

public agenda

Regular Board Meeting

December 1, 2015
12:00 p.m.

Multipurpose Room,
Education Centre
1221 8 Street SW,
Calgary, AB

R-1: Mission |

Each student, in keeping with his or her individual abilities and gifts, will complete high school with a foundation of learning necessary to thrive in life, work and continued learning.

Conflict of Interest reminder: Trustees must disclose any potential pecuniary interest in any matter before the Board of Trustees, as set forth in the agenda as well as any pecuniary interest in any contract before the Board requiring the Board's approval and/or ratification.

Time	Topic	Who	Policy Ref	Attachment
12:00 p.m.	1 Call to Order, National Anthem and Welcome			
	2 Consideration/Approval of Agenda		GC-2	
10 mins	3 Awards and Recognitions			
	3.1 Lighthouse Award	J. Everett	GC-3	
	4 Public Comment [PDF]		GC-3.2	
Max 20 mins	Requirements as outlined in Board Meeting Procedures			
	NEW 5 Emergent Item: Board Correspondence	Board	OE--8	Page 5-1
	5 Board Development Session			
60 mins	5.1 Service Units Supporting Students	D. Stevenson	OE-8	
	6 Matters Reserved for Board Action			
30 mins	6.1 Presentation of the 2014-15 Financial Results of the Calgary Board of Education (<i>THAT the Board approves the Financial Results, including the Audited Financial Statements and Auditors' Report, for submission to the Minister of Alberta Education.</i>)	Board L. Ferguson Chair, Audit Committee	GC-3 OE-6	Page 6-1
	7 Results Focus			
30 mins	7.1 Annual Education Results Report 2014-15 and Three-Year	D. Stevenson	OE-8	Page 7-1



Time	Topic	Who	Policy Ref	Attachment
	Education Plan 2015-2018 <i>(THAT the Board approves the AERR 2014-15 and the 3-Year Education Plan 2015-18 and authorize its submission to Alberta Education.)</i>			
	8 Operational Expectations			
20 mins	8.1 OE-5: Financial Planning – Annual Monitoring	D. Stevenson	B/CSR-5; OE-8	Page 8-1
	9 Consent Agenda	Board	GC-2.6	
	9.1 Approval of Minutes			
	<ul style="list-style-type: none"> Regular Meeting held November 3, 2015 Regular Meeting held November 10, 2015 Regular Meeting held November 24, 2015 (THAT the Board approves the minutes of the Regular Meetings held November 3, 10 and 24, 2015, as submitted.)			
	9.2 2015-16 First Quarter Variance, Fall Budget Update and 2014-15 Use of Reserves <i>(THAT the Board approves the reserve transfers, the use of reserves and designated funds, and receives the Fall Update to the 2015-16 Operating Budget, and authorizes its submission to Alberta Education.)</i>		OE-6	Page 9-13
	9.3 Fourth Quarter Variance Analysis <i>(For information only.)</i>		OE-6	Page 9-35
	9.4 Operating Budget for 2015-16 and Beyond <i>(For information only.)</i>		OE-6	Page 9-42
	9.5 Items Provided for Board Information		OE-8	
	9.5.1 Correspondence		OE-8	Page 9-1
	9.5.2 Chief Superintendent's Update		OE-8	Page 9-5
	10 In-Camera Session			
3:00 p.m.	11 Adjournment			
	Debrief	Trustees	GC-2.3	

Notice |

This public Board meeting will be recorded & posted online.
Media may also attend these meetings.
You may appear in media coverage.

Archives will be available for a period of two years.
Information is collected under the authority of the School Act and the Freedom of Information and Protection of Privacy Act section 33(c) for the purpose of informing the public.

For questions or concerns, please contact: Office of the Corporate Secretary at corpsec@cbe.ab.ca.

**report to
Board of Trustees****Emergent Item: Board Correspondence**

Date	December 1, 2015
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	Janice R. Barkway Office of the Corporate Secretary
Purpose	Information
Governance Policy Reference	Operational Expectations OE-8: Communication With and Support for the Board

1 | Recommendation

- THAT the Board of Trustees ratifies the decision to support the correspondence to the Minister of Education, as prepared by Golden Hills School Division, to request that the Minister ensure that Bill 8 - Public Education Collective Bargaining Act not be passed prior to consultation with school boards.

Attachments: Relevant Correspondence





Board of Trustees

1221 – 8 Street SW Calgary, AB T2R 0L4 | t | 403-817-7933 | f | 403-294-8282 | www.cbe.ab.ca

Board Chair

Joy Bowen-Eyre Wards 1 & 2

Vice-Chair

Amber Stewart Wards 12 & 14

Trustees

Lynn Ferguson Wards 3 & 4

Pamela King Wards 5 & 10

Trina Hurdman Wards 6 & 7

Judy Hehr Wards 8 & 9

Julie Hrdlicka Wards 11 & 13

November 30, 2015

Mr. David Price, Chair
Golden Hills School Division
435 A Highway #1
Strathmore, Alberta
T1P 1J4

Dear Mr. Price:

Re: Bill 8 Public Education Collective Bargaining Act Correspondence to Minister Eggen

I am pleased to inform you that the Board of Trustees of the Calgary Board of Education is in support of the letter, as attached, that your school district has undertaken to prepare for the Minister.

We would appreciate if you would add our name to the list of school boards that is requesting that the Minister ensure that Bill 8 is not passed prior to consulting with school boards.

Yours truly,

Joy Bowen-Eyre, Chair
Board of Trustees
Calgary Board of Education

Attachment: 1



Dave Price
Chair

435 A Highway # 1
Strathmore, Alberta
T1P 1J4
403-934-5121 (Ext 2013)

December 1, 2015

David Eggen
Minister of Education
Executive Branch
228 Legislature Building
10800 - 97 Avenue
Edmonton, AB T5K2B6

Re: Bill 8 Public Education Collective Bargaining Act

Dear Minister Eggen,

We are writing to you with respect to Bill 8, the Public Education Collective Bargaining Act that you presented for first reading in the Alberta Legislature Thursday, November 26th.

Bill 8 is very significant legislation that will dramatically affect the vast majority of school boards in this province.

We understand that there is consideration for second and third reading to be completed and the passage of this legislation into law before the currently scheduled December 3rd end of this sitting of the legislature.

We have not seen this legislation prior to November 25th. It contains measures that we did not anticipate from the single consultation on potential bargaining frameworks that was facilitated by your staff.

We believe that, as locally elected school boards democratically chosen to represent our students, their families and our constituents, we should be given more than a few days to properly review the proposed legislation and to provide you with our recommendations on Bill 8 prior to it being passed into law.

We certainly recognize that there is a need for school boards to act quickly, and we will undertake to do that, however, you will understand that attempting to do this hastily, before the close of this legislative sitting, will be a disservice to our students and severely compromise our ability to serve our electorate.

We, the undersigned publicly elected school boards respectfully request that you do not pass Bill 8 before you have met with us and listened to our concerns and heard our recommendations.

Yours very truly,

A handwritten signature in black ink, appearing to read "Dave Price".

Dave Price
Chair, Golden Hills School Division

report to Board of Trustees

Presentation of the 2014-15 Financial Results of the Calgary Board of Education

Date	December 1, 2015
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	Board of Trustees' Audit Committee
Purpose	Decision
Originator	Trustee Lynn Ferguson, Chair, Audit Committee
Governance Policy Reference	GC-3: Board Job Description GC-5E: Board Committees

1 | Recommendation

- THAT the Board of Trustees approves the Financial Results of the Calgary Board of Education for the year ended August 31, 2015, including the Audited Financial Statements for the year ended August 31, 2015 and the Auditors' Report dated December 1, 2015, for submission to the Minister of Alberta Education.

2 | Background

In accordance with section 146 of the *School Act*, the Board of Trustees must appoint an auditor. The Board of Trustees appointed KPMG LLP, who has now completed their examination of the 2014-15 financial statements. The auditors' professional opinion on these financial statements is included in the Auditors' Report, dated December 1, 2015, and will be signed following Board approval.

Pursuant to section 151(1) of the *School Act*, the auditor must send to the Minister, on or before November 30 in each year, copies of:

- (a) the financial statements,



- (b) the auditor's report on the financial statements, and
- (c) any written communication between the auditor and the board respecting the systems of internal control and accounting procedures of the board.

We have notified Alberta Education that the final approval and distribution of the year-end reports would not be until December 1, 2015. A draft copy will be submitted prior to the November 30th deadline.

In order to assist the Board of Trustees with its work, the Board established an Audit Committee, comprised of two trustees and five external public experts. The Terms of Reference specify the following responsibilities for the Audit Committee:

- (a) to review annually, the external auditors' performance, reporting any issues;
- (b) to serve as liaison to the external auditors, and arrange a meeting with the Board of Trustees prior to public presentation of the annual audited statements;
- (c) to review and recommend approval of the annual audit plan;
- (d) to review and report on the annual financial statements and audit findings report;
- (e) to review with the external auditors the auditing process, any significant difficulties encountered during the audit including any restrictions on scope of work or access to required information;
- (f) to meet at least two times annually as a Committee and at least once annually with the external auditors; and
- (g) to receive and review internal audit reports.

The Audit Committee has reviewed copies of the above information, and has discussed all of these documents with the auditors and with senior Administration. The Committee recommends that the Board of Trustees approves the Financial Statements and the Auditors' Report thereon, as submitted. Such approval is a requirement of the *School Act*.

Attachments:

- Financial Results of the CBE, including the Audited Financial Statements, for the year ended August 31, 2015, and including the Auditors' Report thereon, dated December 1, 2015.

Financial results of the Calgary Board of Education



For the year ended August 31, 2015

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



Calgary Board
of Education

Table of Contents

Overview.....	1
Year-over-year highlights	2
Actual to budget highlights	2
Support for student success	3
Financial Overview	4
Consolidated CBE financial results.....	4
Year-over-year review	5
Revenue	5
Expenses.....	10
Staffing and Full-Time Equivalents (FTEs)	24
Alberta Education funding per student.....	25
Space per student	26
Reserves	27
Analysis of Financial Operating Results to Budget.....	29
Operating surplus	29
Use of surplus.....	29
Financial Position	30
Capital Expenditures	31
Outlook for 2015-16	32
Compliance	33
Appendix I: Third party invoice summary and analysis	34
Appendix II: EducationMatters financial statements	40
Appendix III: Urban Schools Insurance Consortium financial statements	53
Appendix IV: Alberta Education's guidelines for expenditure assignment to programs	68

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

Financial Statements

Consolidated Statement of Financial Position	74
Consolidated Statement of Operations	75
Consolidated Statement of Cash Flow	76
Consolidated Statement of Changes in Net Debt.....	77
Consolidated Statement of Accumulated Remeasurement Gains and Losses	78
Schedule 1 – Accumulated Surplus	79
Schedule 2 – Capital Revenue	81
Schedule 3 – Program of Operations	82
Schedule 4 – Operations and Maintenance Expenses	83
Notes to Consolidated Financial Statements	84



Overview

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

Our values guide our work:

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

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

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

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

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

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

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

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

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

Year-over-year highlights

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

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

Actual to budget highlights

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

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

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



Support for student success

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

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

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

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

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

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

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

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

Financial Overview

Consolidated CBE financial results

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

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

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



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

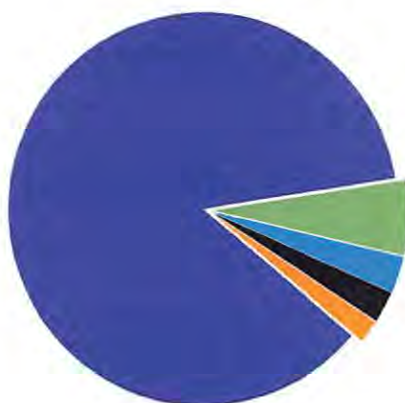
Year-over-year review

Revenue

Alberta Education funding

Student funding	
Alberta teacher retirement funding	
Student transportation	
Expended deferred capital revenues	
Infrastructure maintenance and renewal funding	

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



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

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

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

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

Non-Alberta Education revenue

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

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

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

Fees

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

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



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

Non-Alberta Education revenue (continued)

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

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

Fees revenues are comprised of the following components:

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

Transportation fees

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



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

Non-Alberta Education revenue (continued)

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

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

Noon supervision fees

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

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

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

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

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

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

Non-Alberta Education revenue (continued)

Instructional Supplies and Materials (ISM) Fees

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

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

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

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

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

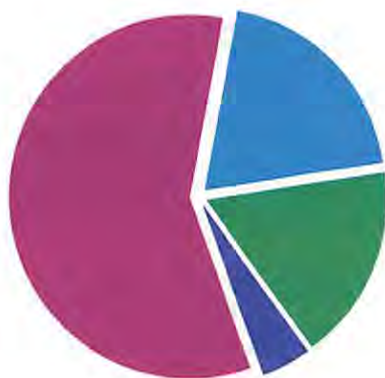
Other fees of \$20.0 million are charged and collected by schools. These include fees for field trips, musical instruments, online learning, etc. These are subject to school-based decision making, in conjunction with parent, teacher and student input.

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

Expenses

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

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



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

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

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

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

Expenses by Operating Unit (actual expenditures versus fall budget)

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

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

2014-15 Actual Spending

	Facilities					Chief			Total
	Schools & Learning Services	Learning Innovation	Facilities and Environ Services	Legal	Communi- cations	Finance/ Tech Services	Human Resources	Board of Trustees	
FTEs by:									
Superintendent	1	1	1	1	1	1	1	2	9
Staff (incl ATA, Staff Assn, CUPE, trades)	8,566	169	42	214	3	11	137	42	53
Exempt Staff	5	20	5	54	8	10	49	41	2
Total FTEs	8,571	190	48	269	12	22	187	84	53

2014-15 Actuals

Salaries and benefits	868,548	27,349	5,565	28,585	1,649	2,447	23,138	9,632	1,003	454	4,858	973,228
Supplies and services	78,083	4,307	2,006	111,366	58	116	1,375	5,112	283	951	14,030	217,687
Other (interest, amortization and uncollectible accounts)	50	168	1,173	4,272	10	4	2,422	13	-	-	47,126	55,238
	946,681	31,824	8,744	144,223	1,717	2,567	26,935	14,757	1,286	1,405	66,014	1,246,153
2014-15 Fall Budget	952,555	33,081	7,444	136,667	1,825	2,673	27,642	15,521	1,371	1,508	68,204	1,248,491
Favourable / (Unfavourable)	5,874	1,257	(1,300)	(7,556)	108	106	707	764	85	103	2,190	2,338

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

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

Schools and Areas

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

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

Significant variances from 2013-14 to highlight include:

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

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

Learning Services

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

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

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

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

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



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

Learning Services (cont'd)

Significant changes from 2013-14 to highlight include:

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

Chinook Learning Services

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

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

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

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

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



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

Learning Innovation

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

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

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

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

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

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

Facilities and Environmental Services

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

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

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

Significant variances from 2013-14 to highlight include:

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



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

Legal Services

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

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

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

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

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

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

Communications

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

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

The services and supports provided by Communications Services include:

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

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

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

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

Finance / Information Technology

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

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

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

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

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

Significant variances from 2013-14 to highlight include:

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

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

Human Resources

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

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

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

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

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

Significant variances from 2013-14 to highlight include:

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



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

Chief Superintendent's Office

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

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

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

Significant variances from 2013-14 to highlight include:

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

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



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

Board of Trustees

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

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

Significant variances from 2013-14 to highlight include:

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

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

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



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

Corporate Accounts

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

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

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

Significant changes from 2013-14 to highlight include:

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

Staffing and Full-Time Equivalents (FTEs)

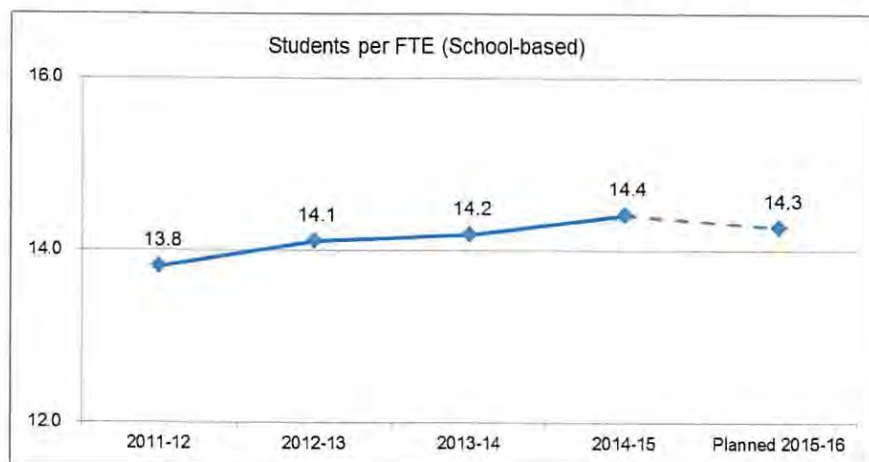
More than 13,000 people worked for the CBE, which equated to 9,444 full-time equivalent (FTE) positions for fiscal 2014-15.

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

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

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

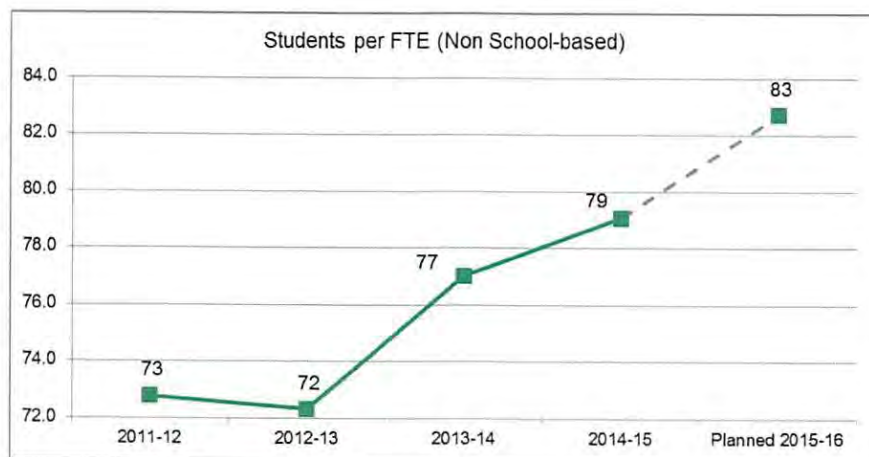
The following tables show the average number of CBE students per full-time equivalent staff position:



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

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

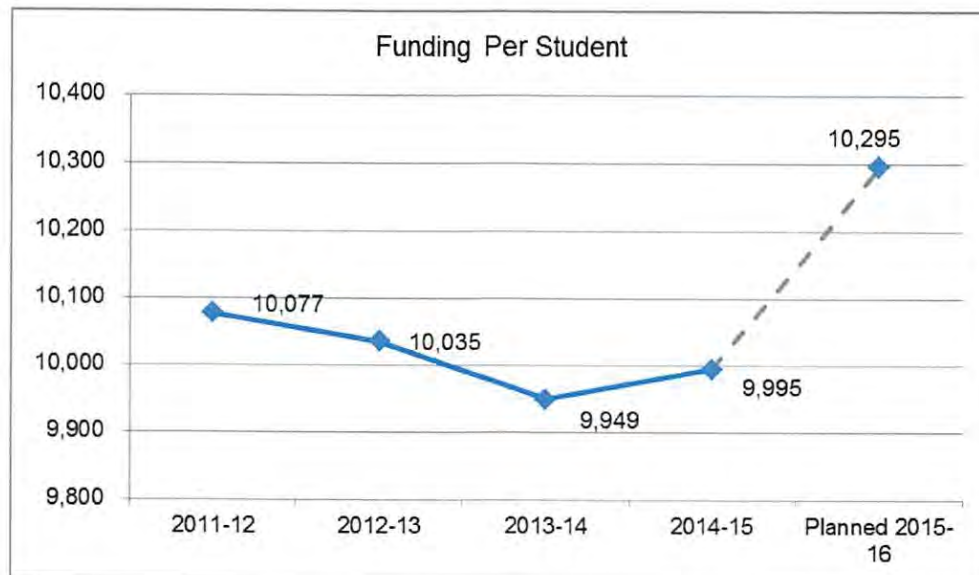
Staffing and Full-Time Equivalents (FTEs) (continued)



Alberta Education funding per student

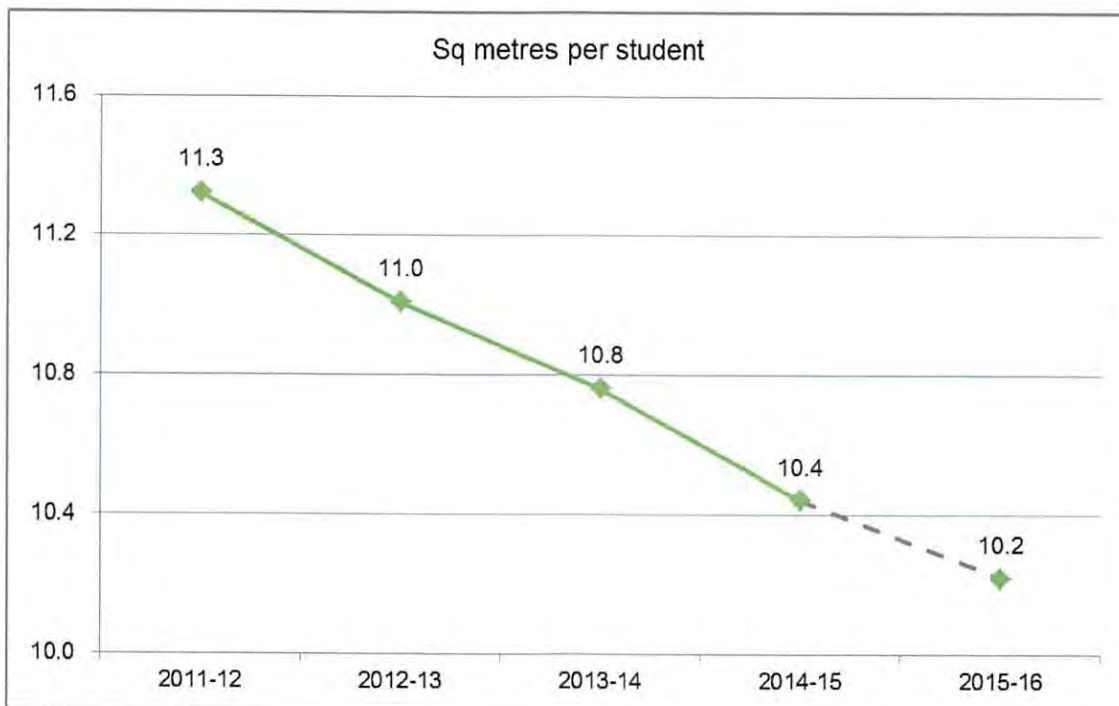
For 2014-15, CBE's enrolment was up by 3,737 students from Sept. 30 of the prior year. Funding from Alberta Education increased for enrolment, as well as some small rate increases which results in a small increase in overall funding per student. In 2015-16, the CBE anticipates welcoming an additional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

Funding per student is summarized below:



Space per student

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



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

Reserves

CBE's Operating Reserves

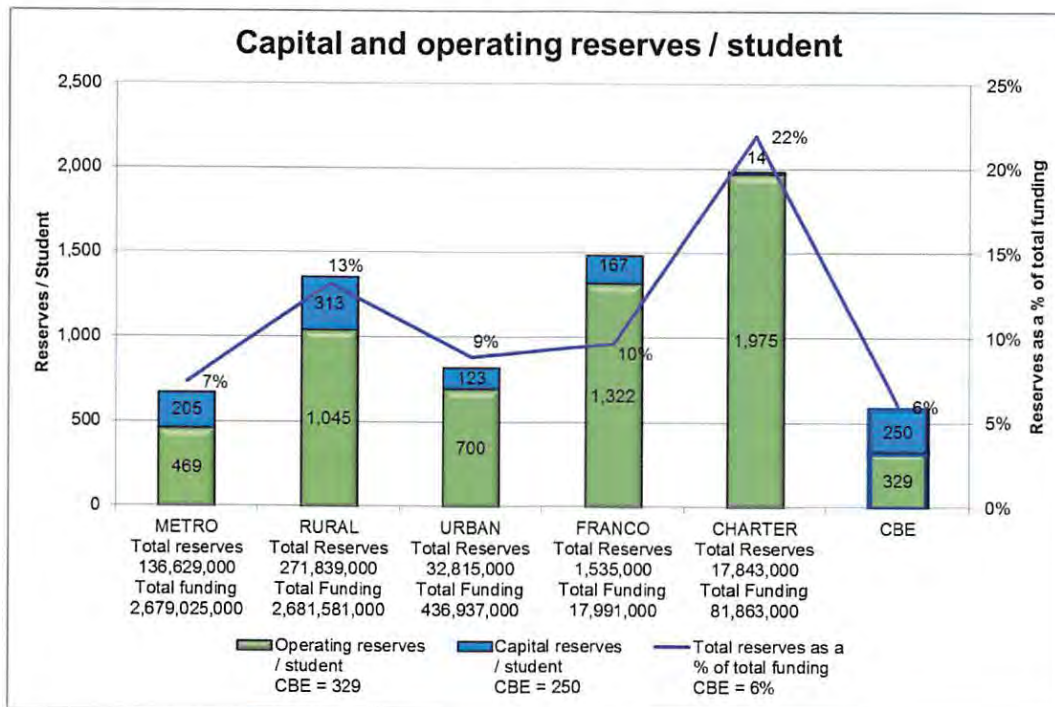
	Reserve balance Sep 1, 2014	Fall Update planned transfers from reserves	Recommended actual transfers to/(from) reserves	Reserve balance Aug 31, 2015
Operating reserves	(all figures in \$ thousands)			
Restricted reserves	(4,678)	(1,425)	(5,364)	(10,042)
Available for use reserves	37,270	(14,747)	461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

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

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

Comparison to other Alberta school jurisdictions

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



Analysis of Financial Operating Results to Budget

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

Operating surplus

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

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

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

Use of surplus

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

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

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



Financial Position

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

Accumulated Surplus

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

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

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

Capital Expenditures

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

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

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

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

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

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

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

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

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

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

Outlook for 2015-16

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

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

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

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

In 2015-16 we will focus on:

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

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

Compliance

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



Appendix I: Third party invoice summary and analysis



Summary of Third Parties Payments by Total Value Group For the Year ending August 31, 2015

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



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



Third Parties Payments with Total Payments Value >\$250,000

For the Year ending August 31, 2015

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

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



Third Parties Payments with Total Payments Value >\$250,000

For the Year ending August 31, 2015

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

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



Third Parties Payments with Total Payments Value >\$250,000

For the Year ending August 31, 2015

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

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



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

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

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



Third Parties Payments with Total Payments Value >\$250,000

For the Year ending August 31, 2015

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

Appendix II: EducationMatters financial statements



Financial Statements

December 31, 2014



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



Collins Barrow Calgary LLP
1400 First Alberta Place
777 – 8th Avenue S.W.
Calgary, Alberta, Canada
T2P 3R5

T. 403.298.1500
F. 403.298.5814

e-mail: calgary@collinsbarrow.com

Independent Auditors' Report

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

We have audited the accompanying financial statements of EducationMatters, Calgary's Public Education Trust, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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 **BAKER TILLY**
INTERNATIONAL



**Calgary Board
of Education**

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of EducationMatters, Calgary's Public Education Trust as at December 31, 2014, and the results of its operations, changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Collins Barrow Calgary LLP

CHARTERED ACCOUNTANTS

Calgary, Canada
March 19, 2015



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

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

	2014	2013
Assets		
Current assets		
Cash and cash equivalents (notes 3 and 6)	\$ 1,954,955	\$ 1,977,556
Goods and Services Tax recoverable	1,401	548
Prepaid expenses	<u>4,400</u>	<u>5,000</u>
	1,960,756	1,983,104
Investments (notes 4 and 6)	3,998,032	2,996,467
Property and equipment (note 5)	<u>32,488</u>	<u>2,735</u>
	<u>\$ 5,991,276</u>	<u>\$ 4,982,306</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 25,337	\$ 21,331
Deferred operating contributions (note 7)	<u>440,000</u>	<u>440,000</u>
	<u>465,337</u>	<u>461,331</u>
Funds		
Operating funds (including investment in capital assets)	707,463	614,842
Flow-through funds	725,289	844,975
Endowment funds (note 6)	<u>4,093,187</u>	<u>3,061,158</u>
	<u>5,525,939</u>	<u>4,520,975</u>
	<u>\$ 5,991,276</u>	<u>\$ 4,982,306</u>
Commitments (note 8)		
See accompanying notes to the financial statements.		

On behalf of the Board,

 Governor
 Governor

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

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

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

See accompanying notes to the financial statements.



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

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

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

See accompanying notes to the financial statements.



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

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

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

See accompanying notes to the financial statements.

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

1. Nature of Trust

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

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

2. Significant accounting policies

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

(a) Revenue

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

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

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

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

(b) Trust funds

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

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

Operating funds

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

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

Flow-through funds

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

Endowment Funds

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

(c) Cash and cash equivalents

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

(d) Property and equipment

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

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

(e) Measurement uncertainty

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

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

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

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

(f) Financial instruments

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

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

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

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

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

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

(g) Expenditures

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

(h) Donated services

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

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

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

3. Cash and cash equivalents

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

4. Investments

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

5. Property and equipment

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

6. Endowment funds

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

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

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

7. Related party transactions

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

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

8. Commitments

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

9. Financial instruments

The Trust is exposed to the following significant financial risks:

(a) Credit risk

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

(b) Market risk

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

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

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

10. Additional information on fund development

(a) Expenses incurred to raise funds

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

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

(c) Summary of disbursements

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

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

(d) Allocation of total expenditures and disbursements

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

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

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

Appendix III: Urban Schools Insurance Consortium financial statements



September 16, 2015

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

Dear Sirs,

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

Highlights

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

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

Financial Review

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

Please contact us if you have any questions.

