,864	\$ 1,066,919	\$ 750,603	\$ 2,543,386	\$ 1,964,285
Gains (losses) on investments	(729)	-	339,065	338,336	451,410
Interest, dividends and fee revenue	81,890	-	72,241	154,131	105,704
	<u>807,025</u>	<u>1,066,919</u>	<u>1,161,909</u>	<u>3,035,853</u>	<u>2,521,399</u>
Expenditures					
Grants (note 10)	-	1,185,734	93,526	1,279,260	1,033,859
Salaries and benefits (note 10)	437,363	-	-	437,363	531,513
Communications	2,929	-	-	2,929	3,177
Fund expenses	-	-	46,978	46,978	36,045
Fund development (note 10)	49,534	-	-	49,534	20,878
Office	40,444	-	-	40,444	34,174
Professional fees	57,489	609	819	58,917	55,227
Special events (note 10)	37,833	-	-	37,833	3,952
Computer applications & support	36,366	-	-	36,366	35,964
Rent	38,993	-	-	38,993	42,398
Amortization (note 10)	2,272	-	-	2,272	3,573
	<u>703,223</u>	<u>1,186,343</u>	<u>141,323</u>	<u>2,030,889</u>	<u>1,800,760</u>
Excess (deficiency) of revenue over expenditures	\$ <u>103,802</u>	\$ <u>(119,424)</u>	\$ <u>1,020,586</u>	\$ <u>1,004,964</u>	\$ <u>720,639</u>

See accompanying notes to the financial statements.

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

**EducationMatters, Calgary's Public Education Trust
Statement of Changes in Fund Balances
Year Ended December 31, 2014**

	Operating Funds	Flow- Through Funds	Endowment Funds	Total
Fund balances, December 31, 2012	\$ 532,149	\$ 934,683	\$ 2,333,504	\$ 3,800,336
Excess (deficiency) of revenue over expenditures	87,508	(94,523)	727,654	720,639
Interfund transfers	<u>(4,815)</u>	<u>4,815</u>	<u>-</u>	<u>-</u>
Fund balances, December 31, 2013	614,842	844,975	3,061,158	4,520,975
Excess (deficiency) of revenue over expenditures	103,802	(119,424)	1,020,586	1,004,964
Interfund transfers	<u>(11,181)</u>	<u>(262)</u>	<u>11,443</u>	<u>-</u>
Fund balances, December 31, 2014	<u>\$ 707,463</u>	<u>\$ 725,289</u>	<u>\$ 4,093,187</u>	<u>\$ 5,525,939</u>

See accompanying notes to the financial statements.

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

**EducationMatters, Calgary's Public Education Trust
Statement of Cash Flows
Year Ended December 31, 2014**

	2014	2013
Cash provided by (used in):		
Operating activities		
Excess of revenue over expenditures	\$ 1,004,964	\$ 720,639
Add (deduct) items not affecting cash		
Amortization	2,272	3,573
Unrealized loss (gain) on investments	<u>(332,753)</u>	<u>650</u>
	<u>674,483</u>	<u>724,862</u>
Changes in non-cash working capital		
Goods and Services Tax recoverable	(853)	1,084
Prepaid expenses	600	-
Accounts payable and accrued liabilities	4,006	(65,208)
Deferred operating contribution	<u>-</u>	<u>315,000</u>
	<u>3,753</u>	<u>250,876</u>
Cash provided by operating activities	<u>678,236</u>	<u>975,738</u>
Investing activities		
Purchase of equipment	(32,025)	-
Purchase of investments	(707,794)	(3,247,355)
Disposal of investments	<u>38,982</u>	<u>2,353,380</u>
Cash used in investing activities	<u>(700,837)</u>	<u>(893,975)</u>
Cash inflow (outflow)	(22,601)	81,763
Cash and cash equivalents, beginning of year	<u>1,977,556</u>	<u>1,895,793</u>
Cash and cash equivalents, end of year	<u>\$ 1,954,955</u>	<u>\$ 1,977,556</u>
Cash and cash equivalents is comprised of:		
Cash	\$ 163,080	\$ 164,470
Treasury bills (note 3)	<u>1,791,875</u>	<u>1,813,086</u>
	<u>\$ 1,954,955</u>	<u>\$ 1,977,556</u>

See accompanying notes to the financial statements.

**EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2014**

1. Nature of Trust

EducationMatters, Calgary's Public Education Trust, (the "Trust") was formed by way of a trust indenture on January 20, 2003. The Trust is a registered charity and a public trust under the *Income Tax Act* (Canada) and, accordingly, is exempt from income taxes and can issue donation receipts for income tax purposes. The Trust's mandate is to promote citizen engagement with and inspire passion for public education and to mobilize resources for programs that enhance public education.

The Board of Trustees of the Calgary Board of Education (the "CBE Board") appoints all Trust governors. At least two, but not more than 50%, of the Trust governors must be members of the CBE Board.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue

The Trust receives contributions in the form of donations to specified funds, operating grants and event funding.

The Trust recognizes contributions when the amounts can be reasonably estimated and collection is assured.

The Trust follows the deferral method of accounting for restricted contributions related to general operations of the Trust. These contributions are recognized as revenue in the operating fund in the period in which the related expenses are incurred.

The Trust recognizes interest, dividends and fee revenue when the amounts are earned.

(b) Trust funds

The Trust holds operating, flow-through and endowment funds. The Trust follows the deferral accounting method for the operating fund and the restricted fund accounting method for the flow-through and endowment funds.

The Trust restricts endowment fund grants in any fiscal period to a maximum of 4.5% of the market value of the endowment at the end of the prior fiscal year.

Operating funds

Operating fund contributions received that relate to a subsequent period are shown as deferred operating contributions on the statement of financial position.

**EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2014**

Flow-through funds

Flow-through funds are spent during the year in which they are received or the year following to support a wide range of programs and projects.

Endowment Funds

Endowment funds are created by donors to provide long-term support for discretionary spending, general fields of interest or designated specific programs or projects.

(c) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and short-term investments with a maturity date of three months or less.

(d) **Property and equipment**

The Trust capitalizes administrative assets, consisting of computer equipment and office equipment, at cost and amortizes them over their estimated useful lives of five years on a straight-line basis.

Property and equipment is evaluated for impairment when events or circumstances indicate its carrying value may not be recoverable. Any impairment is measured by comparing the carrying value of the assets to the fair value, based on the present value of future cash flows expected to be generated from the assets.

(e) **Measurement uncertainty**

The valuation of property and equipment is based on management's best estimates of the future recoverability of these assets and the determination of costs subject to classification as property and equipment. The amounts recorded for amortization of the property and equipment are based on management's best estimates of the remaining useful lives and period of future benefit of the related assets.

The valuation of accrued liabilities is based on management's best estimates of expenses incurred during the year that will be payable in future periods.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2014**

(f) Financial instruments

The Trust initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the exchange amount.

The Trust subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in pooled investment funds that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess (deficiency) of revenue over expenditures.

Financial assets measured at amortized cost include cash and cash equivalents. The Trust's financial assets measured at fair value include the pooled investment funds.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in excess (deficiency) of revenue over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in excess (deficiency) of revenue over expenditures.

The Trust recognizes its transaction costs in excess (deficiency) of revenue over expenditures in the period incurred for its equity investments and for all other financial assets and liabilities that are subsequently measured at fair value. Financial instruments that are subsequently measured at cost or amortized cost are adjusted by the transaction costs and financing fees that are directly attributable to their origination, issuance or assumption.

(g) Expenditures

Administrative expenses are charged to endowment funds in accordance with donor agreements. Interest income earned on flow-through funds is allocated to the operating fund in lieu of an administration fee. Expenses incurred for a specific fund are charged to that fund.

(h) Donated services

Donated services are not recognized in the financial statements as there is no objective basis available to measure the value of such services.

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

**EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2014**

3. Cash and cash equivalents

Cash and cash equivalents include short-term investments of \$1,791,875 (2013 - \$1,813,086) consisting entirely of investments in Canadian treasury bills with maturity dates of 90 days or less. Short-term investments yield an average interest rate of 1.01% (2013 - 0.87%).

4. Investments

Investments include pooled investment funds that have a market-based unit value. Investments are comprised of \$3,998,032 (2013 - \$2,996,467) in pooled investment funds measured at fair value. The Trust's policy is to liquidate gifted shares on the same day as they are received. There were no gifted shares held at December 31, 2014 or 2013.

5. Property and equipment

			Net Book Value	
	Cost	Accumulated Amortization	2014	2013
Computer equipment	\$ 46,326	\$ 15,621	\$ 30,705	\$ 239
Office equipment	<u>3,566</u>	<u>1,783</u>	<u>1,783</u>	<u>2,496</u>
	<u>\$ 49,892</u>	<u>\$ 17,404</u>	<u>\$ 32,488</u>	<u>\$ 2,735</u>

6. Endowment funds

Endowment funds are invested to provide long-term support, and are comprised of the following:

	2014	2013
Cash	\$ 95,155	\$ 64,691
Investments	<u>3,998,032</u>	<u>2,996,467</u>
	<u>\$ 4,093,187</u>	<u>\$ 3,061,158</u>

**EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2014**

7. Related party transactions

The Trust is economically dependent on contributions from the Calgary Board of Education ("CBE") and is committed to provide services to CBE in fund development, grants and student awards. During the year, the Trust received \$660,000 (2013 - \$720,000) from the CBE. \$220,000 of the funding for 2014 was received in October 2013. A payment of \$660,000 was received in October 2014. \$440,000 of the contributions received was deferred to 2015, in accordance with spending of the funds over a twelve-month period and this amount is included in deferred operating contributions on the statement of financial position. The Trust rented office space and purchased services of \$38,993 (2013 - \$42,397) and \$6,886 (2013 - \$6,726), respectively, from the CBE. These transactions were recorded at the amounts established and agreed to by the parties.

Grants awarded to CBE schools by the Trust are distributed to recipients by way of the CBE. In 2014, this amount was \$930,845 (2013 - \$788,208), of which \$NIL (2013 - \$827) is included in accounts payable and accrued liabilities.

8. Commitments

The Trust's office lease with the CBE was renewed in November 2014 for an additional one-year term to August 31, 2015 and requires monthly rental payments of \$3,249.

9. Financial instruments

The Trust is exposed to the following significant financial risks:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The financial instrument that potentially subjects the Trust to significant concentration of credit risk consists primarily of cash and cash equivalents. The Trust mitigates its exposure to credit loss by placing its cash and cash equivalents with major financial institutions.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Trust's investments in pooled investment funds expose the company to price risks as equity investments are subject to price changes in the open market.

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

**EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2014**

10. Additional information on fund development

(a) Expenses incurred to raise funds

	2014	2013
Fundraising event	\$ 37,833	\$ -
Fund development expenses	49,534	20,878
Fund development salaries and benefits	<u>105,809</u>	<u>159,423</u>
	<u>\$ 193,176</u>	<u>\$ 180,301</u>

(b) Funds raised during 2014 were \$1,817,522 (2013 - \$1,206,025).

(c) Summary of disbursements

	2014	2013
Grants	\$ 958,845	\$ 788,208
Scholarships	<u>320,415</u>	<u>245,651</u>
	<u>\$ 1,279,260</u>	<u>\$ 1,033,859</u>

In 2014 there were no disbursements greater than 10% of the funds raised (2013 - one, to support the CBE Energy Literacy in Action program to enable students and teachers to be energy literate citizens and stewards of Canada's natural resources). During the year, \$NIL (2013 - \$140,524) was granted for this program.

(d) Allocation of total expenditures and disbursements

Total expenditures and disbursements after allocation of salaries and benefits to the cost centres consist of the following:

	2014	2013
Grant disbursements	\$ 1,279,260	\$ 1,033,859
Communication expenses	2,929	3,177
Fund development expenses, excluding events	155,343	180,301
Events	37,833	-
Program expenses	553,252	579,850
Amortization expense	<u>2,272</u>	<u>3,573</u>
	<u>\$ 2,030,889</u>	<u>\$ 1,800,760</u>

Salary and benefit costs are incurred to operate the Trust and its programs in a cost-effective manner while maximizing all opportunities to further the Trust's mission. The Trust allocates salary and benefits based on the actual time spent in each cost centre by each staff person.

Appendix III: Urban Schools Insurance Consortium financial statements



September 16, 2015

Board of Directors
Urban Schools Insurance Consortium
c/o Calgary Board of Education
1221 – 8th Street SW
Calgary AB T2R 0L4

Dear Sirs,

Enclosed please find the management financial statements for Urban Schools Insurance Consortium ("USIC") for the eight months ended August 31, 2015.

Highlights

Key financial activities and issues for the period are summarized as follows:

- USIC has recorded a net comprehensive income of \$341,997 for the eight month period ended August 31, 2015, compared to comprehensive income of \$296,519 in the same period of 2014 and compared to the budgeted amount for 2015 of \$437,160.
- Earlier in the year, the investment portfolio was changed to include investments in equities in addition to fixed income securities, in accordance with the latest investment policy.
- The changeover to the event reporting handling software provided by JLT remains in progress. The first payment under the contract was made in 2014, and no further payments have been made to date. CBE continues to lead testing with the participation of several other Boards (as previously reported at May 31st).

Financial Review

USIC's results of operation for the eight months ended August 31, 2015 show a net profit of \$341,997 which is comprised of net premiums earned and investment income of \$3,527,095, offset by losses and operating expenses of \$3,185,098. The unfavourable variance from actual to budget is mainly attributed to losses on the newly acquired equity investments, offset by a favourable variance on the general and administrative expenses, as the budgeted costs for the JLT software have not been incurred yet.

Premium income earned is \$3,300,000 representing eight months of the 2014-15 policy premiums, which equals the premiums budgeted. The other insurance income is commission income passed onto USIC from Marsh and is earned evenly over the policy period, which is slightly higher than the amount originally budgeted.

Premium taxes of 3% on the premiums written for the 2014-15 policies were paid in February and are expensed over the entire policy period.

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**



The losses incurred of \$2,738,765 is comprised of losses paid in the period, the change in the reported claim reserves (as determined by claims data reported at August 31, 2015 by the respective loss adjusters), and an adjustment to the incurred but not reported reserves ("IBNR"). The IBNR is calculated comparing the losses paid and the change in the known reserves, to the prorated estimate at August 31st based on the 2014/15 reserves per the most recent actuarial report. The losses incurred are higher than the budgeted amount by \$7,254 and lower than the same period in 2014 by \$306,528. Schedule 4 of the financial statement package reports net underwriting income by policy issued. The slight negative variance from the budget resulted from paid losses and increases in known reserves in 2015, exceeding the actuarial estimate at December 31, 2014. The variance was attributed to the liability coverage. USIC did receive an extra recovery of \$5,386 in the period on an old auto claim exceeding its limit that had not previously been recorded as recoverable.

	YTD Jan - Aug 2015	YTD Jan - Aug 2014
Losses incurred:		
Paid	\$ 2,082,974	\$ 1,121,491
Outstanding loss reserves (case reserves)	(379,254)	2,572,734
Incurred but not reported reserves	1,035,045	(648,932)
	\$ 2,738,765	\$ 3,045,293
Loss ratio	83.0%	92.7%

General and administrative expenses are made up of accruals and actual costs for general operations, as detailed on Schedule 2 of the financial reporting package. The schedule lists major expenses in comparison to budgeted amounts and the prior year.

The most significant variances from budget on the general and administrative expense are for the claims system expenses. It was originally estimated that the JLT program would be up and running early in 2014, however, the majority of the costs were delayed and budgeted in 2015. No costs have been incurred for the system in 2015 yet; accordingly this expense currently shows a positive variance of \$61,500. Small negative variances are estimated for audit fees and D&O insurance premiums, in comparison to budget and to 2014.

The most significant variances from the prior year include the increase in Attorney-in-Fact fees as now contracted with Axxima and the brokerage fees to Marsh, due to the timing of expensing the contract costs in 2015 versus 2014.

USIC's investment portfolio includes marketable securities of low risk, government and corporate debt securities, and starting in April of 2015, investments in equity mutual funds. The cash and cash equivalents are summarized in Schedule 1 of the financial reporting package. The investment income earned for the period was \$78,583 including investment income earned, realized and unrealized market gains and losses, and is net of investment management fees. This compares unfavourably to the budgeted amount by \$152,750 and to 2014 by \$131,065. Unfortunately, at the time of the financial reporting, the equity market had taken a dramatic downturn resulting in \$163,306 in unrealized losses in equities since their acquisition a few months ago. As equities tend to be a longer term investment, the markets will hopefully recover and these unrealized losses would be reduced. USIC's investment return for the period was 0.47% (0.70% annualized), compared to annualized rate to August 31, 2014 of 2.35%.

