

# Financial results of the Calgary Board of Education



For the year ended  
August 31, 2014

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



**Calgary Board  
of Education**

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## Financial Statements

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**CALGARY BOARD OF EDUCATION  
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS  
AUGUST 31, 2014  
(In thousands)**

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## Overview

Values guide our work at the Calgary Board of Education:

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

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.

Once again in fiscal 2013-14 the CBE had to make difficult decisions to balance the budget as, for the third consecutive year, per student funding decreased. This resulted in reduced allocations to schools as well as service reductions, including layoffs in service units.

The CBE prudently focused spending on strategies that would generate efficiencies for future years when further operating deficits were projected. Service units reorganized to operate more efficiently and, in some cases, higher savings were achieved than budgeted. In all, over 40 full-time equivalent positions were cut from administrative areas. We also reorganized and streamlined operations, finding reductions with outside suppliers and services. Superintendent salaries were frozen effective September 2013 and there were no salary increases for the CBE's exempt staff in 2014. Because we were prudent, we ended the year with a \$9.1 million surplus and did not have to draw down reserves to fund operations.

We are pleased that we showed in 2013-14 that the CBE is well managed financially, achieving 99.8 per cent accuracy in terms of our actual expenditures against our fall budget update.

Despite financial challenges, CBE students demonstrated strong academic results on the 2013-14 provincial achievement tests and diploma exams. In 10 of 11 subjects tested in diploma exams, CBE students outperformed the province at the excellence standard. In eight of those 11 subjects tested, CBE students outperformed the province at the acceptable standard. CBE students in Grades 6 and 9 outperformed the province at the acceptable standard and the standard of excellence in 16 out of 20 subjects. A full report on our [educational results](#) can be found online.

We did all this in the face of exceptional growth. Enrolment for 2013-14 increased to 110,763, up 3,631 (3.4 per cent) from the previous year. This growth puts tremendous pressure on space: square metres of learning space per student declined from 11.3 per student in 2011-12 to 10.8 per student in 2013-14. 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 21 new schools and 10 major modernizations projects
- deferred maintenance costs of \$1 billion.

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

The following review of the financial results for 2013-14 includes two comparisons: year-over-year actual results and actual 2013-14 results to the approved budget.

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### Year-over-year highlights

From 2012-13 to 2013-14, student enrolment increased by approximately 3.4 per cent (3,631 students) based on Sept. 30 count data. Comparing the 2013-14 actual results to the prior year highlights the following.

- Revenue from Alberta Education was up \$26.9 million, an increase of 2.5 per cent. The provincial government reduced or eliminated several grants and did not provide rate increases to basic grants. The net impact resulted in less provincial funding per student than in the prior year (see page 28).
- Employee salaries and benefits represent 77.9 per cent of expenses. The expense increased year-over-year by \$12.2 million. This 1.3 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, net of staffing reductions in Service Units and decisions that impacted schools.
- In 2013-14, the provincial government limited administrative expenses to 3.6 per cent of the operating budget and reduced CBE's grants by an equivalent of 0.4 per cent. For 2013-14, the CBE spent 3.1 per cent of its total operating expenses on administration, enabling more resources to be directed to the classroom and as a result Core programming supports are lean.
- CBE's accumulated surplus has increased by \$16.9 million due to favorable operating results and higher than expected investment gains.

### Actual to budget highlights

The CBE's 2013-14 budgeting process started with the release of the Province of Alberta's budget on March 7, 2013. CBE administration then began developing the budget for approval by the Board of Trustees on May 28, 2013 for implementation in September. The budget was based on estimates of an expected enrolment increase of 3,244 for the 2013-14 school year. At the Sept. 30, 2013 student count date, it was determined that the actual enrolment for the year would be 387 students higher than originally budgeted and as a result, both revenues and expenses would be higher.

A comparison of actual results to budget for 2013-14 highlights a number of specific variances.

- 91.9 per cent of CBE revenue comes from Alberta Education. Alberta Education funding received was higher than budgeted by \$30.3 million. The increase was due to higher than anticipated enrolment, recognition of restricted revenue associated with project expenses and \$10.5 million higher than estimated Alberta Teachers Retirement Fund (ATRF) revenue allocation.
- Other revenue was \$97.5 million. This amount is comprised mainly of fees, school generated revenues and investment income. Other revenue is \$7.6 million higher than budgeted due to higher fees generated from increased enrolment and more revenues generated from investment income.
- \$3.5 million more was spent on salaries and benefits than budgeted, due mainly to increased enrolment and higher than estimated ATRF expense, net of lower salary and benefit costs than budgeted.
- The CBE did not need to apply the full \$11.8 million of operating reserves to cover the budget shortfall as initially planned. Due to more favorable results, the actual net additions to operating reserves were \$14.6 million.
- The CBE actual spending on non-facility capital projects totalled \$22.9 million. To fund work not completed by the fiscal year-end, \$3.4 million is being carried forward to 2014-15.

## **Support for student success**

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.

In 2013-14, \$937.7 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 psychologists, multicultural services, support for students with exceptional needs, school-based technology support and student records. Resources have been applied to support the pillars of the Three-Year Education Plan, notably personalized learning and engaging our public.

In addition, costs under the Plant, Operations and Maintenance block are essential for the safe operation of our facilities and providing quality learning environments. \$151.7 million was spent in 2013-14 in support of the achievement of success for each student in this regard.

Transportation is available to all students living outside the walk boundaries of their designated community school, or attending alternative programs. Some students' exceptional learning needs are best met in special settings outside their neighbourhoods. By providing transportation services to the program of a family's choice, the cost of this program (\$40.8 million) is in support of student success and personalized learning. Parent fees totalling \$6.7 million were charged to supplement provincial transportation grants received so that transportation costs are fully funded by related grants and parent fees.

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 \$36.6 million in 2013-14.

External services costs (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.

	Budget <sup>(1)</sup> 2013-14	Actual 2013-14	Actual <sup>(2)</sup> 2012-13	Budget to 2013-14		Actual to Actual	
				Actual Variance		Variance	
				Favourable / (Unfavourable)		Increase / (Decrease)	
	\$	\$	\$	\$	%	\$	%
<b>Revenue</b>							
Alberta Education	1,071,673	1,101,997	1,075,073	30,324		26,924	
Other - Government of Alberta	1,434	1,386	1,709	(48)		(323)	
Federal Government and First Nations	2,381	2,329	2,201	(52)		128	
Fees	37,795	40,453	35,217	2,658		5,236	
Other sales and services	20,538	20,677	21,824	139		(1,147)	
Investment income	3,002	7,395	4,453	4,393		2,942	
All other revenue	24,725	25,207	24,915	482		292	
	<u>1,161,548</u>	<u>1,199,444</u>	<u>1,165,392</u>	<u>37,896</u>	3%	<u>34,052</u>	3%
<b>Expenses <sup>(3)</sup></b>							
Salaries and benefits	923,893	927,429	915,211	(3,536)		12,218	
Supplies and services	199,311	207,290	206,240	(7,979)		1,050	
Other	53,661	55,581	51,600	(1,920)		3,981	
	<u>1,176,865</u>	<u>1,190,300</u>	<u>1,173,051</u>	<u>(13,435)</u>	-1%	<u>17,249</u>	1%
(Deficiency) / excess of revenue over expense	(15,317)	9,144	(7,659)	24,461		16,803	
Net applications of operating funds	11,817	(6,856)	2,723	(18,673)		(9,579)	
Capital transactions	3,500	(2,288)	2,126	(5,788)		(\$4,414)	
Net operating deficit	-	-	(2,810)	-		2,810	
Draw from unrestricted net assets	-	-	2,810	-		(2,810)	
Net annual operating surplus	-	-	-	-		-	

(1) Represents the Approved Budget approved by the Board of Trustees on May 28, 2013. Some numbers have been reclassified for comparative purposes.

(2) Some Actual 2012-13 numbers and FTEs have been reclassified at the Service Unit level for comparative purposes in this table and throughout the report.

(3) Although described as 'unfavourable', these variances reflect the increased spending required due to higher enrolment at Sep 30, 2013 than what was estimated when the budget was prepared the previous spring.

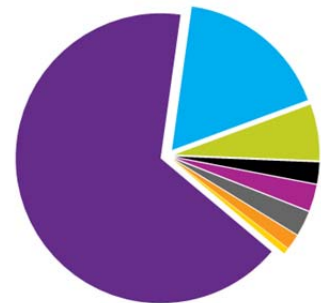
## Year-over-year review

### Revenue

#### Alberta Education funding

	Actual		Variance	
	(\$ thousands)			
	2013-14	2012-13	\$	%
Base provincial instruction grants	728,275	704,402	23,873	3.4
Differential cost funding	189,366	199,781	(10,415)	(5.2)
Alberta Teachers Retirement Fund	68,986	57,572	11,414	19.8
Other provincial education grants	26,083	28,617	(2,534)	(8.9)
Student Transportation	32,550	32,486	64	0.2
Expended deferred capital revenue	30,653	28,912	1,741	6.0
Infrastructural Maintenance & Renewal(IMR)	18,680	18,646	34	0.2
Provincial priority targeted grants	7,404	4,657	2,747	59.0
	<b>1,101,997</b>	<b>1,075,073</b>	<b>26,924</b>	<b>2.5</b>

The CBE received \$1,102.0 million or 91.9 per cent of total revenue from Alberta Education. Of those funds, \$888.0 million were provided to address basic instruction and certain differential factors that are specific to the CBE as a school jurisdiction. The CBE can decide how best to use these funds for student learning. The remaining \$214.0 million, or 19.4 per cent of total Alberta Education funding, has a specified use like Alberta Teachers Retirement Fund, maintenance for school buildings, transportation or specific initiatives.



The \$23.9 million increase in base instruction funding is driven entirely by the increased enrolment.

The single most significant factor that impacted the CBE's 2013-14 operations was the large amount of provincial grant funding that was reduced or eliminated, as announced in the spring of 2013. The following grants were impacted:

- No rate increase for basic grants
- Alberta Initiative for School Improvement (AIS) grant eliminated
- Fuel price contingency funding eliminated
- Reduction in the number of years English Language Learners are funded
- Small Schools by Necessity grant eliminated
- Reductions to Plant, Operations & Maintenance funding
- Significant reduction to Infrastructure Maintenance and Renewal funding
- Reduction in the Equity of Opportunity grant
- Clawback applied related to System Administration and School Board Governance spending

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**Other revenue**

	Actual		Variance	
	2013-14	2012-13		
	\$	\$	\$	%
Fees	40,453	35,217	5,236	14.9
Sales and services	20,677	21,824	(1,147)	(5.3)
Fundraising	10,178	11,267	(1,089)	(9.7)
Investment income	7,395	4,453	2,942	66.1
Rentals	7,137	5,641	1,496	26.5
Gifts and donations	6,141	6,083	58	1.0
Federal grants and education agreements	2,329	2,201	128	5.8
Other government of Alberta revenue	1,386	1,709	(323)	(18.9)
Other revenue	949	30	919	3063.3
Other Alberta school authorities	802	1,756	(954)	(54.3)
Gain on disposal of assets	-	138	(138)	(100.0)
	<b>97,447</b>	<b>90,319</b>	<b>7,128</b>	<b>7.9</b>

Other revenue of \$97.5 million, or 8.1 per cent of total revenue, was received from these sources:

- *Sales and services, Fundraising, Gifts and donations* revenues are mainly generated in schools and are inherently variable.
- *Investment income* has increased mainly due to gains generated from rebalancing the portfolio during the year. These returns are well above CBE's expectations.
- *Rental* revenue increase is the result of a full year of subleasing the 9<sup>th</sup> and 10<sup>th</sup> floor of the Education Centre tower in 2013-14.

**Fees**

The CBE charges fees 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 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 keep fees at a minimum in future years.

Fees revenue reported are the fees charged to parents in the year, net of waived fees. Similarly, uncollectible accounts expense does not include waived fee amounts. Fees waived in the year were as follows (in thousands):

	Actual	Actual
	2013-14	2012-13
	\$	\$
Transportation	728	676
Noon supervision	796	534
ISM	583	598
	<b>2,107</b>	<b>1,808</b>



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**Other revenue (continued)**

Fees revenues (net of amounts waived) are comprised of the following components:

	<b>Budget 2013-14</b>	<b>Actual 2013-14</b>	<b>Actual 2012-13</b>	<b>Budget to 2013-14</b>	<b>Actual to Actual</b>
				Favourable / (Unfavourable)	Increase / (Decrease)
	\$	\$	\$	\$	\$
Transportation	7,243	6,713	6,223	(530)	490
Noon supervision	7,323	7,443	5,987	120	1,456
ISM	7,885	8,262	7,687	377	575
Other fees	15,344	18,035	15,320	2,691	2,715
	<u>37,795</u>	<u>40,453</u>	<u>35,217</u>	<u>2,658</u>	<u>5,236</u>

Transportation fees

	<b>Budget 2013-14</b>	<b>Actual 2013-14</b>	<b>Actual 2012-13</b>	<b>Budget to 2013-14</b>	<b>Actual to Actual</b>
				Favourable / (Unfavourable)	Increase / (Decrease)
	\$	\$	\$	\$	\$
Government grants and other	32,202	32,712	32,481	510	231
Reserve funding	3,654	-	-	(3,654)	-
<b>Available funding</b>	<u>35,856</u>	<u>32,712</u>	<u>32,481</u>	<u>(3,144)</u>	<u>231</u>
<b>Salaries and benefits</b>					
Busing aides	1,348	1,301	1,301	47	-
Central administration	1,153	977	881	176	96
<b>Contracts and Services</b>					
Transportation services	40,598	38,155	35,407	2,443	2,748
<b>Uncollectible accounts expense</b>	<u>-</u>	<u>382</u>	<u>229</u>	<u>(382)</u>	<u>153</u>
	<u>43,099</u>	<u>40,815</u>	<u>37,818</u>	<u>2,284</u>	<u>2,997</u>
<b>Funding gap</b>	(7,243)	(8,103)	(5,337)	(860)	(2,765)
<b>Fees</b>	7,243	6,713	6,223	(530)	(490)
<b>Net (deficit) / surplus</b>	<u>-</u>	<u>(1,390)</u>	<u>886</u>	<u>(1,390)</u>	<u>(2,275)</u>

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**Other revenue (continued)**

The 2013-14 budget for transportation was developed in a deficit position, to be funded by a draw from the transportation reserve.

The 2013-14 actual results show that a lesser reserve draw is required than budgeted and the remaining reserve will be used to minimize fee increases in future years.

The 2013-14 variance from budget to actual is due to lower than expected ridership of 2,400 resulting in decreased service costs offset partially by uncollectable fees and waivers.

On a year-over-year basis ridership increased by 1,900 resulting in an increase in funding as well as an increase in services costs.

Noon supervision fees

	<b>Budget 2013-14</b>	<b>Actual 2013-14</b>	<b>Actual 2012-13</b>	<b>Budget to 2013-14</b>	<b>Actual to Actual</b>
				Favourable / (Unfavourable)	Increase / (Decrease)
	\$	\$	\$	\$	\$
<b>Salaries and benefits</b>	8,104	9,131	7,771	(1,027)	1,360
<b>Contracts and services</b>					
Other supplies and services	145	57	185	88	(128)
<b>Uncollectible accounts expense</b>	1,245	553	596	692	(43)
	<u>9,494</u>	<u>9,741</u>	<u>8,552</u>	<u>(247)</u>	<u>1,189</u>
<b>Funding gap</b>	(9,494)	(9,741)	(8,552)	(247)	(1,189)
<b>Fees</b>	7,323	7,443	5,987	120	1,456
<b>Net (deficit) / surplus</b>	<u>(2,171)</u>	<u>(2,298)</u>	<u>(2,565)</u>	<u>(127)</u>	<u>267</u>

The 2013-14 noon supervision budget was developed in a deficit position, with the deficit being funded by instructional grants. It was also the second year that noon supervision fees were charged to bused students. Bused students paid two thirds of the full fee, under the phased-in approach to moderate the impact on families. The full fee is being charged in 2014-15.