Yours truly,
Aon Insurance Managers (Vancouver)

Marilyn Scott

Marilyn Scott, CA
Senior Account Executive

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

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

Contents:

Ratios
Statement of Financial Position
Statement of Comprehensive Income
Statement of Changes in Subscribers' Surplus
Statement of Cash Flows
Notes
Schedule 1: Cash and Cash Equivalents and Marketable Securities
Schedule 2: General and Administrative Expenses
Schedule 3: Equity allocation between Members
Schedule 4: Net Underwriting Income - Year to Date

Prepared by:

Aon Global Risk Consulting | Captive & Insurance Management
#1200 - 401 West Georgia Street, Box 3228
Vancouver, BC V6B 3X8
t 604.688.4442
f 604.682-4026
aon.ca



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

Urban Schools Insurance Consortium
Financial Performance Ratios
Expressed in Canadian dollars

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



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

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

As at August 31,		2015	2014
Assets	<i>Note</i>		
Cash and cash equivalents	7 & Schedule 1	\$ 2,287,598	\$ 4,225,814
Marketable securities	7 & Schedule 1	13,338,559	9,140,678
Accrued investment income	7 & Schedule 1	60,323	62,740
Claims recoverable	1	9,301	-
Deferred premium taxes	2	24,750	24,640
Total Assets		\$ 15,720,531	\$ 13,453,872
Liabilities			
Accounts payable and accrued expenses	3	\$ 66,653	\$ 66,128
Deferred revenue	4	37,128	35,663
Unearned premiums	5	825,000	821,355
Provision for unpaid claims and loss adjustment expenses	6	9,294,558	7,197,230
Total Liabilities		10,223,339	8,120,376
Subscribers' Surplus			
Subscribers' contributions		481,391	481,391
Retained Earnings		5,015,801	4,852,105
Total Subscribers' Surplus		5,497,192	5,333,496
Total Liabilities and Subscribers' Surplus		\$ 15,720,531	\$ 13,453,872



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

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

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

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

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

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



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

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

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

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

Urban Schools Insurance Consortium
Notes
Expressed in Canadian dollars

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



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

Urban Schools Insurance Consortium
Notes
Expressed in Canadian dollars

As at August 31,		2015	2014			
5	Unearned premium reserve					
Property policy		\$ 533,333	\$ 598,688			
Liability policy		233,333	206,000			
Auto policy		58,334	16,667			
		<u>\$ 825,000</u>	<u>\$ 821,355</u>			
6	Loss reserves					
		OSLR	IBNR	Total	Total	
Property	\$	1,865,799	\$	1,965,728	\$ 3,831,527	\$ 2,344,463
Liability		3,529,636		1,684,433	5,214,069	4,389,616
Auto		139,419		109,543	248,962	463,151
	\$	<u>5,534,854</u>	\$	<u>3,759,704</u>	<u>\$ 9,294,558</u>	<u>\$ 7,197,230</u>
7	Restricted cash and marketable securities					
	Reserve fund:					
	50% of gross premiums written of policy yet to expire			\$ 2,475,000		\$ 2,464,063
	Guarantee fund:					
	Total liabilities (excluding upr) + \$50,000			9,448,339		7,349,021
	Restricted cash and marketable securities			<u>\$ 11,923,339</u>		<u>\$ 9,813,084</u>
	Cash and cash equivalents			\$ 2,287,598		\$ 4,225,814
	Marketable securities			13,338,559		9,140,678
	Accrued interest receivable			60,323		62,740
	Total			<u>\$ 15,686,480</u>		<u>\$ 13,429,232</u>
	Surplus			<u>\$ 3,763,141</u>		<u>\$ 3,616,148</u>

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

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

Schedule 1

As at August 31, 2015

Cash and Cash Equivalents

Cash - Scotia Bank # 90019 01543 18
Cash held in trust - Crawford
Investment Cash - Scotia Assets Management

	Cost	Market Value	Accrued Interest
	\$ 2,201,436	\$ 2,201,436	\$ -
	69,697	69,697	
	16,465	16,465	
	<u>\$ 2,287,598</u>	<u>\$ 2,287,598</u>	

Marketable Securities

Bonds - maturing within 5 years
Equities

	\$ 9,560,995	\$ 9,627,536	\$ 60,323
	3,874,329	3,711,023	
	<u>\$ 13,435,324</u>	<u>\$ 13,338,559</u>	

Total

	<u>\$ 15,722,922</u>	<u>\$ 15,626,157</u>	<u>\$ 60,323</u>
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Restricted portion for Reserve & Guaranteed Fund

(see note 7 for calculation)

11,923,339

Unrestricted cash, investments & accrued interest

\$ 3,763,141



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

Urban Schools Insurance Consortium
General and Administrative Expenses
Expressed in Canadian dollars

Schedule 2

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



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

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

Schedule 3

as at August 31, 2015

Member	Percentage Share at Dec/14	Share of Equity at 31/12/14 (Note)	Contributions Written in 2014 Earned Jan - August 2015	Share of Contributions	Jan to Aug change in Equity	New Equity Balance	Share at August 31, 2015
Calgary Board of Education	31.4742%	1,622,555	1,193,073	36.1537%	123,645	1,746,200	31.7653%
Calgary Roman Catholic	12.2866%	633,397	416,131	12.6100%	43,126	676,523	12.3067%
Edmonton Public Schools	24.8600%	1,282,047	785,946	23.8165%	81,452	1,363,499	24.8035%
Fort McMurray S.D. No. 2833	2.0485%	105,604	69,696	2.1120%	7,223	112,827	2.0524%
Grande Prairie S.D. No. 2357	2.2657%	116,799	92,375	2.7992%	9,573	126,372	2.2888%
Grande Prairie Roman Catholic	1.1899%	61,343	45,676	1.3841%	4,734	66,077	1.2020%
Lethbridge S.D. No. 51	2.7133%	139,878	91,981	2.7873%	9,532	149,410	2.7179%
Holy Spirit Roman Catholic	1.7199%	88,663	53,807	1.6305%	5,576	94,239	1.7143%
Medicine Hat S.D. No. 76	2.5151%	129,658	77,578	2.3508%	8,040	137,698	2.5049%
Medicine Hat Catholic	1.3332%	68,729	31,353	0.9501%	3,249	71,978	1.3094%
Red Deer S.D. No. 104	3.0702%	158,273	103,704	3.1425%	10,747	169,020	3.0747%
Red Deer Catholic	2.1614%	111,423	98,441	2.9831%	10,202	121,625	2.2125%
Rocky View Schools (RVS)	10.1216%	521,787	175,814	5.3277%	18,221	540,008	9.8233%
St. Albert P.S.D. No. 5565	2.2315%	115,041	64,425	1.9523%	6,677	121,718	2.2142%
TOTAL	100.0000%	5,155,195	3,300,000	100.0000%	341,997	5,497,192	100.0000%

Note:

Equity calculated as follows:

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

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

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

Schedule 4

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

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

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

INSTRUCTION

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

School Administration and Instruction Support

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

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

System Instructional Support (SIS)

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

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

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

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

PLANT OPERATIONS AND MAINTENANCE (PO & M)

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

Costs associated with this program include:

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

TRANSPORTATION

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

Costs associated with this program include:

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

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

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

BOARD & SYSTEM ADMINISTRATION (BSA)

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

Board Governance

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

Office of the Superintendent including Instructional Services / Educational Administration

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

Activities associated with educational administration include:

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

Business Administration (Office of the Secretary-Treasurer)

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

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

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

General Services Management

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

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

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

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

Administration Buildings

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

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

EXTERNAL SERVICES

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

Other costs associated with this program may include:

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

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

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

Statement of Administration Responsibility

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

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

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

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

DAVID STEVENSON
CHIEF SUPERINTENDENT OF SCHOOLS

BRAD GRUNDY
CHIEF FINANCIAL OFFICER,
AND CORPORATE TREASURER

December 1, 2015

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the Calgary Board of Education

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Calgary Board of Education as at August 31, 2015, and its results of operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

December 1, 2015
Calgary, Canada

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

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

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

Approved by:

Joy Bowen-Eyre, Chair of Board of Trustees

Date Signed

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For the year ended Aug 31, 2015 (in \$ thousands) Continued											
	INTERNALLY RESTRICTED RESERVES BY PROGRAM										
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services		
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	
Balance at Aug. 31, 2014	21,657	20,010	5,842	462	4,416	7,402	2,291	-	2,941	200	
Prior period adjustments:											
Adjusted Balance, Aug. 31, 2014	21,657	20,010	5,842	462	4,416	7,402	2,291	-	2,941	200	
Operating surplus (deficit)	-	-	-	-	-	-	-	-	-	-	
Board funded tangible capital asset additions	-	-	-	-	-	-	-	-	-	-	
Disposal of unsupported tangible capital assets	-	-	-	-	-	-	-	-	-	-	
Disposal of supported tangible capital assets (board funded portion)	-	-	-	-	-	-	-	-	-	-	
Write-down of unsupported tangible capital assets	-	-	-	-	-	-	-	-	-	-	
Write-down of supported tangible capital assets (board funded portion)	-	-	-	-	-	-	-	-	-	-	
Net remeasurement gains for the year	-	-	-	-	-	-	-	-	-	-	
Endowment expenses	-	-	-	-	-	-	-	-	-	-	
Direct credits to accumulated surplus	-	-	-	-	-	-	-	-	-	-	
Amortization of tangible capital assets	-	-	-	-	-	-	-	-	-	-	
Capital revenue recognized	-	-	-	-	-	-	-	-	-	-	
Debt principal repayments (unsupported)	-	-	-	-	-	-	-	-	-	-	
Externally imposed endowment restrictions	-	-	-	-	-	-	-	-	-	-	
Net transfers to operating reserves	3,258	-	258	-	661	-	-	-	-	-	
Net transfers from operating reserves	(3,301)	-	(685)	-	(536)	-	(2,189)	-	(1,348)	-	
Net transfers to capital reserves	-	9,959	-	1,340	-	236	-	-	-	-	
Net transfers from capital reserves	-	(3,393)	-	-	-	-	-	-	-	-	
Assumption/transfer of other operations' surplus	-	-	-	-	-	-	-	-	-	-	
Balance at Aug. 31, 2015	21,614	26,576	5,213	1,802	4,541	7,638	122	-	1,593	200	

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

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

Deferred Capital Contributions

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

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

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

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

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

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

	2014-15						2013-14	
	Instruction: early childhood services	Instruction: grades 1-12	Board and system administration	Transportation	Plant operations and maintenance	External services	Total	Total
Revenues								
Rev Ab Ed	50,353	884,359	40,158	34,283	135,243		1,144,386	1,101,997
Other government of Alberta revenue		403			560	145	1,108	2,113
Federal grants and education agreements		981	31			1,892	2,904	2,329
Sales and services		17,657	1,021		997	4,654	24,329	24,478
Fees	134	27,826		7,883		11,305	47,148	40,429
Investment income		114				14,749	14,863	7,395
Other Alberta school authorities		540			292		832	802
Gifts and donations		6,981				42	7,023	6,141
Fundraising		6,828					6,828	6,402
Rentals			436		2,782	3,500	6,698	7,137
Gain on disposal of assets		63					63	
Other revenue		1,323					1,323	221
Total Revenues	50,487	947,075	41,646	42,166	139,854	36,287	1,257,515	1,199,444
Expenses								
Certificated salaries	27,412	564,986	1,387			256	594,041	567,255
Certificated benefits	3,060	131,079	126			220	134,485	128,329
Non-certificated staff salaries	12,512	104,358	14,807	1,874	50,056	13,384	197,091	186,658
Non-certificated staff benefits	3,062	25,446	3,511	505	12,424	2,660	47,608	45,187
Sub-total	46,046	825,869	19,831	2,479	62,480	16,520	973,226	927,429
Supplies and services	2,402	99,847	11,294	41,310	59,639	3,196	217,688	207,290
Amortization of supported tangible capital assets					29,807		29,807	30,653
Amortization of unsupported tangible capital assets	662	14,151	2,802		4,413	9	21,837	21,505
Unsupported interest on capital debt								
Supported debt interest					560		560	820
Other interest and finance charges	15	362	70	108	590	333	1,478	1,282
Other expense	11	232	120	439		756	1,558	1,321
Total expenses	49,136	940,461	33,917	44,336	157,489	20,814	1,246,163	1,190,300
Operating surplus / (deficit)	1,351	6,614	7,729	(2,170)	(17,635)	15,473	11,352	9,144

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

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

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

1. NATURE OF OPERATIONS

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

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

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

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

(b) Adoption of new accounting standard

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Adoption of new accounting standard (continued)

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

(c) Cash and cash equivalents

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

(d) Accounts receivable

Accounts receivable are shown net of allowance for doubtful accounts.

(e) Portfolio investments

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

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

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

Detailed information regarding portfolio investments is disclosed in Note 5.

(f) Deferred revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per *Public Sector Accounting Standard (PSAS) s3200*. These contributions are recognized by the Corporation once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

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

▪ **Unexpended Deferred Capital Revenue (UDCR)**

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Deferred revenue (continued)

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

(g) Pensions and employee future benefits

Alberta Teachers' Retirement Fund ("ATRF")

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

Local Authorities Pension Plan ("LAPP")

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

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

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

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

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

Supplementary Retirement Plan ("SRP")

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

Post-Retirement and Post-Employment Benefits Plans

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Asset Retirement Obligation

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

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

(i) Tangible capital assets

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- Construction in progress is a tangible capital asset that is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the Corporation to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue.
- Buildings that are demolished or destroyed are written-off.
- Capital assets which are paid for directly by the Province of Alberta on behalf of the Corporation are recorded by the Corporation at fair market value when title has transferred. A corresponding deferred capital grant is recorded and reflected in revenue over the life of the asset. Maintenance expenses paid directly by the Province of Alberta on behalf of the Corporation related to these assets are expensed and the corresponding grant is recognized as revenue.
- The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful life of the asset. Estimated useful life is as follows:

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

(j) Capital leases

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Prepaid expenses

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

(l) Operating and capital reserves

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

(m) Trust fund

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

(n) Revenue recognition

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

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

Eligibility criteria are criteria that the Corporation has to meet in order to receive certain contributions. Stipulations describe what the Corporation must perform in order to keep the contributions. Contributions without eligibility criteria or stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity. Contributions with eligibility criteria but without stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity and all eligibility criteria have been met.

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Expenses

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

Allocation of costs:

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

(p) Program reporting

The Corporation's operations have been segmented as follows:

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

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

(q) Financial instruments

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

Fair Value

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Financial instruments (continued)

Cost / Amortized Cost

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

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

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

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

(r) Measurement uncertainty

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of consolidated financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits.

(s) Budgetary information

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

(t) Future accounting standards

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

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

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

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

3. CASH AND CASH EQUIVALENTS

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

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

General Operating and Other Bank Indebtedness

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

Supplementary Cash Flow Information

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

4. ACCOUNTS RECEIVABLE

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

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

5. PORTFOLIO INVESTMENTS

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

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

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

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

5. PORTFOLIO INVESTMENTS (continued)

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

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

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

6. DEFERRED REVENUE

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

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

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

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

8. EMPLOYEE FUTURE BENEFITS

(a) Alberta Teachers Retirement Fund (ATRF)

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

(b) Local Authorities Pension Plan (LAPP)

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

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

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

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

(d) Supplementary Retirement Plan (SRP)

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

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

Changes in Projected Benefits Obligation

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

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

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

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

8. EMPLOYEE FUTURE BENEFITS (continued)

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

Plan Funded Status

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

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

Components of Net Periodic Post - Retirement Benefit Cost

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

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

Assumptions

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

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

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

9. ASSET RETIREMENT OBLIGATION

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

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

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

10. DEBENTURES AND OTHER SUPPORTED DEBT

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

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

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

11. CAPITAL LEASES

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

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

Minimum lease payments for future years are as follows:

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

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

12. TANGIBLE CAPITAL ASSETS

2015							
		Construction in progress -		Furniture &		Computer Hardware &	
	Land	Buildings	Buildings	Equipment	Vehicles	Software	Total
Estimated useful life			25-50 years	5-10 years	5-10 years	3-5 years	
Historical cost							
Sept. 1, 2014	\$	2,711	2,581	1,182,110	126,309	8,815	\$ 1,442,412
Additions		-	57,860	7,923	7,745	1,148	85,465
Transfers (out)		-	(15,540)	(647)	-	-	(16,187)
Disposals & write-downs		-	-	(3,669)	(347)	-	(4,016)
Aug. 31, 2015	\$	2,711	44,901	1,189,366	130,385	9,616	\$ 1,507,664
Accumulated amortization							
Sept. 1, 2014	\$	-	-	(440,032)	(92,879)	(5,005)	\$ (626,025)
Amortization expense		-	-	(29,232)	(9,808)	(812)	(51,844)
Disposals & write-downs		-	-	-	3,665	346	4,011
Aug. 31, 2015	\$	-	-	(469,264)	(99,022)	(5,471)	\$ (673,658)
Net Book Value at Aug. 31, 2015	\$	2,711	44,901	720,122	31,363	4,145	\$ 834,006

2014							
		Construction in progress -		Furniture &		Computer Hardware &	
	Land	Buildings	Buildings	Equipment	Vehicles	Software	Total
Estimated useful life			25-50 years	5-10 years	5-10 years	3-5 years	
Historical cost							
Sept. 1, 2013	\$	2,711	713	1,177,437	119,916	8,266	\$ 1,414,887
Additions		-	2,265	4,673	7,961	643	29,587
Transfers (out)		-	(397)	-	-	-	(397)
Disposals & write-downs		-	-	(1,568)	(94)	(3)	(1,665)
Aug. 31, 2014	\$	2,711	2,581	1,182,110	126,309	8,815	\$ 1,442,412
Accumulated amortization							
Sept. 1, 2013	\$	-	-	(410,528)	(84,639)	(4,265)	\$ (575,498)
Amortization expense		-	-	(29,504)	(9,789)	(822)	(52,158)
Disposals & write-downs		-	-	-	1,549	82	1,631
Aug. 31, 2014	\$	-	-	(440,032)	(92,879)	(5,005)	\$ (626,025)
Net Book Value at Aug. 31, 2014	\$	2,711	2,581	742,078	33,430	3,810	\$ 816,387

Disposals and write downs

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

Assets under capital lease

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

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

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

13. ACCUMULATED SURPLUS

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

(a) Accumulated remeasurement gains / losses

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

(b) Accumulated surplus / deficit from operations

i. Restricted surplus from operations:

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

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

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

13. ACCUMULATED SURPLUS (continued)

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

i. Restricted surplus from operations (continued)

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

ii. Capital reserves

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

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

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

iii. Investments in capital assets

	2015	2014
Investment in capital assets	\$ 134,684	\$ 127,704

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

iv. Endowments

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

	2015	2014
Endowments	\$ 3,520	\$ 3,292

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

13. ACCUMULATED SURPLUS (continued)

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

v. Adjusted accumulated surplus / deficit

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

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

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

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

14. RELATED PARTIES

(a) Province of Alberta and economic dependence

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

Effective 2005-06, school jurisdictions have been deemed to be controlled by the Government of Alberta according to criteria set out in the Canadian Institute of Chartered Accountants Public Sector Accounting Standards Section 1300, Government Reporting Entity. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now considered related parties of school jurisdictions for financial reporting purposes. These include government departments, health authorities, post-secondary institutions and all school jurisdictions in Alberta.

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

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

(b) Other

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

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

15. FEES

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

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

16. SCHOOL GENERATED FUNDS

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

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

17. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

(a) Contractual obligations

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

⁽¹⁾ Capital Projects:

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

⁽²⁾ Office Lease:

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

⁽³⁾ Service Providers:

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

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

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

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

(b) Contingent assets and liabilities

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

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

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

18. REMUNERATION (not rounded and in actual dollars)

(a) Trustee remuneration

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

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

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

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

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

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

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

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

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

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

(b) Employee remuneration

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

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

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

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

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

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

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

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

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

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

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

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

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

19. TRUST FUNDS UNDER ADMINISTRATION

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

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

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

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

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

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

21. SEGMENT INFORMATION

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

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

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

(ii) Plant, operations and maintenance

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

(iii) Transportation

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

(iv) Administration

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

(v) External services

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

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

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

22. BUDGET COMPARATIVES

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

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

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

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

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

22.BUDGET COMPARATIVES (continued)

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

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

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

23. RECLASSIFICATIONS

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

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

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

Legal Name of School Jurisdiction

1221 8 Street SW Calgary AB T2R 0L4

Mailing Address

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

Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Calgary School District No. 19 o/a Calgary Board of Education presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with Canadian Public Sector Accounting Standards and follow format prescribed by Alberta Education.

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

Board of Trustees Responsibility

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

External Auditors

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

Declaration of Management and Board Chair

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

BOARD CHAIR

Joy Bowen-Eyre

Name

Signature

SUPERINTENDENT

David Stevenson

Name

Signature

SECRETARY-TREASURER OR TREASURER

Brad Grundy

Name

Signature

December 1, 2015

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T6J 4L5
EMAIL: sarah.brennan@gov.ab.ca
PHONE: (780) 422-0312 (Toll free 310-0000) FAX: (780) 422-6996

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF OPERATIONS	5
STATEMENT OF CASH FLOWS	6
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)	7
STATEMENT OF REMEASUREMENT GAINS AND LOSSES	8
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS	9
SCHEDULE OF CAPITAL REVENUE	11
SCHEDULE OF PROGRAM OPERATIONS	12
SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES	13
UNAUDITED SCHEDULE OF FEE REVENUE	14
UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING	15
UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES	16
NOTES TO THE FINANCIAL STATEMENTS	17

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

		2015	2014
FINANCIAL ASSETS			
Cash and cash equivalents	(Note 3)	\$ 231,853,000	\$ 98,320,000
Accounts receivable (net after allowances)	(Note 4)	\$ 20,779,000	\$ 61,215,000
Portfolio investments	(Note 5)	\$ 106,941,000	\$ 113,726,000
Other financial assets	(Note 6)	\$ -	\$ -
Total financial assets		\$ 359,573,000	\$ 273,261,000
LIABILITIES			
Bank indebtedness	(Note 7)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 8)	\$ 84,503,000	\$ 73,764,000
Deferred revenue	(Note 9)	\$ 861,570,000	\$ 769,264,000
Employee future benefit liabilities	(Note 10)	\$ 25,428,000	\$ 26,384,000
Liability for contaminated sites	(Note 11)	\$ -	\$ -
Other liabilities	(Note 12)	\$ 327,000	\$ 327,000
Debt	(Note 13)		
Supported: Debentures and other supported debt		\$ 4,911,000	\$ 7,426,000
Unsupported: Debentures and capital loans		\$ 8,088,000	\$ 14,721,000
Mortgages		\$ -	\$ -
Capital leases	(Note 14)	\$ -	\$ -
Total liabilities		\$ 984,827,000	\$ 891,866,000
Net financial assets (debt)		\$ (625,254,000)	\$ (818,605,000)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Note 15)		
Land		\$ 2,711,000	\$ 2,711,000
Construction in progress		\$ 44,901,000	\$ 2,581,000
Buildings	\$ 1,189,386,000		
Less: Accumulated amortization	\$ (469,264,000)	\$ 720,122,000	\$ 742,078,000
Equipment	\$ 130,385,000		
Less: Accumulated amortization	\$ (99,022,000)	\$ 31,363,000	\$ 33,430,000
Vehicles	\$ 9,616,000		
Less: Accumulated amortization	\$ (5,471,000)	\$ 4,145,000	\$ 3,810,000
Computer Equipment	\$ 130,665,000		
Less: Accumulated amortization	\$ (99,901,000)	\$ 30,764,000	\$ 31,777,000
Total tangible capital assets		\$ 834,006,000	\$ 816,387,000
Prepaid expenses		\$ 8,535,000	\$ 11,588,000
Other non-financial assets	(Note 16)	\$ -	\$ -
Total non-financial assets		\$ 842,541,000	\$ 827,975,000
Accumulated surplus	(Note 17)	\$ 217,287,000	\$ 209,370,000
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 207,607,000	\$ 196,017,000
Accumulated remeasurement gains (losses)		\$ 9,680,000	\$ 13,353,000
		\$ 217,287,000	\$ 209,370,000
Contractual obligations	(Note 18)		
Contingent liabilities	(Note 19)		

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

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

	Budget 2015	Actual 2015	Actual 2014
REVENUES			
Alberta Education	\$ 1,115,230,332	\$ 1,144,398,000	\$ 1,101,997,000
Other - Government of Alberta	\$ 1,134,319	\$ 1,108,000	\$ 2,113,000
Federal Government and First Nations	\$ 2,232,659	\$ 2,904,000	\$ 2,329,000
Other Alberta school authorities	\$ 536,387	\$ 832,000	\$ 802,000
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees	\$ 46,736,156	\$ 47,148,000	\$ 40,429,000
Other sales and services	\$ 19,683,753	\$ 24,329,000	\$ 24,478,000
Investment income	\$ 3,025,549	\$ 14,863,000	\$ 7,395,000
Gifts and donations	\$ 5,034,000	\$ 7,023,000	\$ 6,141,000
Rental of facilities	\$ 7,226,498	\$ 6,698,000	\$ 7,137,000
Fundraising	\$ 11,300,000	\$ 6,828,000	\$ 6,402,000
Gains on disposal of capital assets	\$ -	\$ 63,000	\$ -
Other revenue	\$ -	\$ 1,323,000	\$ 221,000
Total revenues	\$ 1,212,139,653	\$ 1,257,515,000	\$ 1,199,444,000
EXPENSES			
Instruction - ECS	\$ 43,852,000	\$ 49,136,000	\$ 44,996,000
Instruction - Grades 1 - 12	\$ 935,677,800	\$ 940,461,000	\$ 892,719,000
Plant operations and maintenance	\$ 148,298,523	\$ 157,489,000	\$ 151,746,000
Transportation	\$ 44,116,881	\$ 44,336,000	\$ 40,815,000
Board & system administration	\$ 35,689,548	\$ 33,917,000	\$ 36,603,000
External services	\$ 22,548,596	\$ 20,814,000	\$ 23,421,000
Total expenses	\$ 1,230,183,348	\$ 1,246,153,000	\$ 1,190,300,000
Operating surplus (deficit)	\$ (18,043,695)	\$ 11,362,000	\$ 9,144,000

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

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

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

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

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

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

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

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

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

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

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

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

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

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2014	\$ 21,657,000	\$ 20,010,000	\$ 5,642,000	\$ 462,000	\$ 4,416,000	\$ 7,402,000	\$ 2,291,000	\$ -	\$ 2,941,000	\$ 200,000
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2014	\$ 21,657,000	\$ 20,010,000	\$ 5,642,000	\$ 462,000	\$ 4,416,000	\$ 7,402,000	\$ 2,291,000	\$ -	\$ 2,941,000	\$ 200,000
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses & disbursements										
Endowment contributions										
Investment income & realized capital gains on endowments										
Direct credits to accumulated surplus	\$ -		\$ -		\$ -		\$ -		\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Additional capital debt or capital leases										
Net transfers to operating reserves	\$ 3,256,000		\$ 256,000		\$ 681,000		\$ -		\$ -	
Net transfers from operating reserves	\$ (3,301,000)		\$ (685,000)		\$ (536,000)		\$ (2,169,000)		\$ (1,348,000)	
Net transfers to capital reserves		\$ 9,859,000		\$ 1,340,000		\$ 236,000		\$ -		\$ -
Net transfers from capital reserves		\$ (3,393,000)		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Other Changes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2015	\$ 21,614,000	\$ 26,576,000	\$ 5,213,000	\$ 1,802,000	\$ 4,541,000	\$ 7,638,000	\$ 122,000	\$ -	\$ 1,593,000	\$ 200,000