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**



A portion of USIC's cash and investments are restricted to comply with the Insurance Act's minimum reserve and guarantee fund requirements, ensuring sufficient funds are available to meet claim obligations. At the reporting period end, USIC is in full compliance and meets this requirement as follows:

As at August 31,	2015	2014
Required cash and investment balance as required pursuant to the Act:		
Reserve fund	\$ 2,475,000	\$ 2,464,063
Guarantee fund	9,448,339	7,349,021
	11,923,339	9,813,084
Actual cash and investments	15,686,480	13,429,232
Excess over required balance	\$ 3,763,141	\$ 3,616,148

Preceding the financial reporting package, we have included a ratio analysis based on the current financial statements, in comparison to the same period in 2014. Some of the ratios show a slight decline in the financial position in 2015 over 2014 (liquidity ratios, expense ratio, investment return and the claim reserves to equity ratio). The remaining ratios indicate improvements. The investment return decline is due to the drop in the equity values at August 31st. The expense ratio is higher in 2015, due to the increase in the general and administrative expenses. While the loss ratio is still outside the benchmark of 75%, it has improved over the prior year.

There is a new calculation for the Minimum Capital Test, which is generally referred to as the "2015 MCT". The Alberta regulator required USIC to file a calculation of the 2015 MCT based on its December 31, 2014 financial statements. Under the old version of the MCT, at December 31, 2014, USIC had an MCT of 395%. With the new "2015 MCT" calculation, USIC had a MCT of 289% as at December 31, 2014. The difference between the two calculations is to be "phased-in" over the next three years.

At August 31, 2015, the "2015 MCT" calculates to 353%, with the allowable "phase-in" included in the calculation. Without the "phase-in", the MCT would be only 285%. The MCT still exceeds the benchmark of 210%, but USIC will likely re-examine its internal target capital ratio when completing its "Own Risk and Solvency Assessment".

Please contact us if you have any questions.

Yours truly,
Aon Insurance Managers (Vancouver)

Marilyn Scott

Marilyn Scott, CA
Senior Account Executive

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

**Urban Schools Insurance Consortium
Management Financial Statements
For the eight months ended August 31, 2015**

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Ratios
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Statement of Comprehensive Income
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Statement of Cash Flows
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Schedule 2: General and Administrative Expenses
Schedule 3: Equity allocation between Members
Schedule 4: Net Underwriting Income - Year to Date

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**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

**Urban Schools Insurance Consortium
Financial Performance Ratios
Expressed in Canadian dollars**

As at August 31,	Benchmark	2015	2014
Liquidity Ratios			
Total liabilities : Liquid assets ratio	< 100%	65.4%	60.8%
	<i>OFSI Max 105%</i>		
Total reserves : Total investments ratio	< 100%	59.5%	53.8%
Solvency Ratios			
Net retention		\$ 3,000,000	\$ 3,000,000
Retention : Equity ratio	< 100%	54.6%	56.2%
Profitability Ratios			
Loss ratio	< 75%	83.0%	92.7%
Expense ratio	< 25%	13.5%	9.0%
Combined ratio	< 100%	96.5%	101.7%
Investment return		0.7%	2.3%
Return on equity	> 8%	6.4%	5.7%
	<i>OFSI Min 5.4%</i>		
Leverage Ratios			
Premiums : Equity ratio	< 400%	60.0%	61.6%
	<i>OFSI Max 500%</i>		
	<i>(Note: ratio changed to earned premiums rather than written for reporting periods during the year)</i>		
Claim reserves : Equity ratio	< 200%	169.1%	134.9%
	<i>OFSI Max 200%</i>		
Minimum Capital Test			
Total available capital : minimum capital required	> 210%	<i>2015 version</i> 353.1%	<i>2013 version</i> 563.1%

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

**Urban Schools Insurance Consortium
Statement of Financial Position
Expressed in Canadian dollars**

As at August 31,	2015	2014
Assets		
	<i>Note</i>	
Cash and cash equivalents	7 & Schedule 1	\$ 2,287,598
Marketable securities	7 & Schedule 1	13,338,559
Accrued investment income	7 & Schedule 1	60,323
Claims recoverable	1	9,301
Deferred premium taxes	2	24,750
Total Assets		\$ 15,720,531
Liabilities		
Accounts payable and accrued expenses	3	\$ 66,653
Deferred revenue	4	37,128
Unearned premiums	5	825,000
Provision for unpaid claims and loss adjustment expenses	6	9,294,558
Total Liabilities		10,223,339
Subscribers' Surplus		
Subscribers' contributions		481,391
Retained Earnings		5,015,801
Total Subscribers' Surplus		5,497,192
Total Liabilities and Subscribers' Surplus		\$ 15,720,531

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

**Urban Schools Insurance Consortium
Statement of Comprehensive Income
Expressed in Canadian dollars**

	Actual 2015	Budget 2015	Variance Favourable / (Unfavourable)	Actual 2014
For the eight months ended August 31,				
Income				
Gross premiums written	\$ -	\$ -	\$ -	\$ -
Change in unearned premium reserve	3,300,000	3,300,000	-	3,285,417
Premiums earned <i>Schedule 4</i>	3,300,000	3,300,000	-	3,285,417
Other insurance income	148,512	142,667	5,845	141,361
Investment income	187,737	231,333	(43,596)	200,596
Realized (losses) on investments	(28,390)	-	(28,390)	(35,099)
Unrealized (losses) gains on investments	(80,764)	-	(80,764)	44,151
Total income	3,527,095	3,674,000	(146,905)	3,636,426
Expenses				
Losses paid	2,082,974	-	-	1,121,491
Change in outstanding loss reserves	(379,254)	-	-	2,572,734
Change in incurred but not reported reserves	1,035,045	-	-	(648,932)
Losses incurred <i>Schedule 4</i>	2,738,765	2,731,511	(7,254)	3,045,293
Premium taxes <i>Schedule 4</i>	99,000	99,000	-	98,563
General and administrative expenses <i>Schedule 2</i>	347,333	406,329	58,996	196,051
Total expenses	3,185,098	3,236,840	51,742	3,339,907
Total comprehensive income	\$ 341,997	\$ 437,160	\$ (95,163)	\$ 296,519

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

**Urban Schools Insurance Consortium
Statement of Changes in Subscribers' Surplus
Expressed in Canadian dollars**

	Retained Earnings	Subscribers' Contributions	Total Subscribers' Surplus
As at January 1, 2014	\$ 4,555,586	\$ 481,391	\$ 5,036,977
Total comprehensive income	296,519		296,519
As at August 31, 2014	\$ 4,852,105	\$ 481,391	\$ 5,333,496
As at January 1, 2015	\$ 4,673,804	\$ 481,391	\$ 5,155,195
Total comprehensive income	341,997	-	341,997
As at August 31, 2015	\$ 5,015,801	\$ 481,391	\$ 5,497,192

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

**Urban Schools Insurance Consortium
Statement of Cash Flows
Expressed in Canadian dollars**

For the eight months ended August 31,	2015	2014
Operating Activities		
Total comprehensive income	\$ 341,997	\$ 296,519
Items not involving cash:		
Net investment income	(78,583)	(209,648)
Change in non-cash operating accounts:		
Insurance balances receivable	-	5,042,103
Claims recoverable	76,874	-
Prepaid expenses	70,000	5,000
Deferred premium taxes	99,000	98,563
Accounts payable and accrued expenses	(20,724)	(1,369,576)
Deferred revenue	(148,512)	(142,652)
Premium tax payable	(148,500)	(171,844)
Unearned premiums	(3,300,000)	(3,285,416)
Provision for unpaid claims and loss adjustment expenses	655,790	1,923,802
	(2,452,658)	2,186,851
Investing Activities		
Investment income received	182,408	198,246
Investment management fees	(11,483)	(9,982)
Purchases of marketable securities	(12,554,015)	(2,142,105)
Proceeds from sales of marketable securities	8,411,278	2,002,869
	(3,971,812)	49,028
Increase (decrease) in cash and cash equivalents	(6,424,470)	2,235,879
Cash and cash equivalents, opening	8,712,068	1,989,935
Cash and cash equivalents, ending	\$ 2,287,598	\$ 4,225,814

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

Urban Schools Insurance Consortium

Notes

Expressed in Canadian dollars

As at August 31,	2015	2014
1 Claims recoverable		
Crawford Canada - Garage auto deducted in error	\$ 9,301	\$ -
2 Deferred premium taxes		
Premium Tax - 3%		
Property Contributions	\$ 16,000	\$ 17,960
CGL & BOE Contributions	7,000	6,180
Auto Loss Fund Contributions	1,750	500
	<u>\$ 24,750</u>	<u>\$ 24,640</u>
3 Accounts payable and accrued expenses		
Management fees - AIM - July and August 2015	\$ 7,914	\$ 8,138
Audit & tax advisory fees	19,845	19,110
Actuarial	15,086	14,367
Investment management fees	3,016	2,550
Travel & meeting expenses	-	1,171
Broker fees	11,667	11,667
Attorney in Fact - August 2015	9,125	9,125
	<u>\$ 66,653</u>	<u>\$ 66,128</u>
4 Deferred revenue		
Commissions		
Property Contributions	\$ 13,628	\$ 12,709
CGL & BOE Contributions	17,836	17,382
Auto Loss Fund Contributions	5,664	5,572
	<u>\$ 37,128</u>	<u>\$ 35,663</u>

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

Urban Schools Insurance Consortium

Notes

Expressed in Canadian dollars

As at August 31,	2015		2014	
5 Unearned premium reserve				
Property policy	\$	533,333	\$	598,688
Liability policy		233,333		206,000
Auto policy		58,334		16,667
		\$ 825,000		\$ 821,355
 6 Loss reserves				
		OSLR		IBNR
Property	\$	1,865,799	\$	1,965,728
Liability		3,529,636		1,684,433
Auto		139,419		109,543
		\$ 5,534,854		\$ 3,759,704
				Total
				Total
				3,831,527
				5,214,069
				248,962
				\$ 7,197,230
 7 Restricted cash and marketable securities				
Reserve fund:				
50% of gross premiums written of policy yet to expire	\$	2,475,000	\$	2,464,063
Guarantee fund:				
Total liabilities (excluding upr) + \$50,000		9,448,339		7,349,021
Restricted cash and marketable securities	\$	11,923,339	\$	9,813,084
Cash and cash equivalents	\$	2,287,598	\$	4,225,814
Marketable securities		13,338,559		9,140,678
Accrued interest receivable		60,323		62,740
Total	\$	15,686,480	\$	13,429,232
Surplus	\$	3,763,141	\$	3,616,148

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

Urban Schools Insurance Consortium
Cash and Cash Equivalents and Marketable Securities
Expressed in Canadian dollars

Schedule 1

As at August 31, 2015	Cost	Market Value	Accrued Interest
Cash and Cash Equivalents			
Cash - Scotia Bank # 90019 01543 18	\$ 2,201,436	\$ 2,201,436	\$ -
Cash held in trust - Crawford	69,697	69,697	
Investment Cash - Scotia Assets Management	16,465	16,465	
	<u>\$ 2,287,598</u>	<u>\$ 2,287,598</u>	
Marketable Securities			
Bonds - maturing within 5 years	\$ 9,560,995	\$ 9,627,536	\$ 60,323
Equities	3,874,329	3,711,023	
	<u>\$ 13,435,324</u>	<u>\$ 13,338,559</u>	
Total	<u>\$ 15,722,922</u>	<u>\$ 15,626,157</u>	<u>\$ 60,323</u>
Restricted portion for Reserve & Guaranteed Fund (see note 7 for calculation)		11,923,339	
Unrestricted cash , investments & accrued interest		<u>\$ 3,763,141</u>	

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

Urban Schools Insurance Consortium General and Administrative Expenses Expressed in Canadian dollars	Schedule 2			
	Actual 2015	Budget 2015	Variance Favourable/ (Unfavourable)	Actual 2014
For the eight months ended August 31,				
Audit and tax advisory fees	\$ 24,255	\$ 20,000	\$ (4,255)	\$ 21,095
Actuarial	15,086	15,333	247	14,367
Management fees	31,540	31,500	(40)	32,813
Legal & government fees	-	2,000	2,000	-
Brokerage fees - Marsh	186,667	186,667	-	70,000
AIF fees - Axxima/Marsh	72,996	72,996	-	20,791
Claims System				
JLT - Claims System	-	26,500	26,500	26,239
JLT - Claims System - Annual Maintenance	-	35,000	35,000	-
Travel, meeting and miscellaneous	4,289	7,333	3,044	2,034
Director and officer policy premium	12,500	9,000	(3,500)	8,712
	\$ 347,333	\$ 406,329	\$ 58,996	\$ 196,051

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

**URBAN SCHOOLS INSURANCE CONSORTIUM
Calculation of Share of Consortium Pool Equity**

Schedule 3

as at August 31, 2015

Member	Percentage Share at Dec/14	Share of Equity at 31/12/14 (Note)	Contributions Written in 2014 Earned Jan - August 2015	Share of Contributions	Jan to Aug change in Equity	New Equity Balance	Share at August 31, 2015
Calgary Board of Education	31.4742%	1,622,555	1,193,073	36.1537%	123,645	1,746,200	31.7653%
Calgary Roman Catholic	12.2866%	633,397	416,131	12.6100%	43,126	676,523	12.3067%
Edmonton Public Schools	24.8690%	1,282,047	785,946	23.8165%	81,452	1,363,499	24.8035%
Fort McMurray S.D. No. 2833	2.0485%	105,604	69,696	2.1120%	7,223	112,827	2.0524%
Grande Prairie S.D. No. 2357	2.2657%	116,799	92,375	2.7992%	9,573	126,372	2.2988%
Grande Prairie Roman Catholic	1.1899%	61,343	45,676	1.3841%	4,734	66,077	1.2020%
Lethbridge S.D. No. 51	2.7133%	139,878	91,981	2.7873%	9,532	149,410	2.7179%
Holy Spirit Roman Catholic	1.7199%	88,663	53,807	1.6305%	5,576	94,239	1.7143%
Medicine Hat S.D. No. 76	2.5151%	129,658	77,578	2.3508%	8,040	137,698	2.5049%
Medicine Hat Catholic	1.3332%	68,729	31,353	0.9501%	3,249	71,978	1.3094%
Red Deer S.D. No. 104	3.0702%	158,273	103,704	3.1425%	10,747	169,020	3.0747%
Red Deer Catholic	2.1614%	111,423	98,441	2.9831%	10,202	121,625	2.2125%
Rocky View Schools (RVS)	10.1216%	521,787	175,814	5.3277%	18,221	540,008	9.8233%
St. Albert P.S.D. No. 5565	2.2315%	115,041	64,425	1.9523%	6,677	121,718	2.2142%
TOTAL	100.0000%	5,155,195	3,300,000	100.0000%	341,997	5,497,192	100.0000%

Note:

Equity calculated as follows:

	December 2014	August 2015	Change in Equity
Members Equity after Reserves For Claims	\$ 5,155,195	\$ 5,497,192	\$ 341,997

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

Urban Schools Insurance Consortium
Net Underwriting Income - Year to Date
Expressed in Canadian dollars

Schedule 4

For the eight months ended August 31, 2015	Property	Liability	Auto	Total
Underwriting				
Gross premiums written	\$ -	\$ -	\$ -	\$ -
Change in unearned premium reserve	2,133,333	933,333	233,334	3,300,000
Premiums earned	2,133,333	933,333	233,334	3,300,000
Losses paid				
Paid Losses	1,347,593	530,316	205,065	2,082,974
Change in outstanding loss reserves	(688,891)	346,085	(36,448)	(379,254)
Change in incurred but not reported reserves	1,090,277	(32,013)	(23,219)	1,035,045
Losses incurred	1,748,979	844,388	145,398	2,738,765
Premium taxes	64,000	28,000	7,000	99,000
Net underwriting income (loss)	\$ 320,354	\$ 60,945	\$ 80,936	\$ 462,235
Loss ratio	82.0%	90.5%	62.3%	83.0%

Appendix IV: Alberta Education's guidelines for expenditure assignment to programs

The CBE has comprehensive processes and practices in place to ensure that activities are coded to programs in accordance with Alberta Education requirements. Coding is reviewed during the budget cycle and throughout the year to validate consistent application of the requirements.