The variance from budget to actual is due to a 3,400 increase in student registration resulting in increased expenses and a deficit of \$2.3 million.

On a year-over-year basis student volumes also increased although fees increased proportionately and the deficit decreased by \$0.3 million.

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**Other 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. No student is denied access to instructional supplies and materials due to an inability to pay. The fee levels for instructional supplies and materials are reviewed and set annually and were unchanged over the last several years.

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

The CBE charged \$105 per student in Grades 7 – 9 and \$132 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 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, 2014 is \$8.3 million (budgeted at \$7.9 million). This is a \$0.6 million increase over the prior year.

Other fees of \$18.0 million are charged and collected by schools. These include fees for field trips, musical instruments, student parking, etc. These are subject to school-based decision making, in conjunction with parent, teacher and student input.

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**Expenses**

Although student enrolment increased 3.4 per cent year-over-year, the CBE limited the spending increase to 1.5 per cent. With uncertainty regarding per-student funding in future years combined with significant cost pressures (new school commissioning), an infrastructure and deferred maintenance backlog, we have made decisions that impacted both schools and Service Units in order to limit spending.

	Actual		Variance	
	2013-14	2012-13	\$	%
	\$	\$	\$	%
Certificated salaries, wages & benefits	695,584	687,794	7,790	1.1
Non-certificated salaries, wages & benefits	231,845	227,417	4,428	1.9
Services, contracts & supplies	207,290	206,240	1,050	0.5
Amortization & other	55,581	51,600	3,981	7.7
<b>Total</b>	<b>1,190,300</b>	<b>1,173,051</b>	<b>17,249</b>	<b>1.5</b>



- Total expenses were \$1,190.3 million in 2013-14 compared to \$1,173.1 million in 2012-13, an increase of \$17.2 million or 1.5 per cent.
- \$7.8 million increase in *Certificated salaries, wages & benefits* is largely the result of staffing increases in schools due to increased enrolment, an \$11.4 million increase in the ATRF benefits expense, net of a \$6.4 million reduction related to the AISI initiative, which was eliminated at the end of the prior year.
- \$4.4 million increase in *Non-certificated salaries, wages & benefits* is the net impact of increased non-certificated staff in schools due to higher enrolment, negotiated wage rate increases, net of staffing reductions in Service Units in 2013-14.

Salaries for members of Superintendents' Team have been frozen since January, 2013. 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 (continued)**

Superintendents (with the exception of the Chief Superintendent) fall within three salary range categories:

<b>Category</b>	<b>Minimum</b>	<b>Median</b>	<b>Maximum</b>
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

- \$1.1 million increase in *Services, contracts & supplies* is largely the result of increased maintenance costs, utilities, insurance premiums and uninsured losses net of an \$8.2 million decrease in expensed computer equipment purchases.
- \$4.0 million increase in *Amortization & other* is due to amortization expense increase, which is based on a higher amount of capitalized assets.

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**Expenses by Operating Unit (Actual expenditures versus approved 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.

	2013-14 Actual Spending											
	Schools & Areas	Service Unit System Budgets	Learning Services	Learning Innovation	Facilities and Environ Services	Legal	Communi-cations	Finance & Supply Chain Services	Human Resources	Chief Supt's Office	Board of Trustees	Total
FTEs <sup>(1)</sup> by:												
Superintendent	-	-	1	1	1	1	1	1	1	2	-	9
Staff (incl ATA, Staff Assn, CUPE, trades)	7,796	53	164	136	788	3	11	43	43	-	-	9,037
Exempt Staff	5	-	21	29	57	8	11	23	40	3	2	199
<b>Total FTEs</b>	<b>7,801</b>	<b>53</b>	<b>186</b>	<b>166</b>	<b>846</b>	<b>12</b>	<b>23</b>	<b>67</b>	<b>84</b>	<b>5</b>	<b>2</b>	<b>9,245</b>
<b>Actual spending 2013-14</b>												
Salaries and benefits	791,440	4,191	25,926	19,655	63,799	1,772	2,421	6,954	9,446	1,332	493	<b>927,429</b>
Services, contracts and supplies	71,916	16,259	4,654	1,974	105,502	58	185	1,081	4,648	157	855	<b>207,289</b>
Amortization expenses	10	45,321	231	1,481	4,066	-	4	1,031	14	-	-	<b>52,158</b>
Interests and finance charges	46	1,404	153	-	-	-	-	500	-	-	-	<b>2,103</b>
Other (uncollectible accounts expense)	-	1,144	-	-	-	-	-	177	-	-	-	<b>1,321</b>
	<b>863,412</b>	<b>68,319</b>	<b>30,964</b>	<b>23,110</b>	<b>173,367</b>	<b>1,830</b>	<b>2,610</b>	<b>9,743</b>	<b>14,108</b>	<b>1,489</b>	<b>1,348</b>	<b>1,190,300</b>
Approved budget 2013-14	854,602	66,309	33,444	27,897	162,902	1,905	2,757	9,342	15,010	1,148	1,549	<b>1,176,865</b>
Favourable / (Unfavourable) variance from approved budget	(8,810) <sup>(2)</sup>	(2,010) <sup>(3)</sup>	2,480 <sup>(4)</sup>	4,787 <sup>(5)</sup>	(10,465) <sup>(6)</sup>	75	147	(401)	902	(341)	201	<b>(13,435)</b>

- (1) Some FTEs have been restated to reflect actual staffing deployment in 2013-14.
- (2) Increased ATRF (\$10.4) million offset by lower salary and benefit costs and more spending in services, contracts and supplies.
- (3) Primarily due to higher amortization (\$2.5) on increased depreciable capital assets.
- (4) Decreases due to vacant positions, staff reductions \$1.7 and a further \$0.7 million in reduced spend on equipment and supplies.
- (5) Capitalization of \$4.2 million in equipment is the primary variance.
- (6) Increased spending in IMR of (\$3.7) million, overall maintenance increases of (\$4.7) million and increased insurance of (\$2.0).

**CALGARY BOARD OF EDUCATION  
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**Schools and Areas**

	2013-14 Actuals		2012-13 Actuals		Increase/(Decrease) (Actual vs. Actual)	
	FTEs	\$	FTEs	\$	FTEs	\$
<b>Expenses by object</b>						
Salaries and benefits	7,801	791,440	7,640	777,456	161	13,984
Professional services		10,898		9,225		1,673
Dues and fees		628		573		55
Rental		725		748		(23)
Maintenance and repairs		1,516		1,265		251
Insurance		-		8		(8)
Utilities		409		350		59
Transportation		2,364		1,551		813
Travel and subsistence		586		802		(216)
Supplies		47,783		46,845		938
Minor equipment		5,317		6,219		(902)
Textbook and materials		1,690		2,192		(502)
Amortization		10		10		-
Interests and bank charges		46		53		(7)
	<b>7,801</b>	<b>863,412</b>	<b>7,640</b>	<b>847,297</b>	<b>161</b>	<b>16,115</b>

The number of FTEs presented reflects budgeted positions; actual positions filled during the year may vary.

Significant variances from 2012-13 to highlight include:

- \$14.0 million increase in *Salaries and benefits* is the result of additional staffing due to increased enrolment and increased Alberta Teachers Retirement Fund amount, net of the Alberta Initiative for School Improvement (AIS) program elimination. Funding for AISI was eliminated effective Apr. 1, 2013, and the CBE concluded the program Aug. 31, 2013.
- The 161 FTE increase is driven by enrolment increase in schools, net of AISI-funded positions that were eliminated at the end of 2012-13.
- \$1.7 million increase in *Professional services* is due to additional children under Program Unit Funding as well as increased classes in the Children's Village. The unfavourable variance is offset by increased targeted provincial funding of the same amount.
- \$0.8 increase in *Transportation* due to the volume increase in enrolment, funded by Program Unit Funding.

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**Corporate Accounts**

	2013-14 Actuals		2012-13 Actuals		Increase/(Decrease) (Actual vs. Actual)	
	FTEs	\$	FTEs	\$	FTEs	\$
<b>Expenses by object</b>						
Salaries and benefits	53	4,191	53	3,847	-	344
Professional services		2,316		3,939		(1,623)
Dues and fees		1,028		831		197
Maintenance and repairs		6,554		3,731		2,823
Utilities		3,729		2,895		834
Supplies		2,218		2,072		146
Minor equipment		414		163		251
Textbook and materials		-		504		(504)
Amortization		45,321		41,811		3,510
Interests and bank charges		1,404		1,718		(314)
Other (uncollectible accounts)		1,144		1,087		57
	<b>53</b>	<b>68,319</b>	<b>53</b>	<b>62,598</b>	<b>-</b>	<b>5,721</b>

The number of FTEs presented reflects budgeted positions; actual positions filled during the year may vary.

Corporate accounts are those held and monitored by Service Units, but which relate to system-wide activities or expenses. Examples include Professional Improvement Fund leave costs, staff secondments for union activities, legal fees, amortization of facilities and interest expense and bank charges.

Significant changes from 2012-13 to highlight include:

- \$1.6 million decrease in *Professional services* which relates primarily to Action on Inclusion costs incurred in 2012-13 and reduced legal fees of \$0.3 million.
- \$2.8 million increase in *Maintenance and repairs* related to unbudgeted maintenance expenses for P3 schools. This work is outsourced by the Province. The expense and corresponding provincial grant revenue is recorded at year-end to reflect the work done on behalf of CBE schools.
- \$3.5 million increase in *Amortization* expense due to higher depreciable capital assets in 2013-14.



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**Learning Services**

	2013-14 Actuals		2012-13 Actuals		Increase/(Decrease) (Actual vs. Actual)	
	FTEs	\$	FTEs	\$	FTEs	\$
<b>Expenses by object</b>						
Salaries and benefits	118	14,515	127	16,285	(9)	(1,770)
Professional services		950		670		280
Dues and fees		39		52		(13)
Maintenance and repairs		12		11		1
Insurance		4		3		1
Utilities		38		34		4
Travel and subsistence		256		233		23
Supplies		647		335		312
Minor equipment		186		189		(3)
Textbook and materials		8		12		(4)
Amortization		231		394		(163)
Interests and bank charges		81		62		19
	<b>118</b>	<b>16,967</b>	<b>127</b>	<b>18,280</b>	<b>(9)</b>	<b>(1,313)</b>

The number of FTEs presented reflects budgeted positions; actual positions filled during the year may vary.

These supports and services include the areas of: aboriginal education, alternative programs, assessment, attendance, curriculum, early learning, English language learning, exceptional needs, international students, Iris implementation, multicultural services, outreach, psychological services, and suspension.

Supports and services provided by Learning Services are designed and implemented to achieve student success, the goal of the Three-Year Education Plan.

In support of these imperatives, service unit staff are involved in:

- Providing opportunities for developing professional capital to support students in successfully realizing their learning goals;
- Providing instructional and programming supports and services to assist all students to be successful;
- Developing a system strategy aimed at making Iris available to more students;
- Moving CBE towards a single system K – Grade 9 report card;
- Supporting the work of curriculum development prototyping; and
- Connecting CBE classrooms with the world through languages and welcoming international students.

Significant variances from 2012-13 to highlight include:

- \$1.8 million decrease in *Salaries and benefits* mainly due to staff reductions in 2013-14.

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**Learning Services (continued)**

Chinook Learning Services

	2013-14 Actuals		2012-13 Actuals		Increase/(Decrease) (Actual vs. Actual)	
	FTEs	\$	FTEs	\$	FTEs	\$
<b>Expenses by object</b>						
Salaries and benefits	68	11,411	66	11,668	2	(257)
Professional services		449		460		(11)
Dues and fees		1		1		-
Rental		45		41		4
Maintenance and repairs		40		56		(16)
Utilities		108		131		(23)
Transportation		-		10		(10)
Travel and subsistence		22		15		7
Supplies		1,633		1,798		(165)
Minor equipment		61		87		(26)
Textbook and materials		155		349		(194)
Interests and bank charges		72		77		(5)
	<b>68</b>	<b>13,997</b>	<b>66</b>	<b>14,693</b>	<b>2</b>	<b>(696)</b>

The number of FTEs presented reflects budgeted positions; actual positions filled during the year may vary.

Chinook Learning Services is the CBE's provider of high school upgrading, adult English language learning, non-credit Continuing Education, summer school for Grades 10 – 12, off-campus programs and summer band programs.

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**Learning Innovation**

	2013-14 Actuals		2012-13 Actuals		Increase(Decrease) (Actual vs. Actual)	
	FTEs	\$	FTEs	\$	FTEs	\$
<b>Expenses by object</b>						
Salaries and benefits	166	19,655	188	21,140	(22)	(1,485)
Professional services		458		467		(9)
Dues and fees		120		132		(12)
Maintenance and repairs		5		3		2
Utilities		51		41		10
Transportation		24		22		2
Travel and subsistence		72		97		(25)
Supplies		987		1,099		(112)
Minor equipment		266		8,465		(8,199)
Textbook and materials		(9)		3		(12)
Amortization		1,481		1,356		125
	<b>166</b>	<b>23,110</b>	<b>188</b>	<b>32,825</b>	<b>(22)</b>	<b>(9,715)</b>

The number of FTEs presented reflects budgeted positions; actual positions filled during the year may vary.

Learning Innovation includes several teams that directly work with and 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 (school technology support and professional learning), information technology services, information management including records management, educational resources and learning systems, student records systems, and research and innovation - reporting to the province.

The work in Learning Innovation will support student learning directly in many ways.

- Students and teachers will have increased access to the learning tools, resources, and environments that help create flexible, responsive and personalized learning opportunities and support student leadership and success.

Expanded access to digital tools, resources and environments supports students and teachers in working with information, each other and the broader community. This helps build engagement and knowledge, address the outcomes of student learning programs, and create new opportunities for the development of cross-curricular learning competencies.

For example, all students have access to digital platforms to extend the classroom, virtual learning commons and support to bring digital devices into their schools in a safe environment. All students and staff complete digital citizenship requirements to support their use and effectiveness in learning in digital environments. Students connect online with local, national and international communities to exchange and build project, inquiry and information networks.

### Learning Innovation (continued)

- Student voice exists in classrooms through the co-construction of learning tasks, assessment processes and the design of learning resources in all subject areas and across schools, and through student learning plans, student-lead parent conferences, student advisories, and student/community events.
- Through a variety of corporate and community partnerships donations of services, goods (resources, equipment) and funds enhance learning opportunities and/or provide support for initiatives that support the whole child in their readiness for learning.
- Students will benefit from new opportunities for parents to access learning information and be informed about ongoing learning processes.

For example: online learning platforms now provide personal access for parents to see student progress and assessment information. Online learning platforms will provide parent auditing this coming fall. We will extend learning resources and tools for home access i.e. Collaborative Online Resources Environment (CORE), licensing online productivity, information and communication tools and offering preferred pricing from our vendor community for parents and students to purchase devices.

Significant variances from 2012-13 to highlight include:

- \$1.5 million decrease in *Salaries and benefits* largely due to staff reductions in 2013-14.
- \$8.2 million decrease in *Minor equipment* due to a change in practice in 2013-14 where bulk computer equipment purchases are capitalized rather than expensed.

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**Facilities and Environmental Services**

	2013-14 Actuals		2012-13 Actuals		Increase(Decrease) (Actual vs. Actual)	
	FTEs	\$	FTEs	\$	FTEs	\$
<b>Expenses by object</b>						
Salaries and benefits	846	63,799	842	61,724	4	2,075
Professional services		4,678		4,311		367
Dues and fees		244		236		8
Rental		8,829		8,692		137
Maintenance and repairs		21,417		21,185		232
Insurance		4,896		2,767		2,129
Utilities		20,720		18,669		2,051
Transportation		38,060		35,296		2,764
Travel and subsistence		255		305		(50)
Supplies		6,241		5,978		263
Minor equipment		160		481		(321)
Textbook and materials		2		1		1
Amortization		4,066		3,464		602
	<b>846</b>	<b>173,367</b>	<b>842</b>	<b>163,109</b>	<b>4</b>	<b>10,258</b>

The number of FTEs presented reflects budgeted positions; actual positions filled during the year may vary.