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

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

Unexpended Deferred Capital Revenue

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

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

REVENUES	2015					2014				
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL		TOTAL	TOTAL
	ECS	Grades 1 - 12								
(1) Alberta Education	\$ 50,353,000	\$ 884,359,000	\$ 135,243,000	\$ 34,283,000	\$ 40,158,000	\$ -	\$ 1,144,398,000	\$ 1,101,997,000	\$ -	\$ 1,101,997,000
(2) Other - Government of Alberta	\$ -	\$ 403,000	\$ 560,000	\$ -	\$ -	\$ 145,000	\$ 1,108,000	\$ 2,113,000	\$ -	\$ 2,113,000
(3) Federal Government and First Nations	\$ -	\$ 981,000	\$ -	\$ -	\$ 31,000	\$ -	\$ 2,904,000	\$ 2,329,000	\$ -	\$ 2,329,000
(4) Other Alberta school authorities	\$ -	\$ 540,000	\$ 292,000	\$ -	\$ -	\$ -	\$ 832,000	\$ 802,000	\$ -	\$ 802,000
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 134,000	\$ 27,826,000	\$ -	\$ 7,883,000	\$ -	\$ 11,305,000	\$ 47,148,000	\$ 40,429,000	\$ -	\$ 40,429,000
(9) Other sales and services	\$ -	\$ 17,657,000	\$ 997,000	\$ -	\$ 1,021,000	\$ 4,654,000	\$ 24,329,000	\$ 24,478,000	\$ -	\$ 24,478,000
(10) Investment income	\$ -	\$ 114,000	\$ -	\$ -	\$ -	\$ 14,749,000	\$ 14,863,000	\$ 7,395,000	\$ -	\$ 7,395,000
(11) Gifts and donations	\$ -	\$ 6,981,000	\$ -	\$ -	\$ -	\$ 42,000	\$ 7,023,000	\$ 6,141,000	\$ -	\$ 6,141,000
(12) Rental of facilities	\$ -	\$ -	\$ 2,762,000	\$ -	\$ 436,000	\$ 3,500,000	\$ 6,698,000	\$ 7,137,000	\$ -	\$ 7,137,000
(13) Fundraising	\$ -	\$ 6,828,000	\$ -	\$ -	\$ -	\$ -	\$ 6,828,000	\$ 6,402,000	\$ -	\$ 6,402,000
(14) Gains on disposal of tangible capital assets	\$ -	\$ 63,000	\$ -	\$ -	\$ -	\$ -	\$ 63,000	\$ -	\$ -	\$ -
(15) Other revenue	\$ -	\$ 1,323,000	\$ -	\$ -	\$ -	\$ -	\$ 1,323,000	\$ -	\$ -	\$ -
(16) TOTAL REVENUES	\$ 50,487,000	\$ 947,075,000	\$ 139,854,000	\$ 42,166,000	\$ 41,646,000	\$ 36,287,000	\$ 1,257,515,000	\$ 1,199,444,000	\$ -	\$ 1,199,444,000
EXPENSES	2015					2014				
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL		TOTAL	TOTAL
	ECS	Grades 1 - 12								
(17) Certificated salaries	\$ 27,412,000	\$ 564,986,000	\$ -	\$ -	\$ 1,387,000	\$ 256,000	\$ 594,041,000	\$ 567,255,000	\$ -	\$ 567,255,000
(18) Certificated benefits	\$ 3,060,000	\$ 131,079,000	\$ -	\$ -	\$ 126,000	\$ 220,000	\$ 134,485,000	\$ 128,329,000	\$ -	\$ 128,329,000
(19) Non-certificated salaries and wages	\$ 12,512,000	\$ 104,358,000	\$ 50,056,000	\$ 1,974,000	\$ 14,807,000	\$ 13,394,000	\$ 197,091,000	\$ 188,658,000	\$ -	\$ 188,658,000
(20) Non-certificated benefits	\$ 3,062,000	\$ 25,446,000	\$ 12,424,000	\$ 505,000	\$ 3,511,000	\$ 2,680,000	\$ 47,608,000	\$ 45,187,000	\$ -	\$ 45,187,000
(21) SUB - TOTAL	\$ 46,046,000	\$ 825,869,000	\$ 62,480,000	\$ 2,479,000	\$ 18,831,000	\$ 16,520,000	\$ 973,225,000	\$ 927,429,000	\$ -	\$ 927,429,000
(22) Services, contracts and supplies	\$ 2,402,000	\$ 99,847,000	\$ 59,639,000	\$ 41,310,000	\$ 11,294,000	\$ 3,196,000	\$ 217,688,000	\$ 207,290,000	\$ -	\$ 207,290,000
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 29,807,000	\$ -	\$ -	\$ -	\$ 29,807,000	\$ 30,653,000	\$ -	\$ 30,653,000
(24) Amortization of unsupported tangible capital assets	\$ 662,000	\$ 14,151,000	\$ 4,413,000	\$ -	\$ 2,802,000	\$ 9,000	\$ 21,837,000	\$ 21,505,000	\$ -	\$ 21,505,000
(25) Supported interest on capital debt	\$ -	\$ -	\$ 560,000	\$ -	\$ -	\$ -	\$ 560,000	\$ 820,000	\$ -	\$ 820,000
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,000	\$ -	\$ 39,000
(27) Other interest and finance charges	\$ 15,000	\$ 362,000	\$ 590,000	\$ 108,000	\$ 70,000	\$ 333,000	\$ 1,478,000	\$ 1,243,000	\$ -	\$ 1,243,000
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ 11,000	\$ 232,000	\$ -	\$ 439,000	\$ 120,000	\$ 766,000	\$ 1,558,000	\$ 1,321,000	\$ -	\$ 1,321,000
(30) TOTAL EXPENSES	\$ 48,136,000	\$ 940,461,000	\$ 157,489,000	\$ 44,338,000	\$ 33,917,000	\$ 20,814,000	\$ 1,246,153,000	\$ 1,190,300,000	\$ -	\$ 1,190,300,000
(31) OPERATING SURPLUS (DEFICIT)	\$ 1,351,000	\$ 6,614,000	\$ (17,635,000)	\$ (2,170,000)	\$ 7,729,000	\$ 15,473,000	\$ 11,362,000	\$ 9,144,000	\$ -	\$ 9,144,000

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

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2015 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 30,913,000	\$ 9,331,000	\$ -	\$ 1,978,000	\$ 7,834,000		\$ 50,058,000		\$ 50,058,000
Uncertificated benefits	\$ 8,107,000	\$ 2,817,000	\$ -	\$ 28,000	\$ 1,474,000		\$ 12,424,000		\$ 12,424,000
Sub-total Remuneration	\$ 39,020,000	\$ 12,148,000	\$ -	\$ 2,004,000	\$ 9,308,000		\$ 62,480,000		\$ 62,480,000
Supplies and services	\$ 3,774,000	\$ 14,289,000	\$ 26,000	\$ 19,889,000	\$ 1,384,000		\$ 39,342,000		\$ 39,342,000
Electricity			\$ 9,812,000				\$ 9,812,000		\$ 9,812,000
Natural gas/heating fuel			\$ 4,713,000				\$ 4,713,000		\$ 4,713,000
Sewer and water			\$ 2,255,000				\$ 2,255,000		\$ 2,255,000
Telecommunications			\$ 187,000				\$ 187,000		\$ 187,000
Insurance					\$ 3,151,000		\$ 3,151,000	\$ -	\$ 3,151,000
ASAP maintenance & renewal payments									
Amortization of tangible capital assets									
Supported									
Unsupported						\$ 4,413,000	\$ 4,413,000	\$ 29,807,000	\$ 29,807,000
Total Amortization						\$ 4,413,000	\$ 4,413,000	\$ 29,807,000	\$ 34,220,000
Interest on capital debt									
Supported								\$ 560,000	\$ 560,000
Unsupported						\$ 30,000	\$ 30,000		\$ 30,000
Lease payments for facilities				\$ 179,000			\$ 179,000		\$ 179,000
Other interest charges							\$ 560,000		\$ 560,000
Losses on disposal of capital assets							\$ -		\$ -
TOTAL EXPENSES	\$ 42,794,000	\$ 26,437,000	\$ 10,993,000	\$ 22,072,000	\$ 13,823,000	\$ 5,003,000	\$ 127,122,000	\$ 30,387,000	\$ 157,489,000
SQUARE METRES									
School buildings									1,288,516.0
Non school buildings									15,878.0

Note:

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

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

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

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

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

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

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

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

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

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

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2016 (in dollars)					
	PROGRAM AREA				
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)
Funded Students in Program					
REVENUES					
Alberta Education allocated funding	\$ 4,509,000	\$ 12,829,000	\$ 22,597,000	\$ 68,303,000	\$ -
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 4,509,000	\$ 12,829,000	\$ 22,597,000	\$ 68,303,000	\$ -
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 3,607,000	\$ 969,000	\$ 24,481,000	\$ -	
Instructional non-certificated salaries & benefits	\$ 112,000	\$ 3,980,000	\$ 2,846,000	\$ -	
SUB TOTAL	\$ 3,719,000	\$ 4,949,000	\$ 27,327,000	\$ -	
Supplies, contracts and services	\$ 47,000	\$ 134,000	\$ -	\$ -	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ 141,000	\$ 206,000	\$ -	\$ -	
Other (please describe)	\$ 1,444,000	\$ 7,621,000	\$ 581,000		
Other (please describe)	\$ -	\$ -		\$ 1,199,983,000	
TOTAL EXPENSES	\$ 5,351,000	\$ 12,910,000	\$ 27,908,000	\$ 1,199,983,000	
NET FUNDING SURPLUS (SHORTFALL)	\$ (842,000)	\$ (81,000)	\$ (5,311,000)	\$ (1,131,680,000)	

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

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

report to Board of Trustees

Calgary Board of Education Annual Education Results Report 2014-2015 and Three Year Education Plan 2015-2018

Date	December 1, 2015
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	David Stevenson, Chief Superintendent of Schools
Purpose	Decision
Originator	Jeannie Everett, Superintendent, Learning Dany Breton, Superintendent, Facilities and Environmental Services Brad Grundy, Superintendent, Chief Financial Officer, Corporate Treasurer
Governance Policy Reference	Results 1 through 5 Operational Expectations 1 through 12
Resource Person(s)	Office of the Chief Superintendent Superintendents' Team Area Directors Service Unit Directors

1 | Recommendation

It is recommended

- THAT the Board of Trustees approve the Annual Education Results Report 2014-2015 and the Three-Year Education Plan 2015-2018 and authorize its submission to Alberta Education.



2 | Issue

School authorities are required to establish a system of accountability for results that encompass their schools. School authorities interpret and report results to parents, students, the Ministry of Education and the public in a manner and at a time the Minister prescribes as part of ensuring transparency. School authorities are also required to use results to improve the quality and effectiveness of education programs provided to their students and to improve student learning and achievement.

The Minister's requirements, set out in the *Policy and Requirements for School Board Planning and Results Reporting*,¹ ensure that school board and school education plans and annual results reports are aligned with the Ministry of Education's vision, mission, goals, desired outcomes and specific performance measures for the basic education system. The Three Year Education Plan and the Annual Education Results Report are thus key elements of the Alberta Education Accountability Framework for the K – 12 education system.

3 | Background

The Ministry of Education allocates funds to school authorities to fulfil their delegated responsibilities to provide education programs for Alberta's K – 12 students, thereby creating an accountability relationship between the Ministry and school authorities. This delegation of responsibilities comes with an obligation to answer for and publicly report on the discharge of responsibilities, spending of public funds and results achieved by the accountable organization. In addition to provincial goals jurisdiction and school plans also incorporate local strategies and include local goals, priorities, outcomes and measures that reflect the unique characteristics and circumstances of their communities.

4 | Analysis

The combined *Annual Education Results Report 2014-2015 and Three-Year Education Plan 2015-2018* provides a broad strategic plan that encompasses CBE schools, Areas, departments and service units in support of student progress towards the Board's Governance Policy – Results and informs the budgeting process as outlined in OE-5 Financial Planning and OE-6 Financial Administration.

¹ Policy and Requirements for School Board Planning and Results Reporting April 2015 @ <https://education.alberta.ca/media/15240015/policy-and-requirements-for-school-board-planning-and-results-reporting-may-2015-signed.pdf>



The *Annual Education Results Report 2014-2015* demonstrates progress made over the past year in meeting the Goals and Outcomes set out by Alberta Education.

To assist school authorities in assessing progress, Alberta Education provides the following measure evaluations: Achievement, Improvement and Overall. The Achievement Evaluation is based on a comparison of Current Year data to a set of standards which remain consistent over time. The Improvement Evaluation consists of comparing the Current Year result for each measure with the previous three-year average. A chi square statistical test is used by Alberta Education to determine the significance of the improvement. The Overall Evaluation combines the Achievement Evaluation and the Improvement Evaluation. Further details of the way these measures are calculated can be found on pages 29-30 the Annual Education Results Report/Three-Year Education Plan.

CBE's *Annual Education Results Report 2014-2015* reflects significant improvement in the measures High School Completion Rate (3 yr), Rutherford Scholarship Eligibility Rates and Transition Rate (6 yr).

Work preparation and Diploma exam results at both the acceptable standard and the standard of excellence are improved. On the measures Safe and Caring and Citizenship already high achievement was maintained, earning an Overall rating of excellent. Results on the measure *Students demonstrate a strong foundation in literacy and numeracy*, measured by Provincial Achievement Tests (PATs), underline work still to be done.

While the percentage of students achieving excellence on PATs remained high, earning an Improvement evaluation of Maintained, achievement at the acceptable standard declined, resulting in an Overall evaluation of *Issue*. Two Survey Measures were also flagged as *Issues*: Program of Studies, which declined by 1.4 percentage points over the three year average 2012-2014, and School Improvement, which declined by 2.6 percentage points over the three year average 2012-2014. It should be noted that 2015 Accountability Pillar Survey results for the province and Calgary Board of Education were impacted by changes in the number of students responding to the survey through its being administered in conjunction with the Tell THEM From ME survey.

CBE results for Alberta Education Desired Outcome Four: *First Nations, Métis and Inuit students are successful* reveal that this must continue to be an area of focus.

In keeping with Alberta Education's requirements, targets have been identified within the *Annual Education Results Report 2014-2015* for outcomes where the Overall evaluation is *Issue* or *Concern*.

The Three-Year Education Plan recognizes our primary commitment and accountability to the Trustees of the Calgary Board of Education. For this reason Result 1: *Mission* is our overarching goal. The single encompassing outcome

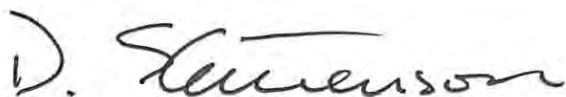
student success reinforces that we are accountable to Alberta Education as well as our Board of Trustees.

In a large organization such as the Calgary Board of Education, the Three-Year Education Plan must provide clear direction and clarity of purpose while remaining broad enough to allow each school, Area, department and service unit to formulate actions in response to the unique needs revealed by their own data.

The CBE's Three-Year Education Plan 2015-2018 has built upon the structure and success of plans from the previous three years. The single outcome remains *Student Success*. Personalize Learning is now positioned as the overarching strategy. Two other strategies, Build Professional Capital and Engage Our Public become the pillars which support the overarching strategy. These in turn rest on the foundation of a fourth strategy, Steward our Resources. Each of the four overall strategies has been further developed by three more specific strategies. In the case of Personalize Learning, Build Professional Capital and Engage our Stakeholders, actions build out the sub-strategies and give direction to School Development Planning in individual schools. Thus the plan provides sufficient focus to guide the work of the system while remaining broad enough to allow schools the flexibility to develop plans which are responsive to the unique characteristics and circumstances of their communities.

5 | Conclusion

This document demonstrates the alignment among the jurisdiction's results, the strategies developed to improve learning outcomes for our students, and the ways in which budget and capital and facilities planning support our strategies.



DAVID STEVENSON
CHIEF SUPERINTENDENT OF SCHOOLS

ATTACHMENTS

Attachment I: Calgary Board of Education Annual Education Results Report 2014–2015 and Three Year Education Plan 2015-2018

| achieve | strategies for success



Annual Education Results Report 2014-2015
Three-Year Education Plan 2015-2018

learning | as unique | as every student



Calgary Board
of Education

Students can realize their full potential by learning in ways that acknowledge their individuality within the context of classroom, school and community. This is why the CBE is dedicated to personalized learning. Each of our 116,985 students is supported by their teachers, schools and our entire organization. The CBE has the capacity to lead in education while honouring each student's gifts. The result is a rich and dynamic learning experience which enables individual students to build a foundation which will enable them to thrive in life, work and continued learning.

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



**Calgary Board
of Education**

Table of contents

Annual Education Results Report Summary	1
Our Ultimate Goals	4
Accountability	5
Three-Year Education Plan 2015-2018 overview	6
Three-Year Education Plan 2015-2018 strategies	7
Combined 2015 Accountability Pillar overall summary	8
Combined 2015 Accountability Pillar -- First Nations, Métis and Inuit Summary	9
Desired Outcome One Every student is successful.....	10
Desired Outcome Two Alberta has quality teaching and school leadership.....	13
Desired Outcome Three Alberta's education system is governed effectively.....	14
CBE Disclosure	15
Desired Outcome Four First Nations, Métis and Inuit students are successful	16
Summary of Financial Results for 2014-15	18
Revenues	23
Expense by type.....	24
Summary of Facility & Capital Plans 2015-2016.....	25
Enrolment Program Overview	27
Measure Evaluation Reference	29
Accountability Pillar Overall Summary Annual Education Results Reports - Oct 2015.....	31

Annual Education Results Report Summary

Mission

Each student, in keeping with his or her individual abilities and gifts, will complete high school with a foundation of learning necessary to thrive in life, work and continued learning.

Overview

CBE offers a depth and breadth of programs and supports to meet the unique learning needs and interests of a richly diverse population. In addition to responsive and inclusive programming in all CBE schools, we provide opportunities for students to learn in unique settings or through outreach programs.

Fast facts

- More than 116,900 students in 227 schools, including:
 - 111,717 students between pre-kindergarten and Grade 12
 - 824 students in full day kindergarten in 15 schools
 - 611 students fully enrolled in CBe-learn, our online learning program, with 2,252 more registered in courses with CBe-learn while enrolled at another school
 - 2,327 students upgrading high school and pursuing continuing education through Chinook Learning Services
 - almost 24 per cent of CBE students self-identified as English language learners
 - 17,590 students with identified special education needs, the majority of whom are learning in their community schools
 - Close to 4,300 students self-identified as First Nations, Metis and Inuit
 - over 8,400 students in French immersion
 - close to 4,500 students in bilingual language and culture programs

Student results

In Provincial Achievement Tests (PATs) in Grades 6 and 9:

- In the Grade 6 and 9 PATs, Calgary Board of Education results exceeded those of the province in every subject at the acceptable standard and the standard of excellence.
- In Knowledge and Employability (KAE) English Language Arts, Science and Social Studies, the percentage of CBE students achieving the acceptable standard was above that in the province as a whole, the percentage of students who achieved the standard of excellence was equal to or slightly above that of the province.
- In 2015-2016, we will seek to improve results on Grades 6 and 9 Mathematics and on Knowledge and Employability PATs.

In Diploma Examinations:

- Over 85 per cent of CBE students achieved the acceptable standard in eight of the eleven subjects for which there are diploma examinations. In four of these subjects, more than 40 per cent of students achieved the standard of excellence.
- In ten of the eleven examinations, the percentage of CBE students achieving the acceptable standard was equal to or above that of students in the province as a whole.
- The percentage of CBE students achieving the standard of excellence exceeded the percentage in the province as a whole on ten out of eleven examinations.
- Particularly strong results were again achieved in Social Studies 30-1, Math 30-1, Biology 30, Chemistry 30 and Physics 30, subjects in which the gap between the CBE and the province ranged from 7.4 percentage points to 11.6 percentage points.
- Science 30 will continue to be an area of focus in 2015-2016.

On the Combined Accountability Pillar Overall Summary, Alberta Education records evaluations on the following measures: Achievement, Improvement and Overall. The Achievement Evaluation is based on a comparison of Current Year data to a set of standards which remain consistent over time. The Improvement Evaluation consists of comparing the Current Year result for each measure with the previous three-year average. A chi square statistical test is used by Alberta Education to determine the significance of the improvement. The Overall Evaluation combines the Achievement Evaluation and the Improvement Evaluation. Details of the way these measures are calculated can be found on pages 29-30 of the full report. On the October 2015 Combined Accountability Pillar Overall Summary the following measures were evaluated by the province as significantly improved:

- Three-Year high school completion rates
- Rutherford Scholarship Eligibility Rates
- Transition Rate (6 yr)

CBE also earning a rating of Improved on:

- Diploma exam results at both the acceptable standard and the standard of excellence
- Work preparation

In the following areas, already very high achievement was maintained, earning CBE an Overall rating of Excellent:

- Safe and Caring
- Citizenship

Engaging stakeholders

The CBE provides opportunities for student voice through:

- The Chief Superintendent's Student Advisory Councils
- The Student Voice Symposia for junior and senior high school students
- Surveys and focus groups

Students also have voice in decisions at the school level, for example through Principals' advisory councils.

Between November 2014 and February 2015, more than 56,500 CBE students, more than 4,600 parents and over 4,250 teachers responded to the provincial Accountability Pillar Survey.

- 88 per cent agreed that students are safe in school, are learning the importance of caring for others, are learning respect for others and are treated fairly in school.
- 82.3 per cent were satisfied that CBE students model the characteristics of active citizenship.

The CBE is committed to involving parents, staff and the community in decisions that affect them. Currently this is done through a variety of system-wide or school-specific methods including surveys, open houses, mandated school accommodation processes and face-to-face meetings. We are also seeking to broaden our practices and are developing a framework for community engagement that respects the diversity of our community and supports the CBE in achieving its mission.

CBE strategies for excellence and continued improvement

- Our overall strategy: Personalize learning
- This is supported by three other strategies:
 - Build professional capital
 - Engage our public
 - Steward our resources

Through these strategies, CBE supports the provincial priorities¹ of:

- developing a strategy for higher student achievement in a world class education system
- ensuring that the Alberta school curriculum includes the basics of reading, writing and arithmetic and incorporates 21st century competencies
- expanding opportunities that create personalized, student-centred approaches to help students be successful in learning by implementing the Provincial Dual Credit Strategy and by developing a plan for evaluating and supporting provincial implementation of high school redesign
- implementing strategies to support teaching excellence
- working with communities to ensure infrastructure, schools, classrooms and resources anticipate, plan for and meet student needs
- promoting safe, dignified and respectful education environments
- collaborating with partners to ensure that Alberta teachers and students learn about the history and legacy of residential schools, the Treaties and the history of First Nations, Métis and Inuit peoples of Canada

Financial Summary

- Alberta Education grant revenue makes up 91 per cent of total revenues.
- Funding is spent primarily on Salaries and Benefits at 78 per cent of total expenses.
- Revenue and expense increases from the prior year are driven by increases in enrolment, as well as collective agreement negotiated salary increases and grid movement.
- Overall results are more favourable than budgeted resulting in an \$11.4 million surplus compared with the planned \$14.6 million deficit, due to investment gains that were higher than anticipated and prudent spending practices.

[Links – to be updated following meeting of Board of Trustees on Tuesday, Dec. 1, 2015](#)

[Detailed Annual Education Results Report 2014-2015 and Three-Year Education Plan 2015-2018](#)

[Detailed financial information](#)

[Detailed performance measure results](#)

¹ Education Business Plan 2015-20 retrieved 2015 10 27 from
<http://finance.alberta.ca/publications/budget/budget2015/education.pdf>

Our Ultimate Goals

The Annual Education Results Report 2014-15 combined with the Three-Year Education Plan 2015-2018 helps the CBE build strategies that support student learning. These strategies align to the Board of Trustees Results statements and contribute to learning as unique as every student.

The Board of Trustees defines the objectives as:

Result 1 | Mission

Each student, in keeping with his or her individual abilities and gifts, will complete high school with a foundation of learning necessary to thrive in life, work and continued learning.

Result 2 | Academic Success

Each student will be literate and numerate, able to integrate and apply the knowledge, skills, attitudes and competencies acquired across all academic disciplines.

Result 3 | Citizenship

Each student will be a responsible citizen.

Result 4 | Personal Development

Each student will identify and actively develop individual gifts, talents and interests.

Result 5 | Character

Each student will demonstrate good character.

Accountability

The Annual Education Results Report for the 2014-15 school year and the Three-Year Education Plan for 2015-2018 for the CBE were prepared under the direction of the Board in accordance with its responsibilities under the *School Act* and the *Fiscal Management Act*. This document was developed in the context of the provincial government's business and fiscal plans. The Board has used the results reported in the document, to the best of its abilities, to develop the 2015-2018 Education Plan and is committed to implementing the strategies contained within the 2015-2018 Education Plan to improve student learning.

School councils play a key role in education and council advice is actively sought and seriously considered prior to making decisions on a wide range of school issues. School councils help build the context of school development plans through direct input at School Council meetings and the opportunities for suggestions and feedback provided to all parents. The CBE has established administrative regulations and practices that ensure school principals work toward:

- Enhancing communication between the school and its parent community;
- Providing a method by which the school, the home and the community may work together for the benefit of students;
- Providing a forum for discussion of school philosophies, results and operations that contributes to the creation of the school development plan.

The Board of Trustees approved this combined Annual Education Results Report for the 2014-2015 school year and the Three-Year Education Plan for 2015-2018 on December 1, 2015.

Joy Bowen-Eyre, Chair
Board of Trustees
Calgary Board of Education

David Stevenson
Chief Superintendent of Schools
Calgary Board of Education

The links below will be updated following the meeting of the Board of Trustees on Tuesday, Dec. 1, 2015:

The Calgary Board of Education Combined Three Year Education Plan 2015–2018 and Annual Education Results Report 2014-2015 may be accessed using the following permalink:
<http://www.cbe.ab.ca/aboutus/documents/2012-13AERR.pdf>

The Calgary Board of Education Average Class Size Report 2014-15 can be viewed at:
<http://www.cbe.ab.ca/aboutus/documents/ClassSizeSurveyReport.pdf>

Program Overview

Three-Year Education Plan 2015-2018 overview

The Three-Year Education Plan guides our work and connects each CBE employee to our Mission and our desired outcome of student success. Our task is to create an environment in which each student has the opportunity to become an engaged thinker and ethical citizen with an entrepreneurial spirit, prepared for success in life, work and future learning. We therefore focus on one overarching strategy: personalize learning. This is supported and developed by three others: build professional capital, engage our public, and steward our resources.

Draft Calgary Board of Education Three-Year Education Plan 2015-2018

Our Mission: Each student, in keeping with his or her individual abilities and gifts, will complete high school with a foundation of learning necessary to thrive in life, work and continued learning.

Our Values: Students come first. Learning is our central purpose. Public education serves the common good.

Our Outcome: Student Success

Personalize Learning

Success for each student, every day, no exceptions

Instructional design and leadership focus on:

- student agency and intellectual engagement
- active and effortful tasks designed for student interests and learning needs
- assessment that informs teaching and learning
- students knowing what they know, how they know it, how they show it, and what they need next

Build Professional Capital

Capacity building with a focus on results

Collaborative learning networks focus on:

- professional and intellectual engagement
- shared standards of practice
- evidence-informed, research-informed and job-embedded professional learning
- staff knowing the decisions they have made, why they made them, what impact those decisions had, and what is required next

Engage our Stakeholders

Everyone contributes to the success of public education

Internal and external community members:

- actively recognize public education as foundational to a democratic society
- acknowledge and accept different roles, responsibilities and contributions based on shared outcomes and engagement
- support, practice and benefit from open and responsive communication
- accept responsibility for the success of the organization

Steward our Resources

Resource management on behalf of student learning

Decisions and actions at all levels of the organization are:

- based on values and priorities
- consistent with the learning agenda
- evidence-informed
- made within a coherent framework
- strategic & responsive
- sustainable

Alberta Education Goals

- Every student is successful
- Quality teaching and school leadership
- First Nations, Métis and Inuit students are successful
- Effective governance

Three-Year Education Plan 2015-2018 strategies

To achieve our desired outcome, the CBE has described strategies to achieve our Mission. Among them, we are working to articulate and advance a coherent, system-wide vision of high-quality teaching and learning. These strategies are a work in progress that will continue to be refined with experience, learning in action and ongoing input from employees.

Draft Calgary Board of Education Three-Year Education Plan 2015-2018 Strategies and Actions

Personalize Learning

Evolve, extend and integrate practices consistent with the elements of CBE's vision for high quality teaching and learning.

- extend the use of learning plans that help each student be known as a learner
- extend the design of responsive, inclusive, rigorous and engaging learning tasks that ensure student progress and achievement

Clarify and extend inclusive practices through responsive, enabling learning environments and instruction.

- identify and create the conditions for success for students as unique learners and as members of their school and home communities

Advance multiple literacies, numeracy and core competencies for each student across the subject areas.

- define and implement comprehensive CBE practices for multiple literacies
- enhance assessment and instruction for the integration of knowledge, skills and competencies

Build Professional Capital

Build coherence and continuous improvement in program provision, service delivery, and professional learning through a collaborative and evidence-informed culture.

- review the design and efficacy of priority programs and services to initiate new development and learning cycles

Advance district-wide professional learning to address shared problems of practice and accelerate collective impact.

- strengthen inclusive learning practices
- advance multiple literacies, numeracy and core competencies
- advance student success through task design and assessment

Advance leadership practices that optimize student success.

- implement a sustainable leadership development and succession planning process

Engage our Stakeholders

Engage community members in the values, questions and issues that impact public education and student success.

- create and implement comprehensive CBE public engagement framework
- extend the role of student voice in educational decisions

Promote a workplace culture built on the values of voice, accountability, self-sufficiency, clarity of role and responsibility, and in which all employees find meaning and fulfilment.

- leverage formative assessment strategies within renewed employee performance management and recognition frameworks

Engage local, provincial and global partners in collaborative ventures to support student learning.

- create new programming and transition opportunities for young adult students

Steward our Resources

Optimize the use of financial, human, material, community and government resources to accommodate students in enriching environments.

Improve access to and use of data in informed, transparent decision making.

Enhance operational performance through effective, efficient and integrated business processes and practices.