INSTRUCTION

Early Childhood Services and Grades 1 – 12 instruction is the provision of activities dealing directly with or aiding in the teaching of students or improving the quality of teaching. The costs of personnel, services, supplies, and furnishings and equipment are allocated to the program, along with capital equipment amortization on the basis of the direct benefit or service contributed. All academic, vocational and technical courses, along with organized instructional activities which may be remedial and/or developmental in nature are included in this definition. Support to instruction is classified in two groups:

School Administration and Instruction Support

School administration and instruction support includes the provision of activities at school level that do not provide direct instruction to the student in the classroom. Costs for these activities include:

- Release time and allowances for principals, vice-principals, assistant principals, department heads and coordinators;
- Clerical and support staff (staff not working directly in classrooms in support of students, but in an administrative support role) remuneration;
- Library, counseling and testing services provided by school-based staff;
- Support services provided from outside the school (such as contracted services for assessments, therapy for students, etc.) at the school's discretion and supported by the school's budget;
- Communications and document reproduction equipment for instructional support staff;
- Administrative services, contracts and supplies.

System Instructional Support (SIS)

SIS consists of activities of certificated and non-certified staff across the school jurisdiction for system-based instruction services to:

- Support the implementation of instruction and curriculum;
- Cover other boards' costs, paid to a hosting board in a consortia for services such as film libraries, regional assessment services and professional development consortiums;
- Audit School Generated Funds;
- Coordinate in-service instruction to school staff;
- Assist teachers with program delivery;
- Implement system-wide change initiatives (e.g., curriculum, library, counselling and testing services); and
- Liability insurance related to instructional personnel.

These activities are at the discretion of the board and are budgeted at the system level. Generally, "school generated fund" revenues & expenses may be classified to instruction if it relates to broadening the educational experience of qualifying students.

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

PLANT OPERATIONS AND MAINTENANCE (PO & M)

PO & M consist of activities that relate to the jurisdiction's responsibility for the construction, operation, maintenance, safety and security of all school buildings, including costs relating to the supervision of this program.

Costs associated with this program include:

- Remuneration expenses for the supervisor of operations and maintenance of school facilities and all clerical and support staff associated with this program;
- Repair, maintenance and security of school buildings, equipment and grounds including services, contracts and supplies;
- Costs related to cleaning and janitorial activities and supplies in school facilities;
- Costs of utilities for school and maintenance facilities;
- Liability insurance related to the proportion of maintenance personnel;
- Property insurance on school building and maintenance facilities;
- Amortization of school and shop facilities, and vehicles and equipment that was purchased with PO & M revenues, with a historic cost of \$5,000 or greater;
- General operational costs associated with the maintenance programs;
- Costs associated with maintenance supervisory staff involvement in the capital planning cycle;
- Costs associated with Occupational Health and Safety activities;
- Emergency planning; and
- Facilities Planning and Development – The entire planning, development and construction cycle for capital building projects carried out by central office.

TRANSPORTATION

Activities related to the transportation of students to, from and between schools, and boarding of eligible students away from home.

Costs associated with this program include:

- Remuneration expenses for the supervision of student transportation and all clerical and support staff associated with the program, including bus aides;
- Conveyance of students to and from school whether buses are contracted or board operated;
- Repair and maintenance of transportation vehicles;
- Operating lease payments on transportation vehicles;
- Amortization of capital costs of transportation vehicles, equipment and shop facilities with a historic cost of \$5,000 or greater;
- Property insurance on bus shops and barns and equipment;
- Liability insurance related to the proportion of transportation personnel;
- Vehicle insurance on board owned vehicles used for student transportation;
- Amounts paid to third-party operators for the transportation of students to & from school;
- Utilities for transportation facilities;
- General operational costs associated with the transportation programs; and
- The sale (Fees) and cost (Services, contracts, and supplies) of public transit passes.

The use of transportation services for field trips, co-curricular trips and athletic trips are charged back to the appropriate program.

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

BOARD & SYSTEM ADMINISTRATION (BSA)

BSA are system-wide activities for the purpose of general regulation and direction of the affairs of the school jurisdiction. Costs relate directly to the operation of the boards of trustees, superintendents, secretary-treasurers and their respective staffs, including supplies and amortization of administrative equipment and facilities. Categories include:

Board Governance

Board Governance includes activities related to the work of the elected body responsible for all activities within the jurisdiction. All payments to trustees and for expenses incurred by the body for such things as travel, membership fees and school board elections.

Office of the Superintendent including Instructional Services / Educational Administration

This category includes activities related to overall jurisdiction educational leadership and administration. This includes those performed by the superintendent of schools; deputy, associate and assistant superintendents. These duties are restricted to functions that may not be considered System Instructional Support. Note that for the purposes of the Unaudited Schedule of Central Administration Expenses, costs associated with the Superintendent's office (including administration staff) should be segregated from other instructional services.

Activities associated with educational administration include:

- System level planning;
- Instructional staffing allocations (human resource planning, and implementation);
- New programming implementation and review;
- Monitoring and evaluation of programs, schools, & the system; and
- Hiring, supervision and evaluation of principals and staff.

Business Administration (Office of the Secretary-Treasurer)

Business administration includes activities related to the business and financial operations of the school system at the jurisdictional level, performed by the Secretary-Treasurer and related business/finance support staff including:

- Corporate budgeting;
- Financial accounting including accounts payable and receivable, and internal and external audits (excluding School Generated Fund audits which falls under SIS);
- Legal services;
- Liability insurance related to the proportion of central office administrative personnel;
- Property insurance for the administration facility;
- Activities related to the Corporate Secretary and Corporate Treasurers office;
- Corporate records management; and
- May include the payroll function.

This program does not include support service activities based at the school level.

General Services Management

General services management are activities related to central support services such as:

- Human Resources – Personnel planning, employment and development on behalf of the school system as a whole;
- Central Purchasing – Purchasing of services, contracts and supplies on behalf of the school system and with the approval of department managers;

**CALGARY BOARD OF EDUCATION
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS
AUGUST 31, 2015
(In thousands)**

- Communications, Public Relations and Marketing – Costs associated with system-wide communications and marketing activities;
- Information Technology; and
- May include the payroll function.

Administration Buildings

These activities relate to the administration building of the division including:

- Operating costs;
- Operating lease payment;
- Interest expense on capital loan associated with the administration buildings;
- Amortization expense of administration buildings.

EXTERNAL SERVICES

Includes services offered outside the board's regular educational programs for ECS children and students in grades one to 12 who are served by the board. Activities such as adult education, family school liaison programs and those of a cultural and recreational nature are included in this program.

Other costs associated with this program may include:

- Community services, and community use of schools (at cost recovery);
- Joint use agreements with municipalities (may also be classified as PO&M);
- Sales and services provided to external organizations and individuals;
- Administration costs associated with Regional Collaborative Service Delivery (RCSD) and the Regional Learning Consortia (for "banker boards" only);
- Cafeteria programs of a non-instructional nature;
- Noon-hour and lunch room supervision in schools (may also appear under instruction programs);
- Daycare & pre-kindergarten services;
- Any other activity that does not fall into regular programs; and
- Continuing education programs (see below);

Funding that has been provided to support ECS to Grade 12 programs cannot be used to support any adult programs. Programs and courses offered to adult students (20 years or older on September 1st) should be accounted for in a manner that separates them from ECS to Grade 12 funds. These programs must be offered on a cost-recovery basis. External services must not incur a deficit and funding from Alberta Education must be limited to targeted funding of such programs.

Jurisdictions offering General Interest Courses, Adult Post-Secondary Programs leading to credentials and/or Adult Post-Secondary Upgrading Programs (which are included as an "External Service" in the Budget Report and AFS) must provide a full cost accounting for these programs or courses upon request. Jurisdictions must allocate overhead and indirect costs on the basis of student counts, program space requirements, staffing allocations, or another predetermined method that is reasonable. If the board incurs an accumulated deficit, it must be eliminated in the following year. A surplus generated by adult post-secondary programs may be carried forward or used at the board's discretion.

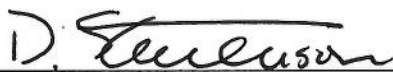
Statement of Administration Responsibility

The Board of Trustees is responsible for ensuring that Administration fulfills its responsibility for financial reporting and control through its own ongoing monitoring and evaluation of its governance policies. The Board of Trustees carries out its responsibility for review of the consolidated financial statements principally through its Audit Committee. The Audit Committee, which consists of two Trustees and not fewer than three public members, meets with Administration and the External Auditor to discuss the results of the audit examination and financial reporting matters. The Audit Committee also reviews the consolidated financial statements, the Auditors' Report and other information, and recommends their approval to the Board of Trustees. The External Auditors have full access to the Audit Committee, with and without the presence of Administration.


In the context of the responsibilities of the Board, the Calgary Board of Education's Administration is responsible for the preparation, presentation and integrity of the consolidated financial statements and has prepared them in accordance with Canadian Public Sector Accounting Standards. The consolidated financial statements present fairly the financial position of the Calgary Board of Education as at Aug. 31, 2015 and the results of its operations and cash flows for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, Administration has developed Administrative Regulations and maintains a system of internal controls, procedures and guidelines, supplemented by ongoing monitoring and evaluation of results, to provide reasonable assurance that assets are safeguarded and that transactions are properly executed in accordance with the governance policies established by the Board of Trustees.

KPMG LLP, the External Auditors appointed by the Board of Trustees, has performed an audit of the consolidated financial statements in this report. Their independent professional opinion on these consolidated financial statements is included in the Auditors' Report.



DAVID STEVENSON
CHIEF SUPERINTENDENT OF SCHOOLS



BRAD GRUNDY
CHIEF FINANCIAL OFFICER,
AND CORPORATE TREASURER

December 1, 2015



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T2P 4B9

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the Calgary Board of Education

We have audited the accompanying consolidated financial statements of the Calgary Board of Education which comprise the consolidated statement of financial position as at August 31, 2015, the consolidated statements of operations, accumulated remeasurement gains and losses, changes in net debt, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Calgary Board of Education as at August 31, 2015, and its results of operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

December 1, 2015

Calgary, Canada

**CALGARY BOARD OF EDUCATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2015**

		2015	2014
		(in thousands)	(in thousands)
Financial assets			
Cash and cash equivalents	(Note 3)	\$ 231,853	\$ 98,320
Accounts receivable (net after allowances)	(Note 4)	20,779	61,215
Portfolio investments	(Note 5)	106,941	113,726
Total financial assets		<u>359,573</u>	<u>273,261</u>
Liabilities			
Deferred revenue	(Note 6, 16)	861,570	769,264
Accounts payable and accrued liabilities	(Note 7)	84,503	73,764
Employee future benefits	(Note 8)	25,428	26,364
Other liabilities - asset retirement obligations	(Note 9)	327	327
Supported debt: debentures	(Note 10)	4,911	7,426
Unsupported debt: capital leases	(Note 11)	8,088	14,721
Total liabilities		<u>984,827</u>	<u>891,866</u>
Net debt		<u>\$ (625,254)</u>	<u>\$ (618,605)</u>
Non-financial assets			
Tangible capital assets	(Note 12)		
Land		\$ 2,711	\$ 2,711
Construction in progress		44,901	2,581
Buildings	1,189,386	-	-
Less: Accumulated amortization	(469,264)	720,122	742,078
Furniture and equipment	130,385	-	-
Less: Accumulated amortization	(99,022)	31,363	33,430
Vehicles	9,616	-	-
Less: Accumulated amortization	(5,471)	4,145	3,810
Computer software and hardware	130,665	-	-
Less: Accumulated amortization	(99,901)	30,764	31,777
Total tangible capital assets		<u>834,006</u>	<u>816,387</u>
Prepaid expense		8,535	11,588
Total non-financial assets		<u>842,541</u>	<u>827,975</u>
Accumulated surplus	(Note 13)	<u>\$ 217,287</u>	<u>\$ 209,370</u>
Accumulated operating surplus		207,607	196,017
Remeasurement gains and losses		9,680	13,353
		<u>\$ 217,287</u>	<u>\$ 209,370</u>
Contractual obligations and contingent liabilities	(Note 17)		

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

Approved by:


Joy Bowen-Eyre, Chair of Board of Trustees


Date Signed

**CALGARY BOARD OF EDUCATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED AUGUST 31, 2015**

	<u>Budget</u>	<u>Actuals</u>	
	<u>2015 (Note 22)</u> (in thousands)	<u>2015</u> (in thousands)	<u>2014</u> (in thousands)
Revenues			
Alberta Education	\$ 1,136,965	\$ 1,144,396	\$ 1,101,997
Other Government of Alberta	1,134	1,108	2,113
Federal Government & First Nations	2,220	2,904	2,329
Other sales and services	19,684	24,329	24,478
Fees revenue (Note 15)	44,373	47,148	40,429
Investment revenue	3,026	14,863	7,395
Other Alberta school authorities	522	832	802
Gifts and donations	5,034	7,023	6,141
Fundraising	11,300	6,828	6,402
Rentals	7,226	6,698	7,137
Gain on disposal of assets	-	63	-
Other revenue	-	1,323	221
Total revenues	<u>\$ 1,231,484</u>	<u>\$ 1,257,515</u>	<u>\$ 1,199,444</u>
Expenses			
Instruction: grades 1-12	952,452	940,461	892,719
Instruction: early childhood services	43,012	49,136	44,996
Board and system administration	35,779	33,917	36,603
Transportation	43,888	44,336	40,815
Plant operations and maintenance	148,885	157,489	151,746
External services	22,112	20,814	23,421
Total expenses	<u>1,246,128</u>	<u>1,246,153</u>	<u>1,190,300</u>
Annual surplus / (deficit)	<u>\$ (14,644)</u>	<u>\$ 11,362</u>	<u>\$ 9,144</u>

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

**CALGARY BOARD OF EDUCATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2015**

	<u>2015</u> (in thousands)	<u>2014</u> (in thousands)
CASH FLOWS FROM:		
OPERATING TRANSACTIONS		
Annual surplus	\$ 11,362	\$ 9,144
Add (deduct) items not affecting cash:		
Amortization expense	51,644	52,158
Gains on disposal of capital assets	(63)	-
Expended deferred capital revenue recognition (EDCR)	(29,808)	(30,653)
Changes in:		
Accounts receivable	40,436	(26,014)
Prepaid expenses	3,053	(2,405)
Inventory	-	93
Accounts payable and accrued liabilities	10,739	3,712
Deferred revenue excluding EDCR and UDCR (Note 6,16)	18,030	(2,471)
Employee future benefits	(936)	(1,554)
Other: Working capital items	(36,739)	28,523
Cash flows from operating transactions	\$ 67,718	\$ 30,533
CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Buildings	(49,597)	(4,008)
Equipment	(7,744)	(8,056)
Vehicles	(1,146)	(550)
Computer equipment	(10,781)	(14,041)
Net proceeds from disposal of tangible capital assets	68	31
Other: Working capital items	104,084	46,414
Cash flows from capital transactions	\$ 34,884	\$ 19,790
INVESTING TRANSACTIONS		
Purchase of portfolio investments	(81,791)	(11,225)
Disposition of portfolio investments	95,470	7,177
Remeasurement gains reclassified to the statement of operations	(10,567)	-
Other: Working capital items, endowments and other	228	548
Cash flows from(used in) investing transactions	\$ 3,340	\$ (3,500)
FINANCING TRANSACTIONS		
Repayment of long-term debt	(9,148)	(4,206)
Other: Working capital items	36,739	(30,408)
Cash flows from(used in) financing transactions	\$ 27,591	\$ (34,614)
Increase in cash and cash equivalents	\$ 133,533	\$ 12,209
Cash and cash equivalents, beginning of year	98,320	86,111
Cash and cash equivalents, end of year	\$ 231,853	\$ 98,320

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

**CALGARY BOARD OF EDUCATION
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED AUGUST 31, 2015**

	<u>2015</u> <u>Budget (Note 22)</u> <u>(in thousands)</u>	<u>2015</u> <u>Actual</u> <u>(in thousands)</u>	<u>2014</u> <u>Actual</u> <u>(in thousands)</u>
Annual (deficit)/surplus	\$ (14,644)	\$ 11,362	\$ 9,144
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	(26,605)	(69,268)	(29,187)
Amortization of tangible capital assets	52,042	51,644	52,158
Net carrying value of tangible capital assets disposals	-	5	31
Other changes	(2,750)	-	-
Total effect of changes in tangible capital assets	<u>\$ 22,687</u>	<u>\$ (17,619)</u>	<u>\$ 23,002</u>
Changes in:			
Prepaid expenses	\$ -	\$ 3,053	\$ (2,405)
Inventory	-	-	93
Net remeasurement gains	-	(3,673)	7,177
Change in endowments (Note 13)	-	228	548
Changes in net debt	<u>\$ 8,043</u>	<u>\$ (6,649)</u>	<u>\$ 37,559</u>
Net debt, beginning of year	<u>(618,605)</u>	<u>(618,605)</u>	<u>(656,164)</u>
Net debt, end of year	<u>\$ (610,562)</u>	<u>\$ (625,254)</u>	<u>\$ (618,605)</u>