Facilities & Environmental Services (FES) provides students and employees with quality learning and working environments. This includes planning for student accommodation and transportation; 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 2012-13 to highlight include:

- \$2.0 million increase in *Salaries and benefits* is partly due to internal reorganization where positions transferred from the Finance & Supply Chain Services Service Unit.
- \$2.1 million increase in *Insurance* is due to higher insurance premium costs of \$1.6 million and uninsured losses in 2013-14 of \$0.7 million as compared to 2012-13 losses of \$0.2 million.
- \$2.1 million increase in *Utilities* is largely driven by higher natural gas rates in 2013-14 compared with 2012-13.
- \$2.8 million increase in *Transportation* is due to increased riders and charter bus rates.

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**Legal Services**

	2013-14 Actuals		2012-13 Actuals		Increase(Decrease) (Actual vs. Actual)	
	FTEs	\$	FTEs	\$	FTEs	\$
<b>Expenses by object</b>						
Salaries and benefits	12	1,772	16	1,330	(4)	442
Professional services		1		1		-
Dues and fees		11		12		(1)
Maintenance and repairs		1		-		1
Utilities		3		2		1
Travel and subsistence		6		5		1
Supplies		19		30		(11)
Minor equipment		6		7		(1)
Textbook and materials		11		2		9
	<b>12</b>	<b>1,830</b>	<b>16</b>	<b>1,389</b>	<b>(4)</b>	<b>441</b>

The number of FTEs presented reflects budgeted positions; actual positions filled during the year may vary.

The Legal Services Department provides oversight in the area of risk mitigation for the CBE by:

- managing the legal affairs of the CBE and providing or coordinating the delivery of legal services on behalf of the institution;
- overseeing CBE's compliance with applicable law, regulations and policies;
- managing the CBE's compliance with the Freedom of Information and Protection of Privacy Act;
- coordinating development of the CBE's administrative regulations and procedures;
- managing contract processes and standards and maintaining repository; and
- providing legal counsel to the Board of Trustees and the Chief Superintendent.

Significant variances from 2012-13 to highlight include:

- *Salaries and benefits* increased by \$0.4 million as vacancies were filled.

The increase in salaries and benefits is offset by a significant reduction in legal fees (included in the System Budgets table). From 2012-13 to 2013-14, legal fees were reduced by \$0.3 million, or 28 percent.

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**Communications**

	2013-14 Actuals		2012-13 Actuals		Increase(Decrease) (Actual vs. Actual)	
	FTEs	\$	FTEs	\$	FTEs	\$
<b>Expenses by object</b>						
Salaries and benefits	23	2,421	23	2,472	-	(51)
Professional services		136		213		(77)
Dues and fees		2		17		(15)
Rental		7		-		7
Maintenance and repairs		1		3		(2)
Utilities		10		7		3
Travel and subsistence		3		4		(1)
Supplies		23		30		(7)
Minor equipment		2		21		(19)
Textbook and materials		1		-		2
Amortization		4		4		-
	<b>23</b>	<b>2,610</b>	<b>23</b>	<b>2,771</b>	<b>-</b>	<b>(161)</b>

The number of FTEs presented reflects budgeted positions; actual positions filled during the year may vary.

**Supports to schools**

- Maintenance, technical and communications support for corporate, school and internal websites. This included upgrading corporate website to SharePoint environment to support parents with more timely content and enhanced features.
- Communications support for school critical incidents, issues management, special events, parent information and school councils.
- Delivery of the public information phone and email service (primarily utilized by parents and prospective CBE parents).
- Photography, videography and graphic design services. This includes supports to teaching and learning with the production of numerous educational videos.

**Core system functions**

- 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 government relations.
- Development of corporate information products (reports, stories, videos and web material) for print and web communication.

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**Finance and Supply Chain Services**

	2013-14 Actuals		2012-13 Actuals		Increase(Decrease) (Actual vs. Actual)	
	FTEs	\$	FTEs	\$	FTEs	\$
<b>Expenses by object</b>						
Salaries and benefits	67	6,954	73	7,125	(6)	(171)
Professional services		830		1,215		(385)
Dues and fees		69		47		22
Maintenance and repairs		4		1		3
Utilities		9		7		2
Travel and subsistence		12		18		(6)
Supplies		134		159		(25)
Minor equipment		21		13		8
Textbook and materials		2		1		1
Amortization		1,031		856		175
Interests and bank charges		500		220		280
Other (uncollectible accounts)		177		699		(522)
	<b>67</b>	<b>9,743</b>	<b>73</b>	<b>10,361</b>	<b>(6)</b>	<b>(618)</b>

The number of FTEs presented reflects budgeted positions; actual positions filled during the year may vary.

Finance and Supply Chain Services provides the following services:

**Supports to Schools**

Finance and Supply Chain Services (FSCS) provides a range of services that directly support schools. The School Financial Management team provides direct financial and administrative support to five area directors and school principals and their office staff. FSCS staff maintain and administer the Resource Allocation Method, an Access and Excel based budget allocation system that supports all schools. FSCS staff are also directly involved in the School Financial Management project that seeks to increase efficiency in financial and administrative processes, while reducing the burden on school-based staff.

The Fees Central team operates and maintains the CBE's centralized fee collection system and administers all centrally processed waivers.

**Core System Functions**

Services provided to the CBE, including schools, include budget development, monitoring and reporting. FSCS maintains the CBE's financial records and generates all internal and external financial reports.

**Other Support**

FSCS is responsible for all aspects of CBE financial recording and reporting, budget development, allocation, monitoring and reporting as well as strategic sourcing (procurement) support. FSCS is a highly dedicated team that is committed to supporting student success across the CBE.



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**Human Resources**

	2013-14 Actuals		2012-13 Actuals		Increase(Decrease) (Actual vs. Actual)	
	FTEs	\$	FTEs	\$	FTEs	\$
<b>Expenses by object</b>						
Salaries and benefits	84	9,446	96	10,264	(12)	(818)
Professional services		4,382		5,668		(1,286)
Dues and fees		57		31		26
Maintenance and repairs		1		1		-
Utilities		19		23		(4)
Travel and subsistence		65		44		21
Supplies		106		133		(27)
Minor equipment		17		9		8
Textbook and materials		1		1		-
Amortization		14		8		6
	<b>84</b>	<b>14,108</b>	<b>96</b>	<b>16,182</b>	<b>(12)</b>	<b>(2,074)</b>

The number of FTEs presented reflects budgeted positions; actual positions filled during the year may vary.

Human Resources supports the CBE's collective commitment to student success by:

- Proactively recruiting and staffing talent, balancing current realities with future projected needs
- Supporting continuous learning and leadership development for all employees
- Developing HR services, systems and processes that employees and leaders require to optimize their efforts and contributions

CBE's Human Resources department oversees recruitment, total rewards, workforce planning, labour and employee relations, employee development, payroll, human resources management system, Employee Health Resource Centre, organizational development and most recently, leadership.

Through *Inspiring Education*, Albertans have said that as the education system changes, so too will the roles and responsibilities of educators. The CBE has identified leadership learning and practice as a strategic imperative, envisioning a focused and ongoing approach to the learning of all staff throughout their careers, be they teachers, leaders or employees who support the work of schools.

Significant variances from 2012-13 to highlight include:

- \$0.8 million decrease in *Salaries and benefits* expenses are largely due to staff reductions in 2013-14.
- \$1.3 million decrease in *Professional services* is due to PeopleSoft upgrade costs incurred in the 2012-13 fiscal year.

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**Chief Superintendent's Office**

	2013-14 Actuals		2012-13 Actuals		Increase(Decrease) (Actual vs. Actual)	
	FTEs	\$	FTEs	\$	FTEs	\$
<b>Expenses by object</b>						
Salaries and benefits	5	1,332	8	1,171	(3)	161
Professional services		-		76		(76)
Dues and fees		21		36		(15)
Rental		65		69		(4)
Maintenance and repairs		1		7		(6)
Utilities		7		8		(1)
Travel and subsistence		28		30		(2)
Supplies		27		27		-
Minor equipment		6		1		5
Textbook and materials		2		4		(2)
	<b>5</b>	<b>1,489</b>	<b>8</b>	<b>1,429</b>	<b>(3)</b>	<b>61</b>

The number of FTEs presented reflects budgeted positions; actual positions filled during the year may vary.

The Chief Superintendent's Office includes all salaries, benefits and office expenses of the Chief Superintendent, Deputy Chief Superintendent and support staff. The Chief Superintendent, as both the Chief Executive Officer and Chief Educational Officer, leads the strategic planning of the organization on behalf of the Board of Trustees' values, policies and comprehensive view of 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 CBE school. The Chief Superintendent's Office is a key liaison point between all components of the CBE and with the many individuals and groups who hold an interest in public education.

Significant variances from 2012-13 to highlight include:

- Although FTEs were reduced, *Salaries and benefits* expense increased by \$0.2 million due to:
  - Retirement and vacation payouts made to the outgoing Chief Superintendent
  - One Director position was transferred in during the year along with the full annual salary. This position is fully budgeted under the Chief Superintendent's Office in 2014-15 and leads the work in the areas of research for strategic planning, organizational learning, and monitoring of the Board of Trustees' Results.
  - One Director position was transferred in part-way during the year to support the delivery of the leadership program. A separate budget department was established for this work in 2014-15 under Human Resources.

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

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**Board of Trustees**

	2013-14 Actuals		2012-13 Actuals		Increase(Decrease) (Actual vs. Actual)	
	FTEs	\$	FTEs	\$	FTEs	\$
<b>Expenses by object</b>						
Salaries and benefits	2	493	2	727	-	(234)
Professional services		574		1,073		(499)
Dues and fees		257		268		(11)
Utilities		1		1		-
Travel and subsistence		10		24		(14)
Supplies		13		17		(4)
Minor equipment		-		7		(7)
	<b>2</b>	<b>1,348</b>	<b>2</b>	<b>2,117</b>	<b>-</b>	<b>(769)</b>

The number of FTEs presented reflects budgeted positions; actual positions filled during the year may vary.

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 2012-13 to highlight include:

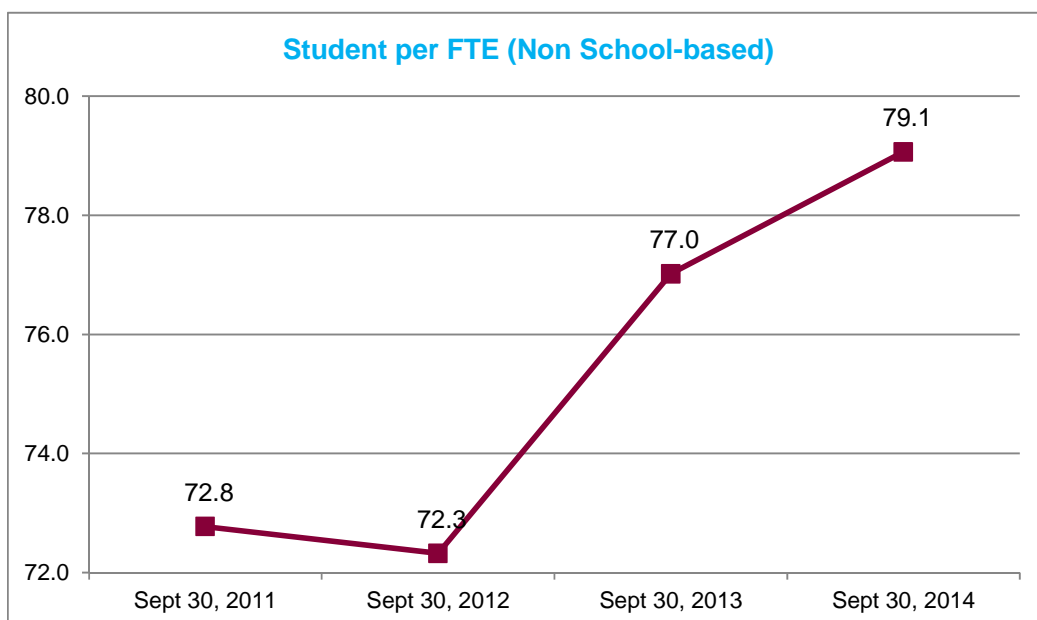
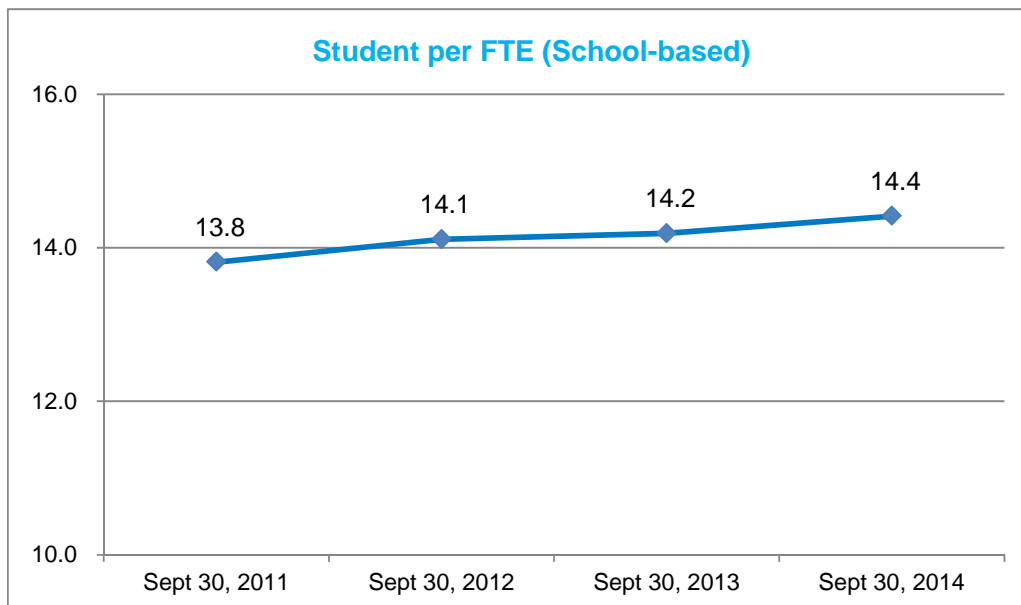
- \$0.2 million decrease in *Salaries and benefits* expenses are largely due to Board retirement accruals lower in 2013-14, as well as one full-time administration position being vacant for the majority of the year.
- \$0.5 million decrease in *Professional services* is due to higher election costs estimated in 2012-13 than had been accrued.

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

## Staffing and Full-Time Equivalents (FTEs)

The CBE spends the greatest proportion of its funds (77.9 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 rate increases and grid movement for teachers and support staff. As a result, the number of FTEs has not been increasing at an equal rate to enrolment growth. This impacts the ratio of students to school-based staff.

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



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

School based staff includes all staff hired via RAM deployment as well as FTEs budgeted under centrally held school 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 deployed to schools to support specialized needs.

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

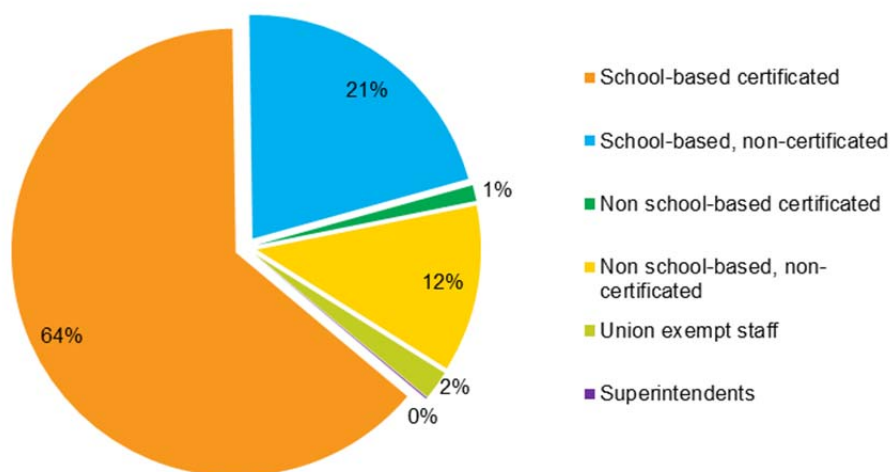
**Staff Complement**

More than 13,000 people worked for the CBE, which equated to 9,245 full-time equivalent (FTE) positions for fiscal 2013-14.