Combined 2015 Accountability Pillar overall summary

Measure Category	Measure Category Evaluation	Measure	Calgary School District No. 19			Alberta			Measure Evaluation		
			Current Result	Prev Year Result	Prev 3 Year Average	Current Result	Prev Year Result	Prev 3 Year Average	Achievement	Improvement	Overall
Safe and Caring Schools	Excellent	Safe and Caring	88.2	89.0	88.4	89.2	89.1	88.9	Very High	Maintained	Excellent
Student Learning Opportunities	Acceptable	Program of Studies	81.1	83.1	82.5	81.3	81.3	81.2	High	Declined Significantly	Issue
		Education Quality	87.6	87.8	88.1	89.5	89.2	89.5	High	Declined	Acceptable
		Drop Out Rate	3.3	3.3	3.3	3.4	3.3	3.3	High	Maintained	Good
		High School Completion Rate (3 yr)	75.6	74.0	73.4	76.4	74.9	74.6	High	Improved Significantly	Good
Student Learning Achievement (Grades K-9)	Acceptable	PAT: Acceptable	74.9	74.5	75.7	73.0	73.1	73.9	Intermediate	Declined	Issue
		PAT: Excellence	20.0	19.1	19.9	18.8	18.4	18.9	High	Maintained	Good
Student Learning Achievement (Grades 10-12)	Good	Diploma: Acceptable	88.0	88.3	87.3	85.2	85.5	84.6	High	Improved	Good
		Diploma: Excellence	27.7	28.6	27.1	21.0	21.1	20.0	Very High	Improved	Excellent
		Diploma Exam Participation Rate (4+ Exams)	61.1	49.2	62.1	54.9	50.5	54.4	High	Declined	Acceptable
		Rutherford Scholarship Eligibility Rate	61.0	59.5	59.7	61.2	60.9	61.3	High	Improved Significantly	Good
Preparation for Lifelong Learning, World of Work, Citizenship	Good	Transition Rate (6 yr)	61.2	60.5	59.3	59.8	59.2	59.0	High	Improved Significantly	Good
		Work Preparation	78.2	78.2	77.3	82.0	81.2	80.4	High	Improved	Good
		Citizenship	82.3	83.1	82.3	83.5	83.4	83.1	Very High	Maintained	Excellent
Parental Involvement	Acceptable	Parental Involvement	77.2	77.9	77.1	80.7	80.6	80.2	Intermediate	Maintained	Acceptable
Continuous Improvement	Issue	School Improvement	75.6	78.3	78.2	79.6	79.8	80.1	Intermediate	Declined Significantly	Issue

Notes |

- 1 | Aggregated PAT results are based upon a weighted average of percent meeting standards (Acceptable, Excellence). The weights are the number of students enrolled in each course. Courses included: English Language Arts (Grades 6, 9, 9 KAE), Français (Grades 6, 9), French Language Arts (Grades 6, 9), Mathematics (6, 9, 9 KAE), Science (Grades 6, 9, 9 KAE), Social Studies (Grades 6, 9, 9 KAE).
- 2 | Aggregated Diploma results are a weighted average of percent meeting standards (Acceptable, Excellence) on Diploma Examinations. The weights are the number of students writing the Diploma Examination for each course. Courses included: English Language Arts 30-1, English Language Arts 30-2, French Language Arts 30-1, Français 30-1, Chemistry 30, Physics 30, Biology 30, Science 30, Social Studies 30-1, Social Studies 30-2. Current and historical Diploma results have been adjusted to reflect change in data source system.
- 3 | Please note that participation in Diploma Examinations and Grade 9 Provincial Achievement Tests was impacted by the flooding in June 2013. Results for 2013 are not calculated into the Three Year average. Caution should be used when interpreting trends over time for the province and those school authorities affected by the floods.
- 4 | Survey results for the province and Calgary Board of Education were impacted by changes in the number of students responding to the survey through its being administered in conjunction with the Tell THEM From ME survey in 2015.

Combined 2015 Accountability Pillar -- First Nations, Métis and Inuit Summary

Measure Category	Measure Category Evaluation	Measure	Calgary School District No. 19			Alberta			Measure Evaluation		
			Current Result	Prev Year Result	Prev 3 Year Average	Current Result	Prev Year Result	Prev 3 Year Average	Achievement	Improvement	Overall
Student Learning Opportunities	n/a	Drop Out Rate	9.6	10.1	10.0	8.0	7.8	8.4	Very Low	Maintained	Concern
		High School Completion Rate (3 yr)	33.2	35.9	32.3	46.0	43.6	42.6	Very Low	Maintained	Concern
Student Learning Achievement (Grades K-9)	Concern	PAT: Acceptable	42.4	41.5	41.5	52.1	51.4	52.2	Very Low	Maintained	Concern
		PAT: Excellence	3.2	4.5	4.0	6.5	5.8	5.9	Very Low	Maintained	Concern
Student Learning Achievement (Grades 10-12)	Issue	Diploma: Acceptable	87.7	83.3	82.9	78.3	78.4	76.6	High	Improved	Good
		Diploma: Excellence	15.7	16.4	13.0	9.4	10.1	9.1	Intermediate	Maintained	Acceptable
		Diploma Exam Participation Rate (4+ Exams)	17.0	14.8	17.2	20.2	18.9	19.9	Very Low	Maintained	Concern
		Rutherford Scholarship Eligibility Rate	19.1	24.3	22.6	31.5	33.0	34.2	Very Low	Declined	Concern
Preparation for Lifelong Learning, World of Work, Citizenship	n/a	Transition Rate (6 yr)	23.9	24.3	25.1	30.3	32.1	31.5	Very Low	Maintained	Concern

Notes |

- 1 | Aggregated PAT results are based upon a weighted average of percent meeting standards (Acceptable, Excellence). The weights are the number of students enrolled in each course. Courses included: English Language Arts (Grades 6, 9, 9 KAE), Français (Grades 6, 9), French Language Arts (Grades 6, 9), Mathematics (6, 9, 9 KAE), Science (Grades 6, 9, 9 KAE), Social Studies (Grades 6, 9, 9 KAE).
- 2 | Aggregated Diploma results are a weighted average of percent meeting standards (Acceptable, Excellence) on Diploma Examinations. The weights are the number of students writing the Diploma Examination for each course. Courses included: English Language Arts 30-1, English Language Arts 30-2, French Language Arts 30-1, Français 30-1, Chemistry 30, Physics 30, Biology 30, Science 30, Social Studies 30-1, Social Studies 30-2. Current and historical Diploma results have been adjusted to reflect change in data source system.
- 3 | Please note that participation in Diploma Examinations and Grade 9 Provincial Achievement Tests was impacted by the flooding in June 2013. Results for 2013 are not calculated into the Three Year average. Caution should be used when interpreting trends over time for the province and those school authorities affected by the floods.

Desired Outcome One | Every student is successful

Specific Outcome | Students achieve learning outcomes.

Performance Measure	Results (in percentages)					Evaluation			Targets		
	2011	2012	2013	2014	2015	Achievement	Improvement	Overall	2016	2017	2018
Overall percentage of students who achieved the acceptable standard on diploma examinations (overall results).	84.8	86.2	87.3	88.3	88.0	High	Improved	Good			
Overall percentage of students who achieved the standard of excellence on diploma examinations (overall results).	24.4	25.6	24.8	28.6	27.7	Very High	Improved	Excellent			

Performance Measure	Results (in percentages)					Target	Evaluation			Targets		
	2010	2011	2012	2013	2014	2015	Achievement	Improvement	Overall	2016	2017	2018
High School Completion Rate - Percentage of students who completed high school within three years of entering Grade 10.	70.8	72.4	73.7	74.0	75.6		High	Improved Significantly	Good			
Drop Out Rate - annual dropout rate of students aged 14 to 18	4.1	3.1	3.5	3.3	3.3		High	Maintained	Good			
High school to post-secondary transition rate of students within six years of entering Grade 10.	59.9	58.3	59.2	60.5	61.2		High	Improved Significantly	Good			
Percentage of Grade 12 students eligible for a Rutherford Scholarship.	58.6	60.4	59.0	59.5	61.0		High	Improved Significantly	Good			
Percentage of students writing four or more diploma exams within three years of entering Grade 10.	59.8	61.9	62.2	49.2	61.1		High	Declined	Acceptable			

Strategies

Personalize learning:

Evolve, extend and integrate practices consistent with the elements of CBE's vision for high quality teaching and learning.

- extend the design of responsive, inclusive, rigorous and engaging learning tasks that ensure student progress and achievement

Build professional capital

Advance district-wide professional learning to address shared problems of practice and accelerate collective impact.

- strengthen inclusive learning practices

Engage our stakeholders:

Engage community members in the values, questions and issues that impact public education and student success.

- extend the role of student voice in educational decisions

Steward our resources:

Improve access to and use of data in informed, transparent decision making.

Notes |

- Aggregated Diploma results are a weighted average of percent meeting standards (Acceptable, Excellence) on Diploma Examinations. The weights are the number of students writing the Diploma Examination for each course. Courses included: English Language Arts 30-1, English Language Arts 30-2, French Language Arts 30-1, Français 30-1, Chemistry 30, Physics 30, Biology 30, Science 30, Social Studies 30-1, Social Studies 30-2. Current and historical Diploma results have been adjusted to reflect change in data source system.
- Diploma Examination Participation, High School Completion and High school to Post-secondary Transition rates are based upon a cohort of grade 10 students who are tracked over time.
- Please note that participation in Diploma Examinations was impacted by the flooding in June 2013. Results for 2013 are not calculated into the Three Year average. Caution should be used when interpreting trends over time for the province and those school authorities affected by the floods.

Specific Outcome | Students achieve learning outcomes (continued).

Performance Measure	Results (in percentages)					Evaluation			Targets		
	2011	2012	2013	2014	2015	Achievement	Improvement	Overall	2016	2017	2018
Percentage of teachers, parents and students who are satisfied that students model the characteristics of active citizenship.	79.5	81.2	82.4	83.1	82.3	Very High	Maintained	Excellent			
Percentage of teachers and parents who agree that students are taught attitudes and behaviours that will make them successful at work when they finish school.	76.7	76.4	77.3	78.2	78.2	High	Improved	Good			

Strategies

Personalize learning:

Clarify and extend inclusive practices through responsive, enabling learning environments and instruction.

- identify and create the conditions for success for students as unique learners and as members of their school and home communities

Advance multiple literacies, numeracy and core competencies for each student across the subject areas.

- Enhance assessment and instruction for the integration of knowledge, skills and competencies

Engage our stakeholders:

Engage local, provincial and global partners in collaborative ventures to support student learning.

- create new programming and transition opportunities for young adult students

Steward our resources:

Optimize the use of financial, human, material, community and government resources to accommodate students in enriching environments.

Note |

- 1 | Survey results for the province and Calgary Board of Education were impacted by changes in the number of students responding to the survey through its being administered in conjunction with the Tell THEM From ME survey in 2015.

Specific Outcome | Students demonstrate a strong foundation in literacy and numeracy.

Performance Measure	Results (in percentages)					Evaluation			Targets		
	2011	2012	2013	2014	2015	Achievement	Improvement	Overall	2016	2017	2018
Overall percentage of students in Grades 6 and 9 who achieved the acceptable standard on Provincial Achievement Tests (overall cohort results).	75.7	76.9	80.2	74.5	74.9	Intermediate	Declined	Issue	75.4	75.9	76.4
Overall percentage of students in Grades 6 and 9 who achieved the standard of excellence on Provincial Achievement Tests (overall cohort results).	19.9	20.8	20.5	19.1	20.0	High	Maintained	Good			

Strategies

Advance multiple literacies, numeracy and core competencies for each student across the subject areas.

- Define and implement comprehensive CBE practices for multiple literacies
- Enhance assessment and instruction for the integration of knowledge, skills and competencies

Advance district-wide professional learning to address shared problems of practice and accelerate collective impact.

- Advance multiple literacies, numeracy and core competencies
- Advance student success through task design and assessment

Advance leadership practices that optimize student success.

- implement a sustainable development and succession planning process for school-based leaders

Improve access to and use of data in informed, transparent decision making.

Notes |

- 1 | Aggregated PAT results are based upon a weighted average of percent meeting standards (Acceptable, Excellence). The weights are the number of students enrolled in each course. Courses included: English Language Arts (Grades 6, 9, 9 KAE), Français (Grades 6, 9), French Language Arts (Grades 6, 9), Mathematics (6, 9, 9 KAE), Science (Grades 6, 9, 9 KAE), Social Studies (Grades 6, 9, 9 KAE).
- 2 | Please note that participation in Grade 9 Provincial Achievement Tests was substantially impacted by the flooding in June 2013. Results for 2013 are not calculated into the Three Year average. Caution should be used when interpreting trends over time for the province and those school authorities affected by the floods.

Desired Outcome Two | Alberta has quality teaching and school leadership

Specific Outcome | Teacher preparation and professional growth focus on the competencies needed to help students learn. Effective learning and teaching is achieved through collaborative leadership.

Performance Measure	Results (in percentages)					Evaluation			Targets		
	2011	2012	2013	2014	2015	Achievement	Improvement	Overall	2016	2017	2018
Percentage of teachers, parents and students satisfied with the opportunity for students to receive a broad program of studies including fine arts, career, technology, and health and physical education.	81.8	82.0	82.4	83.1	81.1	High	Declined Significantly	Issue	82.1	83.1	84.1

Strategies

Advance multiple literacies, numeracy and core competencies for each student across the subject areas.

- define and implement comprehensive CBE practices for multiple literacies
- enhance assessment and instruction for the integration of knowledge, skills and competencies

Build coherence and continuous improvement in program provision, service delivery, and professional learning through a collaborative and evidence-informed culture.

- review the design and efficacy of priority programs and services to initiate new development and learning cycles

Engage community members in the values, questions and issues that impact public education and student success.

- create and implement comprehensive CBE public engagement framework
- extend the role of student voice in educational decisions

Optimize the use of financial, human, material, community and government resources to accommodate students in enriching environments.

Note |

- 1 | Survey results for the province and Calgary Board of Education were impacted by changes in the number of students responding to the survey through its being administered in conjunction with the Tell THEM From ME survey in 2015.

Desired Outcome Three | Alberta's education system is governed effectively

Specific Outcome | The education system demonstrates collaboration and engagement.

Performance Measure	Results (in percentages)					Evaluation			Targets		
	2011	2012	2013	2014	2015	Achievement	Improvement	Overall	2016	2017	2018
Percentage of teachers and parents satisfied with parental involvement in decisions about their child's education.	76.2	76.0	77.4	77.9	77.2	Intermediate	Maintained	Acceptable			
Percentage of teachers, parents and students satisfied with the overall quality of basic education.	88.0	88.1	88.3	87.8	87.6	High	Declined	Acceptable			

Strategies

Engage our stakeholders:

Engage community members in the values, questions and issues that impact public education and student success.

- create and implement comprehensive CBE public engagement framework
- extend the role of student voice in educational decisions

Promote a workplace culture built on the values of voice, accountability, self-sufficiency, clarity of role and responsibility, and in which all employees find meaning and fulfilment.

- leverage formative assessment strategies within renewed employee performance management and recognition frameworks

Engage local, provincial and global partners in collaborative ventures to support student learning.

- create new programming and transition opportunities for young adult students

Steward our resources:

Optimize the use of financial, human, material, community and government resources to accommodate students in enriching environments.

Note |

- 1 | Survey results for the province and Calgary Board of Education were impacted by changes in the number of students responding to the survey through its being administered in conjunction with the Tell THEM From ME survey in 2015.

Specific Outcome | Students and communities have access to safe and healthy learning environments.

Performance Measure	Results (in percentages)					Evaluation			Targets		
	2011	2012	2013	2014	2015	Achievement	Improvement	Overall	2016	2017	2018
Percentage of teacher, parent and student agreement that: students are safe at school, are learning the importance of caring for others, are learning respect for others and are treated fairly in school.	86.1	87.8	88.3	89.0	88.2	Very High	Maintained	Excellent			
Percentage of teachers, parents and students indicating that their school and schools in their jurisdiction have improved or stayed the same the last three years.	76.9	77.6	78.7	78.3	75.6	Intermediate	Declined Significantly	Issue	76.0	76.5	77.5

Strategies

Evolve, extend and integrate practices consistent with the elements of CBE's vision for high quality teaching and learning.

- extend the use of learning plans that help each student be known as a learner
- extend the design of responsive, inclusive, rigorous and engaging learning tasks that ensure student progress and achievement

Clarify and extend inclusive practices through responsive, enabling learning environments and instruction.

- identify and create the conditions for success for students as unique learners and as members of their school and home communities

Engage community members in the values, questions and issues that impact public education and student success.

- create and implement comprehensive CBE public engagement framework
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Note |

- 1 | Survey results for the province and Calgary Board of Education were impacted by changes in the number of students responding to the survey through its being administered in conjunction with the Tell THEM From ME survey in 2015.

CBE Disclosure

The CBE Public Interest Disclosure (Whistleblower Protection) policy was approved in February 2014. From September 30, 2014, up to and including September 29, 2015 the following has been received:

Disclosures received by the Designated Officer	1
Disclosures acted on	0
Disclosures not acted on	1
Investigations commenced by the Designated Officer as a result of disclosures	0

Desired Outcome Four | First Nations, Métis and Inuit students are successful

Specific Outcome | The achievement gap between First Nations, Métis and Inuit (FNMI) students and all other students is eliminated.

Performance Measure	Results (in percentages)					Evaluation			Targets		
	2011	2012	2013	2014	2015	Achievement	Improvement	Overall	2016	2017	2018
Overall percentage of self-identified FNMI students in Grades 6 and 9 who achieved the acceptable standard on Provincial Achievement Tests (overall cohort results).	41.8	41.6	47.8	41.5	42.4	Very Low	Maintained	Concern	43.0	43.5	44.0
Overall percentage of self-identified FNMI students in Grades 6 and 9 who achieved the standard of excellence on Provincial Achievement Tests (overall cohort results).	3.6	3.5	4.7	4.5	3.2	Very Low	Maintained	Concern	4.0	4.5	5.0
Overall percentage of self-identified FNMI students who achieved the acceptable standard on diploma examinations (overall results).	82.4	82.5	81.2	83.3	87.7	High	Improved	Good			
Overall percentage of self-identified FNMI students who achieved the standard of excellence on diploma examinations (overall results).	12.1	9.6	9.8	16.4	15.7	Intermediate	Maintained	Acceptable			

Performance Measure	Results (in percentages)					Target	Evaluation			Targets		
	2010	2011	2012	2013	2014	2015	Achievement	Improvement	Overall	2016	2017	2018
High School Completion Rate - Percentage of self-identified FNMI students who completed high school within three years of entering Grade 10.	25.2	27.1	33.9	35.9	33.2	34.0	Very Low	Maintained	Concern	35.0	36.0	37.0
Drop Out Rate - annual dropout rate of self-identified FNMI students aged 14 to 18	13.6	9.8	10.2	10.1	9.6	9.4	Very Low	Maintained	Concern	9.2	9.0	8.8
High school to post-secondary transition rate of self-identified FNMI students within six years of entering Grade 10.	22.9	26.5	24.5	24.3	23.9	25.0	Very Low	Maintained	Concern	25.5	26.0	26.5
Percentage of Grade 12 self-identified FNMI students eligible for a Rutherford Scholarship.	19.7	21.1	22.4	24.3	19.1	20.0	Very Low	Declined	Concern	20.5	21.0	21.5
Percentage of self-identified FNMI students writing four or more diploma exams within three years of entering Grade 10.	12.9	16.7	17.7	14.8	17.0	17.5	Very Low	Maintained	Concern	18.0	18.5	19.0

Strategies

Evolve, extend and integrate practices consistent with the elements of CBE's vision for high quality teaching and learning.

- extend the use of learning plans that help each student be known as a learner
- extend the design of responsive, inclusive, rigorous and engaging learning tasks that ensure student progress and achievement

Clarify and extend inclusive practices through responsive, enabling learning environments and instruction.

- identify and create the conditions for success for students as unique learners and as members of their school and home communities

Advance multiple literacies, numeracy and core competencies for each student across the subject areas.

- define and implement comprehensive CBE practices for multiple literacies
- enhance assessment and instruction for the integration of knowledge, skills and competencies

Advance district-wide professional learning to address shared problems of practice and accelerate collective impact.

- strengthen inclusive learning practices
- advance multiple literacies, numeracy and core competencies
- advance student success through task design and assessment

Engage community members in the values, questions and issues that impact public education and student success.

- create and implement comprehensive CBE public engagement framework
- extend the role of student voice in educational decisions

Engage local, provincial and global partners in collaborative ventures to support student learning.

- create new programming and transition opportunities for young adult students

Optimize the use of financial, human, material, community and government resources to accommodate students in enriching environments.

Improve access to and use of data in informed, transparent decision making.

Notes |

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- 2 | Aggregated Diploma results are a weighted average of percent meeting standards (Acceptable, Excellence) on Diploma Examinations. The weights are the number of students writing the Diploma Examination for each course. Courses included: English Language Arts 30-1, English Language Arts 30-2, French Language Arts 30-1, Français 30-1, Chemistry 30, Physics 30, Biology 30, Science 30, Social Studies 30-1, Social Studies 30-2. Current and historical Diploma results have been adjusted to reflect change in data source system.
- 3 | Diploma Examination Participation, High School Completion and High school to Post-secondary Transition rates are based upon a cohort of grade 10 students who are tracked over time.
- 4 | Please note that participation in Diploma Examinations and Grade 9 Provincial Achievement Tests was impacted by the flooding in June 2013. Results for 2013 are not calculated into the Three Year average. Caution should be used when interpreting trends over time for the province and those school authorities affected by the floods.

Summary of Financial Results for 2014-15

Actual to budget highlights

The CBE's 2014-15 budgeting process started with the release of the Province of Alberta's budget on March 6, 2014. CBE administration then began developing the budget for approval by the Board of Trustees on May 20, 2014 for implementation in September. The budget was based on estimates of an expected enrolment increase of 3,232 for the 2014-15 school year. At the Sept. 30, 2013 student count date, it was determined that the actual enrolment for the year would be 505 students higher than originally budgeted and as a result, both revenues and expenses would be higher.

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

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

Year-over-year highlights

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

- Revenue from Alberta Education was up \$42.4 million, an increase of 3.8 per cent. Provincial funding per student increased marginally; however, total funding increased due to enrolment growth.
- Employee salaries and benefits represent 78 per cent of expenses. The expense increased year-over-year by \$45.8 million. This 4.9 per cent reflects an increase in school-based permanent positions due to increased enrolment and the negotiated salary and step increment increases for various employee groups.
- In 2014-15, the provincial government limited board and system administrative expenses to 3.6 per cent of the operating budget (from 4.0 per cent) and CBE provincial grants were reduced by an equivalent of 0.4 per cent. For 2014-15, the CBE spent 2.7 per cent of its total operating expenses on board and system administration, enabling more resources to be directed to the classroom and classroom support. As a result, core programming supports are lean.
- CBE's accumulated surplus has increased by \$7.9 million due to favorable operating results and higher than expected investment gains.

Operating surplus

The budget anticipated a \$14.6 million deficit. With the realization of investment gains along with prudent spending, the CBE reports a surplus of \$11.4 million. The \$26.0 million difference predominantly reflects:

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

Use of surplus

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

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

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

For detailed information regarding the source and use of school generated funds, interested parties should contact school offices directly.

A full discussion and analysis of the CBE's year-end financial statements and historical financial documents can be found at the following link subsequent to Board of Trustee approval, scheduled for Dec. 1, 2015.

A full discussion and analysis of the CBE's year-end financial statements and historical financial documents can be found at the following link subsequent to Board of Trustee approval, scheduled for Dec. 1, 2015.

<http://www.cbe.ab.ca/trustees/budget.asp>

The provincial roll-up of financial results can be found at:

<http://education.alberta.ca/admin/funding/audited.aspx>

Program expenditure information

	2014-15							2013-14
	Instruction: early childhood services	Instruction: grades 1-12	Board and system administration	Transportation	Plant operations and maintenance	External services	Total	Total
Revenues								
Rev Ab Ed	50,353	884,359	40,158	34,283	135,243		1,144,396	1,101,997
Other government of Alberta revenue		403			560	145	1,108	2,113
Federal grants and education agreements		981	31			1,892	2,904	2,329
Sales and services		17,657	1,021		997	4,654	24,329	24,478
Fees	134	27,826		7,883		11,305	47,148	40,429
Investment income		114				14,749	14,863	7,395
Other Alberta school authorities		540			292		832	802
Gifts and donations		6,981				42	7,023	6,141
Fundraising		6,828					6,828	6,402
Rentals			436		2,762	3,500	6,698	7,137
Gain on disposal of assets		63					63	
Other revenue		1,323					1,323	221
Total Revenues	50,487	947,075	41,646	42,166	139,854	36,287	1,257,515	1,199,444
Expenses								
Certificated salaries	27,412	564,986	1,387			256	594,041	567,255
Certificated benefits	3,060	131,079	126			220	134,485	128,329
Non-certificated staff salaries	12,512	104,358	14,807	1,974	50,056	13,384	197,091	186,658
Non-certificated staff benefits	3,062	25,446	3,511	505	12,424	2,660	47,608	45,187
Sub-total	46,046	825,869	19,831	2,479	62,480	16,520	973,225	927,429
Supplies and services	2,402	99,847	11,294	41,310	59,639	3,196	217,688	207,290
Amortization of supported tangible capital assets					29,808		29,808	30,653
Amortization of unsupported tangible capital assets	662	14,151	2,602		4,413	9	21,837	21,505
Unsupported interest on capital debt								
Supported debt interest					560		560	820
Other interest and finance charges	15	362	70	108	589	333	1,477	1,282
Other expense	11	232	120	439		756	1,558	1,321
Total expenses	49,136	940,461	33,917	44,336	157,489	20,814	1,246,153	1,190,300
Operating surplus / (deficit)	1,351	6,614	7,729	(2,170)	(17,635)	15,473	11,362	9,144

Budget Summary: Fall 2015 Update to the 2015-16 Budget

On Dec. 1, 2015, the Board of Trustees will be asked to receive the Fall 2015 Update to the 2015-16 Operating Budget, reflecting total planned spending of \$1,320.5 million, an increase of \$37.2 million from the approved budget and authorize submission to Alberta Education.

The development of the 2015-16 Budget was guided by the CBE's values:

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

The budget is also influenced by the CBE's Mission, Alberta Education's *Inspiring Education*, the CBE's Three-Year Education Plan and the Board's summative evaluation of the Chief Superintendent.

On May 5, 2015, a new provincial government was elected. On May 28, 2015, the new government provided a provincial funding update for education. Certain funding rates increased from 2014-15 and school jurisdictions would be funded for enrolment growth. CBE's funding from Alberta Education increased by approximately \$67.4 million from 2014-15 budget. Other budget highlights include:

- Funds allocated directly to schools via the Resource Allocation Method have increased by more than \$31 million over 2014-15 and are sufficient to maintain the current system-wide ratio of students to school-based staff, subject to individual principal deployment decisions.
- \$16.0 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in development plans. The additional funds will also pay for high school graduation coaches to support our First Nations, Metis and Inuit students.
- The number of school-based teachers will increase by 114 full time equivalent positions and school-based non-teachers by 92 full time equivalent positions.
- Fee revenue will increase by \$2.9 million year-over-year. Fee revenue for noon supervision and Instructional Supplies and Materials (ISM) will fully fund the gap between direct program costs, including waivers and uncollectible accounts. There will be no contribution from the instructional budget to support these fee-based programs and services.
- The transportation expense budget is increased by \$3.0 million from what was planned in the 2014-15 fall update. This increase is due to the revision of route configuration and the elimination of congregated stops. Transportation fees in 2015-16 will not fully fund the \$5.2 million gap between direct program costs, government funding and planned use of the transportation fee stabilization reserve.
- The 2015-16 approved budget was balanced without the use of reserves. Several pressures have since been identified for which the use of \$68.7 million in capital and operating reserves is planned. This includes the fit-up and commissioning of new schools, upgrades in wireless capacity and school equipment as well as funding for professional development in schools.
- Non-facility capital project spending will be \$72.1 million for the fit-up and commissioning of new and modernized schools and for investments in strategic projects that will sustain critical systems and enable the system to better accommodate student learning needs and enrolment growth in future years.
- Service Unit budgets will be maintained in order to continue to provide services and supports that are consistent with levels in the 2014-15 year, subject to continuous improvement and operational efficiency reviews.

The CBE's 2015-16 budget report can be found at the following location:

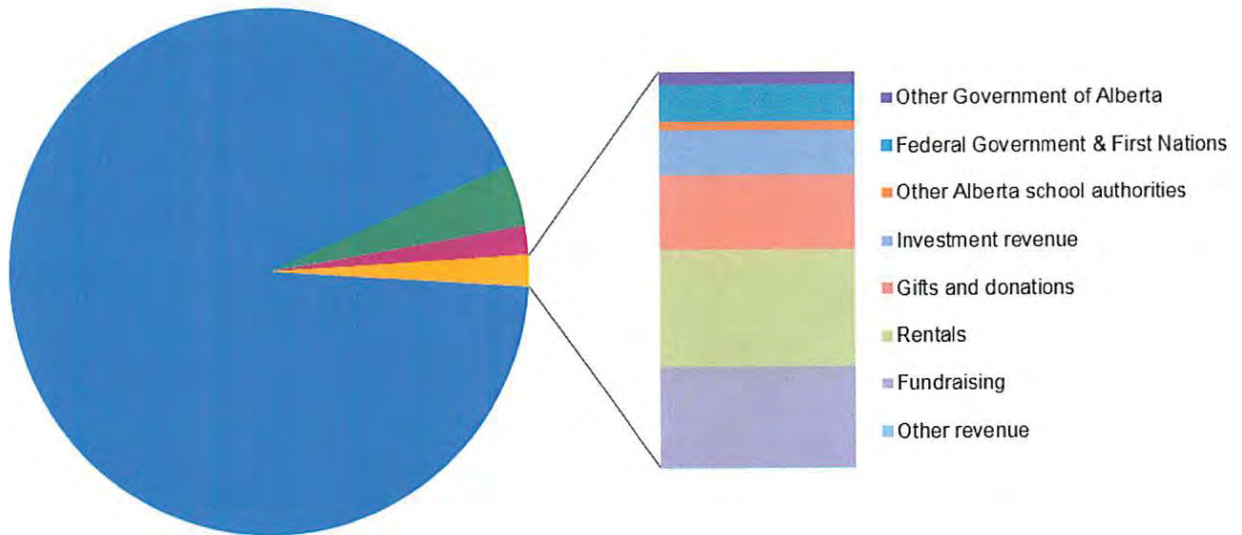
<http://www.cbe.ab.ca/trustees/budget.asp>

The fall update report will be submitted to Alberta Education immediately following its receipt by the Board of Trustees. It reflects financial support for the outcomes, strategies and actions articulated in the CBE's Three-Year Education Plan and forms the basis of the 2015-16 updated work plans for each of the CBE's service units and fall resource deployment by principals at schools.

Of the \$1,302.6 million in total expected revenues (not including approved transfers from operating reserves and designated funds) approximately 92 per cent, or \$1,204.3 million, is Alberta Education grant revenue. The total planned spending is \$1,321.0 million leaving a deficit of \$18.4 million, which will be funded from draws on reserves.