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

**CALGARY BOARD OF EDUCATION
CONSOLIDATED STATEMENT OF ACCUMULATED REMEASUREMENT GAINS AND LOSSES
FOR THE YEAR ENDED AUGUST 31, 2015**

	<u>2015</u> (in thousands)	<u>2014</u> (in thousands)
Accumulated remeasurement gains at beginning of year	\$ 13,353	\$ 6,176
Unrealized gains attributable to:		
Portfolio investments	6,894	7,177
Amounts reclassified to the statement of operations:		
Portfolio investments	(10,567)	-
Net remeasurement change for the year	<u>\$ (3,673)</u>	<u>\$ 7,177</u>
Accumulated remeasurement gains at end of year (Note 13(a))	<u>\$ 9,680</u>	<u>\$ 13,353</u>

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

**CALGARY BOARD OF EDUCATION
SCHEDULE 1 - ACCUMULATED SURPLUS
AUGUST 31, 2015**

For the year ended Aug 31, 2015 (in \$ thousands)								
	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at Aug. 31, 2014	209,370	13,353	196,017	127,704	3,292	-	36,947	28,074
Prior period adjustments:								
Adjusted Balance, Aug. 31, 2014	209,370	13,353	196,017	127,704	3,292	-	36,947	28,074
Operating (deficit) surplus	11,362	-	11,362	-	-	11,362	-	-
Board funded tangible capital asset additions	-	-	-	22,184	-	(22,184)	-	-
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 for the year	(3,673)	(3,673)	-	-	-	-	-	-
Endowment contributions	228	-	228	-	228	-	-	-
Direct credits to accumulated surplus	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	-	-	-	(51,644)	-	51,644	-	-
Capital revenue recognized	-	-	-	29,807	-	(29,807)	-	-
Debt principal repayments (unsupported)	-	-	-	6,633	-	(6,633)	-	-
Externally imposed endowment restrictions	-	-	-	-	-	-	-	-
Net transfers to operating reserves	-	-	-	-	-	(4,175)	4,175	-
Net transfers from operating reserves	-	-	-	-	-	8,039	(8,039)	-
Net transfers to capital reserves	-	-	-	-	-	(11,535)	-	11,535
Net transfers from capital reserves	-	-	-	-	-	3,393	-	(3,393)
Assumption/transfer of other operations' surplus	-	-	-	-	-	-	-	-
Balance at Aug. 31, 2015	217,287	9,680	207,607	134,684	3,520	104	33,083	36,216

**CALGARY BOARD OF EDUCATION
SCHEDULE 1 - ACCUMULATED SURPLUS
AUGUST 31, 2015**

For the year ended Aug 31, 2015 (in \$ thousands) Continued										
	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 Aug. 31, 2014	21,657	20,010	5,642	462	4,416	7,402	2,291	-	2,941	200
Prior period adjustments:										
Adjusted Balance, Aug. 31, 2014	21,657	20,010	5,642	462	4,416	7,402	2,291	-	2,941	200
Operating surplus (deficit)	-	-	-	-	-	-	-	-	-	-
Board funded tangible capital asset additions	-	-	-	-	-	-	-	-	-	-
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 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	3,258	-	256	-	661	-	-	-	-	-
Net transfers from operating reserves	(3,301)	-	(685)	-	(536)	-	(2,169)	-	(1,348)	-
Net transfers to capital reserves	-	9,959	-	1,340	-	236	-	-	-	-
Net transfers from capital reserves	-	(3,393)	-	-	-	-	-	-	-	-
Assumption/transfer of other operations' surplus	-	-	-	-	-	-	-	-	-	-
Balance at Aug. 31, 2015	21,614	26,576	5,213	1,802	4,541	7,638	122	-	1,593	200

**CALGARY BOARD OF EDUCATION
SCHEDULE 2 – CAPITAL REVENUE
AUGUST 31, 2015**

	Unexpended Deferred Capital Revenue (in thousands)				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 Aug. 31, 2014	38,505	-	8,629	-	673,962
Prior period adjustments	-	-	-	-	-
Adjusted balance, Aug. 31, 2013	38,505	-	8,629	-	673,962
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	100,395				
Unexpended capital revenue receivable from:					
Alberta Education school building & modular (excl. IMR)	(900)				
Other sources	-				
Interest earned on unexpended capital revenue	368	-	-	-	
Insurance proceeds (and related interest)			4,222	-	
Transferred in (out) tangible capital assets (amortizable, @ net book value)					-
Expended capital revenue - current year	(47,018)	-	-	-	47,018
Surplus funds approved for future project	-	-			
Deduct:					
Net book value of supported capital dispositions, write-offs, or transfers					
Capital revenue recognition - Alberta Education					29,807
Capital revenue recognition - Other Government of Alberta					
Capital revenue recognition - Other Revenue					
Balance at Aug. 31, 2015	91,350	-	12,851	-	691,173
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at Aug. 31, 2014 (A) + (B) + (C) + (D)				104,201	

Deferred Capital Contributions

(A) - Represents funding received from the Province of Alberta toward new approved projects ONLY.

(B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures.

(C) - Represents proceeds on disposal of provincially funded capital assets to be expended on approved capital projects per 10 (2) (a) of Disposition of Property Regulation 181/20

(D) - Represents capital contributions received from entities OTHER THAN the Province of Alberta restricted for the acquisition of capital assets.

* Grants received and capitalized under the Infrastructure Maintenance Renewal(IMR) Program are included in this statements under Public Sector Accounting Standards

**CALGARY BOARD OF EDUCATION
SCHEDULE 3 – PROGRAM OF OPERATIONS
AUGUST 31, 2015**

	2014-15							2013-14
	Instruction: early childhood services	Instruction: grades 1-12	Board and system adminstration	Transportation	Plant operations and maintenance	External services	Total	Total
Revenues								
Rev Ab Ed	50,353	884,359	40,158	34,283	135,243		1,144,396	1,101,997
Other government of Alberta revenue		403			560	145	1,108	2,113
Federal grants and education agreements		981	31			1,892	2,904	2,329
Sales and services		17,657	1,021		997	4,654	24,329	24,478
Fees	134	27,826		7,883		11,305	47,148	40,429
Investment income		114				14,749	14,863	7,395
Other Alberta school authorities		540			292		832	802
Gifts and donations		6,981				42	7,023	6,141
Fundraising		6,828					6,828	6,402
Rentals			436		2,762	3,500	6,698	7,137
Gain on disposal of assets		63					63	
Other revenue		1,323					1,323	221
Total Revenues	50,487	947,075	41,646	42,166	139,854	36,287	1,257,515	1,199,444
Expenses								
Certificated salaries	27,412	564,986	1,387			256	594,041	567,255
Certificated benefits	3,060	131,079	126			220	134,485	128,329
Non-certificated staff salaries	12,512	104,358	14,807	1,974	50,056	13,384	197,091	186,658
Non-certificated staff benefits	3,062	25,446	3,511	505	12,424	2,660	47,608	45,187
Sub-total	46,046	825,869	19,831	2,479	62,480	16,520	973,225	927,429
Supplies and services	2,402	99,847	11,294	41,310	59,639	3,196	217,688	207,290
Amorization of supported tangible capital assets					29,807		29,807	30,653
Amorization of unsupported tangible capital assets	662	14,151	2,602		4,413	9	21,837	21,505
Unsupported interest on capital debt								
Supported debt interest					560		560	820
Other interest and finance charges	15	362	70	108	590	333	1,478	1,282
Other expense	11	232	120	439		756	1,558	1,321
Total expenses	49,136	940,461	33,917	44,336	157,489	20,814	1,246,153	1,190,300
Operating surplus / (deficit)	1,351	6,614	7,729	(2,170)	(17,635)	15,473	11,362	9,144

**CALGARY BOARD OF EDUCATION
SCHEDULE 4 – OPERATIONS AND MAINTENANCE EXPENSES`
AUGUST 31, 2015**

Expenses	Custodial	Maintenance	Utilities & telecommunications	Expensed IMR, modular unit relocations & lease	Facility planning & operations administration	Unsupported amortization & other expenses	Sub-total operations & maintenance	Supported capital & debt services	2015 Total operations & maintenance
Non-certificated staff salaries	30,913	9,331		1,978	7,834		50,056		50,056
Non-certificated staff benefits	8,107	2,817		26	1,474		12,424		12,424
Sub-total remuneration	39,020	12,148		2,004	9,308		62,480		62,480
Supplies and services	3,774	14,289	26	19,889	1,364		39,342		39,342
Electricity			9,812				9,812		9,812
Natural gas/heating fuel			4,713				4,713		4,713
Sewer and water			2,255				2,255		2,255
Telecommunications			187				187		187
Insurance					3,151		3,151		3,151
Amorization of tangible capital assets									
Supported								29,807	29,807
Unsupported						4,413	4,413		4,413
Sub-total amortization						4,413	4,413	29,807	34,220
Interest on capital debt									
Supported								560	560
Unsupported						30	30		30
Lease payment for facilities				179			179		179
Other interest charges						560	560		560
Losses on disposal of capital assets						-	-		-
Total expenses	42,794	26,437	16,993	22,072	13,823	5,003	127,122	30,367	157,489
Square meters									1,288,516
School buildings									15,878
Non school buildings									

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)

1. NATURE OF OPERATIONS

The Calgary Board of Education (the "Corporation"), is an independent legal entity with an elected Board of Trustees as stipulated in the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3, and operates as "School Corporation No. 19". The Corporation is registered as a charitable organization under the *Income Tax Act* (Canada) and, therefore, is exempt from income tax and may issue official receipts to donors for income tax purposes.

The Corporation provides a full range of educational services for all instructional programs ranging from Kindergarten through Grade 12 to the Province of Alberta, and is principally funded by the Province of Alberta through the Alberta Ministry of Education.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements were prepared by management in accordance with the Public Sector Accounting Standards (PSAS) without reference to Sections PSA 4200 to PSA 4270. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of consolidated financial statements for a period involves the use of estimates and approximations, which have been made using judgment. Actual results could differ from those estimates and approximations. The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities.

- EducationMatters (the "Foundation") was established in 2003 by the Corporation under a trust indenture. The Corporation's Board of Trustees appoints the Governors of the Foundation. The Foundation is a registered charity and promotes activities that support public education for the benefit of Calgary's students. The Foundation is controlled by the Corporation therefore its assets, liabilities, revenues and expenses have been consolidated with the Corporation's financial statements.
- School generated funds, which include the assets, liabilities, revenues and expenses at the school level, which are controlled by the Corporation, are reflected in the consolidated financial statements.

Inter-departmental and inter-organizational transactions and balances between these organizations are eliminated upon consolidation.

(b) Adoption of new accounting standard

During the year, the Corporation adopted the new PSA standard PS 3260 Liability for Contaminated Sites.

On September 1, 2014, the Corporation adopted the new PS 3260 Liability for Contaminated Sites standard. This section establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Corporation is:
 - directly responsible; or
 - accepts responsibility
- the Corporation expects the future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Adoption of new accounting standard (continued)

The prospective adoption of the new PS 3260 standard has not resulted in any changes to the measurement and recognition of liabilities in the Corporation's 2014-15 consolidated financial statements.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments.

(d) Accounts receivable

Accounts receivable are shown net of allowance for doubtful accounts.

(e) Portfolio investments

The Corporation's portfolio investments include GICs, bonds, equity instruments and mutual funds that have no maturity date or have a maturity of greater than one year. Equity instruments that are quoted in an active market and other portfolio investments that have the characteristics of equity investments are recorded at fair value, and the associated transaction costs are expensed upon initial recognition. The Corporation has designated its bond portfolio that would otherwise be classified into the amortized costs category at fair value as the Corporation manages and reports the performance of it on a fair value basis. Other investments not quoted in an active market are reported at cost or amortized cost.

The unrealized change in the fair value is recognized in the Statement of Accumulated Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are derecognized. Upon derecognition, the accumulated remeasurement gains or losses associated with the derecognized portfolio investments are reversed and reclassified to the statement of operations.

Impairment of portfolio investments is recognized when the loss in value of a portfolio investment is other than temporary, and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Accumulated Statement of Remeasurement Gains and Losses. The loss is not reversed if there is a subsequent increase in value.

Detailed information regarding portfolio investments is disclosed in Note 5.

(f) 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) s3200*. These contributions are recognized by the Corporation once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

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

- Unexpended Deferred Capital Revenue (UDCR)
Unexpended Deferred Capital Revenue represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per *PS 3200* when expended. The majority of these funds are from the Province of Alberta.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Deferred revenue (continued)

- Expended Deferred Capital Revenue (EDCR)
Expended Deferred Capital Revenue represent externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require that the school jurisdiction to use the asset in a prescribed manner over the life of the associated asset.

(g) Pensions and employee future benefits

Alberta Teachers' Retirement Fund ("ATRF")

The Corporation's certificated employees are required to contribute to the Alberta Teachers' Retirement Fund (ATRF), a multi-employer defined benefits pension plan. ATRF contributions by the Province for current service are reflected as a component part of education system costs and are formally recognized in the accounts of the Corporation, even though the Corporation has no legal obligation to pay these costs. The amount of current service contributions are recognized as "Revenue from the Government of Alberta" and as "Certificated benefits" expense.

Local Authorities Pension Plan ("LAPP")

The Corporation and its non-certificated employees participate in LAPP, a multi-employer pension plan. The Corporation accounts for this plan on a defined contribution basis in accordance with PSA 3250.110 and does not record a share of the unfunded liabilities. Pension costs of LAPP included in these consolidated financial statements comprise the cost of employer contributions for current service of participating employees during the year.

Supplemental Integrated Pension Plan ("SiPP") and Supplementary Executive Retirement Program ("SERP")

The Corporation established supplementary pension plans for certain members of senior administration. The plan provides a supplement to the LAPP or ATRF (as appropriate) and is comprised of both a registered and non-registered portion.

The registered SiPP is a multi-employer plan. The Corporation accounts for this plan on a defined contribution basis in accordance with PSA 3250.110 and does not record a share of the unfunded liabilities.

The non-registered SiPP, or SERP, are administered by the Corporation and provides an annual retirement benefit of 2 per cent of total employee earnings. The cost of SERP is sponsored by the Corporation and is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of expected salary and benefit escalation, retirement ages of employees and plan investment performance. Actuarial valuations of this plan occur annually as at Aug. 31.

Supplementary Retirement Plan ("SRP")

The Corporation provides a non-registered SRP for certain senior employees of the Corporation, based on approved terms and conditions of the plan. The plan provides for annual contributions of 10 per cent of the employee's salary which is above the LAPP or ATRF pensionable earnings cap.

Post-Retirement and Post-Employment Benefits Plans

The Corporation has a number of other defined benefit plans providing post-employment and post-retirement benefits for supplementary health care, dental care, life insurance and retiring allowances (collectively "Post-Retirement and Post-Employment Benefits Plans"). These plans are not funded by separately designated plan assets. For those plans, the future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, termination and retirement rates and mortality. The discount rate used to measure obligations is based on the internal cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan. The EARSL for employees of the Corporation is 12 years. The most recent valuation of the obligation was performed at Aug. 31, 2015. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of Aug. 31 was adopted.

**CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Asset Retirement Obligation

The Corporation recognizes the fair value of an Asset Retirement Obligation (“ARO”) in the period in which it incurs a legal obligation associated with the retirement of capital assets. Certain building assets contain some asbestos. Although the asbestos is appropriately contained in accordance with environmental regulations, it is the Corporation’s practice to, if necessary, remediate any asbestos upon disposal of a tangible capital building asset. The Corporation recognizes an ARO only when the related assets have been approved by the Board of Trustees for disposition and when the fair value of the liability can be reasonably determined.

The estimated fair value of ARO is capitalized as part of the related long-lived asset and depreciated on the same basis as the underlying asset. ARO is adjusted for the passage of time, which is recognized as accretion expense, and for revisions to the timing or the amount of the estimated liability. Actual costs incurred are charged against the asset retirement obligation to the extent of the liability recorded. Differences between the actual costs incurred and the liability are recognized in earnings when remediation is completed.

(i) Tangible capital assets

- 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.
- Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- Construction in progress is a tangible capital asset that 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 Corporation 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.
- Capital assets which are paid for directly by the Province of Alberta on behalf of the Corporation are recorded by the Corporation at fair market value when title has transferred. A corresponding deferred capital grant is recorded and reflected in revenue over the life of the asset. Maintenance expenses paid directly by the Province of Alberta on behalf of the Corporation related to these assets are expensed and the corresponding grant is recognized as revenue.
- The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful life of the asset. Estimated useful life is as follows:

Buildings	25 - 50 years
Furniture and equipment	5 - 10 years
Computer software and hardware	3 - 5 years
Vehicles	5 -10 years

(j) Capital leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the Corporation are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs (e.g., insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the Corporation’s incremental borrowing rate or the interest rate implicit in the lease.