Each one of our employees plays an important role in providing personalized 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.

This chart shows the breakdown of staff positions. Over 85 per cent of staff work in schools. The remaining 15 per cent work in core programming support, many of whom work directly with and support schools every day including facility operators, cleaners, psychologists, speech language therapists, financial specialists, HR consultants, and others.

**Staff complement 2014-15**



**CALGARY BOARD OF EDUCATION  
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS  
AUGUST 31, 2014  
(In thousands)**

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

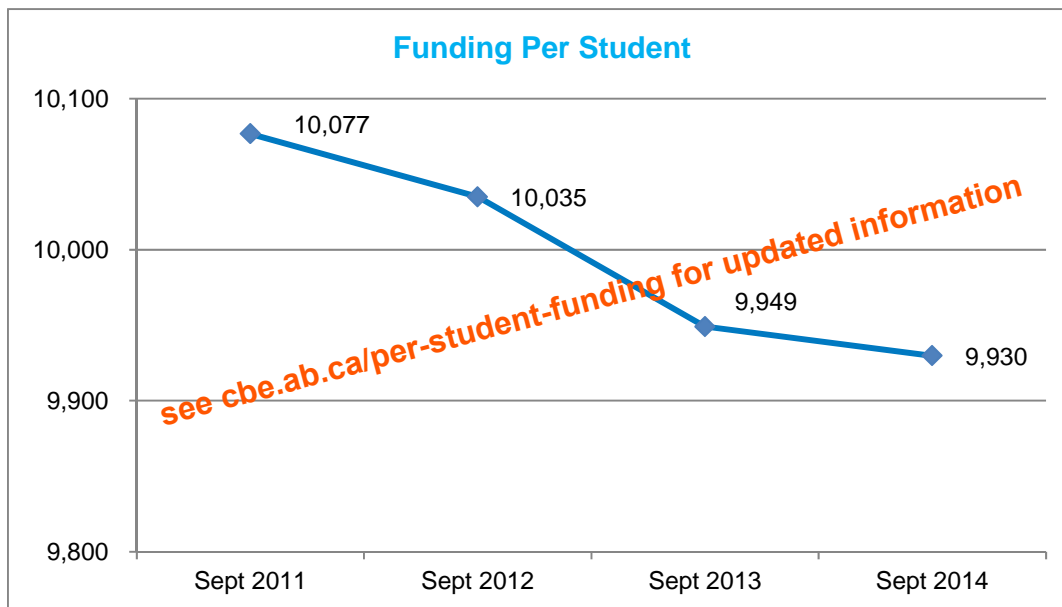
<b>Students to school-based staff ratios</b>				
	<b>2014-15 Sept 30 <sup>(1)</sup></b>	<b>2013-14 Sept 30</b>	<b>2012-13 Sept 30</b>	<b>2011-12 Sept 30</b>
enrolment	114,500	110,763	107,132	104,182
school-based staff <sup>(2)</sup>	7,943	7,807	7,592	7,541
ratio	14.4	14.2	14.1	13.8

<sup>(1)</sup> Numbers based on Sept 30, 2014 counts

<sup>(2)</sup> School - based staff FTEs do not include FTEs under the Area offices

**Alberta Education funding per student**

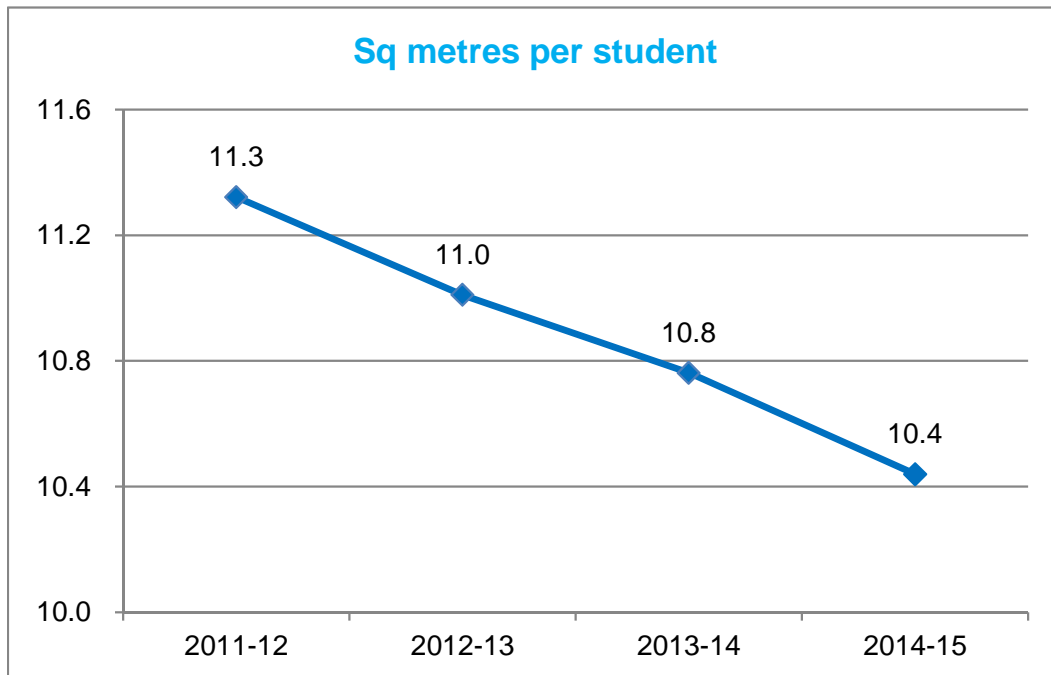
For 2013-14, CBE's enrolment was up by 3,631 students from Sept. 30 of the prior year. However, Alberta Education funding did not increase at the same rate as enrolment. Funding per student is summarized below:



**CALGARY BOARD OF EDUCATION  
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS  
AUGUST 31, 2014  
(In thousands)**

**Space per student**

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



**Reserves**

**Operating Reserves**

	<b>Reserve Balance Aug 31, 2013</b>	<b>Budgeted 2013-14 (use of) reserves</b>	<b>Actual 2013-14 (use of) / addition to</b>	<b>Reserve Balance Aug 31, 2014</b>
Unrestricted operating funds	30,643	(9,638)	6,628	37,270
Restricted operating funds	2,888	(2,179)	5,787	8,676
Designated funds	2,736	-	1,618	4,354
Endowment	2,744	-	548	3,292
	<b>39,011</b>	<b>(11,817)</b>	<b>14,582</b>	<b>53,592</b>

The 2013-14 Operating Budget anticipated the use of \$11.8 million operating reserves in order to balance. The year ended in a surplus position which, in fact, results in net additions to reserves rather than a draw on reserves. At this time, the CBE anticipates that there will be in a deficit for the 2015-16 year due to declining per-student funding, and the increased reserves will help maintain service levels.

\$16.2 million in reserves is planned for use in 2014-15 to fund the budgeted operating deficit.

## Analysis of Financial Operating Results to Budget

The CBE's 2013-14 budget was approved in May 2013 by the Board of Trustees with a planned operating deficit of \$15.3 million. In the budget, the CBE planned to cover this operating deficit with approved reserve draws of \$11.8 million and \$3.5 million of one-time savings on board-funded capital.

### Operating surplus

The budget anticipated a \$15.3 million deficit. With uncertainty about future funding and concerns about spending pressures, the CBE was prudent in its spending and reports a surplus of \$9.1 million. The \$24.4 million difference predominantly reflects:

- \$4.4 million higher realized investment income due to favorable market conditions and gains generated from rebalancing the portfolio;
- \$11.8 million net savings in salaries and benefits. This is a combination of several factors:
  - Actual benefit costs for unionized staff was lower than projected,
  - Lower school-based non-certificated salary costs than projected,
  - Union-exempt salaries were frozen,
  - Position vacancies in service units;
- \$4.2 million technology replacement costs budgeted as an operating expense but recorded as capital due to a change in accounting practice;
- \$2.3 million reduced net transportation expenses due to fewer Calgary Transit rebates issued, fewer operational days than anticipated in the budget and fewer routes, net of increased costs per route; and,
- \$1.7 million for projects budgeted in 2013-14 that were incomplete at year-end and the budget will be carried forward to 2014-15.

### Use of surplus

The CBE has applied a prudent financial management practice due to concerns about future pressures and realized a surplus of \$9.1 million. This amount is transferred to reserves as follows:

- transfer to operating reserves totalling \$6.8 million:
  - \$6.4 million to the fiscal stability reserve;
  - \$2.0 million to the general instruction reserve;
  - \$(1.8) million from administrative systems renewal reserve;
  - \$(1.4) million from the transportation fee stabilization reserve;
  - \$1.6 million to designated funds.
- investment of \$2.3 million in board-funded capital.

The surplus means that the CBE's reliance on funding from operating reserves in 2013-14 was less than anticipated, making the funds available for use in future years. Some of the surplus was forecasted and incorporated into the budget assumptions report and budget for 2014-15.



## Financial Position

As at Aug. 31, 2014, the CBE has an accumulated surplus balance of \$209.4 million, reflecting net financial debt of (\$618.6) million and non-financial assets of \$828.0 million. Net debt includes \$673.3 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, 2014 financial position would result in net financial assets of \$54.7 million.

### Accumulated Surplus

	<b>Accumulated Surplus Aug 31, 2014</b>	<b>Accumulated Surplus Aug 31, 2013</b>
	<u>\$</u>	<u>\$</u>
Endowment fund	3,292	2,744
Operating reserves	50,300	36,267
Capital reserves	28,074	29,501
Investment in capital assets	127,704	123,989
	<u>209,370</u>	<u>192,501</u>

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 and designated funds decreased \$1.4 million from 2012-13. This is a result of:

- \$1.2 million net use of designated funds for projects in 2013-14 that carried over from the prior year; and
- \$0.2 million use of the Building Reserve to fund the installation of air conditioning units in P3 schools; and
- all CBE asset sales.

Investment in capital assets increased by \$3.7 million due to:

- board-funded capital additions of \$21.9 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 \$3.3 million; and
- (\$21.5) million amortization of board-funded capital assets.

The CBE's challenge is its ability to provide new schools for Calgary's growing population in areas where they are required, and to provide 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. The CBE also continues to plan for and request provincial funding required to meet the significant shortfall of public schools in the new and developing communities of Calgary.

In May 2013, the Province announced that the CBE would be getting six new schools scheduled to open in September 2016. Elementary schools were announced for Copperfield, Evanston and New Brighton. Middle schools will be built in Saddle Ridge and Royal Oak. A new northeast high school was also part of the announcement. The projects were previously planned to be built under the public-private partnership (P3) construction model. In August, 2014, it was announced that the CBE would be constructing the schools and are currently in the design stage.

### Capital Expenditures (continued)

Several other new school announcements have been made over the last year:

- Four major modernizations: Christine Meikle School (replacement), Harold W Riley School (Aboriginal Family School modernization), and modernizations for Jack James School and Bowness High School.
- Six new schools: Auburn Bay (K-4), Panorama (K-4), Tuscany (K-4), Evergreen (middle), McKenzie Towne (middle), and New Brighton-Copperfield (middle).
- Rebuild Elbow Park School after flood damage.
- Starter schools in West Springs/Cougar Ridge, Saddle Ridge, Cranston and Aspen Woods.
- New schools for Aspen Woods, Cranston, Martindale, Saddle Ridge, Silverado, Seton (southeast high school), Springbank Hill/Discovery Ridge and West Springs/Cougar Ridge. At the time this report was written, the CBE was still awaiting details from the Province related to funding and timelines of these schools.

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. No school closures are expected in the immediate future.

## Compliance

For the year ended Aug. 31, 2014, 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.

## Outlook for 2014-15

The 2013-14 year was the third in which funding per student from the Province declined and a further decline is projected in 2014-15. At the same time, the CBE continues to achieve great results for students by making operating decisions that are consistent with our values. The favourable financial results in 2013-14 demonstrates the CBE's prudent financial management, which is necessary in an environment where future funding is uncertain and where funding per student has been trending downwards while costs are increasing.

**CALGARY BOARD OF EDUCATION  
ADMINISTRATION'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS  
AUGUST 31, 2014  
(In thousands)**

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**Outlook for 2014-15 (continued)**

In addition to budget constraints, the CBE will continue to be challenged by the continued growth of the system. There are 31 capital projects underway to add capacity to the system that currently has utilization rates of up to 168 per cent in some areas. A challenge the CBE faces is funding the future start-up costs associated with getting these provincially-funded schools furnished and ready for students. These new school commissioning costs, which are currently un-funded, range between \$750,000 for a K to 4 school to more than \$3 million for a high school. Over the next three years 21 schools will be commissioned. The CBE is currently in discussions with the Province regarding this pressure.

In 2014-15, the CBE continues to build on its exceptional academic results. For the past five years, CBE students' academic results have led the province and high school completion rates have increased.

In 2014-15, particular focus will be directed at five strategic imperatives:

- Assessment and reporting.
- Curriculum design and development.
- High school success.
- Tools for personalization.
- Leadership learning and development.

The 2014-15 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.

During budget preparation for 2014-15, we recognized every part of our system is actively engaged in supporting schools and student learning. Therefore, the 2014-15 budget was based on maintaining core programming and services in support of student learning and maintaining student to school-based staff ratios.

The 2014-15 budget also made key investments to support the classroom of the future, investing an additional \$7.2 million in non-facility capital projects, such as the further deployment of Iris (a web-based teaching and learning application), technology replacement, student information system replacement and the implementation of a corporate performance management system.

Allocations to schools and core programming services in support of student learning were maintained in 2014-15. This was enabled by the Board of Trustee direction to use all available operating reserves. Current projections for 2015-16 indicate that we will be facing another significant deficit, and the favorable operating results in 2013-14 will mitigate some of that pressure.

Although the CBE saw a large increase in dollars received from the government (\$43.6 million) due to enrollment growth for 2014-15, we continue to follow a prudent financial management practice in order to limit spending increases. Funding per student from the Province has been declining and there is uncertainty about future funding as well as significant cost pressures. In addition to growth in enrolment and the costs of commissioning new schools, the CBE faces inflation, grid movement in salaries, projected increases for unionized employees and other operating expenses, all of which combine to further increase the costs of delivering a basic education to our students in the face of declining per-student funding.

Despite the challenges, all decisions are made with student success at the center, with our values guiding the work.

## **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 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 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 financial statements and has prepared them in accordance with Canadian Public Sector Accounting Standards. The financial statements present fairly the financial position of the Calgary Board of Education as at August 31, 2014 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 financial statements in this report. Their independent professional opinion on these financial statements is included in the Auditors' Report.