Revenues

Fall Budget Update			
	2015-16		2014-15
	(in \$ thousands)	%	(in \$ thousands)
Alberta Education	1,204,334	92%	1,136,965
Fees revenue	49,651	4%	46,736
Other sales and services	23,196	2%	19,684
Other	25,384	2%	30,462
Revenues	1,302,565	100%	1,233,847



Expenses by type

■ Certificated salaries and benefits
■ Non-certificated salaries and benefits
■ Supplies and services
■ Other (interest, amortization and uncollectible accounts)
Expenses by type

Fall Budget Update		
2015-16		2014-15
(in \$ thousands)	%	(in \$ thousands)
767,467	58.1%	730,184
256,462	19.4%	256,010
237,524	18.0%	205,467
59,041	4.5%	56,830
1,320,494	100.0%	1,248,491



- Certificated salaries and benefits
- Non-certificated salaries and benefits
- Supplies and services
- Other (interest, amortization and uncollectible accounts)

Summary of Facility & Capital Plans 2015-2016

Over the past decade, Calgary has seen tremendous growth and economic prosperity. One simple indicator of Calgary's growth is its population increase. The city grew by 159,400 people between 2010 and 2015. This is an average growth of 31,880 people per year; the current 2015 population is 1,230,915 (2015 City Census). Currently there are approximately 20 new developing communities as indicated in the City of Calgary's 2015 *Suburban Residential Growth 2015-2019*.

New school construction is necessary in outlying communities of the city to provide students with equitable access to instructional programs and to comply with the Board of Trustees' Governance Policies. New school construction priorities are approved by the Board of Trustees and these priorities are submitted to the provincial government in accordance with the annual School Capital Plan process.

The CBE's Three Year School Capital Plan 2016-2019 was approved on March 17th, 2015 by the Board of Trustees and can be found on the CBE Website at:
<http://www.cbe.ab.ca/aboutus/documents.asp>

The capital priorities for the three-year period covered by the plan consist of:

- 20 new school construction projects totalling \$478.5 million
- 13 major modernization projects totalling \$187 million

New school construction projects and school modernization projects previously approved by the province through CBE school capital plans as well as recently completed projects are listed below.

Approved New Schools and Modernization Requests

In May 2013, the Provincial Government announced the approval of six new schools for the CBE to accommodate enrolment growth in Calgary's new and developing communities as part of the Building Alberta Schools Construction Program (BASCP). The six new schools consists of three elementary, two middle, and one high school. In June 2014 the Provincial Government announced that they would not be pursuing the BASCP procurement package and that the new schools, with the exception of the North East High School, would be handed over to the CBE for development and construction. The design development and pre-construction process is now complete and these schools are under construction and scheduled to open in the 2016-17 school year:

- New Brighton (Elementary)
- Copperfield (Elementary)
- Evanston (Elementary)
- William D Pratt (Royal Oak Middle)
- Peter Lougheed (Saddle Ridge Middle)
- Nelson Mandela (North East High School)

In February 2014 the Provincial Government announced funding for the development and construction of six additional schools for CBE as part of their commitment to build fifty new schools. The design development and pre-construction process is now complete and the three elementary schools are proposed to open in the 2016/17 school year and the middle schools in 2017:

- Auburn Bay (Elementary)
- Marshall Springs (Evergreen Middle)
- Buffalo Rubbing Stone (Panorama Elementary)
- McKenzie Highlands (McKenzie Towne Middle)
- Dr. Martha Cohen (New Brighton/Copperfield Middle)
- Eric Harvie (Tuscany Elementary)

In September 2014, the Provincial Government announced funding for four starter schools and the design development of a new high school in South East Calgary. These four starter schools would subsequently proceed as full build-outs for completion and opening in the 2016-2017 school year and the high school in 2018/2019:

- Dr. Roberta Bondar (Aspen Woods Elementary)
- Cranston (Middle)
- Hugh A Bennett (Saddle Ridge Elementary)
- West Springs/Cougar Ridge (Middle)

The completion of the Booth Centre for Chinook Learning Services was expected in the summer of 2014. Due to significant flood damage in June 2013 the development was abandoned and alternative concepts for the redevelopment of the site with the Calgary Municipal Land Corporation and developers were explored. A Land Use Re-designation Application has been submitted to the City and a Developer RFP will be issued.

In January 2014 the Provincial Government announced funding for four additional major modernizations which will be completed in the 2016-2017 school year:

- Christine Meikle School (Replacement School)
- Harold W. Riley School (New Aboriginal Learning Centre)
- Jack James High School (Major Modernization)
- Bowness High School (Major Modernization)

In February and March 2014 the Provincial Government approved limited capital funding to rebuild Elbow Park School and flood mitigation funding for Rideau Park school, damaged by the 2013 Floods.

In October 2014 the Provincial Government announced funding for phase 3 of a consolidated advancement of education capital projects. This announcement which has subsequently been approved for full development provides the CBE with 3 new schools and two additional high school major modernizations for completion in the 2017/2018 school year.

- Martindale (Middle School)
- Silverado (Elementary School)
- Springbank Hill/Discovery Ridge (K-9)
- James Fowler High School Modernization
- Lord Beaverbrook High School Modernization

Enrolment Program Overview

In the 2015-16 school year, the Calgary Board of Education will provide programs and services in 227 schools, addressing the complexity and diversity of a population of 116,985 students.

Type and Number of Schools* 2015-16 School Year	
Elementary	133
Middle or Elementary Junior	36
Junior	16
Junior Senior	5
Senior High	21
Elementary Junior Senior**	1
Unique Settings including Discovering Choices	15
Outreach at four locations	
Total	227
* School is defined as an instructional setting with a unique school code assigned by Alberta Education	
** Home Education	

Student Enrolment as of Sept. 30, 2015	
Early Learning	180
Kindergarten	9,209
Grades 1 to 3	28,888
Grades 4 to 6	24,441
Grades 7 to 9	22,624
Grades 10 to 12	26,375
Home Education	270
Unique Settings	676
Outreach Programs	1,384
Chinook Learning Services*	2,327
CBe-learn	611
Other	690
Total Enrolment	116,985
* 673 are over 20 years old.	

CBE Budgeted Employee Count* 2015-16	
Certificated**	6,106
Non-certificated	3,285
Total	9,391
* Reported as Full-Time Equivalents as of Sept. 30, 2015	
** Excludes substitute teachers and staff on secondment and professional improvement leaves.	

Program Overview

The CBE offers a depth and breadth of programs and supports to meet the unique learning interests and needs of our increasingly diverse student populations.

Unique settings and outreach programs providing specialized services and supports

- CBe-Learn
- Children's Village School
- Chinook Learning Services
- Christine Meikle School
- Discovering Choices Outreach: Downtown, Marlborough, Westbrook, Bowness
- Dr. Gordon Townsend School at Alberta Children's Hospital
- Dr. Oakley School
- Emily Follensbee School
- Encore CBE
- High School Integration Class
- Nexus
- Project Trust
- West View School
- William Roper Hull School
- Wood's Homes Schools – George Wood Learning Centre and William Taylor Learning Centre
- Young Adult Program (YAP)

Sports-supported learning opportunities

- National Sports Academy
- National Sport School

Specialized school-based programming

- Autism
- Behaviour
- Blind and visually impaired
- Complex Needs
- Deaf and hard of hearing
- Developmental disabilities
- Early development pre-school
- English-language learning
- Gifted and talented
- Learning disability
- Mental health

CBE-supported community-based programming

- Alberta Alcohol and Drug Abuse Commission (AADAC)
- Adolescent Day Treatment Program (ADTP) – Holy Cross Centre
- Alberta Adolescent Recovery Centre (AARC)
- Calgary Youth Attendance Centre (CYAC)
- Emergency Women's Shelter Liaison
- Enviro's Wilderness Base Camp
- ExCel
- HERA Program

Alternative Programs

Content program focus

- Arts-Centred Learning
- Juno Beach Academy of Canadian Studies
- Science School

Teaching philosophy programs

- Alice Jamieson Girls' Academy
- All-Boys Alternative Program
- Montessori
- Traditional Learning Centres

Language and culture programs

- French Immersion Early and Late
- German Bilingual
- Mandarin Bilingual
- Medicine Wheel Kindergarten
- Piitoayis Family School – Aboriginal Culture Program
- Spanish Bilingual

Pathway Categories and Programs

- Off-campus Exploratory Programs
- Internships
- Dual Credit

November 2015

Measure Evaluation Reference

Achievement Evaluation

Achievement evaluation is based upon a comparison of Current Year data to a set of standards which remain consistent over time. The Standards are calculated by taking the 3 year average of baseline data for each measure across all school jurisdictions and calculating the 5th, 25th, 75th and 95th percentiles. Once calculated, these standards remain in place from year to year to allow for consistent planning and evaluation.

The table below shows the range of values defining the 5 achievement evaluation levels for each measure.

Measure	Very Low	Low	Intermediate	High	Very High
Safe and Caring	0.00 - 77.62	77.62 - 81.05	81.05 - 84.50	84.50 - 88.03	88.03 - 100.00
Program of Studies	0.00 - 66.31	66.31 - 72.65	72.65 - 78.43	78.43 - 81.59	81.59 - 100.00
Education Quality	0.00 - 80.94	80.94 - 84.23	84.23 - 87.23	87.23 - 89.60	89.60 - 100.00
Drop Out Rate	100.00 - 9.40	9.40 - 6.90	6.90 - 4.27	4.27 - 2.79	2.79 - 0.00
High School Completion Rate (3 yr)	0.00 - 57.03	57.03 - 62.36	62.36 - 73.88	73.88 - 81.79	81.79 - 100.00
PAT: Acceptable	0.00 - 65.90	65.90 - 70.33	70.33 - 79.81	79.81 - 84.65	84.65 - 100.00
PAT: Excellence	0.00 - 9.97	9.97 - 13.45	13.45 - 19.56	19.56 - 25.83	25.83 - 100.00
Diploma: Acceptable	0.00 - 73.76	73.76 - 81.00	81.00 - 86.67	86.67 - 90.27	90.27 - 100.00
Diploma: Excellence	0.00 - 7.14	7.14 - 13.16	13.16 - 19.74	19.74 - 24.05	24.05 - 100.00
Diploma Exam Participation Rate (4+ Exams)	0.00 - 31.10	31.10 - 44.11	44.11 - 55.78	55.78 - 65.99	65.99 - 100.00
Rutherford Scholarship Eligibility Rate	0.00 - 43.18	43.18 - 49.83	49.83 - 59.41	59.41 - 70.55	70.55 - 100.00
Transition Rate (6 yr)	0.00 - 39.80	39.80 - 46.94	46.94 - 56.15	56.15 - 68.34	68.34 - 100.00
Work Preparation	0.00 - 66.92	66.92 - 72.78	72.78 - 77.78	77.78 - 86.13	86.13 - 100.00
Citizenship	0.00 - 66.30	66.30 - 71.63	71.63 - 77.50	77.50 - 81.08	81.08 - 100.00
Parental Involvement	0.00 - 70.76	70.76 - 74.58	74.58 - 78.50	78.50 - 82.30	82.30 - 100.00
School Improvement	0.00 - 65.25	65.25 - 70.85	70.85 - 76.28	76.28 - 80.41	80.41 - 100.00

Notes |

- 1 | For all measures except Drop Out Rate: The range of values at each evaluation level is interpreted as greater than or equal to the lower value, and less than the higher value. For the Very High evaluation level, values range from greater than or equal to the lower value to 100%.
- 2 | Drop Out Rate measure: As "Drop Out Rate" is inverse to most measures (i.e. lower values are "better"), the range of values at each evaluation level is interpreted as greater than the lower value and less than or equal to the higher value. For the Very High evaluation level, values range from 0% to less than or equal to the higher value.

Improvement Table

For each jurisdiction, improvement evaluation consists of comparing the Current Year result for each measure with the previous three-year average. A chi-square statistical test is used to determine the significance of the improvement. This test takes into account the size of the jurisdiction in the calculation to make improvement evaluation fair across jurisdictions of different sizes.

The table below shows the definition of the 5 improvement evaluation levels based upon the chi-square result.

Evaluation Category	Chi-Square Range
Declined Significantly	3.84 + (current < previous 3-year average)
Declined	1.00 - 3.83 (current < previous 3-year average)
Maintained	less than 1.00
Improved	1.00 - 3.83 (current > previous 3-year average)
Improved Significantly	3.84 + (current > previous 3-year average)

Overall Evaluation Table

The overall evaluation combines the Achievement Evaluation and the Improvement Evaluation. The table below illustrates how the Achievement and Improvement evaluations are combined to get the overall evaluation.

	Achievement				
Improvement	Very High	High	Intermediate	Low	Very Low
Improved Significantly	Excellent	Good	Good	Good	Acceptable
Improved	Excellent	Good	Good	Acceptable	Issue
Maintained	Excellent	Good	Acceptable	Issue	Concern
Declined	Good	Acceptable	Issue	Issue	Concern
Declined Significantly	Acceptable	Issue	Issue	Concern	Concern

Category Evaluation

The category evaluation is an average of the Overall Evaluation of the measures that make up the category. For the purpose of the calculation, consider an Overall Evaluation of Excellent to be 2, Good to be 1, Acceptable to be 0, Issue to be -1, and Concern to be -2. The simple average (mean) of these values rounded to the nearest integer produces the Category Evaluation value. This is converted back to a colour using the same scale above (e.g. 2=Excellent, 1=Good, 0=Intermediate, -1=Issue, -2=Concern)

Accountability Pillar Overall Summary Annual Education Results Reports - Oct 2015 Province: Alberta

Measure Category	Measure Category Evaluation	Measure	Alberta			Measure Evaluation		
			Current Result	Prev Year Result	Prev 3 Yr Average	Achievement	Improvement	Overall
Safe and Caring Schools	Excellent	Safe and Caring	89.2	89.1	88.9	Very High	Improved Significantly	Excellent
Student Learning Opportunities	Good	Program of Studies	81.3	81.3	81.2	High	Maintained	Good
		Education Quality	89.5	89.2	89.5	High	Maintained	Good
		Drop Out Rate	3.4	3.3	3.3	High	Declined	Acceptable
		High School Completion Rate (3 yr)	76.4	74.9	74.6	High	Improved Significantly	Good
Student Learning Achievement (Grades K-9)	Issue	PAT: Acceptable	73.0	73.1	73.9	Intermediate	Declined Significantly	Issue
		PAT: Excellence	18.8	18.4	18.9	Intermediate	Maintained	Acceptable
Student Learning Achievement (Grades 10-12)	Good	Diploma: Acceptable	85.2	85.5	84.6	Intermediate	Improved Significantly	Good
		Diploma: Excellence	21.0	21.1	20.0	High	Improved Significantly	Good
		Diploma Exam Participation Rate (4+ Exams)	54.9	50.5	54.4	Intermediate	Improved	Good
		Rutherford Scholarship Eligibility Rate	61.2	60.9	61.3	High	Maintained	Good
Preparation for Lifelong Learning, World of Work, Citizenship	Good	Transition Rate (6 yr)	59.8	59.2	59.0	High	Improved Significantly	Good
		Work Preparation	82.0	81.2	80.4	High	Improved Significantly	Good
		Citizenship	83.5	83.4	83.1	Very High	Improved Significantly	Excellent
Parental Involvement	Good	Parental Involvement	80.7	80.6	80.2	High	Improved Significantly	Good
Continuous Improvement	Issue	School Improvement	79.6	79.8	80.1	High	Declined Significantly	Issue

Notes |

- 1 | Aggregated PAT results are based upon a weighted average of percent meeting standards (Acceptable, Excellence). The weights are the number of students enrolled in each course. Courses included: English Language Arts (Grades 6, 9, 9 KAE), Français (Grades 6, 9), French Language Arts (Grades 6, 9), Mathematics (6, 9, 9 KAE), Science (Grades 6, 9, 9 KAE), Social Studies (Grades 6, 9, 9 KAE).
- 2 | Aggregated Diploma results are a weighted average of percent meeting standards (Acceptable, Excellence) on Diploma Examinations. The weights are the number of students writing the Diploma Examination for each course. Courses included: English Language Arts 30-1, English Language Arts 30-2, French Language Arts 30-1, Français 30-1, Chemistry 30, Physics 30, Biology 30, Science 30, Social Studies 30-1, Social Studies 30-2. Current and historical Diploma results have been adjusted to reflect change in data source system.
- 3 | Please note that participation in Grade 9 Provincial Achievement Tests was substantially impacted by the flooding in June 2013. Results for 2013 are not calculated into the Three Year average. Caution should be used when interpreting trends over time for the province and those school authorities affected by the floods.
- 4 | Please note that participation in Diploma Examinations was impacted by the flooding in June 2013. Results for 2013 are not calculated into the Three Year average. Caution should be used when interpreting trends over time for the province and those school authorities affected by the floods.
- 5 | Survey results for the province and Calgary Board of Education were impacted by changes in the number of students responding to the survey through its being administered in conjunction with the Tell THEM From ME survey in 2015.



learning | as unique | as every student



Calgary Board
of Education

operational
expectations
monitoring report

OE-5: FINANCIAL PLANNING

Monitoring report for
the school year 2014-
2015

Report date:
Dec 1, 2015

CHIEF SUPERINTENDENT CERTIFICATION

With respect to Operational Expectations 5: Financial Planning, the Chief Superintendent certifies that the proceeding information is accurate and complete, and is:

- ☒ In Compliance
- ☐ In Compliance with exceptions as noted in the evidence
- ☐ Not in Compliance

Signed: D. Stevenson
Chief Superintendent

Date: Nov. 26/15

BOARD OF TRUSTEES ACTION

With respect to Operational Expectations 5: Financial Planning, the Board of Trustees:

- ☐ Finds the evidence to be compliant
- ☐ Finds the evidence to be compliant with noted exceptions
- ☐ Finds evidence to be not compliant

Summary statement/motion of the Board of Trustees:

Signed: _____
Chair, Board of Trustees

Date: _____



OE-5: FINANCIAL PLANNING

Executive Summary

Operational Expectation 5: Financial Planning establishes the values and expectations of the Board of Trustees for the Calgary Board of Education in developing and maintaining financial planning that allows the organization to meet its fiscal obligations on an ongoing basis.

The Chief Superintendent's reasonable interpretations for OE 5: Financial Planning were approved on March 20, 2012 and subsequent revisions approved on May 28, 2013. The Board of Trustees last monitored OE 5: Financial Planning on May 20 2014.

5.1 The Chief Superintendent will develop a budget that is in a summary format understandable to the Board and presented in a manner that allows the Board to understand the relationship between the budget and the Results priorities and any Operational Expectations goals for the year.

- Indicator 1: Compliant
- Indicator 2: Compliant

5.2 The Chief Superintendent will develop a budget that credibly describes revenues and expenditures

- Indicator 1: Compliant

5.3 The Chief Superintendent will develop a budget that shows the amount spent in each budget category for the most recently completed fiscal year, the amount budgeted for the current fiscal year, and the amount budgeted for the next fiscal year.

- Indicator 1: Compliant

5.4 The Chief Superintendent will develop a budget that discloses budget-planning assumptions

- Indicator 1: Compliant
- Indicator 2: Compliant



OE-5: FINANCIAL PLANNING

5.5 The Chief Superintendent will develop a budget that plans for fiscal soundness in future years.

- Indicator 1: Compliant

5.6 The Chief Superintendent will develop a budget that reflects anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increase and benefits.

- Indicator 1: Compliant

5.7 The Chief Superintendent will develop a budget that includes amounts determined by the Board to be necessary for the Board to effectively and efficiently perform its governing responsibilities

- Indicator 1: Compliant

5.8 The Chief Superintendent may not develop a budget that plans for the expenditure in any fiscal year of more funds than are conservatively projected to be available during the year.

- Indicator 1: Compliant
- Indicator 2: Compliant

Two documents are named in the indicators for OE-5: a Budget Document and a Budget Assumptions Report.

The Budget Document named in the indicators is the "Operating Budget for 2015-16 and beyond", as submitted on December 1, 2015. Evidence in this monitoring report will point to specific pages in the budget report. The budget report as a whole is referred to as the Budget Document.

The Calgary Board of Education Budget Assumptions report was presented to the Board of Trustees on June 16, 2015. It is appended to the Budget Document.



OE-5: FINANCIAL PLANNING

The Chief Superintendent shall develop and maintain a multi-year financial plan that is related directly to the Board's Results priorities and Operational Expectations goals, and that avoids long-term fiscal jeopardy to the organization.

Board-approved Interpretation |

- The Chief Superintendent interprets *multi-year* to mean a three-year period rolling in synchronization with the Three-Year Education Plan. This multi-year financial plan includes both the operating and capital Budgets.
- The Chief Superintendent interprets *develop and maintain* to mean that the multi-year financial plan will be presented and approved by May 31 of each year.
- The Chief Superintendent interprets *directly related to the Board's Results priorities* to mean in accordance with the Three-Year Education Plan, which is the strategy designed to achieve the Board's Results priorities and Operational Expectation goals. Furthermore, the format will include comparative numbers for the previous year and the forecasted budgets for the ensuing two years.
- The Chief Superintendent interprets *directly related to the Board's Operational Expectations goals* to mean that the processes used in financial planning are conducted, and the format and content of the financial planning document are developed, in compliance with the requirements of Operational Expectations.
- The Chief Superintendent interprets *avoids long-term fiscal jeopardy to the organization* as referring to the ultimate financial decisions reflected in the financial plan. Fiscal jeopardy refers to the ongoing ability of the organization to meet its fiscal obligations. While the organization must produce a balanced budget in accordance with the *School Act*, this in itself does not demonstrate avoidance of fiscal jeopardy as it reflects the financial position at a single point in time.

The Chief Superintendent interprets guarding against fiscal jeopardy while balancing the budget to mean that financial decisions will:

1. Only contemplate a temporary structural deficit if there is a clear, prudent financial plan to eliminate it;
2. Address any structural deficits over an identified time frame appropriate to the circumstances, but usually within a three-year period;



3. Strive to develop and maintain an operating reserve base equal to 1% of jurisdiction revenues, whenever possible; and
4. Be based on acceptable levels of risk, in accordance with the organization's definition of risk tolerance.

The Chief Superintendent will develop a budget that:

5.1 Is in a summary format understandable to the Board and presented in a manner that allows the Board to understand the relationship between the budget and the Results priorities and any Operational Expectations goals for the year.	Compliant
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Board-approved Interpretation |

The Chief Superintendent interprets *summary format understandable to the Board* to be the format required by Alberta Education.

The Chief Superintendent interprets *Board understands the relationship between the budget and Results priorities and any Operational Expectations goals for the year* to mean that at the outset of the budget building process, the Board will be presented with a Budget Assumptions Report that demonstrates the linkages.

Board-approved Indicators and *Evidence of Compliance* |

1. A Budget Assumptions Report that reflects the above interpretation.

The Budget Assumptions Report begins with the Board's Results Statements, Values and Guiding documents (e.g. Three-Year Education Plan) that were used to drive the report's creation, and, ultimately, the CBE's Budget.

The organization is compliant with this indicator.

2. A Budget Document that reflects the above interpretation.

A budget was presented to the Board on June 16, 2015. Due to the timing of the government's funding update for Education (May 28), a detailed budget report including a three year financial plan was not developed. An updated budget, based on the government's October 27 budget announcement and actual enrolments on September 30, 2015, was presented to the Board on December 1. This Budget (the Fall Update) reflects the above interpretation.

The organization is compliant with this indicator.

Evidence demonstrates all indicators in sub-section 5.1 are in compliance.

5.2 Credibly describes revenues and expenditures	Compliant
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Board-approved Interpretation |

The Chief Superintendent interprets that *revenues and expenditures are credibly described* when they summarize revenue by major funding source and expenditure by spending categories typically used in financial statements prepared in accordance with generally accepted accounting principles.

The Chief Superintendent interprets *credible description* to mean the format required by Alberta Education, supplemented by a glossary of terms and explanatory notes.

Board-approved Indicator and Evidence of Compliance |

A Budget Document that reflects the above interpretation.

Page 8 of the Budget Document describes revenue by major funding source and expenditure by spending categories typically used in financial statements prepared in accordance with generally accepted accounting principles, and in the format required by Alberta Education. Revenue and expenditures are also described as a percentage of total and in terms of the variance from the 2014-15 budget. A glossary of terms is found starting on page 51.

The organization is compliant with this indicator.

Evidence demonstrates the indicator in sub-section 5.2 is in compliance.

5.3 Shows the amount spent in each budget category for the most recently completed fiscal year, the amount budgeted for the current fiscal year, and the amount budgeted for the next fiscal year.	Compliant
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Board-approved Interpretation |

The Chief Superintendent interprets *budget category* to mirror the revenue and expenditure categories.

The Chief Superintendent interprets the requested disclosure to be three fiscal years, being the previous fiscal year actuals, the current fiscal year budget, and the next fiscal year (being the year for which budget approval is required).

In addition, to comply with the overall requirement to present a *multi-year budget*, in accordance with the Chief Superintendent's interpretation, the presentation will

include (for information purposes only) the planned amounts for two subsequent years.

Board-approved Indicator and *Evidence of Compliance* |

A Budget Document that reflects the above interpretation.

The Budget Document presents the required three years of information for the period 2015-16 to 2017-18 with comparatives for 2014-15 in the format required by Alberta Education, in accordance with the approved reasonable interpretation.

The organization is compliant with this indicator.

Evidence demonstrates the indicator in sub-section 5.3 is in compliance.

5.4 Discloses budget-planning assumptions	Compliant
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Board-approved Interpretation |

The Chief Superintendent interprets the *budget-planning assumptions* to include:

- financial, economic and other relevant factors where uncertainty exists; and
- resource allocation strategies.

The Chief Superintendent interprets that the *disclosure of budget planning assumptions* shall be a separate document, containing both a description of the assumption and the intended budget impact. Presentation of this document to the Board of Trustees will take place in advance of the presentation of the resulting budget.

To demonstrate that the ultimate budget document reflects the planned assumptions, the statistics and impacts from the Budget Assumptions Report will be re-calculated using the final budget figures and included with the Budget Document presented to the Board.

Disclosure of assumptions shall be based on materiality of impact. For the purposes of disclosure, the Chief Superintendent interprets *material impact* to be either:

- any assumption having an impact greater than one per cent of the budget; and
- any assumption that is pivotal to the delivery of the Three-Year Education Plan.

By necessity, the level of detail of the assumptions and the confidence in the estimated impacts will be greater for the current year budget being approved than for the ensuing two years provided for information only. These future years will be

modified and adjusted in each ensuring year to respond to unforeseen and changing circumstances and formal budget approval by the Board for those years will occur annually.

Board-approved Indicators and *Evidence of Compliance* |

1. A Budget Assumptions Report that reflects the above interpretation.

The Budget Assumptions Report provides the following information as required by the above interpretation:

- *Financial, economic and other relevant factors where uncertainty exists are disclosed in the attached Budget Assumption Report on beginning on page 5-16, page 4-15 for Revenue and page 4-17 for expenses.*

All assumptions having an impact greater than one per cent of the budget and all assumptions pivotal to the delivery of the Interim Three-Year Education Plan have been disclosed in the attached Budget Assumptions Report on the above noted pages.

The organization is compliant with this indicator.

2. Recalculation of the statistics and impacts from the report on assumptions, using the final budget figures.

Statistics, such as basic funding per student, have been updated throughout the Budget document.

The organization is compliant with this indicator.

Evidence demonstrates all indicators in sub-section 5.4 are in compliance.

5.5 Plans for fiscal soundness in future years.	Compliant
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Board-approved Interpretation |

The Chief Superintendent interprets *fiscal soundness in future years* to mean **ongoing** ability to meet financial obligations.

The Chief Superintendent interprets *plans for* to mean that financial decisions are made in accordance with the previous interpretation of “*guarding against fiscal jeopardy while balancing the budget*”.

Board-approved Indicator and *Evidence of Compliance* |

- A Budget Assumptions Report that reflects the above interpretation.



The 2015-16 Budget is balanced without the use of reserves to fund regular operations. Reserves are planned to be utilized for one-time expenses such as an initiative to further schools' goals of improving student achievement and commissioning of new schools.

The projections included in the report for 2016-17 and 2017-18 do not represent deficit plans. Rather, the deficits are indicative of the additional revenue and/or program and service reductions that would be necessary to generate a balanced budget. As well, as a government controlled entity there is no risk that the CBE will be unable to meet its financial obligations.

The organization is compliant with this indicator.

Evidence demonstrates the indicator in sub-section 5.5 is in compliance.

5.6 Reflects anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increase and benefits.	Compliant
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Board-approved Interpretation |

The Chief Superintendent interprets that the financial plan will reflect anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases and benefits by including these estimated changes in the projections for salaries and benefits expenses in each of the three years presented in the financial plan.

Board-approved Indicator and Evidence of Compliance |

A Budget Assumptions Report that reflects the above interpretation.

Estimated changes in the projections for salaries and benefits expenses are incorporated into the budget assumption on page 4-17 of the Budget Assumptions Report. These assumptions are reflected in the information provided in the Budget Document.

The organization is compliant with this indicator.

Evidence demonstrates the indicator in sub-section 5.6 is in compliance.

5.7 Includes amounts determined by the Board to be necessary for the Board to effectively and efficiently perform its governing responsibilities	Compliant
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Board-approved Interpretation |



The Chief Superintendent interprets *amounts determined by the Board to be necessary for the Board to effectively and efficiently perform its governing responsibilities* to be the Office of the Trustees' budget allocation.

Board-approved Indicator and *Evidence of Compliance* |

Board approval of the Office of the Trustees' budget allocation.

At the meeting on June 9, 2015, the Board of Trustees approved the Office of the Trustees' budget allocation for 2015-2016.

The organization is compliant with this indicator.

Evidence demonstrates the indicator in sub-section 5.7 is in compliance.

The Chief Superintendent may not develop a budget that:

5.8 Plans for the expenditure in any fiscal year of more funds than are conservatively projected to be available during the year.	Compliant
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Board-approved Interpretation |

The Chief Superintendent interprets *conservatively projected to be available* to mean that:

- the source of the funding can be specifically identified; and
- the timing for receipt and amount of funding can both be reasonably estimated.

Reasonably estimated means our level of confidence in our projections is:

- high; or
- if moderate, is acceptable given potential alternative actions.

Levels of confidence are defined in the context of the organization's risk tolerance.