CALGARY BOARD OF EDUCATION
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Prepaid expenses

Prepaid expenses included advanced payments such as health insurance, and are charged to expense over the periods expected to benefit from such costs.

(l) 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.

(m) Trust fund

Trust funds and their related operations administered by the Corporation are not included in the consolidated financial statements as they are not controlled by the Corporation. Disclosure for Trust funds under administration are detailed in Note 19.

(n) Revenue recognition

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

Volunteers contribute a considerable number of hours each year to schools; such as volunteering in the classroom supporting the milk programs and the raising of school generated funds. These contributed services are not recognized in the consolidated financial statements.

Eligibility criteria are criteria that the Corporation has to meet in order to receive certain contributions. Stipulations describe what the Corporation 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.

Donations of materials and services are recognized as revenue when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Corporation's operations and would otherwise have been purchased.

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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:

- Actual salaries of personnel assigned to two or more programs are allocated based on the time spent in each program.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

(p) Program reporting

The Corporation's operations have been segmented as follows:

- **Instruction: grades 1 – 12.** The provision of grades 1-12 instructional services that fall under the basic public education mandate.
- **Instruction: early childhood services.** The delivery of basic public education to ECS (early childhood services) students.
- **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/from school), whether contracted or board operated, including transportation facilities.
- **Board and system administration.** The provision of board governance and system-based/central office administration.
- **External services.** All projects, activities, and services offered outside the public education mandate for ECS children and students in Grades 1-12. Services offered beyond the mandate for public education are to be self-supporting, and Alberta Education funding may not be utilized to support these programs.

The allocation of revenues and expenses are reported by program, source, object and type on Schedule 3 Program of Operations.

(q) Financial instruments

The Corporation classifies its financial instruments as either the fair value or amortized cost. The accounting policy for each category is as follows:

Fair Value

This category includes derivatives and portfolio investments in equity instruments quoted in an active market. The Corporation has designated its bond portfolio that otherwise would be classified into the amortized cost category at fair value as the Corporation manages and reports performance of it on a fair value basis. Those are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized into the statement of remeasurement gains and losses until they are realized and de-recognized, when they are transferred to the statement of operations, upon disposal.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where the decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. Upon disposal, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from accumulated surplus and recognized in the statement of operations.

CALGARY BOARD OF EDUCATION
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Financial instruments (continued)

Cost / Amortized Cost

This category consist of cash and cash equivalents, accounts receivable, guaranteed investment certificates (GICs), accounts payable and accrued liabilities, long-term debt and capital lease obligations. They are initially recorded at cost and subsequently measured at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are written down to the net recoverable value with the write-downs being recognized into the statement of operations.

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant credit, liquidity, and market risk, which includes currency, interest rate and other price risks.

(r) Measurement uncertainty

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of consolidated 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.

(s) Budgetary information

Budget information is presented on the Statement of Operations and Changes in Net Debt and on the related schedules and represents the budget approved by the Board of Trustees in May 2014 and submitted to Alberta Education in May 2014. The budget was amended in November 2014 and accepted by the Board of Trustees at that time.

(t) Future accounting standards

As at Aug. 31, 2015, the following Exposure drafts from PSAS are in place:

- *Related Party Transactions – PSAS has issued a new Handbook Section PS2200 dealing with related party transactions. The proposed effective date for Government organizations is Apr. 1, 2017. Earlier adoption is permitted and CBE will adopt earlier if directed by Alberta Education.*
- *Assets, Contingent Assets and Contractual Rights – PSAS has issued an Exposure Draft that proposes three new Handbook Sections dealing with Assets, Contingent Assets and Contractual Rights. The proposed effective dates for Government organizations is Apr. 1, 2017 with earlier adoption permitted.*
- *Restructuring Transactions – PSAS has issued an Exposure Draft that proposes a new Handbook Section regarding restructuring transactions. The proposed effective date for Government organizations is Apr. 1, 2018 with earlier adoption permitted.*

None of the above is expected to have a significant effect on the consolidated financial statements of the Corporation.

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3. CASH AND CASH EQUIVALENTS

	2015		2014	
	Effective Market Yield	Cost / Amortized Costs	Effective Market Yield	Cost / Amortized Costs
Bank balances ⁽¹⁾		\$ 74,415		\$ 28,043
Outstanding cheques		(2,410)		(730)
Cash equivalents	1.10%	159,848	1.08%	71,007
Total cash and equivalents		\$ 231,853		\$ 98,320

(1) Include cash balances restricted for EducationMatters in the amount of \$199 (2014 - \$369).

General Operating and Other Bank Indebtedness

The Corporation maintains with a line of credit with 2.7% borrowing rate that has been negotiated with its banker for general operating purposes. The line of credit is secured against the Corporation's accounts receivable at bank prime rate. At Aug. 31, 2015, no amount has been drawn against the Corporation's general operating line of credit (2014 - \$nil).

Supplementary Cash Flow Information

For the year ended Aug. 31, 2015, cash interest paid on debenture debt amounted to \$560 (2014 - \$986) and cash interest earned (both operating and capital) and dividends received on portfolio investments totalled \$987 (2014 - \$3,340).

4. ACCOUNTS RECEIVABLE

	2015			2014
	Gross amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - grants	\$ 522	\$ -	\$ 522	\$ 513
Alberta Education - capital	3,000	-	3,000	37,224
Alberta Education - substitute teacher	12	-	12	746
Other Alberta school jurisdictions	391	-	391	827
Treasury Board and Finance	5,202	-	5,202	7,867
Federal government	1,230	-	1,230	839
Municipalities	1,871	-	1,871	79
Insurance claims	3,783	-	3,783	8,894
Fees	4,420	(2,702)	1,718	749
Other	3,133	(83)	3,050	3,477
	\$ 23,564	\$ (2,785)	\$ 20,779	\$ 61,215

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5. PORTFOLIO INVESTMENTS

	2015			2014		
	Effective Fair Value Yield	Cost	Fair Value	Effective Fair Value Yield	Cost	Fair Value
Investments at cost and amortized cost						
Restricted long-term investments - GIC's ⁽¹⁾		\$ 8,360	\$ 8,360		\$ 15,119	\$ 15,119
Non-restricted long-term investments - GIC's		9,843	9,843		19,085	19,085
	1.07%	<u>18,203</u>	<u>18,203</u>	1.04%	<u>34,204</u>	<u>34,204</u>
Investments at fair value - Equities						
Canadian equities	2.35%	12,016	12,678	2.08%	22,316	28,978
U.S. equity funds	1.78%	4,481	8,582	1.92%	8,536	13,609
International equity pooled funds	2.50%	3,838	5,814	3.00%	7,508	9,982
Global Small Cap funds	2.67%	1,329	2,644	2.63%	2,562	4,222
		<u>21,664</u>	<u>29,718</u>		<u>40,922</u>	<u>56,791</u>
Investments designated to fair value category						
Fixed income securities - bonds						
Government of Canada	1.28%	24,932	25,696	1.32%	12,323	12,766
Provincial		-	-	3.04%	200	223
Municipal		-	-	1.24%	201	207
Corporate	2.02%	27,464	27,507	2.26%	4,707	4,851
		<u>52,396</u>	<u>53,203</u>		<u>17,431</u>	<u>18,047</u>
Other restricted investments ⁽²⁾	2.02%	4,994	5,817	1.95	4,100	4,684
		<u>57,390</u>	<u>59,020</u>		<u>21,531</u>	<u>22,731</u>
Total portfolio investments		<u>\$ 97,257</u>	<u>\$ 106,941</u>		<u>\$ 96,657</u>	<u>\$ 113,726</u>

(1) Restricted long-term investments relate to cash collateral requirements on capital leases entered into between the years ended Aug. 31, 2005 and Aug. 31, 2015 (note 11).

(2) Restricted investments are related to EducationMatters' Endowment Fund and are consisted of T-bills, equities and mutual funds.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. PORTFOLIO INVESTMENTS (continued)

There has been no impairment to the portfolio investments during the year.

The following are the terms to maturity structure for fixed income securities based on the principal amount:

Maturity	2015	2014
1 to 5 years	100.00%	78.44%
6 to 10 years	0.00%	0.00%
11 to 20 years	0.00%	16.64%
Over 20 years	0.00%	4.93%
	<u>100.00%</u>	<u>100.00%</u>

6. DEFERRED REVENUE

	2015	2014
Unexpended deferred operating revenue		
School Generated Funds (Note 16)	\$ 17,221	\$ 16,974
Infrastructure Maintenance Renewal grants	28,777	11,935
Student fees	14,754	12,417
Alberta Education operating grants	3,654	4,449
Other	1,768	2,299
Other Government of Alberta	22	93
Total unexpended deferred operating revenue	<u>66,196</u>	<u>48,167</u>
Unexpended deferred capital revenue ⁽¹⁾	104,201	47,135
Expended deferred capital revenue ⁽²⁾	<u>691,173</u>	<u>673,962</u>
Total deferred revenue	\$ 861,570	\$ 769,264

(1) As of Aug. 31, 2015, total insurance proceeds \$nil (2014 - \$7,251) related to the settlement of flood damage for Elbow Park School and Booth Centre was included into Unexpended deferred capital revenue.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Alberta Education	\$ -	\$ 40
Other Alberta school jurisdictions	4	1
Alberta Capital Finance Authority (Interest on supported debt)	291	442
Alberta Health Services	99	741
Post-Secondary Institutions	-	11
Other Government of Alberta ministries	7	-
Federal Government	578	574
Salaries & benefit costs	46,482	37,302
Accrued vacation liability	8,035	7,389
Other trade payables and accrued liabilities	<u>29,007</u>	<u>27,264</u>
Total	\$ 84,503	\$ 73,764

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8. EMPLOYEE FUTURE BENEFITS

(a) Alberta Teachers Retirement Fund (ATRF)

The current service and past service costs of the ATRF are met by contributions by active members and the Province of Alberta. Under the terms of the *Teachers' Pension Plan Act*, the Corporation does not make pension contributions for certificated staff and does not report on any unfunded liabilities. The service costs for the members are funded and contributed by the Province of Alberta in the amount of \$71,178 (2014 - \$68,986) and are included in these consolidated financial statements as revenue from the Government of Alberta and as certificated benefits expense. At Aug. 31, 2015, the ATRF reported a surplus of \$788,289 (2014 - \$519,489).

(b) Local Authorities Pension Plan (LAPP)

The Corporation participates in the LAPP, which is a multi-employer pension plan and does not report on any unfunded liabilities. The service costs for the employees for the current year of \$19,894 (2014 - \$18,353) are included in these consolidated financial statements and comprise the Corporation's costs of employer contributions. At Dec. 31, 2014, the LAPP reported a deficiency of \$2,454,636 (2014 - \$4,861,516).

(c) Supplemental Integrated Pension Plan (SiPP) and Supplemental Executive Retirement Program (SERP)

The Corporation's net pension expense for the registered portion of SiPP for the year was \$32 (2014 - \$34);

The net pension expense for SERP was \$173 (2014 - \$127). The total liability for the SERP at Aug. 31, 2015 was \$616 (2014 - \$511).

(d) Supplementary Retirement Plan (SRP)

The total liability for the SRP at Aug. 31, 2015 was \$229 (2014 - \$259).

(e) Post-Retirement and Post-Employment Benefits Plans

Changes in Projected Benefits Obligation

The following table provides the plans' change in Accrued Benefit Obligation ("ABO") for the year ended Aug. 31, 2015 and 2014:

To date, \$24,583 (2014 - \$25,594) has been accrued in the Corporation's consolidated financial statements as an accrued benefit obligation.

	<u>2015</u>	<u>2014</u>
Accrued benefit obligation, beginning of year	\$ 29,511	\$ 29,839
Current service cost	999	899
Interest cost	1,261	1,419
Benefits payments	(3,680)	(4,023)
Actuarial gains	5,525	1,377
Accrued benefit obligation, end of year	<u>\$ 33,616</u>	<u>\$ 29,511</u>

CALGARY BOARD OF EDUCATION
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8. EMPLOYEE FUTURE BENEFITS (continued)

(f) Post-Retirement and Post-Employment Benefits Plans (continued)

Plan Funded Status

Reconciliation of funded status of benefit plans to the amounts recorded in the consolidated financial statements is as below:

	<u>2015</u>	<u>2014</u>
Plan deficit	\$ 33,616	\$ 29,511
Unamortized net actuarial gains	(9,033)	(3,917)
Accrued benefit obligation	<u>\$ 24,583</u>	<u>\$ 25,594</u>

Components of Net Periodic Post - Retirement Benefit Cost

The net period benefits cost for pension plans include the following components for the year ended Aug. 31 are:

	<u>2015</u>	<u>2014</u>
Current period service cost	\$ 999	\$ 899
Amortization of net actuarial gains	409	287
Benefit expenses	\$ 1,408	\$ 1,186
Benefit interest expenses	1,261	1,419
Total benefit expenses	<u>\$ 2,669</u>	<u>\$ 2,605</u>

Assumptions

The accrued benefit obligations for employee future benefit plans as at Aug. 31, 2015 are based on actuarial valuations for accounting purposes as at Aug. 31, 2012. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Corporation's best estimates of expected rates of:

	<u>2015</u>	<u>2014</u>
Discount rate on accrued benefit obligation	3.90%	4.40%
Rate of Compensation increase	3.50%	3.50%
Supplemental health care (SHC) cost trend rate	7.00%	7.00%
Dental cost trend rate	4.50%	4.50%

**CALGARY BOARD OF EDUCATION
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9. ASSET RETIREMENT OBLIGATION

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 327	\$ 327
Obligations discharged	-	-
Balance, end of year	<u>\$ 327</u>	<u>\$ 327</u>

An interest rate of 5.35 per cent is applicable to discount expected cash flows for calculation of the initial obligation and a rate of 3.7 per cent would be applicable for accretion of the obligation.

The Corporation has not recorded an asset retirement obligation for the estimated costs of restoring certain schools that may have asbestos as the Corporation is unable to determine the value of this liability as all locations and amounts of asbestos are unknown.

10. DEBENTURES AND OTHER SUPPORTED DEBT

Included are debentures for the acquisition of school buildings funded directly by Alberta Education (pre-1995). Those debentures were issued by Alberta Capital Finance Authority (ACFA) for periods of 15, 20 or 25 years in those years prior to 1995 when the Corporation had local taxing authority, at fixed interest rates ranging from 7.625 per cent - 11.5 per cent, and maturity at various dates to 2020. All debenture principal and interest payments are fully guaranteed by the Province of Alberta. Minimum principal repayments of debentures based on the terms above are as follows:

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2016	\$ 1,975	\$	463	\$	2,438
2017	1,553		273		1,826
2018	841		128		969
2019	296		52		348
2020	246		24		270
Total	<u>\$ 4,911</u>	\$	<u>940</u>	\$	<u>5,851</u>

CALGARY BOARD OF EDUCATION
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11. CAPITAL LEASES

Capital leases are approved by the Alberta Minister of Education for internally financed projects. All capital leases are secured by identified assets of the Corporation (restricted cash). The Corporation has set aside restricted long-term investments of \$8,370 (refer to Note 5) to retire the outstanding lease obligation as of Aug. 31, 2015. As of Aug. 31, 2015, capital lease obligations pertaining to the Corporation are as summarized below:

	<u>2015</u>	<u>2014</u>
Finance contracts, secured by certain equipment at interest rates is 2.44 % , repayable in annual installments including interest, maturing September 2014.	\$ -	\$ 194
Finance contracts, secured by certain building components at interest rates ranging from 2.69 % - 3.18 % , repayable in annual installments of \$1,726,514 including interest, maturing August 2016 through August 2018.	3,669	9,564
Finance contracts, secured by certain building components at interest rates ranging from 2.75 % - 3.17 % , repayable in annual installments of \$453,571 including interest, maturing August 2017 through August 2018.	2,711	3,076
Finance contracts, secured by certain building components at interest rates is 2.94 % , repayable in annual installments of \$233,266 including interest, maturing August 2019.	<u>1,708</u>	<u>1,887</u>
	<u>\$ 8,088</u>	<u>14,721</u>

Minimum lease payments for future years are as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2016	\$ 236	2,244	\$ 2,480
2017	173	2,765	2,938
2018	95	1,936	2,031
2019	34	1,143	1,177
Total	<u>\$ 538</u>	<u>8,088</u>	<u>\$ 8,626</u>

**CALGARY BOARD OF EDUCATION
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12. TANGIBLE CAPITAL ASSETS

2015								
	Land	Construction in progress - Buildings	Buildings	Furniture & Equipment	Vehicles	Computer Hardware & Software	Total	
Estimated useful life			25-50 years	5-10 years	5-10 years	3-5 years		
Historical cost								
Sept. 1, 2014	\$	2,711	2,581	1,182,110	126,309	8,815	119,886 \$	1,442,412
Additions		-	57,860	7,923	7,745	1,148	10,779	85,455
Transfers (out)		-	(15,540)	(647)	-	-	-	(16,187)
Disposals & write-downs		-	-	-	(3,669)	(347)	-	(4,016)
Aug. 31, 2015	\$	2,711	44,901	1,189,386	130,385	9,616	130,665 \$	1,507,664
Accumulated amortization								
Sept. 1, 2014	\$	-	-	(440,032)	(92,879)	(5,005)	(88,109) \$	(626,025)
Amortization expense		-	-	(29,232)	(9,808)	(812)	(11,792)	(51,644)
Disposals & write-downs		-	-	-	3,665	346	-	4,011
Aug. 31, 2015	\$	-	-	(469,264)	(99,022)	(5,471)	(99,901) \$	(673,658)
Net Book Value at Aug. 31, 2015	\$	2,711	44,901	720,122	31,363	4,145	30,764 \$	834,006
2014								
	Land	Construction in progress - Buildings	Buildings	Furniture & Equipment	Vehicles	Computer Hardware & Software	Total	
Estimated useful life			25-50 years	5-10 years	5-10 years	3-5 years		
Historical cost								
Sept. 1, 2013	\$	2,711	713	1,177,437	119,916	8,266	105,844 \$	1,414,887
Additions		-	2,265	4,673	7,961	643	14,045	29,587
Transfers (out)		-	(397)	-	-	-	-	(397)
Disposals & write-downs		-	-	-	(1,568)	(94)	(3)	(1,665)
Aug. 31, 2014	\$	2,711	2,581	1,182,110	126,309	8,815	119,886 \$	1,442,412
Accumulated amortization								
Sept. 1, 2013	\$	-	-	(410,528)	(84,639)	(4,265)	(76,066) \$	(575,498)
Amortization expense		-	-	(29,504)	(9,789)	(822)	(12,043)	(52,158)
Disposals & write-downs		-	-	-	1,549	82	-	1,631
Aug. 31, 2014	\$	-	-	(440,032)	(92,879)	(5,005)	(88,109) \$	(626,025)
Net Book Value at Aug. 31, 2014	\$	2,711	2,581	742,078	33,430	3,810	31,777 \$	816,387

Disposals and write downs

During 2015, tangible capital assets with a net book value of \$5 (2014 - \$31) were disposed of, for net proceeds of \$68.