DAVID STEVENSON  
CHIEF SUPERINTENDENT OF SCHOOLS



BRAD GRUNDY  
CHIEF FINANCIAL OFFICER,  
AND CORPORATE TREASURER

December 2, 2014





**KPMG LLP**  
3100 205 - 5th Avenue SW  
Calgary AB T2P 4B9

Telephone (403) 691-8000  
Fax (403) 691-8008  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees:

We have audited the accompanying consolidated financial statements of the Calgary Board of Education which comprise the consolidated statements of financial position as at August 31, 2014, the consolidated statements of operations, remeasurement gains and losses, change 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 generally accepted accounting principles, 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 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 Calgary Board of Education as at August 31, 2014, and its results of operations and the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

Chartered Accountants

December 2, 2014  
Calgary, Canada

**CALGARY BOARD OF EDUCATION  
AUDITOR'S REPORT  
AUGUST 31, 2014**

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**INDEPENDENT AUDITORS' REPORT**  
Continued

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**CALGARY BOARD OF EDUCATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT AUGUST 31, 2014**

		<b>August 31</b>	
		<b>2014</b>	<b>2013</b>
		(in thousands)	(in thousands)
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	(Note 3)	\$ 98,320	\$ 86,111
Accounts receivable (net after allowances)	(Note 4)	61,215	35,201
Portfolio investments	(Note 5)	113,726	102,501
<b>Total financial assets</b>		<b>\$ 273,261</b>	<b>\$ 223,813</b>
<b>LIABILITIES</b>			
Deferred revenue	(Note 6, 16)	\$ 769,264	\$ 755,327
Accounts payable and accrued liabilities	(Note 7)	73,764	70,052
Employee future benefits	(Note 8)	26,364	27,918
Other liabilities - Asset retirement obligations	(Note 9)	327	327
<b>Debt:</b>			
Supported: Debentures	(Note 10)	7,426	10,218
Unsupported: Capital leases	(Note 11)	14,721	16,135
<b>Total liabilities</b>		<b>891,866</b>	<b>879,977</b>
<b>Net Debt</b>		<b>\$ (618,605)</b>	<b>\$ (656,164)</b>
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	(Note 12)		
Land		\$ 2,711	\$ 2,711
Construction in progress		2,581	713
Buildings	1,182,110		
Less: Accumulated amortization	(440,032)	742,078	766,909
Furniture and equipment	126,309		
Less: Accumulated amortization	(92,879)	33,430	35,277
Vehicles	8,815		
Less: Accumulated amortization	(5,005)	3,810	4,001
Computer software and hardware	119,886		
Less: Accumulated amortization	(88,109)	31,777	29,778
<b>Total tangible capital assets</b>		<b>816,387</b>	<b>839,389</b>
Prepaid expenses		11,588	9,183
Inventory		-	93
<b>Total non-financial assets</b>		<b>827,975</b>	<b>848,665</b>
<b>ACCUMULATED SURPLUS</b>	(Note 13)	\$ 209,370	\$ 192,501
Accumulating surplus is comprised of:			
Accumulated operating surplus		196,017	186,325
Accumulated rereasurement gains		13,353	6,176
		<b>\$ 209,370</b>	<b>\$ 192,501</b>
Measurement uncertainty	(Note 2)		
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

Dec 2, 2014  
Date Signed



**CALGARY BOARD OF EDUCATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED AUGUST 31, 2014**

	Budget		Actual	
	2014		2014	2013
	Unaudited (in thousands)		(in thousands)	(in thousands)
<b>REVENUES</b>				
Alberta Education	\$	1,071,673	\$ 1,101,997	\$ 1,075,073
Other - Government of Alberta		1,434	1,386	1,709
Federal Government and First Nations		2,381	2,329	2,201
Other Alberta school authorities		513	802	1,756
Fees (Note 15)		37,795	40,453	35,217
Other sales and services		20,538	20,677	21,824
Investment income		3,002	7,395	4,453
Gifts and donations		5,166	6,141	6,083
Rental of facilities		7,954	7,137	5,641
Fundraising		11,092	10,178	11,267
Gains on disposal of tangible capital assets		-	-	138
Other revenue		-	949	30
<b>Total Revenues</b>	<b>\$</b>	<b>1,161,548</b>	<b>\$ 1,199,444</b>	<b>\$ 1,165,392</b>
<b>EXPENSES</b>				
Instruction		933,602	937,715	\$ 929,031
Plant operations and maintenance		140,271	151,746	141,178
Transportation		43,099	40,815	37,849
Administration		33,348	36,603	38,448
External services		26,545	23,421	26,545
<b>Total Expenses</b>		<b>1,176,865</b>	<b>1,190,300</b>	<b>\$ 1,173,051</b>
Annual surplus / (deficit)	<b>\$</b>	<b>(15,317)</b>	<b>\$ 9,144</b>	<b>\$ (7,659)</b>

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

**CALGARY BOARD OF EDUCATION  
CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED AUGUST 31, 2014**

	<u>2014</u> (in thousands)	<u>2013</u> (in thousands)
<b>CASH FLOWS FROM:</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual surplus / (deficit)	\$ 9,144	\$ (7,659)
Add (deduct) items not affecting cash:		
Amortization expense	52,158	47,902
Gains on disposal of capital assets	-	(138)
Expended deferred capital revenue recognition (EDCR)	(30,653)	(28,912)
Changes in:		
Accounts receivable	(26,014)	5,905
Prepaid expenses	(2,405)	1,260
Inventory	93	403
Accounts payable and accrued liabilities	3,712	(2,086)
Deferred revenue excluding EDCR (Note 6,16)	43,943	843
Employee future benefits	(1,554)	(1,223)
Other: Working capital items	28,523	27,967
<b>Cash flows from operating transactions</b>	<b>\$ 76,947</b>	<b>\$ 44,262</b>
<b>CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Buildings	(4,008)	(36,126)
Equipment	(8,056)	(10,552)
Vehicles	(550)	(334)
Computer equipment	(14,041)	(13,369)
Net proceeds from disposal of tangible capital assets	31	159
<b>Cash flows (used in) capital transactions</b>	<b>\$ (26,624)</b>	<b>\$ (60,222)</b>
<b>INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	(4,048)	-
Dispositions of portfolio investments	-	15,177
Remeasurement gains reclassified to the statement of operations	-	-
Other: Working capital items, endowments and other	548	1,875
<b>Cash flows (used in) / from investing transactions</b>	<b>\$ (3,500)</b>	<b>\$ 17,052</b>
<b>FINANCING TRANSACTIONS</b>		
Repayment of long-term debt	(4,206)	(3,655)
Other: Working capital items	(30,408)	628
<b>Cash flows (used in) financing transactions</b>	<b>\$ (34,614)</b>	<b>\$ (3,027)</b>
Increase(decrease) in cash and cash equivalents	\$ 12,209	\$ (1,935)
Cash and cash equivalents, at beginning of year	86,111	88,046
Cash and cash equivalents, at end of year	<b>\$ 98,320</b>	<b>\$ 86,111</b>

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, 2014**

	<b>2014</b>	<b>2013</b>
	<b>Actual</b>	<b>Actual</b>
	<b>(in thousands)</b>	<b>(in thousands)</b>
<b>Annual surplus / (deficit)</b>	\$ <b>9,144</b>	\$ (7,659)
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	<b>(29,187)</b>	(63,556)
Amortization of tangible capital assets	<b>52,158</b>	47,902
Net carrying value of tangible capital assets disposals	<b>31</b>	323
<b>Total effect of changes in tangible capital assets</b>	<b>\$ 23,002</b>	<b>\$ (15,331)</b>
Changes in:		
Prepaid expenses	\$ <b>(2,405)</b>	\$ 1,260
Inventory	<b>93</b>	403
Net remeasurement gains	<b>7,177</b>	6,176
Change in endowments (Note 13)	<b>548</b>	511
<b>Changes in net debt</b>	<b>\$ 37,559</b>	<b>\$ (14,640)</b>
<b>Net debt, at beginning of year</b>	<b>\$ (656,164)</b>	<b>\$ (641,524)</b>
<b>Net debt, at end of year</b>	<b>\$ (618,605)</b>	<b>\$ (656,164)</b>

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, 2014**

	<u>2014</u>	<u>2013</u>
	(in thousands)	(in thousands)
<b>Accumulated remeasurement gains at beginning of year</b>	\$ 6,176	\$ -
Unrealized gains attributable to:		
Portfolio investments	7,177	6,176
<b>Accumulated remeasurement gains at end of year</b>	<u>\$ 13,353</u>	<u>\$ 6,176</u>

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

**CALGARY BOARD OF EDUCATION  
SCHEDULE 1 - ACCUMULATED SURPLUS  
AUGUST 31, 2014**

For the year ended Aug 31, 2014 (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
<b>Balance at August 31, 2013</b>	192,501	6,176	186,325	123,989	2,744	-	30,091	29,501
<b>Prior period adjustments:</b>								
<b>Adjusted Balance, Aug. 31, 2013</b>	192,501	6,176	186,325	123,989	2,744	-	30,091	29,501
Operating (deficit) surplus	9,144		9,144			9,144		
Board funded tangible capital asset additions				21,950		(21,950)		
Disposal of unsupported tangible capital assets				(31)				31
Net remeasurement gains for the year	7,177	7,177						
Endowment expenses	(39)		(39)		(39)			
Direct credits to accumulated surplus	587		587		587			
Amortization of tangible capital assets				(52,158)		52,158		
Capital revenue recognized				30,653		(30,653)		
Debt principal repayments (unsupported)				3,301		(3,301)		
Externally imposed endowment restrictions								
Net transfers to operating reserves						(10,508)	10,508	
Net transfers from operating reserves						3,652	(3,652)	
Net transfers to capital reserves						(3,393)		3,393
Net transfers from capital reserves						4,851		(4,851)
Assumption/transfer of other operations' surplus								
<b>Balance at August 31, 2014</b>	209,370	13,353	196,017	127,704	3,292	-	36,947	28,074



**CALGARY BOARD OF EDUCATION  
SCHEDULE 1 - ACCUMULATED SURPLUS  
AUGUST 31, 2014**

For the year ended Aug 31, 2014 (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
<b>Balance at August 31, 2013</b>	11,542	21,287	6,085	612	5,842	7,402	3,681	-	2,941	200
<b>Prior period adjustments:</b>										
<b>Adjusted Balance, Aug. 31, 2013</b>	11,542	21,287	6,085	612	5,842	7,402	3,681	-	2,941	200
Operating surplus (deficit)										
Board funded tangible capital asset additions	-	-	-	-	-	-	-	-	-	-
Disposal of unsupported tangible capital assets		-		31		-		-		-
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	10,115		-		393		-			
Net transfers from operating reserves			(443)		(1,819)		(1,390)			
Net transfers to capital reserves		3,393		-		-		-		-
Net transfers from capital reserves		(4,670)		(181)		-		-		-
Assumption/transfer of other operations' surplus	-	-	-	-	-	-	-	-	-	-
<b>Balance at August 31, 2014</b>	21,657	20,010	5,642	462	4,416	7,402	2,291	-	2,941	200



**CALGARY BOARD OF EDUCATION  
SCHEDULE 2 – CAPITAL REVENUE  
AUGUST 31, 2014**

	Unexpended Deferred Capital Revenue (in thousands)				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects <sup>(A)</sup>	Surplus from Provincially Approved Projects <sup>(B)</sup>	Proceeds on Disposal of Provincially Funded Tangible Capital Assets <sup>(C)</sup>	Unexpended Deferred Capital Revenue from Other Sources <sup>(D)</sup>	
<b>Balance at August 31, 2013</b>	4,050	-	1,378	-	699,261
Prior period adjustments	-	-	-	-	-
Adjusted balance, August 31, 2013	4,050	-	1,378	-	699,261
<b>Add:</b>					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	4,925				
Unexpended capital revenue receivable from					
Alberta Education school building & modular (excl. IMR)	34,224				
Other sources	-				
Interest earned on unexpended capital revenue	13	-	-	-	
Insurance proceeds (and related interest)			7,252	-	
Transferred in (out) tangible capital assets (amortizable, @ net book value)					647
Expended capital revenue - current year	(4,707)	-	-	-	4,707
Surplus funds approved for future project	-	-			
<b>Deduct:</b>					
Net book value of supported capital dispositions, write-offs, or transfers					
Capital revenue recognition - Alberta Education					30,653
Capital revenue recognition - Other Government of Alberta					
Capital revenue recognition - Other Revenue					
<b>Balance at August 31, 2014</b>	38,505	-	8,630	-	673,962
	(A)	(B)	(C)	(D)	
<b>Balance of Unexpended Deferred Capital Revenue at August 31, 2014 (A) + (B) + (C) + (D)</b>				47,135	

**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 181/2010.
- (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, 2014**

REVENUES	2014 (in thousands)						2013
	Instruction (Grades ECS-12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL (in thousands)
Alberta Education	898,877	130,611	32,550	36,603	3,356	1,101,997	1,075,073
Other - Government of Alberta	476	820	-	-	90	1,386	1,709
Federal Government and First Nations	788	-	-	35	1,506	2,329	2,201
Other Alberta school authorities	546	256	-	-	-	802	1,756
Fees	26,041		6,713		7,699	40,453	35,217
Other sales and services	13,210	717	3	454	6,293	20,677	21,824
Investment income	43	250	-	-	7,102	7,395	4,453
Gifts and donations	5,954	-	-	-	187	6,141	6,083
Rental of facilities	-	4,280	-	409	2,448	7,137	5,641
Fundraising	10,178	-	-	-	-	10,178	11,267
Gains on disposal of capital assets	-	-	-	-	-	-	138
Other revenue	790	-	159	-	-	949	30
<b>TOTAL REVENUES</b>	<b>956,903</b>	<b>136,934</b>	<b>39,425</b>	<b>37,501</b>	<b>28,681</b>	<b>1,199,444</b>	<b>1,165,392</b>
<b>EXPENSES</b>							
Certificated salaries	564,416			2,032	807	567,255	570,963
Certificated benefits	128,052			19	258	128,329	116,831
Non-certificated salaries and wages	105,681	48,081	1,795	16,385	14,716	186,658	183,879
Non-certificated benefits	26,264	11,814	465	3,700	2,944	45,187	43,538
<b>SUB - TOTAL</b>	<b>824,413</b>	<b>59,895</b>	<b>2,260</b>	<b>22,136</b>	<b>18,725</b>	<b>927,429</b>	<b>915,211</b>
Services, contracts and supplies	98,193	55,613	38,173	11,352	3,959	207,290	206,240
Amortization of supported tangible capital assets	-	30,653	-	-	-	30,653	28,912
Amortization of unsupported tangible capital assets	14,349	4,199	-	2,936	21	21,505	18,990
Supported interest on capital debt	-	820	-	-	-	820	1,116
Unsupported interest on capital debt	-	39	-	-	-	39	602
Other interest and finance charges	537	527	-	16	163	1,243	193
Losses on disposal of capital assets	-	-	-	-	-	-	-
Other expense	223	-	382	163	553	1,321	1,787
<b>TOTAL EXPENSES</b>	<b>937,715</b>	<b>151,746</b>	<b>40,815</b>	<b>36,603</b>	<b>23,421</b>	<b>1,190,300</b>	<b>1,173,051</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>19,188</b>	<b>(14,812)</b>	<b>(1,390)</b>	<b>898</b>	<b>5,260</b>	<b>9,144</b>	<b>(7,659)</b>





**CALGARY BOARD OF EDUCATION  
SCHEDULE 4 – OPERATIONS AND MAINTENANCE EXPENSES`  
AUGUST 31, 2014**

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2014 TOTAL Operations and Maintenance
Uncertificated salaries and wages	30,433	9,224	-	1,638	6,739		48,034		48,034
Uncertificated benefits	7,847	2,762	-	10	1,242		11,861		11,861
Sub-total Remuneration	<b>38,280</b>	<b>11,986</b>	-	<b>1,648</b>	<b>7,981</b>		<b>59,895</b>		<b>59,895</b>
Supplies and services	2,386	17,126	26	11,219	1,434		32,191		32,191
Electricity			11,457				11,457		11,457
Natural gas/heating fuel			6,309				6,309		6,309
Sewer and water			2,016				2,016		2,016
Telecommunications			106				106		106
Insurance					3,364		3,364		3,364
Amortization of tangible capital assets									
Supported								30,653	30,653
Unsupported						4,199	4,199		4,199
Total Amortization						4,199	4,199	30,653	34,852
Interest on capital debt									
Supported								820	820
Unsupported						566	566		566
Lease payments for facilities				170			170		170
Other interest charges						-	-		-
Losses on disposal of capital assets						-	-		-
<b>TOTAL EXPENSES</b>	<b>40,666</b>	<b>29,112</b>	<b>19,914</b>	<b>13,037</b>	<b>12,779</b>	<b>4,765</b>	<b>120,273</b>	<b>31,473</b>	<b>151,746</b>
<b>SQUARE METRES</b>									
School buildings									1,202,653
Non school buildings									15,878

**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 preventive maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to the repair of broken components. Maintenance expenses exclude operational costs related to the repair of broken components. Maintenance expenses exclude operational costs related to the repair of broken components. Maintenance expenses exclude operational costs related to the repair of broken components.