Board-approved Indicators and *Evidence of Compliance* |

1. A Budget Assumptions Report that reflects the above interpretation.

Over 92% of Calgary Board of Education funding is derived from Provincial grants. Revenue projections are based on the Alberta Education Funding Manual, and CBE student projections, which have been extremely reliable on a system-wide basis. Remaining revenues have been budgeted conservatively, as described in the attached Budget Assumptions Report on pages 4-15 and 4-17.

The organization is compliant with this indicator.

2. A Budget Document that reflects the above interpretation.

On page 19 of the Budget Document, the Three-Year Financial Plan reflects expenses in excess of revenue for 2016-17 to 2017-18. These deficits represent the additional revenue and/or cost reductions needed to balance the budget in the future and are not plans to overspend in future years.

The organization is compliant with this indicator.

Evidence demonstrates all indicators in sub-section 5.8 are in compliance.

ATTACHMENT I: CBE Operating Budget for 2015-16 and Beyond

GLOSSARY – Developed by the Board of Trustees

Board: The Board of Trustees

Operational Expectations: These policies define both the nonnegotiable expectations and the clear boundaries within which the Chief Superintendent and staff must operate. They articulate the actions and decisions the Board would find either absolutely necessary or totally unacceptable.

Monitoring Report: The Board wants to know that its values have driven organizational performance. The Chief Superintendent will present to the Board, for its evaluation, a report that summarized how either compliance has been achieved on Operational Expectations or how reasonable progress has been made in Results. Each monitoring report requires: a re-statement of the full policy, by section; a reasonable interpretation of each section; data sufficient to prove compliance or reasonable progress; and a signed certification from the Chief Superintendent of the status.

Reasonable Interpretation: Once the Board has stated its values in policy, the Chief Superintendent is required to "interpret" policy values, saying back to the Board, "here is what the Board's value means to me." The Board then judges whether this interpretation is reasonable. In other words, does the Chief Superintendent "get it?" This reasonable interpretation is the first step required in monitoring compliance on Operational Expectations and monitoring reasonable progress on Results.

Compliance: Evidence or data that allow the Board to judge whether the Chief Superintendent has met the standard set in the Operational Expectations values.

Non-compliance: In gathering evidence and data to prove to the Board that its Operational Expectations values have been adhered to, there may be areas where the standards were not met. The policy or subsection of the policy would be found to be "non-compliant." The Chief Superintendent would identify the capacity-building needed to come into compliance and the Board would schedule this section of policy for re-monitoring.



report to Board of Trustees

First Quarter Budget Variance Report, Fall 2015 Budget Update and 2014-15 Use of Reserves

Date	December 1, 2015
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	David Stevenson, Chief Superintendent of Schools
Purpose	Decision and Information
Originator	Brad Grundy, Superintendent, Chief Financial Officer and Corporate Treasurer
Governance Policy Reference	Operational Expectations OE-5: Financial Planning OE-6: Financial Administration
Resource Persons	Carla Male, Director, School Financial Management Donna Rogers, Manager, Corporate Planning and Reporting Sharyn Tut, Lead, Corporate Budgets

1 | Recommendations

It is recommended:

- THAT the Board of Trustees approve the recommended reserve transfers pertaining to the year ended Aug. 31, 2015 (Attachment II).
- THAT the Board of Trustees approve the planned 2015-16 use of reserves and designated funds (Attachment III) for a total of \$41.7 million and \$26.6 million in capital reserves.
- THAT the Board of Trustees receives the Fall 2015 Update to the 2015-16 Operating Budget (Attachment VI), reflecting total planned spending of \$1,320.5 million, an increase of \$37.2 million, and authorize submission to Alberta Education.



2 | Issue

Operational Expectation OE-6: Financial Administration requires that the Chief Superintendent will not transfer monies between reserves or committed operating surplus without Board approval. This report seeks approval for the 2014-15 reserve transfers as well as approval for the planned use of reserves in 2015-16.

OE-6 further requires that quarterly variance reports are prepared and provide explanations for variances in excess of 1% and \$500,000. This report serves as the first quarter report for the 2015-16 fiscal year.

Alberta Education requires a Fall 2015 Budget Update to the 2015-16 Operating Budget, which was approved by the Board of Trustees on June 18, 2015. This update includes forecasted changes related to enrolment and other known adjustments.

3 | Background

2014-15 reserve transfers

Each spring the Calgary Board of Education prepares its operating and capital budgets for the following fiscal year. Quarterly and annual reports are presented to the Board of Trustees to provide updates on the status of the results of financial activity. These results are compared to the approved Operating and Capital Budgets to meet the monitoring requirements of OE 6: Financial Administration.

When the year-end actual financial results are known, funds are transferred out of or into reserves as required. The Board has approved terms and conditions for various operating and capital reserves which include conditions for additions and withdrawals that are subject to Board approval consistent with OE 6: Financial Administration.

Practice at the Calgary Board of Education has permitted unspent budgeted funds pertaining to one-time programs to be carried forward for use in the following year. These are called Designated Funds.

On April 1, 2014, the Board of Trustees approved, in principle, the use of all operating reserves to balance the 2014-15 budget. For 2014-15, the Calgary Board of Education began the fiscal year with operating reserves (all types) of \$53.6 million, with \$37.3 million available to balance the 2014-15 budget. With better 2014-15 operating information available with the Fall Budget Update, planned usage for 2014-15 was \$18.8 million.

Due to a number of factors that will be detailed with the 2014-15 year-end financial statements, Administration is anticipating a surplus for the year ended August 31, 2015, which is favourable when compared against the budgeted deficit. There are several factors contributing to this difference including investment gains and higher revenues than projected. As a result, the actual draw on reserves required is smaller than planned.

If the proposed transfers are approved, the operating reserves balances at Aug. 31, 2015 totals \$46.4 million, of which \$37.7 million is available to fund operations in future years (Attachment II). As reported in the 2015-16 Budget on June 18, 2015, the 2015-16 budget is balanced without the use of reserves. The CBE is committed to working collaboratively with the Government of Alberta regarding the use of available reserves to support student learning and advancing the CBE's and government's learning agenda. Since the approval of the 2015-16 Budget on June 18, 2015, several budget pressures have been identified and are summarized in the Analysis section below to be recommended for funding by reserves.

2015-16 budget and use of reserves

The approved 2015-16 Operating Budget was prepared using a consultative process and focused resources on achieving the vision as articulated in the Results Statements, the Three-Year Education Plan and Inspiring Education.

The Board approved the Operating Budget on June 18, 2015 and documentation was submitted to Alberta Education. The approved budget was based on enrolment projections for 2015-16, which drives provincial grant funding and school spending.

Enrolment numbers for the school year are counted at Sept. 30 and those are the official enrolment numbers which drive actual funding and resources deployed to schools for the school year. Alberta Education requires an update to the approved 2015-16 operating budget which includes a revised estimate of funding, expenditures, number of students eligible for provincial funding and an estimate of full-time equivalents (FTEs). This is the Fall 2015 Update to the 2015-16 Operating Budget shown in Attachment VI. It is important to note that the estimate of FTEs is based on the resource deployment by school principals as at Oct. 2015. Actual FTEs will vary from this and fluctuate throughout the year.

Once this Fall 2015 Update is approved by the Board of Trustees, it will be immediately submitted to Alberta Education for use in their financial forecasting and preparing for any Provincial budget submissions for the subsequent fiscal year.

Also included in this report is the first quarter operating budget variance analysis in Attachment I. This report is prepared for the Board of Trustees and varies slightly in presentation from the Fall 2015 Update, which is prepared for Alberta Education. The budget changes and updated deficit amounts in both reports are the same.

2014-15 reserve transfers

The following provides details to support all requests for Operating and Capital Reserve transfers for the year ended August 31, 2015.

Restricted Reserves (Attachment II)

1. Transportation Fee Stabilization Reserve

Administration monitors all external fee revenues, grant funding and expenses under the Transportation funding block. The net result at year-end was a deficit of \$2.2 million.

The *School Act* requires that any surplus resulting from transportation fees must be used to subsidize the cost of transporting students in future years and as such, the entire transportation deficit is covered by a draw from the reserve. At August 31, 2015, there is a balance of \$122,491 available. This reserve is not available to fund non-transportation costs.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$ 2,291,106	\$ (2,168,615)	\$ 122,491

2. Unrealized Investment Gains/Losses Reserve

Fluctuations in the fair value over the cost of investments are reported as Remeasurement Gains/Losses in the financial statements. This account has historically been reported under the Unrealized Investment Gain/Losses Reserve for internal CBE reporting, but in the future will be removed from the internal reserve report to demonstrate consistent reporting with public sector accounting standards as Remeasurement Gains/Losses. This reserve is not available to fund CBE operations.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$ 16,548,409	\$ (6,867,399)	\$ 9,681,010

3. Endowment Fund

Under public sector accounting standards, it has been determined that the CBE is required to consolidate the financial results of EducationMatters¹ for financial reporting purposes. The Endowment Fund represents principal amounts contributed to EducationMatters for the benefit of third-parties which must be held in perpetuity in

¹ EducationMatters is a charitable trust that funds innovative public enhancement programs. It is governed through a Trust indenture by an independent Board of Governors, which includes two appointed CBE Trustees.

accordance with stipulations placed by the contributor. This fund is not available to support CBE operations.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$ 3,292,000	\$ 227,970	\$ 3,519,970

Designated Operating Funds (Attachment II)

Operating budgets are prepared on an annual basis and relate to the Calgary Board of Education's fiscal year of September 1 to August 31. Past practice at the Calgary Board of Education has been to permit unspent budgeted funds pertaining to projects initiated in the year that are not yet fully complete to be carried forward for use in the following year. If not approved, these expenditures would need to be funded from 2015-16 resources.

In addition, the operating and flow through funds relating to the activities of EducationMatters are restricted for its use only, and the CBE has included its operating surplus as a designated fund.

Available for use reserves (Attachment II)

1. Administrative Systems Renewal Reserve

The Administrative Systems Renewal Reserve was created in 2004-05 to set aside funds for information system projects that would generate future savings or efficiencies.

The funding source for this reserve is the rebates received by the CBE related to strategic sourcing. \$461,019 is recommended for transfer into the reserve for rebates received during the year.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$ 429,345	\$ 461,019	\$ 890,364

Capital Reserves (Attachment II)

1. Other Capital Reserves

Other Capital Reserves includes the carry forward of unspent budgeted funds from the previous year as well as other specific capital reserves established such as for capital leases, relocations, etc. Similar to Operating Designated funds, unspent budgeted funds pertaining to projects initiated in the year that are not yet fully complete are recommended for carry forward for use in the following year.

The same guidelines for both operating and capital are used to determine which requests are considered appropriate for carryforward. See Attachment II.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$9,064,244	\$8,141,000	\$17,205,244

2015-16 Budget and use of reserves

The 2015-16 First Quarter Operating Budget Variance Report (Attachment I) and Fall 2015 Update (Attachment VI) reflects the budget impacts of changes in student enrolment from what was estimated during the budget preparation in the spring, and the Sept. 30, 2015 count.

Attachment I summarizes the forecasted changes to the budgeted revenues and expenses. Explanations have been provided for variances above 1% of reported line items in accordance with Operational Expectations 6. This includes:

REVENUE

Total revenue has increased by \$19.3 million, which includes an increase in Alberta Education revenue of \$19.4 million. This is comprised of:

- \$2.0 million increase in base instructional funding due to enrolment growth different from projections.
- \$0.3 million increase in capital allocation revenue due to higher amounts capitalized in 2014-15 for provincially supported assets than what was estimated in the approved budget.
- \$14.6 million increase in infrastructure maintenance and renewal funding due to revised estimate of anticipated spending in the year. The corresponding cost increase has been included in the expenses.
- \$2.5 million increase in maintenance expenses for schools constructed under the Alberta Schools Alternative Procurement (ASAP) program. This increase was a result of better estimates which were not known at the time 2015-16 budget was prepared. The corresponding cost increase has been included in the expenses.

A decrease of \$0.4 million in other sales and services relating to a revised estimate of foreign student enrolment.

An increase of \$0.3 million in fees revenue related to the changes in enrolment from what was projected in the spring to Sept. 30th actual counts.

EXPENSES

Total expenses have increased by \$37.2 million. This is comprised of:

- \$11.4 million increase in certificated salaries and benefits, which is the combined impact of:
 - \$14.5 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in their school development plans.
 - \$1.5 million in additional funds will be used to hire high school graduation coaches to support our First Nations, Metis and Inuit students.
 - (\$5.0) million decrease in certificated salaries and benefits due to revised estimate of anticipated average wage rates.
 - \$0.4 million for projects that were incomplete at the end of 2014-15 and the budget has been carried forward for completion in 2015-16.
- \$1.8 million increase in non-certificated salaries and benefits which is the increase in resources allocated to schools via the RAM due to the changes in enrolment and for one additional position added to each Area Office. Also includes increase for projects that were incomplete at the end of 2014-15 and the budget has been carried forward for completion in 2015-16.
- \$24.3 million increase in supply and services due to:
 - \$14.6 million increase in infrastructure maintenance expenses due to revised estimate of anticipated spending (offsetting revenue increase noted above).
 - \$4.9 million increase in transportation expenses, which is the best estimate at the time this report was written, for the impact of revised route design. As the year progresses, the number of routes and fuel costs will fluctuate. We will track these changes in detail and provide updated forecast information in the second and third quarterly reports.
 - \$2.5 million increase in maintenance expenses for schools constructed under the P3 program (offsetting revenue increase noted above).
 - \$1.8 million for projects and schools budgeted in 2014-15 that were incomplete or unspent at year-end and the budget will be carried forward to 2015-16.
 - \$0.5 million increase for enhanced community engagement requirements. The additional resources are expected to be expended on professional and technical services.
- \$0.5 million net decrease in amortization due to lower amounts capitalized in 2014-15 for board funded assets (decrease of \$0.8 million) less higher amounts capitalized for the provincially supported assets increase of \$0.3 million.
- \$0.2 million increase in other expenses due to a revision of estimated uncollectible fees.

OPERATING DEFICIT

The planned deficit is \$17.9 million.

USE OF RESERVES

Transfer from operating reserves/designated funds shows the forecasted use of \$41.7 million of operating reserves and \$26.6 million of capital reserves in order to fund the \$17.9 million operating deficit and increased capital activities.

Further details are provided in Attachment III - first quarter use of reserves and designated funds.

CAPITAL ACTIVITIES

The 2015-16 first quarter capital budget status report (Attachments IV and V) highlights variances between the current approved budget and estimated capital expenditures for the year ended August 31, 2016.

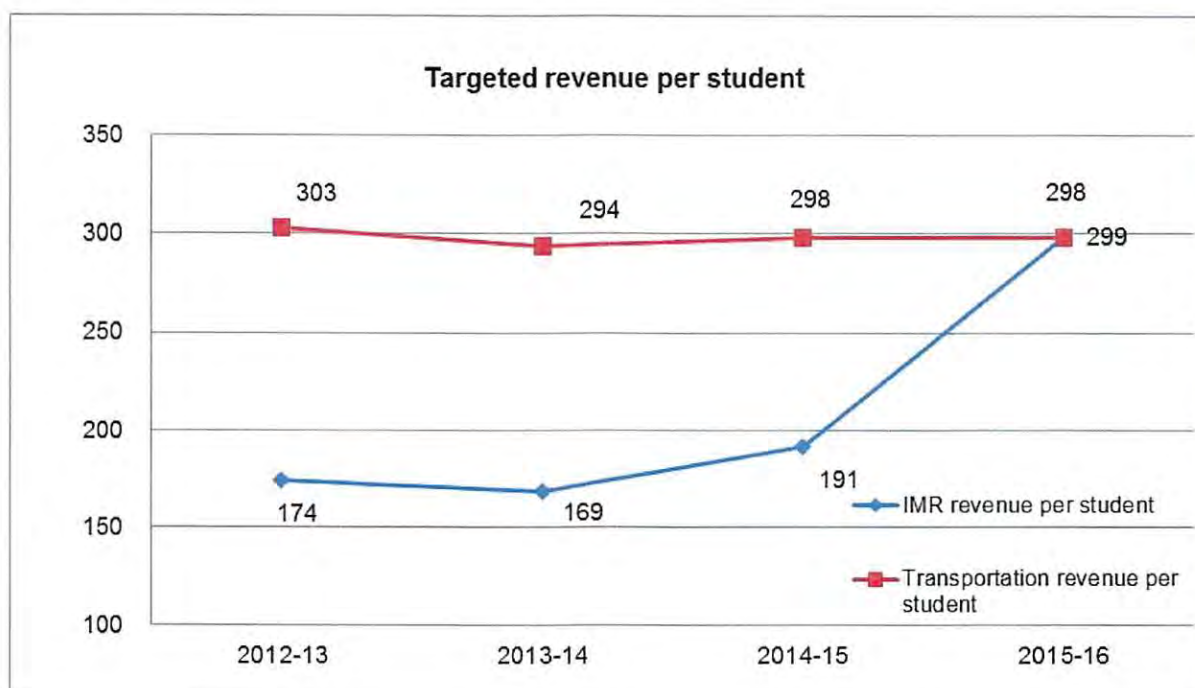
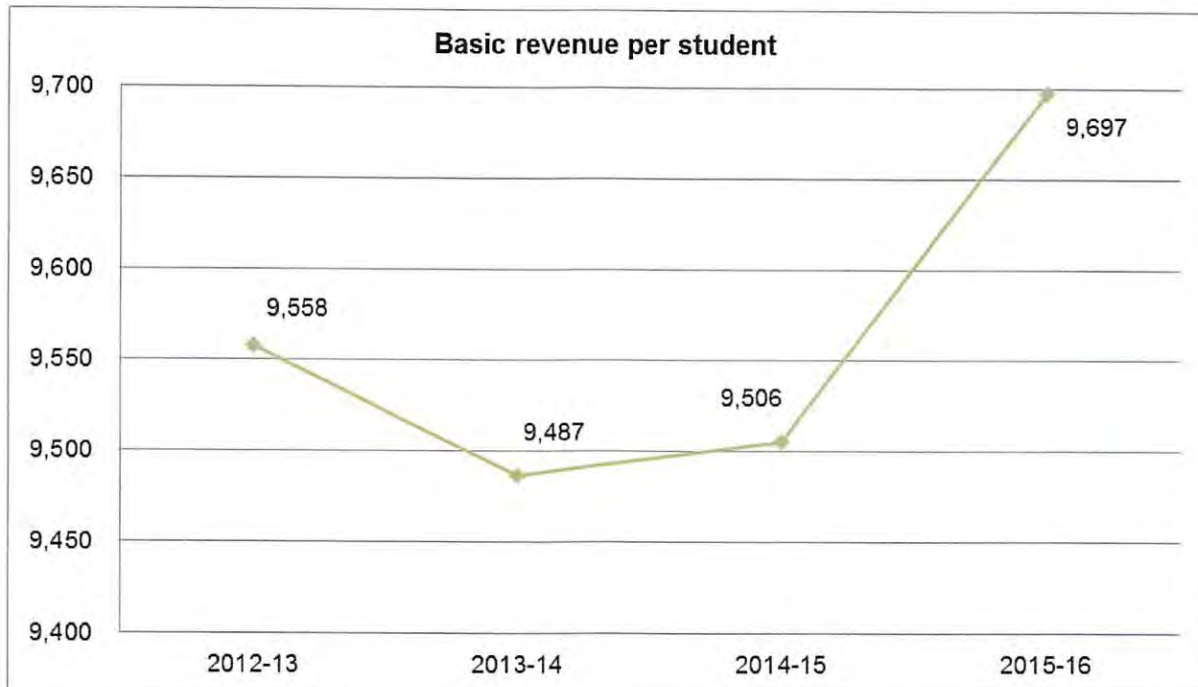
Capital assets acquired has increased by \$45.4 million, which is \$7.5 million more carried forward from 2014-15 to fund projects budgeted in 2014-15 that were not complete by August 31, 2015 as well as \$37.9 million in planned spending for one-time initiatives and enhancements:

- Up to \$25.0 million for new school fit-up and commissioning over the next few years
- Up to \$5.7 million for CTS/CTF and Fine and Performing Arts equipment upgrades
- Up to \$7.0 million for wireless upgrades in schools
- \$0.2 million for air conditioning units in P3 schools (approved in 2014-15 but to be completed in 2015-16)

This is reflected as an increase in the use of capital and operating reserves.

Amortization for board-funded assets decreased \$0.8 million as noted previously.

Alberta Education basic funding per student has increased by \$191 per student since 2014-15 due to the commitment from the provincial government to fully fund enrolment increases as well as the ATA wage increases per the collective agreement.



The following table provides additional information as to the planned spending between schools and service units. Expense and FTE details are provided by major expense category and operating unit.

Summary:

2015-16 Actual Spending										
Schools & Areas	Service Unit System Budgets	Learning	Facilities and Environmental Services	Legal	Communications	Finance/Technology Services	Human Resources	Chief Supt's Office	Board of Trustees	Total
-	-	1	1	1	1	1	-	2	-	7
8,772	42	218	218	3	11	141	44	-	-	9,449
10	-	26	50	10	10	48	41	3	-	197
8,782	42	244	269	14	21	190	85	5	-	9,652
Total FTEs										
917,517	6,427	32,412	27,963	1,865	2,459	23,969	9,980	919	418	1,023,929
82,049	18,421	4,856	122,793	137	653	1,960	5,551	236	868	237,524
59	49,479	1,400	5,060	14	-	3,014	13	2	-	59,041
999,625	74,327	38,668	155,816	2,016	3,112	28,943	15,544	1,157	1,286	1,320,494
984,490	70,842	39,945	136,301	2,002	2,621	29,292	15,441	1,126	1,204	1,283,264
15,135	3,485	(1,277)	19,515	14	491	(349)	103	31	82	37,230
2015-16 Approved Budget										
Increase/ (decrease) ⁽¹⁾										

⁽¹⁾ Significant changes from the approved 2015-16 budget are explained as follows:

- (a) Schools & Areas increase is due to the one-time initiative to improve teacher practice
- (b) Service Unit System budgets increase is due to an increase in maintenance expenses for schools constructed under the P3 program
- (c) Learning budgets reduction is related to amortization expense where actual amounts capitalized are different from estimates
- (d) Facilities and Environmental Services budgets are related to an increase in maintenance due to revised anticipated spending

2014-15 year-end financial statements

For the year ended Aug. 31, 2015, the Calgary Board of Education's unrestricted surplus is \$0.1 million after accounting for the reserve provision requests identified in this report.

The complete Financial Statements with the signed Audit Report will be presented to the Board of Trustees on Dec. 1, 2015 for final adoption and approval. At the time of writing this report, the audit is in progress. Any changes required as a result of audit findings could amend the year end position for the CBE.

The Financial Statements will include disclosure of planned reserve transfers and the reserved designated funds with full disclosure in the 2014-15 year-end Audited Financial Statements and this disclosure will be consistent with previous Board of Trustees motions.

2015-16 budget and use of reserves

The 2015-16 budget was balanced without the use of reserves. Several pressures have since been identified for which the use of reserves will be requested: These pressures are all one-time initiatives that support student learning and advancing the CBE's and government's learning agenda.

Operating pressures

- \$14.5 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in their school development plans.
- \$1.5 million in additional funds will be used to hire high school graduation coaches to support our First Nations, Metis and Inuit students.
- \$3.7 million for the use of operating budgets carried forward from 2014-15. These represent operating projects that have started in the 2014-16 school year but will not complete until the 2015-16 school year.

Capital pressures

- Up to \$25.0 million for the commissioning of new schools in the next few years.
- Up to \$5.7 million for Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades.
- Up to \$7.0 million for wireless upgrades to a consistent standard in all schools.
- \$11.5 million for the use of capital budgets carried forward from 2014-15. These represent capital projects that have started in the 2014-15 school year but will not complete until the 2015-16 school year.

These are summarized in Attachment II & III for a total of \$68.2 million in planned draws on both operating and capital reserves in 2015-16.

It should be noted that the use of available operating and capital reserves for purposes other than those approved in the reserve's creation, means that reserve funds are not available in the event funds are needed. For example, if the Operating Lease Reserve funds are used for the pressures identified above, future budgets will need to address the increases in operating leases going forward.

8 | Conclusion

Reserve transfers approved for the 2014-15 year will be reflected in the financial statements for the year ended August 31, 2015.

A draft copy of the Fall 2015 Update to the 2015-16 Operating Budget will be submitted to Alberta Education by Nov 30, 2015, and the approved report will be submitted following Board of Trustee approval.



DAVID STEVENSON
CHIEF SUPERINTENDENT OF SCHOOLS

Attachments

- Attachment I: 2015-16 first quarter operating budget variance analysis
- Attachment II: recommended reserve transfers pertaining to the year ended Aug. 31, 2015
- Attachment III: first quarter planned use of reserves and designated funds
- Attachment IV: 2015-16 first quarter capital budget status report, summary of board funded capital investment
- Attachment V: 2015-16 first quarter capital budget status report – projects funded by the Province of Alberta
- Attachment VI: Fall 2015 update to the 2015-16 operating budget

GLOSSARY – Developed by the Board of Trustees

Board: Board of Trustees

Governance Culture: The Board defined its own work and how it will be carried out. These policies clearly state the expectations the Board has for individual and collective behaviour.

Board/Chief Superintendent Relationship: The Board defined in policy how authority is delegated to its only point of connection – the Chief Superintendent – and how the Chief Superintendent's performance will be evaluated.

Operational Expectations: These policies define both the nonnegotiable expectations and the clear boundaries within which the Chief Superintendent and staff must operate. They articulate the actions and decisions the Board would find either absolutely necessary or totally unacceptable.

Results: These are our statements of outcomes for each student in our district. The Results policies become the Chief Superintendent's and the organization's performance targets and form the basis for judging organization and Chief Superintendent performance

Attachment I: 2015-16 first quarter operating budget variance analysis

Q1 Budget Variance Report (in \$ thousands)				
	Approved Budget 2015-16⁽¹⁾	Fall Budget Update 2015-16	Increase / (Decrease)	%
Revenues				
Alberta Education	1,184,939	1,204,334	19,395	2%
Other Government of Alberta	846	846	-	0%
Federal Government & First Nations	2,393	2,393	-	0%
Other sales and services	23,628	23,196	(432)	-2%
Fees revenue	49,313	49,651	338	1%
Investment revenue	2,817	2,817	-	0%
All other revenue	19,328	19,328	-	0%
	1,283,264	1,302,565	19,301	2%
Expenses by object				
Certificated salaries and benefits	755,990	767,467	11,477	2%
Non-certificated salaries and benefits	254,707	256,462	1,755	1%
Supply and services	213,191	237,524	24,333	11%
Amortization expenses	52,665	52,115	(550)	-1%
Interest and finance charges	2,157	2,158	1	0%
Other (uncollectible accounts)	4,554	4,768	214	5%
	1,283,264	1,320,494	37,230	3%
Annual surplus / (deficit)	-	(17,929)	(17,929)	100%
Transfer from operating reserves/designated funds				
Transfer from operating reserves	-	37,956	37,956	100%
Transfer from designated funds - schools	-	2,275	2,275	100%
Transfers from designated funds - service units	-	1,439	1,439	100%
	-	41,670	41,670	100%
Add/(deduct) capital items paid by operating funds				
Capital acquisitions	(26,677)	(72,077)	(45,400)	170%
Board funded amortization	23,773	22,880	(893)	-4%
Debt repayments	(1,096)	(1,096)	-	0%
Use of capital reserves	4,000	26,552	22,552	564%
	-	(23,741)	(23,741)	100%
Net operating surplus / (deficit)	-	-	-	

⁽¹⁾ Approved by the Board of Trustees on June 18, 2015. Some numbers have been reclassified for comparative purposes.

**Attachment II: recommended reserve transfers pertaining to the year ended
Aug. 31, 2015**

	Reserve balance Sept 1, 2014	Fall Update planned transfers from reserves	Recommended actual transfers to/(from) reserves	Reserve balance Aug 31, 2015
Accumulated operating reserves				
<u>Available for use reserves</u>				
Chinook Learning Services fee stabilization	1,593	-	-	1,593
Utility expense stabilization	5,007	(5,007)	-	5,007
Snow removal budget stabilization	200	-	-	200
Administrative systems renewal	429	(429)	461	890
General instruction	3,000	-	-	3,000
Fiscal stability	10,464	(7,311)	-	10,464
System transformation	2,000	(2,000)	-	2,000
Operating lease	14,577	-	-	14,577
Total available for use reserves	37,270	(14,747)	461	37,731
<u>Restricted reserves</u>				
Transportation fee stabilization	2,291	(1,425)	(2,169)	122
Changes in accounting policy	(10,164)	-	-	(10,164)
Unrealized investment gains and losses	3,195	-	(3,195)	-
Total operating reserves	32,592	(16,172)	(4,903)	27,689
Designated operating funds				
School decentralized budgets	596	(596)	1,679	2,275
Instructional and service unit initiatives	2,004	(2,004)	(564)	1,440
Education_Matters	1,755	-	(76)	1,679
Total designated funds	4,355	(2,600)	1,039	5,394
Endowments	3,292	-	228	3,520
Remeasurement gains and losses	13,353	-	(3,673)	9,680
Unrestricted surplus	-	-	104	104
Total operating reserves and designated funds	53,592	(18,772)	(7,205)	46,387

Attachment II (cont'd): recommended reserve transfers pertaining to the year ended Aug. 31, 2015

	Reserve balance Sept 1, 2014	Fall Update planned transfers from reserves	Recommended actual transfers to/(from) reserves	Reserve balance Aug 31, 2015
Capital reserves				
Building reserve	18,212	-	-	18,212
Other capital reserves ⁽²⁾	9,064	-	8,142	17,206
Plant, operations and maintenance asset replacement	798	-	-	798
Total designated funds	28,074	-	8,142	36,216

(1) Approved by the Board of Trustees on November 25, 2014

(2) Included in Other Capital Reserves is Designated Capital Funds - capital funds carried forward for projects that were in progress and will continue into 2015-16. The Designated Capital Funds balance at Aug 31, 2015 is \$11.5 million.