Assets under capital lease

The tangible capital assets above include a leased building with a combined net book value of \$22,633 (2014 - \$22,242).

As of Aug. 31, 2015, Alberta Education has confirmed that costs of \$nil (2014 - \$1,232) related to the Modular projects have been incurred on behalf of the Corporation. This amount has not been recorded as those projects have not been completed and titles have not been transferred to the Corporation from the Alberta Education.

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13. ACCUMULATED SURPLUS

The components of the Corporation's accumulated surplus as at Aug. 31, 2015 are described below:

(a) Accumulated remeasurement gains / losses

Under PSAS, the change in the fair value of investments is recognized in the Statement of Accumulated Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are derecognized. Upon derecognition, the accumulated remeasurement gains or losses associated with the derecognized portfolio investments are reversed and reclassified to the statement of operations. For the year ended Aug. 31, 2015, total accumulated surplus from accumulated remeasurement gains was \$9,680 (2014 - \$13,353).

(b) Accumulated surplus / deficit from operations

i. Restricted surplus from operations:

Where certain instructional initiatives are planned or in progress, the Corporation has designated or restricted operating funds for these specific purposes. Operating reserves have been established for specific program requirements to stabilize annual fee rates or to offset the cost of programs and services in future years. These fund designations and reserves have been established consistent with Provincial legislation and by Board of Trustees' resolution and will be applied to finance future expenses in accordance with the specific requirements of each of these resolutions. Operating funds have been designated by the Board of Trustees for the following purposes:

	<u>2015</u>	<u>2014</u>
School decentralized budgets	\$ 2,275	\$ 596
Instructional and service unit initiatives	1,440	2,004
Education Matters	1,679	1,755
Total designated operating fund	<u>5,394</u>	<u>4,355</u>
Transportation fee stabilization	122	2,291
Unrealized investment gains and losses	-	3,195
Chinook Learning Services fee stabilization	1,593	1,593
Utility expense stabilization	5,007	5,007
Snow removal budget stabilization	200	200
Administrative systems renewal	890	429
General instruction	3,000	3,000
Fiscal stability	10,464	10,464
System transformation	2,000	2,000
Operating lease	14,577	14,577
Total operating reserves allocation	<u>37,853</u>	<u>42,756</u>
Total restricted surplus from operations	<u>\$ 43,247</u>	<u>\$ 47,111</u>

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13. ACCUMULATED SURPLUS (continued)

(b) Accumulated surplus / deficit from operations (continued)

i. Restricted surplus from operations (continued)

- 1) Restricted for Education Centre operating lease only.
- 2) Restricted operating reserve for unrealized gains/losses, which result from changes in the fair market value of financial instruments. For internal reporting purposes, remeasurment gains/losses are reported in the Unrealized Investment Gains/Losses Reserve.
- 3) Restricted operating reserve for Adult Education purposes only, and in accordance with Alberta Education reporting guidelines, cannot be used in support of K-12 educational programs

ii. Capital reserves

The Corporation's capital reserves and designated capital funds are established by Board of Trustees' resolution and in accordance with Provincial legislation, and are funded from proceeds on disposals of capital assets, provision from operating funds, or from lease revenues. To date, the following capital reserves and designated capital funds have been established:

	<u>2015</u>	<u>2014</u>
Building reserve	\$ 18,212	\$ 18,212
Other capital reserves	17,206	9,064
Plant, operations and maintenance asset replacement	798	798
Total Capital Reserves	\$ 36,216	\$ 28,074

The reserves and designated funds are to be applied to finance future capital expenditures in accordance with the specific requirements of each Board resolution. At Aug. 31, 2015, all funds are committed or designated for a specified purpose, except for \$18,212 (2014 - \$18,212) which remains available for new building commitments.

iii. Investments in capital assets

	<u>2015</u>	<u>2014</u>
Investment in capital assets	\$ 134,684	\$ 127,704

Investment in capital assets represents the Corporation's net investment of operating funds that have been used from time to time to purchase building improvements, capital equipment and technology infrastructure to support the general operating activities of the Corporation.

iv. Endowments

As of a result of consolidation of EducationMatters, the Corporation has established the Endowment Fund which represents the principal amounts contributed for the benefit of third-parties which must be held in perpetuity by EducationMatters in accordance with stipulations placed by the contributor.

	<u>2015</u>	<u>2014</u>
Endowments	\$ 3,520	\$ 3,292

**CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)**

13. ACCUMULATED SURPLUS (continued)

(b) Accumulated surplus / deficit from operations (continued)

v. *Adjusted accumulated surplus / deficit*

The Corporation has recorded a provision for employee future benefits. Since this provision reflects estimated future obligations, it is not required to be funded from current operations. Accumulated surplus (deficit) may be adjusted as follows:

	2015	2014
Restricted surplus from operations	\$ 43,247	\$ 47,111
Employee future benefits	(10,164)	(10,164)
Operating reserves	\$ 33,083	\$ 36,947
Unrestricted surplus	104	-
Unrestricted surplus and operating reserve	33,187	36,947
Accumulated surplus	\$ 227,451	\$ 219,534
Employee future benefits	(10,164)	(10,164)
Adjusted accumulated surplus ⁽¹⁾	\$ 217,287	\$ 209,370

(1) Adjusted accumulated surplus represents unspent funding available to support the school jurisdiction's operations for the future years.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)

14. RELATED PARTIES

(a) Province of Alberta and economic dependence

The Corporation is economically dependent upon the Government of the Province of Alberta, since the viability of its on-going operations depends on grants and contributions from Alberta Education and other provincial ministries.

Effective 2005-06, school jurisdictions have been deemed to be controlled by the Government of Alberta according to criteria set out in the Canadian Institute of Chartered Accountants Public Sector Accounting Standards 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 considered related parties of school jurisdictions for financial reporting purposes. These include government departments, health authorities, post-secondary institutions and all school jurisdictions in Alberta.

Assets, liabilities and transactions of the Corporation that relate to the Government of Alberta are as follows:

August 31, 2015	Assets (at cost or net realizable value)	Liabilities	Revenues	Expenses
Government of Alberta (GOA):				
Education				
Accounts receivable / Accounts payable	\$ 3,534	\$ -	\$ -	\$ 242
Prepaid expenses / Deferred revenue	-	32,431	-	-
Unexpended deferred capital revenue	-	104,202	-	-
Expended deferred capital revenue	-	691,201	29,808	-
Grant revenue & expenses	-	-	1,142,807	-
Other revenue & expenses	-	7	1,589	74
Other Alberta school jurisdictions	391	4	2,941	277
Treasury Board and Finance (Principal)	4,911	-	-	-
Treasury Board and Finance (Accrued Interest)	291	291	560	-
Alberta Health Services	-	99	287	929
Post-secondary institutions	1	-	132	471
Other Government of Alberta				
Alberta Pensions Administration Corporation	-	-	-	19,894
TOTAL 2014/15	\$ 9,128	\$ 828,235	\$ 1,178,124	\$ 21,887
TOTAL 2013/14	\$ 47,209	\$ 738,716	\$ 1,103,141	\$ 21,071

(b) Other

Various parent groups, including societies and other associations, solicit donations and undertake fundraising activities to provide operating and capital donations to further the objectives of the Corporation. The financial information of these groups is not consolidated in these financial statements as the Corporation has no control over any of those entities.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)

15. FEES

For the year ended Aug. 31, 2015, the following fees were charged and received:

	<u>2015</u>		<u>2014</u>
Transportation fees	\$ 7,883	\$	6,713
Fees charged for instruction materials and supplies	8,254		8,262
Noon supervision	11,030		7,443
Other (School Generated Funds and Chinook)	19,981		18,011
Total receipts	<u>\$ 47,148</u>	\$	<u>40,429</u>

16. SCHOOL GENERATED FUNDS

	<u>2015</u>		<u>2014</u>
Deferred School Generated Revenue, beginning of year	\$ 16,974	\$	16,094
Gross Receipts:			
Fees	19,178		18,717
Fundraising	9,773		10,178
Gifts and donations	5,811		4,953
Grants to schools	382		433
Other sales and services	51		60
Total gross receipts	<u>\$ 52,169</u>	\$	<u>50,435</u>
Less:			
Related expenses and uses of funds	27,633		26,083
Direct costs including costs of goods sold to raise funds	7,315		7,378
Deferred School Generated Revenues, end of year	<u>\$ 17,221</u>	\$	<u>16,974</u>

**CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)**

17. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

(a) Contractual obligations

	<u>2015</u>	<u>2014</u>
Capital Projects ⁽¹⁾	\$ 209,072	\$ 8,508
Office Lease ⁽²⁾	229,682	236,596
Service Providers ⁽³⁾	<u>106,307</u>	<u>207,463</u>
Total	<u>\$ 545,060</u>	<u>\$ 452,567</u>

(1) Capital Projects:

The Corporation has contractual commitments to complete major capital projects relating to school buildings and administrative sites. The full amount of the outstanding contractual obligations as at the reporting date is to be funded by capital contributions from Alberta Education.

(2) Office Lease:

The Corporation entered into various operating lease agreements for office spaces that expire up to February 2031, from which the annual rental of \$1,653 (2014 - \$1,653) is recovered annually.

(3) Service Providers:

As at Aug. 31, 2015, the Corporation has the following commitments relating to service and grant contracts:

- The Corporation has revised its service agreement related to certain payroll and human resources administration processes expiring Oct. 14, 2019.
- Effective Sept 1, 2006, the Corporation entered into a Master Transportation Agreement with Southland Transportation Ltd. and First Student Canada for the provision of student school bus transportation services. The initial term of the agreement is ten years (expiring Aug. 31, 2016) and the Corporation may renew the agreement for two additional periods of five years each. Each year during the term, the Corporation enters into a yearly service agreement with each carrier, outlining the services to be provided, the applicable daily base rate, and all other anticipated fees and charges under the agreement.
- The Corporation had a one year contract with Direct Energy for the supply of natural gas at a variable index rate.
- The Corporation entered into an electricity supply agreement with Enmax to the end of December 2017.

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

	<u>Capital Projects</u>	<u>Office Lease</u>	<u>Service Providers</u>	<u>Total</u>
2015-16	\$ 149,601	\$ 12,724	\$ 67,177	\$ 229,503
2016-17	48,971	12,714	19,143	80,828
2017-18	3,600	13,384	10,121	27,105
2018-19	3,600	13,421	7,492	24,512
2019-20	3,300	13,263	2,373	18,936
Thereafter	<u>-</u>	<u>164,176</u>	<u>-</u>	<u>164,176</u>
Total	\$ 209,072	\$ 229,682	\$ 106,307	\$ 545,060

(b) Contingent assets and liabilities

An anticipated refund related to prior year pension over-payments of \$4.0 million was not recognized by the Corporation as the collection was uncertain at the time the consolidated financial statements were approved by the Board of Trustees.

From year to year, legal actions are brought against the Corporation in the normal course of operations. Management believes that the ultimate resolution of claims presently outstanding is not expected to be significant to the overall financial position of the Corporation.

**CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)**

18. REMUNERATION (not rounded and in actual dollars)

(a) Trustee remuneration

Board Members:	FTE	Remuneration ¹	Benefits ²	Negotiated Allowances ³	Performance Bonuses	ERIP's / Other	Expenses ⁴
Chair							
Joy Bow en-Eyre	1.0	59,280	7,094	4,100			3,543
Other members							
Lynn Ferguson	1.0	45,000	6,965	4,100			2,966
Judy Hehr	1.0	50,769	7,050	4,100			2,523
Julie Hrdlicka	0.46	18,173	2,549	1,498			838
Trina Hurdman	1.0	46,731	6,965	4,100			1,682
Pamela King	1.0	45,000	6,965	4,100			2,920
Amber Stewart(Vice Chair)	1.0	47,693	7,003	4,100			2,647
Shelia Taylor	0.08	4,327	846	473			-
Subtotal	6.5	316,973	45,437	26,571			17,118

¹ **Remuneration** includes honorarium payments and accruals.

Trustee remuneration is established annually through Governance Policy GC-2E Trustee Remuneration.

Remuneration reported is on an accrual basis and differs from cash paid in the year. Amounts reported include provisions for the retirement allowance accrual, as applicable. Actual retirement allowance paid out during the year to Trustee Taylor was \$5,192.

² **Benefits** include the employer's share of all employee benefits and contributions or payments made on behalf of employees including Canada Pension Plan, employment insurance, life insurance, and accidental death and dismemberment coverage.

In lieu of other benefits, each Trustee receives the remainder of the package (valued at 10% of basic honorarium) in regular payments.

³ **Negotiated allowances** are a transportation allowance of \$4,100 annually.

⁴ **Expenses** will include the reimbursement of travel, subsistence, conference fees, etc., to the Trustee or on his/her behalf that are related to professional development. Expenses are not included on the Schedule of Program Operations as salaries or benefits.

**CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)**

18. REMUNERATION (continued not rounded and in actual dollars)

(b) Employee remuneration

Employees:	FTE	Remuneration ¹	Benefits ²	Negotiated Allowances ³	Performance Bonuses ⁴	ERIP's / Other ⁵	Expenses ⁶
Chief Superintendent							
David Stevenson	1.0	295,300	86,086	15,000			8,136
Corporate Treasurer							
Brad Grundy	1.0	228,600	53,879	7,000		-	8,731
Corporate Secretary							
Janice Barkway	1.0	164,111	33,906			-	4,354
Certificated teachers	6,104.8	593,746,692	134,368,165	16,154	-	-	
Non-certificated - other	3,283.4	196,381,754	45,800,924	62,483	-	1,577,648	
TOTALS (includes Trustees)		790,816,457	180,342,960	100,637	-	1,577,648	

(A) The benefits include government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the Corporation.

¹ **Remuneration** includes regular base salaries, administrative allowances, overtime, lump-sum payments, honoraria, deferred salary leave, accruals, and any other direct cash remuneration. This excludes negotiated allowances, performance bonuses, ERIPs/Other as described below. Remuneration reported is on an accrual basis and differs from cash paid in the year.