**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 contractors, school facility planning & project 'administration', administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety codes and government regulations.

**CALGARY BOARD OF EDUCATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2014**  
**(in thousands)**

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**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 careful 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 of various organizations that exist 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) 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.

**(c) Accounts receivable**

Accounts receivable are shown net of allowance for doubtful accounts.

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **(d) 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.

### **(e) 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.
- 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.

**CALGARY BOARD OF EDUCATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2014**  
**(in thousands)**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) 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 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.

Effective Jan.1, 2011, all employees pay 100 per cent of the post-retirement benefit premium costs.

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, 2014. 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, 2014  
 (in thousands)**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) 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.

**(h) 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:

Site improvements	30 years
Buildings	25 - 50 years
Furniture and equipment	5 - 10 years
Computer software and hardware	3 - 5 years
Vehicles	5 -10 years

**(i) 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  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AUGUST 31, 2014  
(in thousands)**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(j) Inventory**

Supplies inventory is recorded at the lower of historical cost and replacement cost.

**(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 balances 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 to ensure that certain programs are delivered, such as kindergarten, milk programs and the raising of school generated funds. These contributed services are not recognized in the 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.

**CALGARY BOARD OF EDUCATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2014**  
**(in thousands)**

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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:

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

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

*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.

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(q) Financial instruments (continued)**

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 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 unaudited and is presented on the Statement of Operations and on the related schedules for information purposes only and represents the budget approved by the Board of Trustees in May 2013 and submitted to Alberta Education in May 2013.

**(t) Future accounting standards**

As at Aug. 31, 2014, the following accounting policy from PSAS is in place but not yet effective:

- *PS 3260, Liability for Contaminated Sites, establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. The effective date for Government organizations are for the fiscal year beginning on or after Apr. 1, 2014. The Alberta Treasury Board has requested all Alberta school jurisdictions to provide disclosure of liabilities for contaminated sites effective Aug. 31, 2015 (including comparative figures for Aug. 31, 2014).*

As at Aug. 31, 2014, the following Exposure drafts from PSAS are in place:

- *Related Party Transactions – PSAS has issued an Exposure Draft that proposes a new Handbook Section dealing with related party transactions. The proposed effective date for Government organizations is Apr. 1, 2016 with earlier adoption permitted. Alberta Education has required all School Boards to adopt this new standard effective Sept. 1, 2014, with retroactive application.*
- *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 financial statements of the Corporation.



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**3. CASH AND CASH EQUIVALENTS**

	2014		2013	
	Effective Market Yield	Cost/ Amortized cost	Effective Market Yield	Cost/ Amortized cost
Bank balances <sup>(1)</sup>		\$ 28,043		\$ 28,743
Outstanding cheques		(730)		(2,162)
Cash equivalents	1.05%	71,007	1.04%	59,530
<b>Total cash and equivalents</b>		<b>\$ 98,320</b>		<b>\$ 86,111</b>

(1) Include cash balances restricted for EducationMatters in the amount of \$369 (2013-\$267).

General Operating and Other Bank Indebtedness

The Corporation maintains with a line of credit with 3% (2013-3%) 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, 2014, no amount has been drawn against the Corporation's general operating line of credit (2013- \$nil).

Supplementary Cash Flow Information

For the year ended Aug. 31, 2014, cash interest paid on debenture debt amounted to \$986 (2013 - \$1,308) and cash interest earned (both operating and capital) and dividends received on portfolio investments totalled \$3,349 (2013- \$3,785).

**4. ACCOUNTS RECEIVABLE**

	2014		2013	
	Gross amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Operating	\$ 513	\$ -	\$ 513	\$ 7,302
Alberta Education - Capital	37,224	-	37,224	2,910
Alberta Education - Sub Teacher	746	-	746	-
Other Alberta school jurisdictions	827	-	827	905
Treasury Board and Finance	7,867	-	7,867	10,826
Post-secondary institutions	32	-	32	36
Federal Government	883	-	883	1,446
Municipalities	437	-	437	754
First Nations	-	-	-	232
Foundations	-	-	-	208
Other	14,092	(1,406)	12,686	10,582
	<b>\$ 62,621</b>	<b>\$ (1,406)</b>	<b>\$ 61,215</b>	<b>\$ 35,201</b>

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**5. PORTFOLIO INVESTMENTS**

	2014			2013		
	Effective Fair Value Yield	Cost	Fair Value	Effective Fair Value Yield	Cost	Fair Value
<b>Investments at cost and amortized cost</b>						
Restricted long-term investments - GIC's <sup>(1)</sup>	\$	15,120	\$ 15,119	\$	16,598	\$ 16,598
Non restricted long-term investments - GIC's		19,085	19,085		22,136	22,136
	1.04%	<u>34,205</u>	<u>34,204</u>	1.21%	<u>38,734</u>	<u>38,734</u>
<b>Investments at fair value - Equities</b>						
Canadian equities	2.08%	8,443	22,880	2.36%	9,282	13,051
U.S. equity funds	1.92%	8,536	13,609	2.03%	8,866	11,581
Global Small Cap funds	3.00%	2,562	9,479	3.13%	4,909	6,415
International equity pooled funds	2.63%	7,508	9,981	2.88%	8,283	9,254
		<u>27,049</u>	<u>55,949</u>		<u>31,340</u>	<u>40,301</u>
<b>Investments designated to fair value category</b>						
Fixed income securities - bonds						
Government of Canada	1.32%	12,323	12,766	1.60%	12,695	13,041
Provincial	3.04%	200	223	2.45%	571	558
Municipal	1.24%	201	207	1.76%	201	211
Corporate	2.26%	4,707	4,851	2.78%	4,612	4,601
		<u>17,431</u>	<u>18,047</u>		<u>18,079</u>	<u>18,411</u>
Other restricted investments <sup>(2)</sup>	1.95%	4,100	4,684	2.12%	4,000	4,322
Supplemental Integrated Pension Plan Asset	2.42%	735	842	3.06%	725	733
		<u>22,266</u>	<u>23,573</u>		<u>22,804</u>	<u>23,466</u>
<b>Total portfolio investments</b>	<b>\$</b>	<b><u>83,520</u></b>	<b>\$ <u>113,726</u></b>	<b>\$</b>	<b><u>92,878</u></b>	<b>\$ <u>102,501</u></b>

(1) Restricted long-term investments relate to cash collateral requirements on capital leases entered into between the years ended Aug. 31, 2004 and Aug. 31, 2019 (note 11).

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

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**5. PORTFOLIO INVESTMENTS (continued)**

It is management's opinion that 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:

	<b>2014</b>	<b>2013</b>
1-5 years	78.44%	79.21%
6-10 years	0.00%	0.00%
11-20 years	16.64%	16.04%
Over 20 years	4.93%	4.75%
	<u>100.00%</u>	<u>100.00%</u>

**6. DEFERRED REVENUE**

	<b>2014</b>	<b>2013</b>
<b>Unexpended deferred operating revenue</b>		
School generated funds (Note 16)	\$ 16,974	\$ 16,094
Infrastructure maintenance renewal (IMR) grants	11,935	15,910
Student fees	12,417	11,096
Alberta Education operating grants	4,449	5,564
Other	2,299	1,884
Other Government of Alberta	93	90
Total unexpended deferred operating revenue	<u>48,167</u>	<u>50,638</u>
Unexpended deferred capital revenue <sup>(1)</sup>	47,135	5,428
Expended deferred capital revenue <sup>(2)</sup>	673,962	699,261
<b>Total deferred revenue</b>	<u><b>\$ 769,264</b></u>	<u><b>\$ 755,327</b></u>

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

(2) Upon transition to PSAS, expended deferred capital revenue is presented as a liability under deferred revenue as per the requirement from Alberta Education.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2014</b>	<b>2013</b>
Salaries and benefits payable	\$ 37,302	\$ 40,836
Other trade payables and accrued liabilities	27,264	20,637
Accrued Vacation Liabilities	7,389	7,076
Alberta Capital Finance Authority (Accrued interest on long-term debt)	442	608
Federal Government	574	513
Alberta Health Services	741	380
Post-secondary institutions	11	2
Alberta Education	40	-
Other Alberta school jurisdictions	1	-
<b>Total</b>	<u><b>\$ 73,764</b></u>	<u><b>\$ 70,052</b></u>

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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 \$68,986 (2013 - \$57,572) and are included in these financial statements as revenue from the Government of Alberta and as certificated benefits expense. At Aug. 31, 2014, the ATRF reported a surplus of \$519,489 (2013 restated deficit - \$825,590).

**(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 \$18,353 (2013 - \$17,520) are included in these consolidated financial statements and comprise the Corporation's costs of employer contributions. At Dec. 31, 2013, the LAPP reported a deficiency of \$4,861,516 (2012 - \$4,977,303).

**(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 \$34 (2013 - \$37);

The net pension expense for SERP was \$127 (2013 - \$175). The total liability for the SERP at Aug. 31, 2014 was \$511 (2013 - \$645).

**(d) Supplementary Retirement Plan (SRP)**

The total liability for the SRP at Aug. 31, 2014 was \$259 (2013 - \$261).

**(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, 2014 and 2013:

To date, \$25,594 (2013 - \$27,012) has been accrued in the Corporation's financial statements as an accrued benefit obligation.

	<b>2014</b>	<b>2013</b>
Accrued benefit obligation, beginning of year	\$ 27,012	\$ 28,368
Current service cost	899	923
Interest cost	1,419	1,267
Benefits payments	(4,023)	(3,804)
Actuarial gains	287	258
Accrued benefit obligation, end of year	<u>\$ 25,594</u>	<u>\$ 27,012</u>

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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 financial statements is as below:

	<u>2014</u>	<u>2013</u>
Benefit plan combined deficit	\$ 29,511	\$ 29,839
Unamortized net actuarial gains	(3,917)	(2,827)
Accrued benefit obligation	<u>\$ 25,594</u>	<u>\$ 27,012</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>2014</u>	<u>2013</u>
Current period service cost	\$ 899	\$ 923
Amortization of net actuarial gains (losses)	287	258
Benefit expenses	\$ 1,186	\$ 1,181
Benefit interest expenses	1,419	1,267
Total benefit expenses	<u>\$ 2,605</u>	<u>\$ 2,448</u>

**Assumptions**

The accrued benefit obligations for employee future benefit plans as at Aug. 31, 2014 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>2014</u>	<u>2013</u>
Discount rate on accrued benefit obligation	4.40%	4.95%
Rate of compensation increase	3.50%	3.50%
Supplemental health care cost trend rate (decreasing by 0.5% per annum to 5.0%)	7.00%	7.00%
Dental cost trend rate	4.50%	4.50%
Health spending account trend rate	0.00%	0.00%

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**9. ASSET RETIREMENT OBLIGATION**

	<u>2014</u>	<u>2013</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 3.70 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 7.38 per cent - 11.63 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>
2015	\$ 2,515	710 \$	3,225
2016	1,975	463	2,438
2017	1,553	273	1,826
2018	841	128	969
2019	296	52	348
Thereafter	246	24	270
Total	<u>\$ 7,426</u>	<u>1,650 \$</u>	<u>9,076</u>

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**11. CAPITAL LEASES**

Capital leases are approved by the 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 \$15,119 (refer to Note 5) to retire the outstanding lease obligation as of Aug. 31, 2014. As of Aug. 31, 2014, capital lease obligations pertaining to the Corporation are as summarized below:

	<u>2014</u>	<u>2013</u>
Finance contracts with a Canadian chartered bank, secured by certain equipment at interest rates ranging from 2.44 per cent - 4.49 per cent, repayable in annual installments of \$325 including interest, matured September 2014.	\$ 194	\$ 506
Finance contracts, secured by certain building components at interest rates ranging from 2.74 per cent - 3.75 per cent, repayable in annual installments of \$712 including interest, maturing August 2017 through August 2018.	3,076	4,639
Finance contracts, secured by certain building components at interest rates ranging from 2.69 per cent - 3.18 per cent, repayable in annual installments of \$1,727 including interest, maturing August 2015 through August 2018.	9,564	10,990
Finance contracts, secured by certain building components at interest rates ranging from 2.94 per cent, repayable in annual installments of \$233 including interest, maturing August 2019.	1,887	-
	<u>\$ 14,721</u>	<u>\$ 16,135</u>

Minimum lease payments for future years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 6,633	\$ 442	\$ 7,075
2016	2,243	236	2,479
2017	2,765	173	2,938
2018	1,936	95	2,031
2019	1,144	34	1,178
Total	<u>\$ 14,721</u>	<u>\$ 980</u>	<u>\$ 15,701</u>

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**12. TANGIBLE CAPITAL ASSETS**

As of August 31, 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	
<b>Historical cost</b>							
September 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)
August 31, 2014	\$ 2,711	2,581	1,182,110	126,309	8,815	119,886	\$ 1,442,412
<b>Accumulated amortization</b>							
September 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
August 31, 2014	\$ -	-	(440,032)	(92,879)	(5,005)	(88,109)	\$ (626,025)
<b>Net Book Value at August 31, 2014</b>	<b>\$ 2,711</b>	<b>2,581</b>	<b>742,078</b>	<b>33,430</b>	<b>3,810</b>	<b>31,777</b>	<b>\$ 816,387</b>

As of August 31, 2013							
	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	
<b>Historical cost</b>							
September 1, 2012	\$ 2,711	2,994	1,139,012	109,364	7,932	92,475	\$ 1,354,488
Additions	-	691	39,200	12,122	1,148	13,369	66,530
Transfers (out)	-	(2,972)	-	-	-	-	(2,972)
Disposals & write-downs	-	-	(775)	(1,570)	(814)	-	(3,159)
August 31, 2013	\$ 2,711	713	1,177,437	119,916	8,266	105,844	\$ 1,414,887
<b>Accumulated amortization</b>							
September 1, 2012	\$ -	-	(382,382)	(77,902)	(4,355)	(65,791)	\$ (530,430)
Amortization expense	-	-	(28,618)	(8,305)	(704)	(10,275)	(47,902)
Disposals & write-downs	-	-	472	1,568	794	-	2,834
August 31, 2013	\$ -	-	(410,528)	(84,639)	(4,265)	(76,066)	\$ (575,498)
<b>Net Book Value at August 31, 2013</b>	<b>\$ 2,711</b>	<b>713</b>	<b>766,909</b>	<b>35,277</b>	<b>4,001</b>	<b>29,778</b>	<b>\$ 839,389</b>

**Disposals and write downs**

During 2014, tangible capital assets with a net book value of \$31 (2013 - \$21) was disposed of, for net proceeds of \$31.

**Assets under capital lease**

The tangible capital assets above include leased building with a combined net book value of \$22,242 (2013 - \$21,763).

As of August 31, 2014, Alberta Education has confirmed that costs of \$1,232 (2013 - \$0) 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, 2014 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, 2014, total accumulated surplus from accumulated remeasurement gains was \$13,353 (2013 - \$6,176).