Attachment III: first quarter planned use of reserves and designated funds

	Reserve balance Sept 1, 2015	Planned use of reserves	Reserve balance Aug 31, 2016
Accumulated operating reserves			
<u>Available for use reserves</u>			
Chinook Learning Services fee stabilization	1,593	(1,593)	-
Utility expense stabilization	5,007	(5,007)	-
Snow removal budget stabilization	200	(200)	-
Administrative systems renewal	890	(890)	-
General instruction	3,000	(3,000)	-
Fiscal stability	10,464	(10,464)	-
System transformation	2,000	(2,000)	-
Operating lease	14,577	(14,577)	-
Total available for use reserves	37,731	(37,731)	-
<u>Restricted reserves</u>			
Transportation fee stabilization	122	(122)	-
Changes in accounting policy	(10,164)	-	(10,164)
Unrealized investment gains and losses	-	-	-
Total operating reserves	27,689	(37,853)	(10,164)
Designated operating funds			
School decentralized budgets	2,275	(2,275)	-
Instructional and service unit initiatives	1,440	(1,440)	-
Education_Matters	1,679	-	1,679
Total designated funds	5,394	(3,715)	1,679
Endowments	3,520	-	3,520
Remeasurement gains and losses	9,680	-	9,680
Unrestricted surplus	104	(104)	-
Total operating reserves and designated funds	46,387	(41,672)	4,715



Attachment III (cont'd): first quarter use of reserves and designated funds

	Reserve balance Sept 1, 2015	Planned use of reserves	Reserve balance Aug 31, 2016
Capital reserves			
Building reserve	18,212	(15,018)	3,193
Other capital reserves ⁽¹⁾	17,206	(11,534)	5,672
Plant, operations and maintenance asset replacement	798	-	798
Total designated funds	36,216	(26,552)	9,663

(1) Included in Other Capital Reserves is Designated Capital Funds - capital funds carried forward for projects that were in progress and will continue into 2015-16. The Designated Capital Funds balance at Aug 31, 2015 is \$11.5 million.



Attachment IV: 2015-16 first quarter capital budget status report, summary of board funded capital investment

Capital Budget

	Budget Sept 1, 2015	Approved Forward and Revision	Total Approved Budget and Carry Forwards (A)	Costs to Date	Forecast Costs to Complete	Total Costs	Total Forecast	Variance Favorable / (Unfavorable) (\$)	% Variance (Unfavorable)	Variance >1% & \$500k Note	Estimate 2016-17	Estimate 2017-18
Capital Lease Payments (Contracts)												
Performance Contracts	1,096	-	1,096	-	1,096	1,096	1,096	-	-	-	-	-
Total Capital Lease Payments (Contracts)	1,096	-	1,096	-	1,096	1,096	1,096	-	0%		-	-
Non-Facility Related Projects												
Strategic	3,800	852	4,652	-	4,652	4,652	4,652	-	0%		633	1,644
Enhancement	2,360	2,517	4,877	-	4,877	4,877	4,877	-	0%		1,970	2,870
Maintenance	19,517	1,873	21,390	-	21,390	21,390	21,390	-	0%		29,009	29,035
Total Non-Facility Related Projects	25,677	5,242	30,919	-	30,919	30,919	30,919	-	0%		31,612	33,549
Capital Reserve Projects												
Wireless Enhancements	-	7,000	7,000	-	7,000	7,000	7,000	-	0%		-	-
CTS/CTF Upgrades	-	5,675	5,675	-	5,675	5,675	5,675	-	0%		-	-
New School Commissioning	-	25,000	25,000	-	25,000	25,000	25,000	-	0%		-	-
Air Conditioning for P3 Modulars	-	191	191	-	191	191	191	-	0%		-	-
Total Capital Reserve Projects	-	37,866	37,866	-	37,866	37,866	37,866	-	0%		-	-
School Enhancements	1,000	2,292	3,292	-	3,292	3,292	3,292	-	0%		2,000	2,000
Total Non-Facility Capital Expenditures	27,773	45,400	73,173	-	73,173	73,173	73,173	-	0%		33,612	35,549
Financed by the Following:												
Contribution from/(to) operating activities	-	23,741	23,741				23,741				-	-
Total Amortization Expense (non-cash)	23,773	(893)	22,880				22,880				33,612	35,549
Designated Capital Funds	4,000	7,534	11,534				11,534				-	-
Capital Reserves	-	15,018	15,018				15,018				-	-
Total Non-Facility Capital Financing	27,773	45,400	73,173	-	-	-	73,173	-	0%		33,612	35,549

Definitions:

Strategic - Projects that open up new horizons, learning methods, organization models, and value propositions that cut across the organization or physical facility.
Enhancement - Projects that improve or extend the functionality of existing systems, technologies, and processes.
Maintenance - Projects that are required to maintain current systems and keep them in good working condition.

Attachment V: 2015-16 first quarter capital budget status report – projects funded by the Province of Alberta

	Total Approved Budget and Carry Forwards	Estimated Capital Expenditure	Forecast Variance
(in thousands)			
Ongoing Capital Projects - Funded by Alberta Education			
<u>Phase One-2011 Announcement</u>			
Chinook Learning Centre Modernization (Booth Centre)	\$ 10,500	10,500	-
<u>Phase Two-2013 Announcements</u>			
Auburn Bay School	14,307	14,307	-
Christine Meikle School - Modernization/Replacement	16,377	16,377	-
Copperfield School	14,353	14,353	-
Evanston School	14,353	14,353	-
Harold W. Riley (Aboriginal Family Community) School - Modernization	10,499	10,499	-
New Brighton School	14,353	14,353	-
Panorama Hills School	14,307	14,307	-
Tuscany School	14,307	14,307	-
Sub-total Elementary Schools	112,856	112,856	-
Evergreen Middle	24,237	24,237	-
McKenzie Towne Middle	24,237	24,237	-
New Brighton - Copperfield Middle	24,237	24,237	-
Royal Oak - Rocky Ridge Middle	24,201	24,201	-
Saddle Ridge Middle	24,201	24,201	-
Sub-total Middle Schools	121,113	121,113	-
Bowness High - Modernization	16,882	16,882	-
Jack James High - Modernization	11,729	11,729	-
Northeast High	-	-	-
Sub-total High School	28,611	28,611	-
Total Phase Two Announcements	262,580	262,580	-
<u>Phase Three-2014 Announcements</u>			
Aspen Woods School	6,700	6,700	-
Martindale School	750	750	-
Saddle Ridge School	6,700	6,700	-
Silverado School	750	750	-
Glenmeadows School - Portable (8)	-	2,800	-
Sub-total Elementary Schools - Portable	14,900	17,700	-
Cranston Middle	6,700	6,700	-
West Springs/Cougar Ridge Middle	6,700	6,700	-
Springbank Hill/Discovery Ridge Middle	750	750	-
Sub-total Middle Schools	14,150	14,150	-
James Fowler High - Modernization	750	750	-
Lord Beaverbrook High	750	750	-
Southeast High - design	1,000	1,000	-
Sub-total High School	2,500	2,500	-
Total Phase Three Announcements	31,550	34,350	-
<u>Flood Relief</u>			
Elbow Park School	16,500	16,500	-
<u>National Sports School</u>	3,000	3,000	-
Total Capital Projects - Funded by Alberta Education	\$ 324,130	326,930	-

The following attachments are templates provided by Alberta Education and updated with the CBE's 2015-16 first quarter forecast information.

These will be submitted to Alberta Education following Board of Trustees approval. While the totals are the same, some groupings may be different in some cases due to Alberta Education reporting requirements.

Attachment VI: Fall 2015 Update to the 2015-16 Operating Budget

3030 Calgary School District No. 19				
School Jurisdiction Code and Name				
FALL 2015 UPDATE TO THE 2015/2016 BUDGET				
	Fall 2015 Update to the Budget 2015/2016	Spring 2015 Budget Report 2015/2016	Variance	% Variance
OPERATIONS (SUMMARY)				
Revenues				
Alberta Education	\$1,204,333,933	\$1,184,839,182	\$19,394,771	1.6%
Other - Government of Alberta	\$846,443	\$846,443	\$0	0.0%
Federal Government and First Nations	\$2,392,591	\$2,392,591	\$0	0.0%
Other Alberta school authorities	\$522,000	\$522,000	\$0	0.0%
Out of province authorities	\$0	\$0	\$0	0.0%
Alberta Municipalities - special tax levies	\$0	\$0	\$0	0.0%
Property taxes	\$0	\$0	\$0	0.0%
Fees	\$49,650,827	\$49,313,027	\$337,800	0.7%
Other sales and services	\$23,195,948	\$23,628,426	(\$432,478)	-1.8%
Investment income	\$2,816,882	\$2,816,882	\$0	0.0%
Gifts and donation	\$4,842,000	\$4,842,000	\$0	0.0%
Rental of facilities	\$7,542,752	\$7,542,752	\$0	0.0%
Fundraising	\$6,400,000	\$6,400,000	\$0	0.0%
Gain on disposal of capital assets	\$0	\$0	\$0	0.0%
Other revenue	\$20,000	\$20,000	\$0	0.0%
Total revenues	\$1,302,563,376	\$1,283,263,283	\$19,300,093	1.5%
Expenses By Program				
Instruction - ECS	\$46,663,989	\$46,663,988	\$1	0.0%
Instruction - Grade 1 - 12	\$1,000,763,993	\$988,721,479	\$14,042,514	1.4%
Plant operations and maintenance	\$166,578,383	\$149,215,131	\$17,363,252	11.6%
Transportation	\$48,005,481	\$42,904,456	\$5,101,025	11.9%
Board & system administration	\$35,773,466	\$35,049,481	\$724,005	2.1%
External services	\$22,708,768	\$22,708,768	\$0	0.0%
Total expenses	\$1,320,494,080	\$1,283,263,283	\$37,230,797	2.9%
Annual Surplus (Deficit)	(\$17,930,704)	\$0	(\$17,930,704)	100.0%
Accumulated Surplus from Operations (Projected)				
Accumulated Surplus from Operations - Aug.31, 2015	\$69,403,000	\$29,296,000	\$40,107,000	136.9%
Accumulated Surplus from Operations - Aug.31, 2016	\$1,179,296	\$29,296,000	(\$28,116,704)	-96.0%
Expenses by Object				
Certificated salaries & wages	\$626,601,666	\$616,256,185	\$10,345,481	1.7%
Certificated benefits	\$140,865,031	\$139,733,830	\$1,131,201	0.8%
Non-certificated salaries & wages	\$203,566,657	\$202,022,400	\$1,544,257	0.8%
Non-certificated benefits	\$52,895,452	\$52,684,790	\$210,662	0.4%
Services, contracts and supplies	\$237,523,743	\$213,190,748	\$24,332,997	11.4%
Amortization expense	\$52,116,316	\$52,684,817	(\$568,501)	-1.0%
Interest on capital debt	\$356,443	\$356,443	\$0	0.0%
Other interest and finance charges	\$1,800,537	\$1,800,537	\$0	0.0%
Losses on disposal of tangible capital assets	\$0	\$0	\$0	0.0%
Other expenses	\$4,768,235	\$4,553,535	\$214,700	4.7%
Total Expenses	\$1,320,494,080	\$1,283,263,283	\$37,230,797	2.9%
Certificated Staff FTE's				
School based	6,092.8	6,092.8	-	0.0%
Non-school based	135.1	135.1	-	0.0%
Total Certificated Staff FTE's	6,227.9	6,227.9	-	0.0%
Non-Certificated Staff FTE's				
Instructional	2,098.4	2,079.3	19.1	0.9%
Plant Operations & Maintenance	824.1	824.1	-	0.0%
Transportation	42.5	42.5	-	0.0%
Non-instructional	416.9	417.9	(1.0)	-0.2%
Total Non-Certificated Staff FTE's	3,381.8	3,363.7	18.1	0.5%
Eligible Funded Students				
Early childhood services (ECS headcount)	9,402.0	9,759.0	(357.0)	-3.7%
Grades 1 to 9 (headcount)	76,341.0	76,113.0	228.0	0.3%
Grade 10 to 12 (FTE)	29,479.0	29,218.0	260.0	0.9%
Total Eligible Funded Students	115,222.0	115,091.0	131.0	0.1%
Attestation of Secretary-Treasurer/Treasurer:				
This information was formally received by the Board of Trustees at the meeting held on : December 1, 2015				



Attachment VI (cont'd): Fall 2014 Update to the 2015-16 Operating Budget

3030 Calgary School District No. 19 <small>School Jurisdiction Code and Name</small>
FALL 2015 UPDATE TO THE 2015/2016 BUDGET
<p>Comments/Explanations of changes from original Spring 2014/2015 Budget Report:</p> <p>Explain any changes in revenue items >5% (any highlighted items in cells S10-S24). If fee projections have changed, specify types of fees affected:</p> <p>An increase in fees revenue related to the changes in enrolment from what was projected in the spring to September 30th actual counts. The increase was made to the the ISM fees (\$117,000) and transportation fees (\$220,800).</p> <p>Explain any changes in program expenses >5% (any highlighted items in cells S27-S32):</p> <p>Plant operations & maintenance program changes are related to a \$14.6m increase in infrastructure maintenance and renewal spending due to additional funding received in the prior year and deferred at year-end and \$2.5 million increase in maintenance expenses for schools constructed under the P3 program. The corresponding cost increases for both have been included in the expenses.</p> <p>Transportation Block changes are related to a \$5.1m increase in expenses are to due to revised route configuration</p> <p>Explain any changes in projected Accumulated Operating Surplus as at August 31, 2015 or August 31, 2016 by >5% (highlighted items in cell S37 or S38):</p> <p>The 2015-16 budget was balanced without the use of reserves. Several pressures have since been identified for which the use of reserves will be requested: These pressures are all one-time initiatives that support student learning and advancing the CBE's and government's learning agenda.</p> <ul style="list-style-type: none"> - \$14.5 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in their school development plans. - \$1.5 million in additional funds will be used to hire high school graduation coaches to support our First Nations, Metis and Inuit students. - \$3.7 million for the use of operating budgets carried forward from 2014-15. These represent operating projects that have started in the 2014-16 school year but will not complete until the 2015-16 school year. - Up to \$25.0 million for the commissioning of new schools in the next few years. - Up to \$5.7 million for Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades. - Up to \$7.0 million for wireless upgrades to a consistent standard in all schools. - \$11.5 million for the use of capital budgets carried forward from 2014-15. These represent capital projects that have started in the 2014-15 school year but will not complete until the 2015-16 school year. <p>Explain any changes in expenses by object >5% (any highlighted items in cells S41-S50):</p> <p>\$14.6 million increase in infrastructure maintenance expenses due to revised estimate of anticipated spending (offsetting revenue increase noted above).</p> <p>\$4.9 million increase in transportation expenses to revise route design.</p> <p>\$1.8 million for projects and schools budgeted in 2014-15 that were incomplete or unspent at year-end and the budget will be carried forward to 2015-16.</p> <p>\$2.5 million increase in maintenance expenses for schools constructed under the P3 program (offsetting revenue increase noted above).</p> <p>\$0.5 million increase for enhanced community engagement requirements. The additional resources are expected to be expended on professional and technical services.</p> <p>Explain change in total certificated staff >3% (if cell S56 highlighted):</p> <p>Immaterial variance.</p> <p>Explain change in total non-certificated staff >3% (if cell S63 highlighted):</p> <p>Immaterial variance.</p> <p>Explain change in enrolment >3% (if cell S69 highlighted):</p> <p>Immaterial variance.</p>
<p>Attestation of Secretary-Treasurer/Treasurer:</p> <p>This information was formally received by the Board of Trustees at the meeting held on : December 1, 2015</p>



report to Board of Trustees

2014-15 Fourth Quarter Budget Variance Report

Date	December 1, 2015
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	David Stevenson, Chief Superintendent of Schools
Purpose	Information
Originator	Brad Grundy, Chief Financial Officer and Corporate Treasurer
Governance Policy Reference	Operational Expectations OE-5: Financial Planning OE-6: Financial Administration
Resource Person(s)	Carla Male, Director, School Financial Management Donna Rogers, Manager, Corporate Planning and Reporting

1 | Recommendation

- This report is being provided for Board information. No decision is required at this time.

2 | Issue

Operational Expectations (OE) 6: Financial Administration requires that quarterly variance reports are prepared and provide explanations for variances in excess of 1% and \$500,000. This report serves as the fourth quarter report for the 2014-15 fiscal year.



3 | Background

Each spring the Calgary Board of Education prepares its operating budget for the following fiscal year. Quarterly and annual reports are presented to the Board of Trustees to provide updates on the status of the results of operations to meet the monitoring requirements of OE 6: Financial Administration.

4 | Analysis

The 2014-15 Fourth Quarter Operating Budget Variance Report (Attachment I) highlights variances between the approved budget and actual revenue and expense for the year ended August 31, 2015. Explanations have been provided for variances above 1% and \$500,000 of reported line items in accordance with OE 6: Financial Administration.

The 2014-15 budget anticipated a \$14.6 million operating deficit. With the realization of investment gains along with prudent spending, the CBE reports a surplus of \$11.4 million. The \$26.0 million difference predominantly reflects:

- \$11.8 million higher realized investment income due to favorable market conditions and actual gains realized;
- \$2.3 million net savings in salaries, benefits and other expenses;
- \$2.8 million in lower utilities is largely driven by lower gas and electricity rates and volume in 2014-15 compared with 2013-14;
- \$2.7 million in additional Alberta Education revenue received on differential cost factor funding due to differences in estimates compared with actual amounts;
- \$3.4 million in increased revenue from other sources (federal government, sales and services, other revenue);
- (\$0.7 million) higher deficit in the Transportation block than budgeted due to higher waived fees and uncollectible accounts;
- \$3.7 million for projects budgeted in 2014-15 that were incomplete at year-end and the budget will be carried forward to 2015-16.

The 2014-15 Fourth Quarter Capital Budget Status Report (Attachment II) highlights variances between the current approved budget and estimated capital expenditures for the year ended August 31, 2015. Explanations have been provided for all variances above 1% and \$500,000 in accordance with our OE 6: Financial Administration.

5 | Financial Impact

The 2014-15 (fall) budget that was accepted by the Board of Trustees on Nov. 25, 2014 anticipated the use of \$18.8 million operating reserves in order to balance. The year ended in a

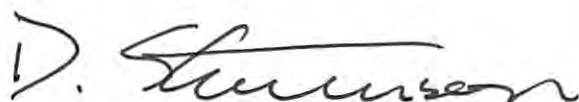


surplus position which, combined with higher capital activities, results in a smaller draw on operating reserves than anticipated in the fall budget update. At this time, the CBE is developing recommendations for the use of remaining reserves for one-time initiatives in 2015-16 including the fit-up and commissioning of new schools, enhancing the wireless capacity in schools and resources to schools targeted to initiatives to improve student success.

6 | Conclusion

The CBE continues to achieve great results for students by making operating decisions that are consistent with our values. The favourable financial results in 2014-15 demonstrates the CBE's prudent financial management, which is necessary in an environment where future funding is uncertain and often doesn't keep up with cost pressures.

This report represents information to the Board of Trustees in connection with OE 5: Financial Planning and OE 6: Financial Administration.



DAVID STEVENSON
CHIEF SUPERINTENDENT OF SCHOOLS

ATTACHMENTS

Attachment I: 2014-15 Fourth Quarter Operating Budget Variance Report

Attachment II: 2014-15 Fourth Quarter Capital Budget Status Report, Summary of Board Funded Capital Investments: Non-Facility

GLOSSARY – Developed by the Board of Trustees

Board: Board of Trustees

Governance Culture: The Board defined its own work and how it will be carried out. These policies clearly state the expectations the Board has for individual and collective behaviour.

Board/Chief Superintendent Relationship: The Board defined in policy how authority is delegated to its only point of connection – the Chief Superintendent – and how the Chief Superintendent's performance will be evaluated.

Operational Expectations: These policies define both the nonnegotiable expectations and the clear boundaries within which the Chief Superintendent and staff must operate. They articulate the actions and decisions the Board would find either absolutely necessary or totally unacceptable.

Results: These are our statements of outcomes for each student in our district. The Results policies become the Chief Superintendent's and the organization's performance targets and form the basis for judging organization and Chief Superintendent performance.



Attachment I – 2014-15 Fourth Quarter Operating Budget Variance Report

(in \$ thousands)					
Description	2014-2015 Fall Budget (A)	Actual for the year ended Aug 31, 2015	Variance Favourable/ (Unfavourable)	Variance Favourable/ (Unfavourable)	Variance >1% and \$500k Notes
REVENUE					
Alberta Education	1,136,965	1,144,396	7,431	0.7%	1
Other - Government of Alberta	1,134	1,108	(26)	(2)%	
Federal Government and First Nations	2,220	2,904	684	31%	2
Other sales and services	19,684	24,329	4,645	24%	3
Fees	46,736	47,148	412	0.9%	
Investment income	3,026	14,863	11,837	391%	4
All other revenue	24,082	22,767	(1,315)	(5)%	5
Total revenue	1,233,847	1,257,515	23,668	2%	
EXPENSES					
Certificated salaries, wages & benefits expense	730,184	728,527	1,657	0.2%	
Non-certificated salaries, wages & benefits expense	256,010	244,700	11,310	4%	6
Services, contracts and supplies expense	205,467	217,687	(12,220)	(6)%	7
Amortization expense	52,042	51,644	398	0.8%	
Interest expenses	1,619	2,038	(419)	(26)%	
All other expenses	3,169	1,557	1,612	51%	8
Total expenses	1,248,491	1,246,153	2,338	0%	
Operating surplus / (deficit)	(14,644)	11,362	26,006	(178)%	
Transfer from/(to) operating reserves/designated funds					
Transfer from operating reserves	16,172	4,903	(11,269)	(70)%	9
Transfer to unrestricted surplus	-	(104)	(104)	100%	
Transfer from / (to) designated funds	2,600	(1,039)	(3,639)	(140)%	10
	18,772	3,760	(15,012)	(80)%	
Add/(deduct) capital items paid by operating funds					
Capital assets acquired	(26,605)	(22,184)	4,421	(17)%	11
Capital asset amortization	21,832	21,837	5	0.0%	
Debt repayments	(2,750)	(6,633)	(3,883)	141%	12
Transfer from / (to) capital carry forwards	3,394	(8,142)	(11,536)	(340)%	13
	(4,129)	(15,122)	(10,993)	266%	
Net operating surplus	-	-	-	-	

(A) Accepted by the Board of Trustees on Nov 25, 2014. Some numbers have been reclassified for comparative purposes.

Notes to Attachment I:

Revenue:

- (1) \$7.4 million *Alberta Education* revenue favourable variance includes:
 - \$3.2 million higher than budgeted IMR (Infrastructure Maintenance Renewal) funding with the related offset in increased expenses;
 - \$1.5 million increased funding for specified or targeted initiatives where offsetting expenditures exist; and,
 - \$2.7 million remainder variance due to differences in estimates compared with actual amounts received.
- (2) The \$0.7 million favourable variance in *Federal Government and First Nations revenue* is largely related to federal grants received by schools and is inherently variable. Additional federal grants were received under the Language Instruction for Newcomers to Canada (LINC) program, which is offset by additional spending.
- (3) The \$4.6 million favourable variance in *Other sales and services* includes \$3.0 million from revenue sources generated in schools, which are inherently variable and subject to school specific circumstances. These revenues are offset by increased spending.

\$2.6 million of the variance is contributed by higher foreign student tuition fees than anticipated due to higher enrolment, \$0.7 million favourable variance in miscellaneous sales such as billings related to staff development and secondments, as well as a \$1.7 million reduction in over-age student tuition received from Chinook Learning Services.
- (4) The \$11.8 million favourable variance in *Investment income* is due to the gains realized upon disposal of investments during the year. This was done with the intention of using investment gains to fund one-time initiatives in 2015-16.
- (5) *Other revenue* includes sources from gifts and donations, rental facilities, fundraising, other school boards and municipalities, gain on disposals and other sources not captured by the other revenue categories. Gifts and donations and fundraising are inherently variable and subject to school specific circumstances, which resulted in the \$1.3 million unfavourable variance.

Expenses:

- (6) \$11.3 million favourable variance is the result of lower salary and benefit costs than projected. These savings were identified during the year and re-deployed for other spending needs.
- (7) \$12.2 unfavourable variance in *Services, contracts and supplies* expenses is the net impact of:
 - \$3.2 million unfavourable variance due to increased IMR expenses (offset with an increase in IMR revenues);
 - \$2.6 million favourable variance in spending offset by increased school generated funds revenue sources;
 - \$8.9 million unfavourable variance in maintenance costs due to needs identified during the year;
 - (\$2.8) million favourable variance in utility costs due to lower commodity prices;
 - (\$3.7) million favourable variance due to projects incomplete at year-end that will be carried forward for spending in 2015-16;
 - \$4.0 million additional spending due to funding available and program needs.
- (8) \$1.6 million favourable variance in *All other expenses* is the net impact of:
 - \$2.4 million favourable variance: Fee waivers in the amount of \$2.4 million were budgeted; however, for reporting purposes fees are shown net of \$3.1 million in actual amounts waived;
 - (\$0.8) million unfavourable variance due to higher amounts of uncollectible accounts written off compared with what was anticipated in the budget.

Other:

- (9) The transfer from operating reserves has changed from an anticipated use of \$16.2 million to a use of \$4.9 million. This \$11.3 million change is less than anticipated due to the favourable results described above, net of increased board-funded capital spending.
- (10) The total amount being transferred to designated funds (both school and service unit) is more than the amounts planned as transfers from designated funds due to an increased number of projects in progress at year-end that will complete in 2015-16.
- (11) \$4.4 million variance in *Capital assets acquired* is due to projects continuing into 2015-16 for which carry forwards have been requested.
- (12) \$3.9 million more was paid down on debt during the year than budgeted. Subsequent to the time the budget was prepared, the CBE decided not to incur more retrofit debt and reduced the debt where feasible. At this time, the cost of finance (2.44 – 3.18%) is greater than the interest earned on short-term cash (1.05%).
- (13) \$11.5 million more is being carried forward for capital projects than budgeted. This is due to the \$4.4 million variance in projects that were incomplete during the year as well as an additional \$7.1 million in projects approved and started during the year that were to be funded by favourable variances identified in operations.

Attachment II – 2014-15 Fourth Quarter Capital Budget Status Report, Summary of Board Funded Capital Investments - Non-Facility

	2014-15 Fall Budget Update	Actual Costs	Variance Favorable / (Unfavorable) (\$)	%	Variance >1% & \$500k Note	Estimate 2015-16	Estimate 2016-17
Capital Lease Payments (Contracts)							
Performance Contracts	2,750	6,633	(3,883)	-141%	(1)	1,096	-
Total Capital Lease Payments (Contracts)	\$ 2,750	6,633	(3,883)	-141%		1,096	-
Non-Facility Related Projects							
Strategic Enhancement	7,778	4,199	3,579	39%	(2)	4,652	2,633
Maintenance	4,212	7,171	(2,959)	-38%	(3)	4,877	1,970
	10,992	10,688	304	2%		21,390	27,009
Total Non-Facility Related Projects	22,982	22,058	924	3%		30,919	31,612
Capital reserve-funded projects	-	-	-	0%		37,866	-
School Enhancements	3,623	126	3,497	134%	(4)	3,292	2,000
Total Non-Facility Capital Expenditures	\$ 29,355	28,817	538	1%		73,173	33,612
Financed by the Following:							
Contribution from operating activities	4,129	15,122				23,741	-
Total Amortization Expense (non-cash)	21,832	21,837				22,880	33,612
Designated Capital Funds	3,394	(8,142)				11,534	-
Capital reserves	-	-				15,018	-
Total Non-Facility Capital Financing	\$ 29,355	28,817				73,173	33,612

Variance explanations

(1) \$3.9 million more was paid down on debt during the year than budgeted. Subsequent to the time the budget was prepared, the CBE decided not to incur more retrofit debt and reduced the debt where feasible. At this time, the cost of finance (2.44 – 3.18%) is greater than the interest earned on short-term cash (1.05%).

(2) \$3.1 million Student Information System project did not get started during the year. Delays in completion of other projects.

(3) Enhancement costs includes capital acquisitions made by schools that are funded by their decentralized budget.

(4) Food labs upgrade work could not be completed over summer, will continue into 2015-16.

Definitions:

Strategic - Projects that open up new horizons, learning methods, organization models, and value propositions that cut across the organization or physical facility.

Enhancement - Projects that improve or extend the functionality of existing systems, technologies, and processes.

Maintenance - Projects that are required to maintain current systems and keep them in good working condition.

report to Board of Trustees

Operating budget for 2015-16 and beyond

Date	December 1, 2015
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	David Stevenson, Chief Superintendent of Schools
Purpose	Decision and Information
Originator	Brad Grundy , Superintendent, Chief Financial Officer, Corporate Treasurer
Governance Policy Reference	Operational Expectations OE-5: Financial Planning OE-6: Financial Condition OE-7: Asset Protection OE-8: Communication With and Support for the Board
Resource Persons	Superintendents Team Carla Male, Director, School Financial Management Finance / Technology Services Staff Members of the Capital Budget Council

1 | Recommendation

It is recommended:

THAT the Board of Trustees receives the following report for information. No decision is required at this time.



2 | Issue

Section 147(2) of the *School Act* requires that the Calgary Board of Education submit to Alberta Education, by May 31 of each year, a budget approved by the Board of Trustees for the fiscal year beginning on the following September 1.

In accordance with the Board of Trustees' Operational Expectation OE-5: Financial Planning, the Chief Superintendent shall develop and maintain a multi-year financial plan that is related directly to the Board's Results priorities and Operational Expectations goals, and that avoids long-term fiscal jeopardy to the organization.