² **Benefits** include the employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement, pensions, senior management registered pension plans, Canada Pension Plan, employment insurance, health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, and long and short term disability plans. Government ATRF contributions of individual jurisdictions are included in the audit confirmation that is accessible on Extranet. Individual employee contributions, such as to the Superintendent, can be estimated by using the following formula:

$E = E \cdot ER \text{ rate (subject to ATRF Maximum contributions) where}$

$D = \text{Salary updated to plan member's files}$

$ER \text{ rate (2014) - 12.65\% (this contribution rate is also available at } \text{http://atrf.com/contribution_rates/jurisdictions_charter_schools.aspx}$

Benefits for the superintendent include Alberta Education contributions to the Alberta Teachers Retirement Fund as well as any supplementary pension plan contributions, if applicable. Benefits for the Secretary-Treasurer include the Local Authorities Pension Plan contributions as well as any supplementary pension plan contributions, if applicable.

³ **Negotiated allowances** include monies paid to an employee including car or travel allowances, isolation allowances, relocation expense, sabbaticals, special leave with pay, financial and retirement planning services, and club memberships. Excluded from this category is certificated school-based employee allowances outlined in collective agreements (these are included in Remuneration).

⁴ **Performance bonuses** include those monies paid to employees that are tied to the achievement of some specified goals or objectives.

⁵ **Early Retirement Incentive Plans (ERIPs) / Other** includes termination benefits such as severance pay, retiring allowances (ERIPs), sick leave and other settlement costs due to loss of employment

⁶ **Expenses** will include the reimbursement of travel, subsistence, moving costs, conference fees, etc., to the employee or on his/her behalf in performing the responsibilities of employment. Expenses are not included on the Schedule of Program Operations as salaries or benefits.

**CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)**

19. TRUST FUNDS UNDER ADMINISTRATION

	<u>2015</u>	<u>2014</u>
Scholarship Trust Funds	\$ 28	\$ -
School Staff Funds	127	122
	<u>\$ 155</u>	<u>\$ 122</u>

20. THE URBAN SCHOOLS INSURANCE CONSORTIUM (“USIC” or “the CONSORTIUM”)

The Corporation is a member of USIC, a licensed reciprocal insurance exchange under Alberta's *Insurance Act*, which facilitates the placement of property and liability insurance coverage for 14 school jurisdictions throughout the Province of Alberta. Under the agreement created at the time USIC was established, decisions related to the financial and operating activities of the Consortium are shared. No partner is in a position to exercise unilateral control. Amounts are paid by each of the members to the consortium to pay for insurance premiums on policy renewals and to self-insure a portion of each member's risk exposure.

The Corporation has elected not to proportionately consolidate pro-rata share of assets, liabilities, revenues and expenses of the consortium, as the accumulated consortium funds are payable only upon membership termination or dissolution of the consortium.

The Corporation's share of the accumulated and unencumbered consortium funds as at Aug. 31, 2015 was \$1,746 (2014-\$1,687).

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)

21. SEGMENT INFORMATION

Segmented information has been identified based upon lines of service provided and activities performed by the Corporation. Alberta Education requires that school jurisdictions disclose expense based on the type of activity or services provided, regardless of whether they are incurred at schools or centrally. The services that have been separately disclosed in the segmented information, along with a description of those services, are as follows:

(i) Instruction (ECS and grades 1 – 12)

Instruction is comprised of both the delivery of instruction in schools as well as school administration and support provided for instruction centrally.

(ii) Plant, operations and maintenance

Activities related to the construction, operation, maintenance, safety and security of school buildings and support provided to administer these activities are included as plant, operations and maintenance.

(iii) Transportation

The Corporation is responsible for transporting students to and from school sites. All direct activities related to transporting students and the support to run the program is included in Transportation.

(iv) Administration

Administration includes system-wide activities for the purpose of general regulation and direction of the affairs of the school jurisdiction.

(v) External services

External services includes services offered outside the Corporations regular educational programs for kindergarten to Grade 12 students such as continuing adult education.

Certain allocation methodologies are employed in the preparation of segmented financial information. Amortization expense is allocated to segments based upon the purpose of the capital asset that is being amortized.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 3. See Schedule 3 – Program of Operations for details.

22. BUDGET COMPARATIVES

The CBE's annual budget is first prepared in the spring prior to the start of the school year using enrolment estimates and Alberta Government budget announcements. This 2014-15 budget was approved by the Board of Trustees on May 20, 2014 and submitted to Alberta Education on May 26, 2014. In the fall, the budget was updated to reflect actual enrolment numbers and was accepted by the Board of Trustees on Nov. 24, 2014.

The fall budget update is presented in the Consolidated Statement of Operations for comparative purposes. The table below shows the original approved budget compared with the budget as presented for comparative purposes and the difference is the impact of the updated enrolment numbers on revenues and planned expenditures.

The comparative budget presented has also been adjusted from the original approved budget to remove the estimate for fees waived, to be comparable against actual fees reported, which are net of amounts waived. In the comparative budget, fees revenue has been reduced by \$2.4 million, and fee waiver expenses have been reduced as well by the same amount.

Both the spring and fall budgets did not disclose *instruction-early childhood services* separate from instruction grades 1 -12. This presentation is now required by Alberta Education and has been estimated for comparative purposes. The *instruction-early childhood services* program captures the cost of the kindergarten program as well as the early childhood services program unit funding.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)

22.BUDGET COMPARATIVES (continued)

Amounts budgeted for capital assets acquired only include board-funded assets, which excludes all capital activity that is funded directly by the Province of Alberta, such as new school construction and modular units. During the year, the actual board-funded capital acquisitions were \$22,184 (2014 - \$21,950) as shown in Schedule 1.

	Original Budget	Budget as presented for comparative purposes	Increase/ (Decrease)
Revenues			
Alberta Education	\$ 1,115,230	\$ 1,136,965	\$ 21,735
Other Government of Alberta	1,134	1,134	-
Federal Government & First Nations	2,233	2,220	(13)
Other sales and services	19,684	19,684	-
Fees revenue	46,736	44,373	(2,363)
Investment revenue	3,027	3,026	(1)
Other Alberta school authorities	536	522	(14)
Gifts and donations	5,034	5,034	-
Fundraising	11,300	11,300	-
Rentals	7,226	7,226	-
Total revenues	1,212,140	1,231,484	\$ 19,344
Expenses			
Instruction: grades 1-12	935,676	952,452	16,776
Instruction: early childhood services	43,852	43,012	(840)
Board and system administration	35,690	35,779	89
Transportation	44,117	43,888	(229)
Plant operations and maintenance	148,299	148,885	586
External services	22,549	22,112	(437)
Total expenses	1,230,183	1,246,128	15,945
Annual surplus / (deficit)	\$ (18,043)	\$ (14,644)	\$ 3,399
Transfer from operating reserves/designated funds			
Transfer from operating reserves	\$ 21,743	\$ 16,173	\$ (5,570)
Transfer from designated funds - schools	-	596	596
Transfer from designated funds - service units	-	2,004	2,004
	21,743	18,773	(2,970)
Capital items paid by operating funds			
Capital assets acquired	(23,212)	(26,605)	(3,393)
Capital asset amortization	52,313	52,042	(271)
Less capital revenue recognized	(30,051)	(30,210)	(159)
Debt repayments	(2,750)	(2,750)	-
Transfer from / (to) capital carry forwards	-	3,394	3,394
	(3,700)	(4,129)	(429)
Net operating surplus	\$ -	\$ -	\$ -

**CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2015
(in thousands)**

23.RECLASSIFICATIONS

Certain amounts have been reclassified where necessary to conform to the current year's presentation.

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

Calgary School District No. 19 o/a Calgary Board of Education

Legal Name of School Jurisdiction

1221 8 Street SW Calgary AB T2R 0L4

Mailing Address

(403) 817-7900 (403) 294-8125 bgrundy@cbe.ab.ca

Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Calgary School District No. 19 o/a Calgary Board of Education 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.

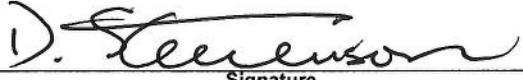
BOARD CHAIR

Joy Bowen-Eyre
Name


Signature


SUPERINTENDENT

David Stevenson
Name


Signature

SECRETARY-TREASURER OR TREASURER

Brad Grundy
Name


Signature

December 1, 2015
Board-approved Release Date

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees:

We have audited the accompanying consolidated financial statements of the Calgary Board of Education (the "Corporation"), which comprise the consolidated statement of financial position as at August 31, 2015, the consolidated statements of operations, changes in net debt, remeasurement gains and losses, and cash flows for the year then ended, which are presented in the format prescribed by Alberta Education, and accompanying schedules and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Calgary Board of Education as at August 31, 2015, and its results of operations, the changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards and the presentation requirements of Alberta Education.

KPMG LLP

Chartered Professional Accountants

December 1, 2015

Calgary, Canada

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

		2015	2014
FINANCIAL ASSETS			
Cash and cash equivalents	(Note 3)	\$ 231,853,000	\$ 98,320,000
Accounts receivable (net after allowances)	(Note 4)	\$ 20,779,000	\$ 61,215,000
Portfolio investments	(Note 5)	\$ 106,941,000	\$ 113,726,000
Other financial assets	(Note 6)	\$ -	\$ -
Total financial assets		\$ 359,573,000	\$ 273,261,000
LIABILITIES			
Bank indebtedness	(Note 7)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 8)	\$ 84,503,000	\$ 73,764,000
Deferred revenue	(Note 9)	\$ 861,570,000	\$ 769,264,000
Employee future benefit liabilities	(Note 10)	\$ 25,428,000	\$ 26,364,000
Liability for contaminated sites	(Note 11)	\$ -	\$ -
Other liabilities	(Note 12)	\$ 327,000	\$ 327,000
Debt	(Note 13)		
Supported: Debentures and other supported debt		\$ 4,911,000	\$ 7,426,000
Unsupported: Debentures and capital loans		\$ 8,088,000	\$ 14,721,000
Mortgages		\$ -	\$ -
Capital leases	(Note 14)	\$ -	\$ -
Total liabilities		\$ 984,827,000	\$ 891,866,000
Net financial assets (debt)		\$ (625,254,000)	\$ (618,605,000)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Note 15)		
Land		\$ 2,711,000	\$ 2,711,000
Construction in progress		\$ 44,901,000	\$ 2,581,000
Buildings	\$ 1,189,386,000		
Less: Accumulated amortization	\$ (469,264,000)	\$ 720,122,000	\$ 742,078,000
Equipment	\$ 130,385,000		
Less: Accumulated amortization	\$ (99,022,000)	\$ 31,363,000	\$ 33,430,000
Vehicles	\$ 9,616,000		
Less: Accumulated amortization	\$ (5,471,000)	\$ 4,145,000	\$ 3,810,000
Computer Equipment	\$ 130,665,000		
Less: Accumulated amortization	\$ (99,901,000)	\$ 30,764,000	\$ 31,777,000
Total tangible capital assets		\$ 834,006,000	\$ 816,387,000
Prepaid expenses		\$ 8,535,000	\$ 11,588,000
Other non-financial assets	(Note 16)	\$ -	\$ -
Total non-financial assets		\$ 842,541,000	\$ 827,975,000
Accumulated surplus	(Note 17)	\$ 217,287,000	\$ 209,370,000
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 207,607,000	\$ 196,017,000
Accumulated remeasurement gains (losses)		\$ 9,680,000	\$ 13,353,000
		\$ 217,287,000	\$ 209,370,000
Contractual obligations	(Note 18)		
Contingent liabilities	(Note 19)		

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

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

	Budget 2015	Actual 2015	Actual 2014
REVENUES			
Alberta Education	\$ 1,115,230,332	\$ 1,144,396,000	\$ 1,101,997,000
Other - Government of Alberta	\$ 1,134,319	\$ 1,108,000	\$ 2,113,000
Federal Government and First Nations	\$ 2,232,659	\$ 2,904,000	\$ 2,329,000
Other Alberta school authorities	\$ 536,387	\$ 832,000	\$ 802,000
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees	\$ 46,736,156	\$ 47,148,000	\$ 40,429,000
Other sales and services	\$ 19,683,753	\$ 24,329,000	\$ 24,478,000
Investment income	\$ 3,025,549	\$ 14,863,000	\$ 7,395,000
Gifts and donations	\$ 5,034,000	\$ 7,023,000	\$ 6,141,000
Rental of facilities	\$ 7,226,498	\$ 6,698,000	\$ 7,137,000
Fundraising	\$ 11,300,000	\$ 6,828,000	\$ 6,402,000
Gains on disposal of capital assets	\$ -	\$ 63,000	\$ -
Other revenue	\$ -	\$ 1,323,000	\$ 221,000
Total revenues	\$ 1,212,139,653	\$ 1,257,515,000	\$ 1,199,444,000
EXPENSES			
Instruction - ECS	\$ 43,852,000	\$ 49,136,000	\$ 44,996,000
Instruction - Grades 1 - 12	\$ 935,677,800	\$ 940,461,000	\$ 892,719,000
Plant operations and maintenance	\$ 148,298,523	\$ 157,489,000	\$ 151,746,000
Transportation	\$ 44,116,881	\$ 44,336,000	\$ 40,815,000
Board & system administration	\$ 35,689,548	\$ 33,917,000	\$ 36,603,000
External services	\$ 22,548,596	\$ 20,814,000	\$ 23,421,000
Total expenses	\$ 1,230,183,348	\$ 1,246,153,000	\$ 1,190,300,000
Operating surplus (deficit)	\$ (18,043,695)	\$ 11,362,000	\$ 9,144,000

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

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

	2015	2014
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ 11,362,000	\$ 9,144,000
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 51,644,000	\$ 52,158,000
Gains on disposal of tangible capital assets	\$ (63,000)	\$ -
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (29,807,000)	\$ (30,653,000)
Deferred capital revenue write-off	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 40,436,000	\$ (26,014,000)
Prepays	\$ 3,053,000	\$ (2,405,000)
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ 93,000
Accounts payable, accrued and other liabilities	\$ 10,739,000	\$ 3,712,000
Deferred revenue (excluding EDCR)	\$ 122,113,000	\$ 43,943,000
Employee future benefit liabilities	\$ (936,000)	\$ (1,554,000)
Other (describe)	\$ (36,739,000)	\$ 28,523,000
Total cash flows from operating transactions	\$ 171,802,000	\$ 76,947,000
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (49,597,000)	\$ (5,893,000)
Equipment	\$ (7,744,000)	\$ (8,056,000)
Vehicles	\$ (1,146,000)	\$ (550,000)
Computer equipment	\$ (10,781,000)	\$ (14,041,000)
Net proceeds from disposal of unsupported capital assets	\$ 68,000	\$ 31,000
Other (describe)		\$ 1,885,000
Total cash flows from capital transactions	\$ (69,200,000)	\$ (26,624,000)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (81,791,000)	\$ (4,048,000)
Dispositions of portfolio investments	\$ 95,470,000	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ (10,567,000)	
Change in endowments	\$ 228,000	\$ -
Other (describe)	\$ -	\$ 548,000
Total cash flows from investing transactions	\$ 3,340,000	\$ (3,500,000)
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (9,148,000)	\$ (4,206,000)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	
Other factors affecting capital leases (describe)		
Other (describe)	\$ 36,739,000	\$ (30,408,000)
Total cash flows from financing transactions	\$ 27,591,000	\$ (34,614,000)
Increase (decrease) in cash and cash equivalents	\$ 133,533,000	\$ 12,209,000
Cash and cash equivalents, at beginning of year	\$ 98,320,000	\$ 86,111,000
Cash and cash equivalents, at end of year	\$ 231,853,000	\$ 98,320,000

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

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)

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

	Budget 2015	2015	2014
Operating surplus (deficit)	\$ (14,644,000)	\$ 11,362,000	\$ 9,144,000
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (26,605,000)	\$ (69,268,000)	\$ (29,187,000)
Amortization of tangible capital assets	\$ 52,042,000	\$ 51,644,000	\$ 52,158,000
Net carrying value of tangible capital assets disposed of	\$	\$ 5,000	\$ 31,000
Write-down carrying value of tangible capital assets	\$	\$ -	\$ -
Other changes	\$ (2,750,000)	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 22,687,000	\$ (17,619,000)	\$ 23,002,000
Changes in:			
Prepaid expenses	\$ -	\$ 3,053,000	\$ (2,405,000)
Other non-financial assets	\$ -	\$ -	\$ 93,000
Net remeasurement gains and (losses)	\$ -	\$ (3,673,000)	\$ 7,177,000
Endowments	\$ -	\$ 228,000	\$ 548,000
Increase (decrease) in net financial assets (net debt)	\$ 8,043,000	\$ (6,649,000)	\$ 37,559,000
Net financial assets (net debt) at beginning of year	\$ (618,605,000)	\$ (618,605,000)	\$ (656,164,000)
Net financial assets (net debt) at end of year	\$ (610,562,000)	\$ (625,254,000)	\$ (618,605,000)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