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

*i. 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:

	<b>2014</b>	<b>2013</b>
School decentralized budgets	\$ 596	\$ 118
Instructional and service unit initiatives	2,004	780
EducationMatters	1,755	1,839
Total designated operating fund	<u>\$ 4,355</u>	<u>\$ 2,737</u>
Operating Lease Reserve <sup>(1)</sup>	14,577	14,577
Unrealized Investment Gains/Losses <sup>(2)</sup>	3,195	3,195
Continuing Education Fee Stabilization <sup>(3)</sup>	1,593	1,593
Transportation Stabilization Fee Reserve <sup>(4)</sup>	2,291	3,681
Utility Expense Stabilization	5,007	5,007
Fiscal Stability	10,464	4,017
Administrative Systems Renewal	429	2,248
System Transformation	2,000	2,000
General Instruction	3,000	1,000
Snow Removal Budget Stabilization	200	200
Total operating reserves allocation	<u>\$ 42,756</u>	<u>\$ 37,518</u>
<b>Total operating surpluses</b>	<u><b>\$ 47,111</b></u>	<u><b>\$ 40,255</b></u>

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**13. ACCUMULATED SURPLUS (continued)**

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

*i. 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
- 4) Restricted to fund transportation activities.

*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:

	<b>2014</b>	<b>2013</b>
Building Reserve	\$ 18,212	\$ 18,393
Plant, Operations & Maintenance Asset Replacement	798	768
Other Capital Reserves	9,064	10,340
Total Capital Reserves	<u>\$ 28,074</u>	<u>\$ 29,501</u>

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, 2014, all funds are committed or designated for a specified purpose, except for \$18,212 which remains available for new building commitments.

*iii. Investments in capital assets*

	<b>2014</b>	<b>2013</b>
Investment in capital assets	<u>\$ 127,704</u>	<u>\$ 123,989</u>

Investments 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.

	<b>2014</b>	<b>2013</b>
Endowment fund	<u>\$ 3,292</u>	<u>\$ 2,744</u>

**CALGARY BOARD OF EDUCATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AUGUST 31, 2014  
(in thousands)**

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**13. ACCUMULATED SURPLUS (continued)**

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

*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:

	<u>2014</u>	<u>2013</u>
<b>Accumulated surplus from operations</b>	\$ 47,111	\$ 40,255
Employee future benefits	(10,164)	(10,164)
<b>Adjusted accumulated surplus from operations <sup>(1)</sup></b>	<u>\$ 36,947</u>	<u>\$ 30,091</u>
<b>Accumulated surplus</b>	\$ 219,534	\$ 202,665
Employee future benefits	(10,164)	(10,164)
<b>Adjusted accumulated surplus</b>	<u>\$ 209,370</u>	<u>\$ 192,501</u>

(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, 2014**  
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**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:

<b>August 31, 2014</b>	Assets (at cost or net realizable value)	Liabilities	Revenues	Expenses
<b>Government of Alberta (GOA):</b>				
<b>Education</b>				
Accounts receivable / Accounts payable	\$ 38,483	\$ 40	\$ -	\$ -
Prepaid expenses / Deferred revenue	-	16,384	-	-
Unexpended deferred capital revenue	-	47,135	-	-
Expended deferred capital revenue	-	673,962	30,653	-
Other assets & liabilities	-	-	-	-
Grant revenue & expenses	-	-	1,069,719	-
Other revenue & expenses	-	-	1,626	-
<b>Other Alberta school jurisdictions</b>	827	1	-	109
<b>Treasury Board and Finance (Principal)</b>	7,425	-	-	-
<b>Treasury Board and Finance (Accrued Interest)</b>	442	442	820	-
<b>Alberta Health Services</b>	-	741	-	2,105
<b>Post-secondary institutions</b>	32	11	323	504
<b>Other Government of Alberta</b>				
Alberta Pensions Administration Corporation	-	-	-	18,353
<b>TOTAL 2013/14</b>	<b>\$ 47,209</b>	<b>\$ 738,716</b>	<b>\$ 1,103,141</b>	<b>\$ 21,071</b>
<b>TOTAL 2012/13</b>	<b>\$ 22,187</b>	<b>\$ 728,999</b>	<b>\$ 1,084,592</b>	<b>\$ 21,882</b>

**(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, 2014  
 (in thousands)**

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**15. FEES**

For the year ended August 31, 2014, the following fees were charged:

	<b>Gross Receipts 2014</b>	<b>Gross Receipts 2013</b>
Transportation fees	\$ 6,713	\$ 6,223
Fees charged for instruction material and supplies	8,262	7,687
Noon supervision	7,443	5,987
Other (School Generated Funds)	18,035	15,320
Total gross receipts	<u>\$ 40,453</u>	<u>\$ 35,217</u>

**16. SCHOOL GENERATED FUNDS**

	<b>2014</b>	<b>2013</b>
Deferred school generated revenue, beginning of year	\$ 16,094	\$ 14,715
Gross receipts:		
Fees	18,717	16,497
Fundraising	10,178	11,267
Gifts and donations	4,953	5,058
Grants to schools	433	485
Other sales and services	60	50
Total gross receipts	<u>\$ 50,435</u>	<u>\$ 48,072</u>
Total related expenses and uses of funds	26,083	24,995
Total direct costs including costs of goods sold to raise funds	7,378	6,983
Deferred school generated revenue, end of year	<u>\$ 16,974</u>	<u>\$ 16,094</u>

**CALGARY BOARD OF EDUCATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2014**  
**(in thousands)**

**17. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES**

**CONTRACTUAL OBLIGATIONS**

	<u>2014</u>	<u>2013</u>
Capital Projects <sup>(1)</sup>	\$ 8,508	\$ 1,762
Office Lease <sup>(2)</sup>	236,596	248,000
Service Providers <sup>(3)</sup>	207,462	203,208
Total	<u>\$ 452,566</u>	<u>\$ 452,970</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 (2013 - \$825) is recovered annually.

(3) Service Providers:

As at Aug. 31, 2014, 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, 2015.
- 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:

	Capital Projects	Office Lease	Service Providers	<b>Total</b>
2014-15	\$ 4,254	12,705	72,697	\$ <b>89,656</b>
2015-16	4,254	12,616	69,760	<b>86,630</b>
2016-17	-	12,838	27,728	<b>40,566</b>
2017-18	-	13,269	19,903	<b>33,172</b>
2018-19	-	13,306	17,374	<b>30,680</b>
Thereafter	-	171,862	-	<b>171,862</b>
Total	<u>\$ 8,508</u>	<u>236,596</u>	<u>207,462</u>	<u>\$ <b>452,566</b></u>

**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 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, 2014  
(in thousands)**

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

**(a) Trustee remuneration**

<b>Board Members:</b>	<b>FTE</b>	<b>Remuneration <sup>1</sup></b>	<b>Benefits <sup>2</sup></b>	<b>Negotiated Allowances <sup>3</sup></b>	<b>Performance Bonuses</b>	<b>ERIP's / Other</b>	<b>Expenses <sup>4</sup></b>
<b>Chair</b>							
Pat Cochrane	0.17	8,890	967	663			162
Sheila Taylor	0.67	35,863	4,556	2,673			2,989
Joy Bow en-Eyre	0.17	10,397	1,313	775			162
<b>Other members</b>							
Sheila Taylor	0.33	19,938	2,431	1,427			128
Joy Bow en-Eyre	0.83	44,033	5,631	3,325			3,763
Lynn Ferguson	1.00	45,808	6,576	4,100			4,303
Judy Hehr	0.83	40,526	5,929	3,448			2,806
Trina Hurdman	0.83	39,580	5,882	3,448			2,663
Pamela King	1.00	45,000	6,745	4,100			2,973
Amber Stewart	0.83	39,580	5,882	3,448			2,822
Carol Bazinet	0.17	7,274	1,143	663			-
George Lane	0.17	7,274	727	663			158
<b>Subtotal</b>	<b>7.0</b>	<b>344,164</b>	<b>47,782</b>	<b>28,734</b>			<b>22,928</b>

<sup>1</sup> **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 allowances paid out during the year to out-going Trustees was \$22,500 each.

<sup>2</sup> **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.

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

<sup>4</sup> **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, 2014  
(in thousands)**

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

**(b) Employee remuneration**

Employees:	FTE	Remuneration <sup>1</sup>	Benefits <sup>2</sup>	Negotiated Allowances <sup>3</sup>	Performance Bonuses <sup>4</sup>	ERIP's / Other <sup>5</sup>	Expenses <sup>6</sup>
<b>Chief Superintendent</b>							
Naomi Johnson	0.6	227,301	43,237	9,808		287,834	9,334
David Stevenson	0.4	114,847	13,037	6,000		-	3,333
<b>Corporate Treasurer</b>							
Brad Grundy	1.0	215,539	43,635	5,654		-	9,187
<b>Corporate Secretary</b>							
Janice Barkway	1.0	161,200	32,789	-		-	1,075
Certificated teachers	5,989.4	566,624,610	128,224,190	33,038	-	-	
Non-certificated - other	3,252.7	185,937,108	41,546,751	300,979	-	3,180,614	
<b>TOTALS (includes Trustees)</b>		<b>753,624,768</b>	<b>169,951,421</b>	<b>384,212</b>	<b>-</b>	<b>3,468,448</b>	

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

<sup>1</sup> **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.

<sup>2</sup> **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:

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

D=Salary updated to plan member's files

ER rate (2014) - 12.65% (this contribution rate is also available at [http://atrf.com/contribution\\_rates/jurisdictions\\_charter\\_schools.aspx](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.

<sup>3</sup> **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).

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

<sup>5</sup> **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

<sup>6</sup> **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, 2014  
 (in thousands)**

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**19. TRUST FUNDS UNDER ADMINISTRATION**

	<u>2014</u>	<u>2013</u>
Scholarship Trust Funds	\$ -	\$ 205
School Staff Funds	122	122
	<u>\$ 122</u>	<u>\$ 327</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, 2014 was \$1,687 (2013-\$1,182).

**CALGARY BOARD OF EDUCATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AUGUST 31, 2014  
(in thousands)**

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## **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

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 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. 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, 2014**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Calgary Board of Education**

Legal Name of School Jurisdiction

**1221 - 8th Street S.W., Calgary, AB T2R 0L4**

Mailing Address

**Tel: 403.817.7400 Fax: 403.294.8254 dmrogers@cbe.ab.ca**

Telephone & Fax Numbers, and Email Address

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of 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

Joy Bowen-Eyre

Signature

**SUPERINTENDENT**

David Stevenson

Name

D. Stevenson

Signature

**SECRETARY-TREASURER OR TREASURER**

Brad Grundy

Name

Brad Grundy 2/12/14

Signature

Dec. 2, 2014

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: sarah.brennan@gov.ab.ca  
PHONE: (780) 422-0312 (Toll free 310-0000) FAX: (780) 422-6996

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**KPMG LLP**  
3100 205 - 5th Avenue SW  
Calgary AB T2P 4B9

Telephone (403) 691-8000  
Fax (403) 691-8008  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## 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, 2014, 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, 2014, 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 Accountants

December 2, 2014  
Calgary, Canada

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

		2014	2013
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	(Note 3)	\$ 98,320,000	\$ 86,111,000
Accounts receivable (net after allowances)	(Note 4)	\$ 61,215,000	\$ 35,201,000
Portfolio investments	(Note 5)	\$ 113,726,000	\$ 102,501,000
Other financial assets	(Note 6)	\$ -	\$ -
<b>Total financial assets</b>		\$ 273,261,000	\$ 223,813,000
<b>LIABILITIES</b>			
Bank indebtedness	(Note 3)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 7)	\$ 73,764,000	\$ 70,052,000
Deferred revenue	(Note 6, 16)	\$ 769,264,000	\$ 755,327,000
Employee future benefit liabilities	(Note 8)	\$ 26,364,000	\$ 27,918,000
Other liabilities	(Note 9)	\$ 327,000	\$ 327,000
Debt	(Note 10)		
Supported: Debentures and other supported debt		\$ 7,426,000	\$ 10,218,000
Unsupported: Debentures and capital loans		\$ 14,721,000	\$ 16,135,000
Capital leases	(Note 11)	\$ -	\$ -
Mortgages		\$ -	\$ -
<b>Total liabilities</b>		\$ 891,866,000	\$ 879,977,000
<b>Net financial assets (debt)</b>		\$ (618,605,000)	\$ (656,164,000)
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	(Note 12)		
Land		\$ 2,711,000	\$ 2,711,000
Construction in progress		\$ 2,581,000	\$ 713,000
Buildings	\$ 1,182,110,000		
Less: Accumulated amortization	\$ (440,032,000)	\$ 742,078,000	\$ 766,909,000
Equipment	\$ 126,309,000		
Less: Accumulated amortization	\$ (92,879,000)	\$ 33,430,000	\$ 35,277,000
Vehicles	\$ 8,815,000		
Less: Accumulated amortization	\$ (5,005,000)	\$ 3,810,000	\$ 4,001,000
Computer Equipment	\$ 119,886,000		
Less: Accumulated amortization	\$ (88,109,000)	\$ 31,777,000	\$ 29,778,000
<b>Total tangible capital assets</b>		\$ 816,387,000	\$ 839,389,000
Prepaid expenses		\$ 11,588,000	\$ 9,183,000
Other non-financial assets		\$ -	\$ 93,000
<b>Total non-financial assets</b>		\$ 827,975,000	\$ 848,665,000
<b>Accumulated surplus</b>	(Note 13)	\$ 209,370,000	\$ 192,501,000
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 196,017,000	\$ 186,325,000
Accumulated remeasurement gains (losses)		\$ 13,353,000	\$ 6,176,000
		\$ 209,370,000	\$ 192,501,000
<b>Contractual obligations</b>	(Note 17)		
<b>Contingent liabilities</b>	(Note 17)		

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

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

	Budget 2014	Actual 2014	Actual 2013
<b>REVENUES</b>			
Alberta Education	\$ 1,071,673,000	\$ 1,101,997,000	\$ 1,075,073,000
Other - Government of Alberta	\$ 1,434,000	\$ 1,386,000	\$ 1,709,000
Federal Government and First Nations	\$ 2,381,000	\$ 2,329,000	\$ 2,201,000
Other Alberta school authorities	\$ 513,000	\$ 802,000	\$ 1,756,000
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Note 15)	\$ 37,795,000	\$ 40,453,000	\$ 35,217,000
Other sales and services	\$ 20,538,000	\$ 20,677,000	\$ 21,824,000
Investment income	\$ 3,002,000	\$ 7,395,000	\$ 4,453,000
Gifts and donations	\$ 5,166,000	\$ 6,141,000	\$ 6,083,000
Rental of facilities	\$ 7,954,000	\$ 7,137,000	\$ 5,641,000
Fundraising	\$ 11,092,000	\$ 10,178,000	\$ 11,267,000
Gains on disposal of capital assets	\$ -	\$ -	\$ 138,000
Other revenue	\$ -	\$ 949,000	\$ 30,000
<b>Total revenues</b>	<b>\$ 1,161,548,000</b>	<b>\$ 1,199,444,000</b>	<b>\$ 1,165,392,000</b>
<b>EXPENSES</b>			
Instruction (ECS - Grade 12)	\$ 933,602,000	\$ 937,715,000	\$ 929,031,000
Plant operations and maintenance	\$ 140,271,000	\$ 151,746,000	\$ 141,178,000
Transportation	\$ 43,099,000	\$ 40,815,000	\$ 37,849,000
Board & system administration	\$ 33,348,000	\$ 36,603,000	\$ 38,448,000
External services	\$ 26,545,000	\$ 23,421,000	\$ 26,545,000
<b>Total expenses</b>	<b>\$ 1,176,865,000</b>	<b>\$ 1,190,300,000</b>	<b>\$ 1,173,051,000</b>
<b>Operating surplus (deficit)</b>	<b>\$ (15,317,000)</b>	<b>\$ 9,144,000</b>	<b>\$ (7,659,000)</b>

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

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

	2014	2013
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	\$ 9,144,000	\$ (7,659,000)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 52,158,000	\$ 47,902,000
Gains on disposal of tangible capital assets	\$ -	\$ (138,000)
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (30,653,000)	\$ (28,912,000)
Deferred capital revenue write-off	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (26,014,000)	\$ 5,905,000
Prepays	\$ (2,405,000)	\$ 1,260,000
Other financial assets	\$ -	\$ -
Non-financial assets	\$ 93,000	\$ 403,000
Accounts payable and accrued liabilities	\$ 3,712,000	\$ (2,086,000)
Deferred revenue (excluding EDCR)	\$ 43,943,000	\$ 843,000
Employee future benefit liabilities	\$ (1,554,000)	\$ (1,223,000)
Other (describe) Working capital items and asset retirement obligations	\$ 28,523,000	\$ 27,967,000
<b>Total cash flows from operating transactions</b>	<b>\$ 76,947,000</b>	<b>\$ 44,262,000</b>
<b>B. CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (5,893,000)	\$ (39,000,000)
Equipment	\$ (8,056,000)	\$ (10,552,000)
Vehicles	\$ (550,000)	\$ (334,000)
Computer equipment	\$ (14,041,000)	\$ (13,369,000)
Net proceeds from disposal of unsupported capital assets	\$ 31,000	\$ 159,000
Other (describe) Non cash capital acquisitions	\$ 1,885,000	\$ 2,874,000
<b>Total cash flows from capital transactions</b>	<b>\$ (26,624,000)</b>	<b>\$ (60,222,000)</b>
<b>C. INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	\$ (4,048,000)	\$ -
Dispositions of portfolio investments	\$ -	\$ 15,177,000
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Other (describe) Working capital items, endowment and other	\$ 548,000	\$ 1,875,000
<b>Total cash flows from investing transactions</b>	<b>\$ (3,500,000)</b>	<b>\$ 17,052,000</b>
<b>D. FINANCING TRANSACTIONS</b>		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (4,206,000)	\$ (3,655,000)
Other (describe) Working capital items	\$ (30,408,000)	\$ 628,000
<b>Total cash flows from financing transactions</b>	<b>\$ (34,614,000)</b>	<b>\$ (3,027,000)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>\$ 12,209,000</b>	<b>\$ (1,935,000)</b>
<b>Cash and cash equivalents, at beginning of year</b>	<b>\$ 86,111,000</b>	<b>\$ 88,046,000</b>
<b>Cash and cash equivalents, at end of year</b>	<b>\$ 98,320,000</b>	<b>\$ 86,111,000</b>

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



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

	2014	2013
Operating surplus (deficit)	\$ 9,144,000	\$ (7,659,000)
<b>Effect of changes in tangible capital assets</b>		
Acquisition of tangible capital assets	\$ (29,187,000)	\$ (63,556,000)
Amortization of tangible capital assets	\$ 52,158,000	\$ 47,902,000
Net carrying value of tangible capital assets disposed of	\$ 31,000	\$ 323,000
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
<b>Total effect of changes in tangible capital assets</b>	\$ 23,002,000	\$ (15,331,000)
<b>Changes in:</b>		
Prepaid expenses	\$ (2,405,000)	\$ 1,260,000
Other non-financial assets	\$ 93,000	\$ 403,000
<b>Net remeasurement gains and (losses)</b>		
Endowments	\$ 7,177,000	\$ 6,176,000
	\$ 548,000	\$ 511,000
<b>Decrease (increase) in net debt</b>	\$ 37,559,000	\$ (14,640,000)
<b>Net debt at beginning of year</b>	\$ (656,164,000)	\$ (641,524,000)
<b>Net debt at end of year</b>	\$ (618,605,000)	\$ (656,164,000)

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

**STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
**For the Year Ended August 31, 2014 (in dollars)**

	2014	2013
<b>Accumulated remeasurement gains (losses) at beginning of year</b>	\$ 6,176,000	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ 7,177,000	\$ 6,176,000
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
<b>Net remeasurement gains (losses) for the year</b>	\$ 7,177,000	\$ 6,176,000
<b>Accumulated remeasurement gains (losses) at end of year</b>	\$ 13,353,000	\$ 6,176,000

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

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
for the Year Ended August 31, 2014 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2013	\$ 192,501,000	\$ 6,176,000	\$ 186,325,000	\$ 123,989,000	\$ 2,744,000	\$ -	\$ 30,091,000	\$ 29,501,000
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2013</b>	\$ 192,501,000	\$ 6,176,000	\$ 186,325,000	\$ 123,989,000	\$ 2,744,000	\$ -	\$ 30,091,000	\$ 29,501,000
Operating surplus (deficit)	\$ 9,144,000		\$ 9,144,000			\$ 9,144,000		
Board funded tangible capital asset additions								
Disposal of unsupported tangible capital assets	\$ -		\$ -	\$ 21,950,000		\$ (21,950,000)	\$ -	\$ -
Disposal of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ (31,000)		\$ -		\$ 31,000
Write-down of unsupported tangible capital assets	\$ -		\$ -			\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)	\$ -		\$ -			\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ 7,177,000	\$ 7,177,000						
Endowment expenses	\$ (39,000)		\$ (39,000)		\$ (39,000)	\$ -		
Direct credits to accumulated surplus	\$ 587,000	\$ -	\$ 587,000	\$ -	\$ 587,000	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (52,158,000)		\$ 52,158,000		
Capital revenue recognized	\$ -			\$ 30,653,000		\$ (30,653,000)		
Debt principal repayments (unsupported)	\$ -			\$ 3,301,000		\$ (3,301,000)		
Externally imposed endowment restrictions	\$ -				\$ -	\$ -	\$ -	\$ -
Net transfers to operating reserves	\$ -					\$ (10,508,000)	\$ 10,508,000	
Net transfers from operating reserves	\$ -					\$ 3,652,000	\$ (3,652,000)	
Net transfers to capital reserves	\$ -					\$ (3,393,000)		\$ 3,393,000
Net transfers from capital reserves	\$ -					\$ 4,851,000		\$ (4,851,000)
Assumption/transfer of other operations* surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2014</b>	\$ 209,370,000	\$ 13,353,000	\$ 196,017,000	\$ 127,704,000	\$ 3,292,000	\$ -	\$ 36,947,000	\$ 28,074,000

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS  
for the Year Ended August 31, 2014 (in dollars)**

	INTERNALLY RESTRICTED RESERVES BY PROGRAM											
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services			
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
<b>Balance at August 31, 2013</b>	\$ 11,542,000	\$ 21,287,000	\$ 6,085,000	\$ 612,000	\$ 5,842,000	\$ 7,402,000	\$ 3,681,000	-	\$ 2,941,000	\$ 200,000		
<b>Prior period adjustments:</b>												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2013</b>	\$ 11,542,000	\$ 21,287,000	\$ 6,085,000	\$ 612,000	\$ 5,842,000	\$ 7,402,000	\$ 3,681,000	\$ -	\$ 2,941,000	\$ 200,000		
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets		\$ -		\$ 31,000		\$ -		\$ -		\$ -		\$ -
Disposal of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year												
Endowment expenses												
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets												
Capital revenue recognized												
Debt principal repayments (unsupported)												
Externally imposed endowment restrictions	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers to operating reserves	\$ 10,115,000		\$ -		\$ 393,000		\$ -		\$ -		\$ -	
Net transfers from operating reserves	\$ -		\$ (443,000)		\$ (1,819,000)		\$ (1,390,000)		\$ -		\$ -	
Net transfers to capital reserves		\$ 3,393,000		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ (4,670,000)		\$ (181,000)		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2014</b>	\$ 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		

**SCHEDULE OF CAPITAL REVENUE  
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)  
for the Year Ended August 31, 2014 (in dollars)**

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects <sup>(A)</sup>	Surplus from Provincially Approved Projects <sup>(B)</sup>	Proceeds on Disposal of Provincially Funded Tangible Capital Assets <sup>(C)</sup>	Unexpended Deferred Capital Revenue from Other Sources <sup>(D)</sup>	
<b>Balance at August 31, 2013</b>	\$ 4,050,000	\$ -	\$ 1,378,000		\$ 699,261,000
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2013	\$ 4,050,000	\$ -	\$ 1,378,000	\$ -	\$ 699,261,000
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 4,925,000				
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)	\$ 34,224,000				
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ 13,000	\$ -	\$ -	\$ -	
Other unexpended capital revenue: <i>(Describe)</i>				\$ -	
Net proceeds on disposal of supported tangible capital assets			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ 7,251,000	\$ -	
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)					\$ 647,000
Expended capital revenue - current year	\$ (4,707,000)	\$ -	\$ -	\$ -	\$ 4,707,000
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 30,653,000
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
<b>Balance at August 31, 2014</b>	\$ 38,505,000	\$ -	\$ 8,629,000	\$ -	\$ 673,962,000
	(A)	(B)	(C)	(D)	
<b>Balance of Unexpended Deferred Capital Revenue at August 31, 2014 (A) + (B) + (C) + (D)</b>				\$ 47,134,000	

**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, 2014 (in dollars)

	2014						2013	
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL	TOTAL
<b>REVENUES</b>								
(1) Alberta Education	\$ 898,877,000	\$ 130,611,000	\$ 32,550,000	\$ 36,603,000	\$ 3,356,000	\$ 1,101,997,000	\$ 1,075,073,000	\$ 1,709,000
(2) Other - Government of Alberta	\$ 476,000	\$ 820,000	\$ -	\$ -	\$ 90,000	\$ 1,386,000	\$ 2,329,000	\$ 1,756,000
(3) Federal Government and First Nations	\$ 788,000	\$ -	\$ -	\$ 35,000	\$ 1,506,000	\$ 2,329,000	\$ 2,201,000	\$ -
(4) Other Alberta school authorities	\$ 546,000	\$ 256,000	\$ -	\$ -	\$ -	\$ 802,000	\$ -	\$ -
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 26,041,000	\$ -	\$ 6,713,000	\$ -	\$ 7,699,000	\$ 40,453,000	\$ 35,217,000	\$ -
(9) Other sales and services	\$ 13,210,000	\$ 717,000	\$ 3,000	\$ 454,000	\$ 6,293,000	\$ 20,677,000	\$ 21,824,000	\$ -
(10) Investment income	\$ 43,000	\$ 250,000	\$ -	\$ -	\$ 7,102,000	\$ 7,395,000	\$ 4,453,000	\$ -
(11) Gifts and donations	\$ 5,954,000	\$ -	\$ -	\$ -	\$ 187,000	\$ 6,141,000	\$ 6,083,000	\$ -
(12) Rental of facilities	\$ -	\$ 4,280,000	\$ -	\$ 409,000	\$ 2,448,000	\$ 7,137,000	\$ 5,641,000	\$ -
(13) Fundraising	\$ 10,178,000	\$ -	\$ -	\$ -	\$ -	\$ 10,178,000	\$ 11,267,000	\$ -
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,000	\$ -
(15) Other revenue	\$ 790,000	\$ -	\$ 159,000	\$ -	\$ -	\$ 949,000	\$ 30,000	\$ -
(16) <b>TOTAL REVENUES</b>	\$ 956,903,000	\$ 136,934,000	\$ 39,425,000	\$ 37,501,000	\$ 28,681,000	\$ 1,199,444,000	\$ 1,165,392,000	\$ -
<b>EXPENSES</b>								
(17) Certificated salaries	\$ 564,416,000	\$ -	\$ -	\$ 2,032	\$ 807,000	\$ 567,255,000	\$ 570,963,000	\$ -
(18) Certificated benefits	\$ 128,052,000	\$ -	\$ -	\$ 19	\$ 258,000	\$ 128,329,000	\$ 116,831,000	\$ -
(19) Non-certificated salaries and wages	\$ 105,681,000	\$ 48,081,000	\$ 1,795,000	\$ 16,385	\$ 14,716,000	\$ 186,658,000	\$ 183,879,000	\$ -
(20) Non-certificated benefits	\$ 26,264,000	\$ 11,814,000	\$ 465,000	\$ 3,700	\$ 2,944,000	\$ 45,187,000	\$ 43,538,000	\$ -
(21) <b>SUB - TOTAL</b>	\$ 824,413,000	\$ 59,895,000	\$ 2,260,000	\$ 22,136,000	\$ 18,725,000	\$ 927,429,000	\$ 915,211,000	\$ -
(22) Services, contracts and supplies	\$ 98,193,000	\$ 55,613,000	\$ 38,173,000	\$ 11,352,000	\$ 3,959,000	\$ 207,290,000	\$ 206,240,000	\$ -
(23) Amortization of supported tangible capital assets	\$ -	\$ 30,653,000	\$ -	\$ -	\$ -	\$ 30,653,000	\$ 28,912,000	\$ -
(24) Amortization of unsupported tangible capital assets	\$ 14,349,000	\$ 4,199,000	\$ -	\$ 2,936,000	\$ 21,000	\$ 21,505,000	\$ 18,990,000	\$ -
(25) Supported interest on capital debt	\$ -	\$ 820,000	\$ -	\$ -	\$ -	\$ 820,000	\$ 1,116,000	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ 39,000	\$ -	\$ -	\$ -	\$ 39,000	\$ 602,000	\$ -
(27) Other interest and finance charges	\$ 537,000	\$ 527,000	\$ -	\$ 16,000	\$ 163,000	\$ 1,243,000	\$ 193,000	\$ -
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ 223,000	\$ -	\$ 382,000	\$ 163,000	\$ 553,000	\$ 1,321,000	\$ 1,787,000	\$ -
(30) <b>TOTAL EXPENSES</b>	\$ 937,715,000	\$ 151,746,000	\$ 40,815,000	\$ 36,603,000	\$ 23,421,000	\$ 1,190,300,000	\$ 1,173,051,000	\$ -
(31) <b>OPERATING SURPLUS (DEFICIT)</b>	\$ 19,188,000	\$ (14,812,000)	\$ (1,390,000)	\$ 898,000	\$ 5,260,000	\$ 9,144,000	\$ (7,659,000)	\$ -

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2014 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 30,433,000	\$ 9,224,000	\$ -	\$ 1,638,000	\$ 6,739,000		\$ 48,034,000		\$ 48,034,000
Uncertificated benefits	\$ 7,847,000	\$ 2,762,000	\$ -	\$ 10,000	\$ 1,242,000		\$ 11,861,000		\$ 11,861,000
Sub-total Remuneration	\$ 38,280,000	\$ 11,986,000	\$ -	\$ 1,648,000	\$ 7,981,000		\$ 59,895,000		\$ 59,895,000
Supplies and services	\$ 2,386,000	\$ 17,126,000	\$ 26,000	\$ 11,219,000	\$ 1,434,000		\$ 32,191,000		\$ 32,191,000
Electricity			\$ 11,457,000				\$ 11,457,000		\$ 11,457,000
Natural gas/heating fuel			\$ 6,309,000				\$ 6,309,000		\$ 6,309,000
Sewer and water			\$ 2,016,000				\$ 2,016,000		\$ 2,016,000
Telecommunications			\$ 106,000				\$ 106,000		\$ 106,000
Insurance					\$ 3,364,000		\$ 3,364,000		\$ 3,364,000
Amortization of tangible capital assets									
Supported								\$ 30,653,000	\$ 30,653,000
Unsupported						\$ 4,199,000	\$ 4,199,000	\$ 4,199,000	\$ 4,199,000
Total Amortization						\$ 4,199,000	\$ 4,199,000	\$ 30,653,000	\$ 34,852,000
Interest on capital debt									
Supported								\$ 820,000	\$ 820,000
Unsupported						\$ 566,000	\$ 566,000	\$ 566,000	\$ 566,000
Lease payments for facilities				\$ 170,000			\$ 170,000		\$ 170,000
Other interest charges									\$ -
Losses on disposal of capital assets									\$ -
TOTAL EXPENSES	\$ 40,666,000	\$ 29,112,000	\$ 19,914,000	\$ 13,037,000	\$ 12,779,000	\$ 4,765,000	\$ 120,273,000	\$ 31,473,000	\$ 151,746,000
SQUARE METRES									
School buildings									1,202,652.5
Non school buildings									15,877.7

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.