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

	2015	2014
Accumulated remeasurement gains (losses) at beginning of year	\$ 13,353,000	\$ 6,176,000
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ 6,894,000	\$ 7,177,000
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ (10,567,000)	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ (3,673,000)	\$ 7,177,000
Accumulated remeasurement gains (losses) at end of year	\$ 9,680,000	\$ 13,353,000

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

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

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2014	\$ 209,370,000	\$ 13,353,000	\$ 196,017,000	\$ 127,704,000	\$ 3,292,000	\$ -	\$ 36,947,000	\$ 28,074,000
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2014	\$ 209,370,000	\$ 13,353,000	\$ 196,017,000	\$ 127,704,000	\$ 3,292,000	\$ -	\$ 36,947,000	\$ 28,074,000
Operating surplus (deficit)	\$ 11,362,000		\$ 11,362,000			\$ 11,362,000		
Board funded tangible capital asset additions				\$ 22,184,000		\$ (22,184,000)	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ (3,673,000)	\$ (3,673,000)						
Endowment expenses & disbursements	\$ -		\$ -		\$ -	\$ -		
Endowment contributions	\$ 228,000		\$ 228,000		\$ 228,000	\$ -		
Investment income & realized capital gains on endowments	\$ -		\$ -			\$ -		
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (51,644,000)		\$ 51,644,000		
Capital revenue recognized	\$ -			\$ 29,807,000		\$ (29,807,000)		
Debt principal repayments (unsupported)	\$ -			\$ 6,633,000		\$ (6,633,000)		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ (4,175,000)	\$ 4,175,000	
Net transfers from operating reserves	\$ -					\$ 8,039,000	\$ (8,039,000)	
Net transfers to capital reserves	\$ -					\$ (11,535,000)		\$ 11,535,000
Net transfers from capital reserves	\$ -					\$ 3,393,000		\$ (3,393,000)
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2015	\$ 217,287,000	\$ 9,680,000	\$ 207,607,000	\$ 134,684,000	\$ 3,520,000	\$ 104,000	\$ 33,083,000	\$ 36,216,000

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

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2014	\$ 21,657,000	\$ 20,010,000	\$ 5,642,000	\$ 462,000	\$ 4,416,000	\$ 7,402,000	\$ 2,291,000	\$ -	\$ 2,941,000	\$ 200,000
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2014	\$ 21,657,000	\$ 20,010,000	\$ 5,642,000	\$ 462,000	\$ 4,416,000	\$ 7,402,000	\$ 2,291,000	\$ -	\$ 2,941,000	\$ 200,000
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses & disbursements										
Endowment contributions										
Investment income & realized capital gains on endowments										
Direct credits to accumulated surplus	\$ -		\$ -		\$ -		\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Additional capital debt or capital leases										
Net transfers to operating reserves	\$ 3,258,000		\$ 256,000		\$ 661,000		\$ -		\$ -	
Net transfers from operating reserves	\$ (3,301,000)		\$ (685,000)		\$ (536,000)		\$ (2,169,000)		\$ (1,348,000)	
Net transfers to capital reserves		\$ 9,959,000		\$ 1,340,000		\$ 236,000		\$ -		\$ -
Net transfers from capital reserves		\$ (3,393,000)		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2015	\$ 21,614,000	\$ 26,576,000	\$ 5,213,000	\$ 1,802,000	\$ 4,541,000	\$ 7,638,000	\$ 122,000	\$ -	\$ 1,593,000	\$ 200,000

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

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2014	\$ 38,505,000	\$ -	\$ 8,629,000	\$ -	\$ 673,962,000
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2014	\$ 38,505,000	\$ -	\$ 8,629,000	\$ -	\$ 673,962,000
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 100,395,000				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Other sources <i>(Describe)</i> :	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ (900,000)				
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ 368,000	\$ -	\$ -	\$ -	
Other unexpended capital revenue: <i>(Describe)</i>				\$ -	
Net proceeds on disposal of supported tangible capital assets			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ 4,222,000	\$ -	
Donated tangible capital assets (Explain):					\$ -
Alberta Schools Alternative Program (ASAP), Building Alberta School Construction Program, (BASCP) and other Alberta Infrastructure managed projects					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (47,018,000)	\$ -	\$ -	\$ -	\$ 47,018,000
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Deduct:</u>					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 29,807,000
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2015	\$ 91,350,000	\$ -	\$ 12,851,000	\$ -	\$ 691,173,000
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2015 (A) + (B) + (C) + (D)				\$ 104,201,000	

Unexpended Deferred Capital Revenue

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

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

REVENUES	2015							2014
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 50,353,000	\$ 884,359,000	\$ 135,243,000	\$ 34,283,000	\$ 40,158,000	\$ -	\$ 1,144,396,000	\$ 1,101,997,000
(2) Other - Government of Alberta	\$ -	\$ 403,000	\$ 560,000	\$ -	\$ -	\$ 145,000	\$ 1,108,000	\$ 2,113,000
(3) Federal Government and First Nations	\$ -	\$ 981,000	\$ -	\$ -	\$ 31,000	\$ 1,892,000	\$ 2,904,000	\$ 2,329,000
(4) Other Alberta school authorities	\$ -	\$ 540,000	\$ 292,000	\$ -	\$ -	\$ -	\$ 832,000	\$ 802,000
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 134,000	\$ 27,826,000		\$ 7,883,000		\$ 11,305,000	\$ 47,148,000	\$ 40,429,000
(9) Other sales and services	\$ -	\$ 17,657,000	\$ 997,000	\$ -	\$ 1,021,000	\$ 4,654,000	\$ 24,329,000	\$ 24,478,000
(10) Investment income	\$ -	\$ 114,000	\$ -	\$ -	\$ -	\$ 14,749,000	\$ 14,863,000	\$ 7,395,000
(11) Gifts and donations	\$ -	\$ 6,981,000	\$ -	\$ -	\$ -	\$ 42,000	\$ 7,023,000	\$ 6,141,000
(12) Rental of facilities	\$ -	\$ -	\$ 2,762,000	\$ -	\$ 436,000	\$ 3,500,000	\$ 6,698,000	\$ 7,137,000
(13) Fundraising	\$ -	\$ 6,828,000	\$ -	\$ -	\$ -	\$ -	\$ 6,828,000	\$ 6,402,000
(14) Gains on disposal of tangible capital assets	\$ -	\$ 63,000	\$ -	\$ -	\$ -	\$ -	\$ 63,000	\$ -
(15) Other revenue	\$ -	\$ 1,323,000	\$ -	\$ -	\$ -	\$ -	\$ 1,323,000	\$ 221,000
(16) TOTAL REVENUES	\$ 50,487,000	\$ 947,075,000	\$ 139,854,000	\$ 42,166,000	\$ 41,646,000	\$ 36,287,000	\$ 1,257,515,000	\$ 1,199,444,000
EXPENSES								
(17) Certificated salaries	\$ 27,412,000	\$ 564,986,000			\$ 1,387,000	\$ 256,000	\$ 594,041,000	\$ 567,255,000
(18) Certificated benefits	\$ 3,060,000	\$ 131,079,000			\$ 126,000	\$ 220,000	\$ 134,485,000	\$ 128,329,000
(19) Non-certificated salaries and wages	\$ 12,512,000	\$ 104,358,000	\$ 50,056,000	\$ 1,974,000	\$ 14,807,000	\$ 13,384,000	\$ 197,091,000	\$ 186,658,000
(20) Non-certificated benefits	\$ 3,062,000	\$ 25,446,000	\$ 12,424,000	\$ 505,000	\$ 3,511,000	\$ 2,660,000	\$ 47,608,000	\$ 45,187,000
(21) SUB - TOTAL	\$ 46,046,000	\$ 825,869,000	\$ 62,480,000	\$ 2,479,000	\$ 19,831,000	\$ 16,520,000	\$ 973,225,000	\$ 927,429,000
(22) Services, contracts and supplies	\$ 2,402,000	\$ 99,847,000	\$ 59,639,000	\$ 41,310,000	\$ 11,294,000	\$ 3,196,000	\$ 217,688,000	\$ 207,290,000
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 29,807,000	\$ -	\$ -	\$ -	\$ 29,807,000	\$ 30,653,000
(24) Amortization of unsupported tangible capital assets	\$ 662,000	\$ 14,151,000	\$ 4,413,000	\$ -	\$ 2,602,000	\$ 9,000	\$ 21,837,000	\$ 21,505,000
(25) Supported interest on capital debt	\$ -	\$ -	\$ 560,000	\$ -	\$ -	\$ -	\$ 560,000	\$ 820,000
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,000
(27) Other interest and finance charges	\$ 15,000	\$ 362,000	\$ 590,000	\$ 108,000	\$ 70,000	\$ 333,000	\$ 1,478,000	\$ 1,243,000
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ 11,000	\$ 232,000	\$ -	\$ 439,000	\$ 120,000	\$ 756,000	\$ 1,558,000	\$ 1,321,000
(30) TOTAL EXPENSES	\$ 49,136,000	\$ 940,461,000	\$ 157,489,000	\$ 44,336,000	\$ 33,917,000	\$ 20,814,000	\$ 1,246,153,000	\$ 1,190,300,000
(31) OPERATING SURPLUS (DEFICIT)	\$ 1,351,000	\$ 6,614,000	\$ (17,635,000)	\$ (2,170,000)	\$ 7,729,000	\$ 15,473,000	\$ 11,362,000	\$ 9,144,000

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

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2015 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 30,913,000	\$ 9,331,000	\$ -	\$ 1,978,000	\$ 7,834,000		\$ 50,056,000		\$ 50,056,000
Uncertificated benefits	\$ 8,107,000	\$ 2,817,000	\$ -	\$ 26,000	\$ 1,474,000		\$ 12,424,000		\$ 12,424,000
Sub-total Remuneration	\$ 39,020,000	\$ 12,148,000	\$ -	\$ 2,004,000	\$ 9,308,000		\$ 62,480,000		\$ 62,480,000
Supplies and services	\$ 3,774,000	\$ 14,289,000	\$ 26,000	\$ 19,889,000	\$ 1,364,000		\$ 39,342,000		\$ 39,342,000
Electricity			\$ 9,812,000				\$ 9,812,000		\$ 9,812,000
Natural gas/heating fuel			\$ 4,713,000				\$ 4,713,000		\$ 4,713,000
Sewer and water			\$ 2,255,000				\$ 2,255,000		\$ 2,255,000
Telecommunications			\$ 187,000				\$ 187,000		\$ 187,000
Insurance					\$ 3,151,000		\$ 3,151,000		\$ 3,151,000
ASAP maintenance & renewal payments								\$ -	\$ -
Amortization of tangible capital assets									
Supported								\$ 29,807,000	\$ 29,807,000
Unsupported						\$ 4,413,000	\$ 4,413,000		\$ 4,413,000
Total Amortization						\$ 4,413,000	\$ 4,413,000	\$ 29,807,000	\$ 34,220,000
Interest on capital debt									
Supported								\$ 560,000	\$ 560,000
Unsupported						\$ 30,000	\$ 30,000		\$ 30,000
Lease payments for facilities				\$ 179,000			\$ 179,000		\$ 179,000
Other interest charges						\$ 560,000	\$ 560,000		\$ 560,000
Losses on disposal of capital assets						\$ -	\$ -		\$ -
TOTAL EXPENSES	\$ 42,794,000	\$ 26,437,000	\$ 16,993,000	\$ 22,072,000	\$ 13,823,000	\$ 5,003,000	\$ 127,122,000	\$ 30,367,000	\$ 157,489,000

SQUARE METRES									
School buildings									1,288,516.0
Non school buildings									15,878.0

Note:

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

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

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

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

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

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

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

	Actual 2014/2015	Actual 2013/2014
FEES		
Transportation fees	\$7,883,000	\$6,712,000
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$9,902,000	\$8,910,000
Technology user fees	\$0	\$0
Alternative program fees	\$0	\$0
Fees for optional courses (band, art, etc.)	\$6,618,000	\$6,268,000
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$0	\$0
Kindergarten & preschool	\$0	\$0
Extracurricular fees (sports teams and clubs)	\$675,000	\$639,000
Field trips (related to curriculum)	\$9,445,000	\$8,946,000
Lunch supervision fees (Optional)	\$11,072,000	\$7,483,000
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$0	\$0
Other (describe)* Incidental activity fees	\$810,000	\$768,000
Other (describe)* Other SGF	\$743,000	\$703,000
Other (describe)*		
TOTAL FEES	\$47,148,000	\$40,429,000

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

Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):	Actual 2014/2015	Actual 2013/2014
Cafeteria sales, hot lunch, milk programs	\$0	\$0
Special events, graduation, tickets	\$0	\$0
Student travel (international, recognition trips, non-curricular)	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$0	\$0
Adult education revenue	\$3,256,000	\$3,543,000
Child care & before and after school care	\$0	\$0
Other (describe) Foreign Tuition	\$9,183,000	\$7,314,000
Other (describe) Music Instruments, library fees, commissions	\$567,000	\$442,000
Other (describe)	\$0	\$0
TOTAL	\$13,006,000	\$11,299,000

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2015 (in dollars)					
	PROGRAM AREA				
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)
Funded Students in Program					
REVENUES					
Alberta Education allocated funding	\$ 4,509,000	\$ 12,829,000	\$ 22,597,000	\$ 68,303,000	\$ -
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 4,509,000	\$ 12,829,000	\$ 22,597,000	\$ 68,303,000	\$ -
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 3,607,000	\$ 969,000	\$ 24,481,000	\$ -	
Instructional non-certificated salaries & benefits	\$ 112,000	\$ 3,980,000	\$ 2,846,000	\$ -	
SUB TOTAL	\$ 3,719,000	\$ 4,949,000	\$ 27,327,000	\$ -	
Supplies, contracts and services	\$ 47,000	\$ 134,000	\$ -	\$ -	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ 141,000	\$ 206,000	\$ -	\$ -	
Other (please describe)	\$ 1,444,000	\$ 7,621,000	\$ 581,000		
Other (please describe)	\$ -	\$ -		\$ 1,199,983,000	
TOTAL EXPENSES	\$ 5,351,000	\$ 12,910,000	\$ 27,908,000	\$ 1,199,983,000	
NET FUNDING SURPLUS (SHORTFALL)	\$ (842,000)	\$ (81,000)	\$ (5,311,000)	\$ (1,131,680,000)	

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2015 (in dollars)								
EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs			TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	
1 Office of the superintendent	\$ 1,003,000	\$ 284,000	\$ -	\$ 1,287,000	\$ -	\$ -	\$ -	\$ 1,287,000
2 Educational administration (excluding superintendent)	\$ 400,000	\$ 69,000	\$ -	\$ 469,000	\$ 21,948,000	\$ 4,326,000	\$ -	\$ 26,743,000
3 Business administration	\$ 5,166,000	\$ 397,000	\$ 120,000	\$ 5,683,000	\$ 3,300,000	\$ 669,000	\$ 1,437,000	\$ 11,089,000
4 Board governance (Board of Trustees)	\$ 454,000	\$ 951,000	\$ -	\$ 1,405,000	\$ -	\$ -	\$ -	\$ 1,405,000
5 Information technology	\$ 3,641,000	\$ 204,000	\$ -	\$ 3,845,000	\$ 11,293,000	\$ 264,000	\$ -	\$ 15,402,000
6 Human resources	\$ 5,705,000	\$ 4,644,000	\$ -	\$ 10,349,000	\$ 3,440,000	\$ 23,000	\$ -	\$ 13,812,000
7 Central purchasing, communications, marketing	\$ 2,550,000	\$ 123,000	\$ -	\$ 2,673,000	\$ 1,284,000	\$ -	\$ -	\$ 3,957,000
8 Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Administration - insurance			\$ 108,000	\$ 108,000			\$ 4,414,000	\$ 4,522,000
10 Administration - amortization			\$ 2,602,000	\$ 2,602,000			\$ 49,044,000	\$ 51,646,000
11 Administration - other (admin building, interest)			\$ 3,937,000	\$ 3,937,000			\$ 10,980,000	\$ 14,917,000
12 Other (describe)	\$ 316,000	\$ 386,000	\$ -	\$ 702,000	\$ 28,071,000	\$ 93,786,000	\$ -	\$ 122,559,000
13 Other (describe)	\$ 486,000	\$ 340,000	\$ -	\$ 826,000	\$ 3,902,000	\$ 13,982,000	\$ -	\$ 18,710,000
14 Other (describe)	\$ 6,000	\$ 25,000	\$ -	\$ 31,000	\$ 879,594,000	\$ 80,416,000	\$ 63,000	\$ 960,104,000
TOTAL EXPENSES	\$ 19,727,000	\$ 7,423,000	\$ 6,767,000	\$ 33,917,000	\$ 952,832,000	\$ 193,466,000	\$ 65,938,000	\$ 1,246,153,000