In the spring of 2015, there was a change in the provincial government and the 2015 budget was not passed. The new Government provided school jurisdictions with a funding update on May 28, 2015, however due to the timing of this announcement, the CBE was not able to prepare a full, detailed budget report including a three year financial plan.

This budget document has been prepared to satisfy the requirements of the above expectation.

3 | Background

In accordance with the *School Act* and the intent of Operational Expectation OE 5: Financial Planning, the Chief Superintendent is required to prepare and submit to the Board of Trustees, for review and approval, a budget which is balanced, so that the proposed expenses do not exceed the projected revenues to be received by the Calgary Board of Education or from other identified funding sources such as reserves or unrestricted net assets.

In order to develop the 2015-16 Budget, superintendents were tasked to formulate and lead all budget work including:

- providing full executive oversight of the budget process;
- considering the delivery of learning supports and services;
- providing succinct and direct stakeholder engagement; and
- making final recommendations to the Board of Trustees concerning all aspects of the 2015-16 Budget.

The 2015-16 Budget is based upon assumptions provided to the Board of Trustees for information on June 16, 2015. The budget development is guided by the CBE's values:

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

The budget is also developed under consideration of Alberta Education's *Inspiring Education* and the CBE's Three Year Education Plan.

4 | Analysis

The key highlights of the 2015-16 Budget, detailed in Attachment I are:

- Funds allocated directly to schools via the Resource Allocation Method have increased by \$31.1 million and are sufficient to maintain the current ratio of students to school-based staff, pending principal deployment decisions.
- \$14.5 million in one-time funding is being allocated to schools to further schools' goals of improving student achievement as outlined in their school development plans.
- \$1.5 million in additional funding will pay for high school graduation coaches to support our First Nations, Metis and Inuit students. We continue to focus on improving these students educational outcomes.
- Fee revenue will be increased by \$2.9 million year-over-year due to enrolment growth.
- Fee revenue for noon supervision and Instructional Supplies and Materials (ISM) will fully fund the gap between targeted Alberta Education funding where available and direct program costs, including waivers and uncollectible accounts. There will be no contribution from the instructional budget to support these fee-based programs and services.
- The transportation program is currently budgeted to run at a deficit of up to \$4.6 million, to be contributed from operating reserves. This decision was made in fall 2015 in response to a need to revisit service levels and route configuration. Public consultation on how best to provide sustainability to this program will commence during this school year.
- The number of school-based teachers will increase by 114 full time equivalent positions and support staff by 92 full time equivalent positions.
- Non-facility capital project spending is budgeted at \$73.2 million for a combination of regular projects along with one-time projects identified to be funded from other sources including reserves.
- As required by law, the budget for 2015-16 is balanced.

A summary of the 2015-16 budget, in comparison with 2014-15 is as follows:

	Fall Budget Update		Increase/ (Decrease)
	2014-15	2015-16	
	(all figures in \$ thousands)		
Revenues			
Alberta Education	1,136,965	1,204,334	67,369
Other Government of Alberta	1,134	846	(288)
Federal Government & First Nations	2,220	2,393	173
Other sales and services	19,684	23,196	3,512
Fees revenue	46,736	49,651	2,915
Investment revenue	3,026	2,817	(209)
All other revenue	24,082	19,328	(4,754)
	<u>1,233,847</u>	<u>1,302,565</u>	<u>68,718</u>
Expenses			
Salaries and benefits	986,194	1,023,929	37,735
Supplies and services	205,467	237,524	32,057
Other (interest, amortization and uncollectible accounts)	56,830	59,041	2,211
	<u>1,248,491</u>	<u>1,320,494</u>	<u>72,003</u>
Expenses funded through reserves or capital transactions	(14,644)	(17,929)	(3,285)
Proposed use of operating funds	18,772	41,670	22,898
Capital transactions	(4,129)	(23,741)	(19,613)
Net operating surplus / (deficit)		-	-

Further details are provided in Attachment I to this report.

5 | Financial Impact

Overall Balanced Position

The CBE will achieve a balanced position for this operating budget for 2015-16 after taking into account:

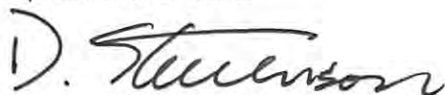
- projected revenues and expenses identified above for 2015-16;
- planned capital spending of \$73.2 million;
- planned use of \$68.2 million in operating and capital reserves.

6 | Implementation Consequences

The attached budget report fulfills the requirement to provide a budget in summary format that is understandable to the Board and allows the Board to understand the relationship between the budget and the Results priorities and any Operational Expectations goals for the year as well as the other requirements under OE-5.

7 | Conclusion

This report is being presented to the Board of Trustees for information and satisfies the requirements of OE-5.



DAVID STEVENSON
CHIEF SUPERINTENDENT OF SCHOOLS

ATTACHMENTS

Attachment I: Operating budget for 2015-16 and beyond

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cbe.ab.ca

operating budget for 2015-16 and beyond



budget report
2015-18

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



**Calgary Board
of Education**

Table of Contents

Mission	2
Values guide our approach	2
Guiding Documents	2
Summary of proposed budget	3
Impacts of education funding from the Province of Alberta	3
Balancing the budget.....	4
Looking forward.....	5
2015-16 Budget at a glance	6
Budget highlights.....	6
High-level budget	7
Revenues.....	8
Expenses.....	9
Capital projects.....	10
Capital projects (continued).....	11
Support for student success.....	11
Use of reserves	12
Continuous improvement strategies	13
Budget Background	14
Implications of the provincial budget	14
Factors affecting the budget.....	15
Balancing the budget.....	15
Impacts on student learning	17
Three-year financial plan	18
Three-year financial plan.....	19
Understanding the Budget	20
Revenue.....	20
Organizational model and allocation of resources.....	27
Expenses.....	28
Staffing and Full-Time Equivalents (FTEs).....	44
Student enrolment.....	45
Non-facility capital	46
Reserves	48
Organizational Risks	49
Glossary of terms	51

APPENDICES

Appendix A – Fall 2015 budget update use of reserves & Alberta Education submission	A1
Appendix B - Capital budget details	B1
Appendix C - Alberta Education block coding criteria flowchart	C1
Appendix D – Budget detail by Alberta Education block coding.....	D1
Appendix E - Fees report	E1
Appendix F - Transportation statistics and quick facts	F1
Appendix G - Noon supervision services summary.....	G1
Appendix H - Budget Assumptions Report (BAR)	H1
Appendix I – Charter lease summary	I1
Appendix J - EducationMatters financial statements.....	J1
Appendix K - School commissioning costs.....	K1

Mission

The Board of Trustees sets as its Mission that “each student, in keeping with his or her individual abilities and gifts, will complete high school with a foundation of learning necessary to thrive in life, work and continued learning.” We therefore know that we must consider each individual student and his or her learning requirements while balancing all student needs against the resources available across the organization.

Values guide our approach

Our approach to the budget development is guided by CBE values:

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

Therefore, we will work to optimize student learning while recognizing the reality of our fiscal constraints.

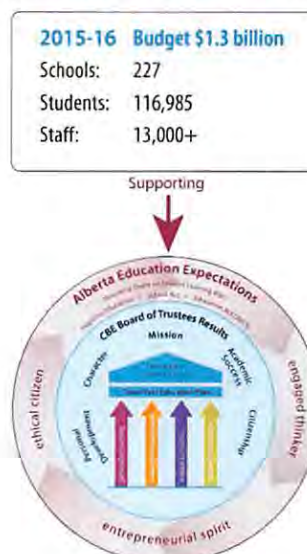
We do our work within the framework of Alberta Education’s *Inspiring Education*, which sets out the following values for public education: opportunity, fairness, citizenship, choice, diversity and excellence. Balancing those values with the resources at hand takes careful consideration.

We are also guided by CBE’s Three-Year Education Plan, which focuses attention on personalized learning, building our professional capital, engaging our stakeholders and stewarding our resources. Taken together, these action areas allow us to maximize student learning and achievement.

In tackling the budget exercise we know that public education is a shared responsibility. With our students, families, employees, communities and Alberta Education in mind, we make budgetary decisions knowing we need to work together to build positive learning and working environments. By sharing a common goal of student success, each one of us contributes to make it happen despite the difficult fiscal realities.

Guiding Documents

- *Inspiring Education* – Developing the qualities and abilities of ethical citizen, engaged thinker and entrepreneurial spirit
- *CBE Three-year Education Plan* – Personalize learning, build professional capital, engage our stakeholders, steward our resources
- *CBE Results* – Our Mission, academic success, citizenship, personal development, character
- *Fiscal Plan 2015-20* – the Alberta Government’s choices to stabilize Alberta’s public finances



It is these goals, translated through our values, that ensure s

Summary of proposed budget

The Calgary Board of Education is one of the best public education systems in the world. Outstanding education depends on making wise decisions about how to invest public resources on behalf of 116,985 students. It's an important responsibility. The money we spend educating our youth is one of the most important investments we can make in our society's future.

The CBE's entire system works to support student learning. The 2015-16 budget was prepared, first and foremost, with the objective of honoring our mission, vision and most importantly, our values. The 2015-16 budget puts students first, focuses on learning as our central purpose, and recognizes that public education serves the common good.

Impacts of education funding from the Province of Alberta

On March 26, the Alberta Government tabled Budget 2015 with the promise of ensuring long-term financial stability for Alberta and reducing the Government's reliance on non-renewable resource revenue. Budget 2015 cut grant rates and eliminated funding for enrolment growth. With the subsequent election held in May and change in provincial leadership, Budget 2015 was not passed. On May 28, 2015, the Premier announced that education funding for the 2015-16 year was restored and enrolment growth would also be funded in order to provide needed resources to support student learning.

With that announcement, in 2015-16, the CBE will see per-student funding increase \$300 per student from the prior year. The Government is funding the CBE for enrolment growth as well as rate increases to basic instruction and class size in order to cover the wage increases negotiated in the Teacher Framework Agreement.

The CBE welcomed 2,485 more students (an increase of more than two per cent) in 2015-16. At the same time, inflation, grid movement, and other operating expenses will combine to further increase costs of delivering a basic education to our students.

This CBE budget anticipates that the number of school-based teachers will increase by 114 full time equivalent positions (FTEs) and support staff in schools will increase by 92 FTEs. We are allocating an additional \$31.1 million directly to schools via the Resource Allocation Method (RAM). The funds directed to schools will maintain current student to school-based staff ratios, as confirmed by principal staffing deployment decisions.

The increase in provincial funding allows the CBE to maintain service levels in 2015-16 without reliance on reserves for regular operational expenses. Currently, the design and construction of 24 new schools and 7 major modernizations are underway and it will cost up to \$25 million over the next few years to fit up and commission these schools. The CBE has earmarked the use of reserves to pay for these expenditures, however we will continue discussions with the Province to seek the resources necessary to adequately support our students and their schools.

Balancing the budget

2015-16 Approved Budget

Following the funding announcement made by Alberta's new Government in May, 2015, the CBE prepared a balanced operating budget, meaning that provincial funding increases are sufficient to maintain the same level of services and operations as in the 2014-15 year, with no reliance on reserves to fund regular operations. The increased funding did not allow for new or enhanced programming. This budget was approved by the Board of Trustees on June 18, 2015.

Also in the course of preparing the budget in the spring, student fees continued to be set at a level to fully fund the gap between Alberta Education funding (where applicable) and direct program costs. Despite the need for fees, no student will be denied access to an education due to the inability to pay fees. The CBE has a comprehensive waiver program to support families who are experiencing financial difficulties.

2015-16 Fall Budget Update

The approved budget was based on estimates of expected enrolment for the 2015-16 year. At the Sept. 30, 2015 count date, it was determined that the actual enrolment for the year would be 30 students higher than originally budgeted, and with fluctuations at each of the division levels. As a result, anticipated funding from the provincial Government would be higher and amounts allocated to schools via the RAM would also be higher. These increases have been captured in the Fall 2015-16 Budget Update, which is an update required by Alberta Education. It is also presented to the Board of Trustees for information and accepted as the CBE's budget for the year.

This report provide details of the 2015-16 fall budget, with 2014-15 fall budget information provided as comparatives.

The 2015-16 spring budget was balanced without the use of reserves. Several pressures and initiatives were since identified and have been incorporated as one-time planned spending in the fall budget update. These will be funded by the use of operating and capital reserves and include:

- \$14.5 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in their school development plans.
- \$1.5 million in additional funds will be used to hire high school graduation coaches to support our First Nations, Métis and Inuit students.
- \$15.2 million for the use of budgets carried forward from 2014-15 (operating and capital). These represent projects that have started in the 2014-15 school year but will not complete until the 2015-16 school year.
- Up to \$25.0 million for the commissioning of new schools in 2015-16, 2016-17 and 2017-18.
- Up to \$5.7 million for Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades.
- Up to \$7.0 million for wireless upgrades to address capacity issues across all schools.

Looking forward

The provincial budget announced in May, 2015 made it possible for the CBE to maintain services and supports to students in 2015-16 while preparing for the opening of 20 new and replacement schools and modernizations in 2016-17. As 2015 unfolds, the Province of Alberta is still facing a challenging economic environment. We will continue to review our programs and operations and make changes where necessary in order to maximize efficiency and resources.

The new school openings beginning in September 2016 will increase cost pressures. New schools require a principal, assistant principals, administrative assistants, and facility operators. As well, new schools consume additional utilities and require facility maintenance services. Beyond these costs, new schools need teachers, learning assistants, library assistants, as well as other services and supports to maximize student learning. Some of these will transfer over from our existing facilities but most will require additional dollars to support.

The CBE has presented its 2015-16 budget on page 19 with projections for 2016-17 and 2017-18. Although the Province has provided estimates of funding to Education in the upcoming years, there continue to be many unknown factors which make it difficult to prepare balanced projections. Unknowns include union settlements, provincial Government action on reducing parent fees and potential provincial Government grant rate changes. Projections assume that student growth is funded at 2015-16 rates, staffing is increased to maintain school-based staff to student ratios and the additional costs of running new schools are managed within regular funding allocations.

2015-16 Budget at a glance

Budget highlights¹

In consideration of our values and the provincial revenue limitations, the overall expected outcomes for the budget are:

- Funds allocated directly to schools via the Resource Allocation Method have increased by \$31.1 million and are sufficient to maintain the current ratio of students to school-based staff, pending principal deployment decisions.
- \$14.5 million in one-time funding is being allocated to schools to further schools' goals of improving student achievement as outlined in their school development plans.
- \$1.5 million in additional funding will pay for high school graduation coaches to support our First Nations, Metis and Inuit students. We continue to focus on improving these students educational outcomes.
- Fee revenue will be increased by \$2.9 million year-over-year due to enrolment growth.
- Fee revenue for noon supervision and Instructional Supplies and Materials (ISM) will fully fund the gap between targeted Alberta Education funding where available and direct program costs, including waivers and uncollectible accounts. There will be no contribution from the instructional budget to support these fee-based programs and services.
- The transportation program is currently budgeted to run at a deficit of up to \$4.6 million, to be contributed from operating reserves. This decision was made in fall 2015 in response to a need to revisit service levels and route design. Public consultation on how best to provide sustainability to this program will commence during this school year.
- The number of school-based teachers will increase by 114 full time equivalent positions and support staff by 92 full time equivalent positions.
- Non-facility capital project spending is budgeted at \$73.2 million for a combination of regular projects along with one-time projects identified to be funded from other sources including reserves.
- As required by law, the budget for 2015-16 is balanced.

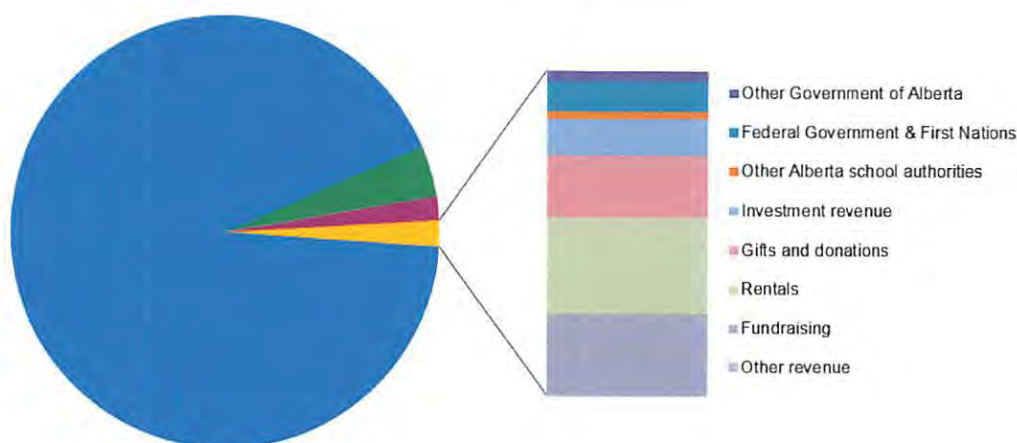
¹Throughout this document, the 2014-15 comparative budget figures presented are from the 2014-15 Fall Update, which was approved by the Board of Trustees on Nov. 25, 2014. Some numbers have been reclassified for comparative purposes.

High-level budget

	Fall Budget Update		Increase/
	2014-15	2015-16	(Decrease)
	(all figures in \$ thousands)		
Revenues			
Alberta Education	1,136,965	1,204,334	67,369
Other Government of Alberta	1,134	846	(288)
Federal Government & First Nations	2,220	2,393	173
Other sales and services	19,684	23,196	3,512
Fees revenue	46,736	49,651	2,915
Investment revenue	3,026	2,817	(209)
All other revenue	24,082	19,328	(4,754)
	1,233,847	1,302,565	68,718
Expenses			
Salaries and benefits	986,194	1,023,929	37,735
Supplies and services	205,467	237,524	32,057
Other (interest, amortization and uncollectible accounts)	56,830	59,041	2,211
	1,248,491	1,320,494	72,003
Expenses funded through reserves or capital transactions	(14,644)	(17,929)	(3,285)
Proposed use of operating funds	18,772	41,670	22,898
Capital transactions	(4,129)	(23,741)	(19,613)
Net operating surplus / (deficit)	-	-	

Revenues

	Fall Budget Update		
	2015-16		2014-15
	(in \$ thousands)	%	(in \$ thousands)
Alberta Education	1,204,334	92%	1,136,965
Fees revenue	49,651	4%	46,736
Other sales and services	23,196	2%	19,684
Other	25,384	2%	30,462
Revenues	1,302,565	100%	1,233,847



- **Alberta Education revenue** – includes grants received based on 2015-16 Sept. 30 enrolment, an increase of 1.8 per cent to the base rate to fund the general Alberta Teachers' Association wage increase, a one per cent lump sum payment under the Alberta Teachers' Association collective agreement, and a two per cent increase to Class Size grant rates. All other funding rates have remained the same as in 2014-15.
- **Fees** – parent fees collected for transportation services, the supervision of students who stay at school for lunch, instructional materials, field trips, and additional programming.
- **Sales and services** – revenue collected from international students attending CBE schools, instruction fees paid by adult learners, and general sales revenue based on cafeteria sales, and the provision of services by students, like cosmetology and automotive.
- **Other** – these include donations received, fundraising at schools, investment income and revenues from the rental of facilities.

Expenses

Expenses by type

	Fall Budget Update		
	2015-16		2014-15
	(in \$ thousands)	%	(in \$ thousands)
Certificated salaries and benefits	767,467	58%	730,184
Non-certificated salaries and benefits	256,462	19%	256,010
Supplies and services	237,524	18%	205,467
Other (interest, amortization and uncollectible accounts)	59,041	4%	56,830
Expenses by type	1,320,494	100%	1,248,491



Expenses by activity

	Fall Budget Update		
	2015-16		2014-15
	(in \$ thousands)	%	(in \$ thousands)
Service unit supports	320,869	24%	295,937
Schools and area supports	999,625	76%	952,554
Expenses by activity	1,320,494	100%	1,248,491



Schools and area supports includes amounts allocated directly to schools via the RAM, custodial staff in schools, Area office budgets and centrally held budgets that directly support school operations, such as the Alberta Teachers Retirement Fund (ATRF), School Generated Funds (SGF), central budgets for sick relief in schools, etc.

Service unit supports include direct and indirect supports for students. These supports wrap around each student and improve the quality of learning and access to education. This also includes the cost of service units that operate the CBE's business processes (e.g. payroll, recruiting, procurement, legal services, technology support, etc.) as well as the costs for constructing, operating and maintaining safe and secure facilities, providing student transportation, providing central learning supports and the Board of Trustees budget.

Capital projects

Major Capital Projects – New Schools and Major Modernization

The CBE appreciates that the Government has recognized the incredible growth in our student numbers and is financially supporting the construction of many of the schools required to support the growing educational needs of our students. The Province has committed to financing the 31 major capital projects the CBE currently has underway. Those projects include new school construction, replacement school construction and major modernizations. Information on these projects is available on the CBE's website.

The CBE will incur costs in 2015-16 beyond those provided by the Province for furniture and equipment and to prepare the new schools for the day they open. These costs will include preparing the learning environment with learning materials, sound systems, specialty equipment and technology. Other costs are related to staff time (principals, assistant principals, learning leaders, administrative assistants, etc.) required to engage with the new school communities, develop time-tables, and make pre-school opening curricular decisions.

It will cost the CBE up to \$25 million in the next few years for these supplies and activities, which is currently planned for funding from internal CBE sources, including reserves.

The new school openings beginning September 2016 will further increase operational cost pressures. New schools require a principal, assistant principals, administrative assistants and facility operators. As well, new schools consume additional utilities and require facility maintenance services. Beyond these costs, new schools need teachers, learning assistants, library assistants, as well as other services and supports to maximize student learning. Some of these will transfer over from our existing facilities but most will require additional dollars to deploy. Over the next three years the CBE will support nearly 9,000 additional students.

Non-Facility Capital activities

The CBE will continue to invest resources to ensure that the necessary capital investments are being made today to support the learning environment our students will need in the future. As a result, the CBE is investing \$36.7 million in more than 17 capital projects in addition to the \$11.5 million of projects continuing from 2014-15 and up to \$25 million in new school commissioning for a total of \$73.2 million.

This budget includes projects such as \$3.0 million for the replacement of the student information system, \$7.0 million in wireless access upgrades, \$5.7 million for Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades, \$0.6 million to further develop the online fee payment and registration system and more in maintaining technology infrastructure and student safety. Included in the plans are \$3.3 million to support school enhancements which allow us to ensure that our aging facilities continue to meet our student's ever evolving learning needs.

Non-facility capital activities are funded through the cash made available from non-facility amortization expense (a non-cash expense) as well as capital reserves. As part of the budget development, decisions are made on how those amounts will be spent.

Non-facility (sometimes referred to as "board-funded") capital projects should not be confused with the capital activities associated with the building of new schools or major modernizations. Those projects are supported by additional capital grants approved and provided by the provincial Government through a separate capital planning process.

Capital projects (continued)

A summary of board-funded capital plans is shown below with further details provided in Appendix B.

	Fall Update Budget 2015-16 (\$ thousands)	Examples of projects
Strategic projects	4,652	Software asset management, student info system
Enhancement projects	4,877	School enhancements, online fee payments
Maintenance projects	21,390	Technology replacement, wireless upgrades
School enhancements	3,292	Enhance the learning environment
New school commissioning	25,000	
Wireless enhancements	7,000	
Equipment upgrades	5,675	
P3 air conditioning	191	
Performance contracts	1,096	
Total capital projects	73,173	

Support for student success

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

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

In 2015-16, \$1.0 billion dollars will be spent on instruction, in direct support of the achievement of success for each student. This includes the spending in schools and areas as well as supports that are centrally managed, such as but not limited to: psychologists, braille assistants, deaf and hard of hearing specialists, mental health specialists, occupational and physical therapists, speech language pathologists, multicultural services, school-based technology support, student records and more. Resources have been applied to support the pillars of the Three-Year Education Plan, notably building professional capital, personalized learning and engaging our public.

In addition, costs under the Plant, Operations and Maintenance block are essential for the safe operation of our facilities and providing quality learning environments. In 2015-16, \$166.6 million will be spent in support of the achievement of success for each student in this regard.

About 37,000 students are transported to CBE schools each day using yellow school buses, Calgary Transit or Handi-bus. Some students do not have a community school where they live and need to travel outside of their community to reach their designated school, others choose to attend an alternative program, and others have exceptional learning needs that are best met in special settings. The amount we receive from the Province for transportation does not cover the cost of providing these services; the cost of transportation is \$48.0 million. Regardless of the program, all students travelling by a yellow school bus or Handi-bus are charged the same fees. Parent fees totalling \$8.4 million are charged to supplement the cost of providing transportation.

Finally, Board and System Administrative² costs indirectly support student success by providing core system supports to student learning. These costs are budgeted at \$35.8 million and at 2.7 per cent of operating expenses are well below the Alberta Education cap of 3.6 per cent.

External services (e.g. noon supervision program, adult education), are \$22.7 million in 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).

Use of reserves

The 2015-16 budget was balanced without the use of reserves. However, as noted previously, the CBE is planning to draw on \$68.2 million in operating and capital reserves. Several pressures have since been identified for which the use of reserves will be requested. These pressures are all one-time initiatives that support student learning and advancing the CBE's and Government's learning agenda.

Operating pressures

- \$14.5 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in their school development plans.
- \$1.5 million to provide high school graduation coaches to support our First Nations, Metis and Inuit students.
- \$3.7 million for the use of operating budgets carried forward from 2014-15. These represent operating projects that have started in the 2014-15 school year but will not complete until the 2015-16 school year.

Capital pressures

- Up to \$25.0 million for the commissioning of new schools opening the next few years.
- Up to \$5.7 million for Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades.
- Up to \$7.0 million for wireless upgrades to a consistent standard in all schools. A further \$7.0 million is planned for spending on wireless upgrades in the following year for a total of \$14.0 million.
- \$11.5 million for the use of capital budgets carried forward from 2014-15. These represent capital projects that have started in the 2014-15 school year but will not complete until the 2015-16 school year.

² Board and System Administration includes the costs of administrative functions and core program supports for the jurisdiction, at the system level. This grouping of costs is a reporting requirement by Alberta Education.

Continuous improvement strategies

The CBE is grateful to the provincial Government for continuing to fund enrolment growth as well as for the wage increases within the Alberta Teachers Association collective agreement. The CBE is committed to using funding prudently and continuing to evaluate its programs, services and operations for improvement and efficiency opportunities. Some of this work that is planned for 2015-16 includes:

- Further integrating the provision of centralized and decentralized specialized supports and services to students, teachers and schools,
- Enhancing and further integrating programs and services provided by CBe-Learn, Chinook Learning Services, Encore, Discovering Choices and our outreach services,
- Making school-based management easier by streamlining the provision of administrative services and supports to schools and moving to further standardization in non-teaching supports,
- Evaluating the current model of the RAM to schools,
- Seeking further operational efficiencies where appropriate.

Budget Background

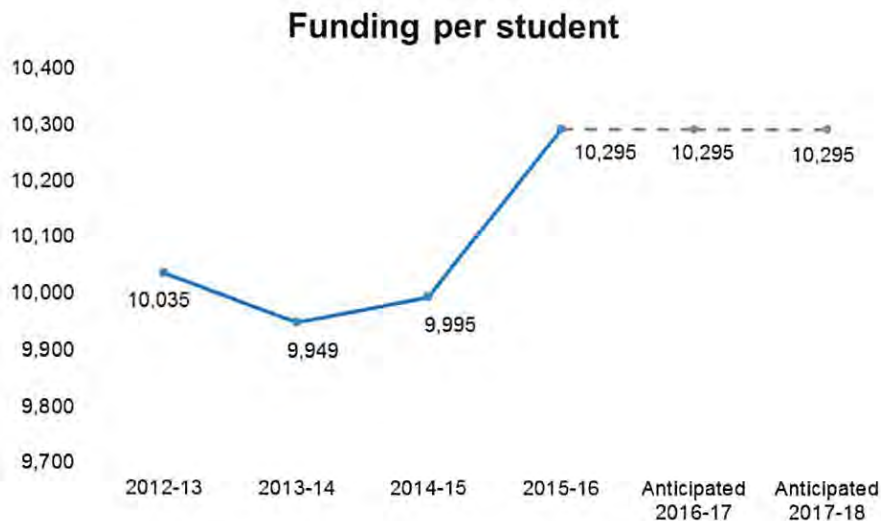
Implications of the provincial budget

The CBE receives 92 per cent of its funding from Alberta Education. As a result of rapidly growing enrolment, increasing student diversity, increasing costs, and high student and parent expectations for educational excellence and choice, the CBE has been a system under strain. Government funding announced for 2015-16 will be sufficient to maintain service levels to students and families at 2014-15 levels.

Overall, funding from Alberta Education will increase by \$67.4 million from 2014-15, or six per cent. Base funding has been increased to fund wage increases for teachers.

Of the \$67.4 million increase, \$40.2 million of the increase is not restricted for a particular use (such as for infrastructure, maintenance and renewal, funding the ATA lump sum payment, etc). Of this, \$31.1 million (78 per cent) has been allocated to schools via the RAM. The remaining \$9.1 million is being used for capital investments and transportation costs. See page 16 for a full breakdown of how the incremental funding is planned for spending.

As a result, Alberta Education revenue per student has increased by \$300 per student since 2014-15.



Factors affecting the budget

Our costs are increasing. Other than for the negotiated teacher wage increases, funding is not provided directly for increased costs. These include, but are not limited to:

- costs related to projected enrolment growth;
- additional workload caused by system growth;
- negotiated salary increases for unionized employees;
- grid movement for unionized employees; and
- inflation.

In addition to increasing costs, a significant portion of CBE expenses are non-discretionary. A non-discretionary cost is a cost over which the CBE has little or no direct control in the short term and which is necessary to maintain our programming, services and supports. Non-discretionary costs include things like amortization, insurance premiums, utility expenses, technology licencing fees, etc. This creates a challenge as it limits available cost reduction options.

This budget will also eliminate all known “conservatism” in estimates and projections. As a result, actual costs may, at the end of the school year, be higher than assumed in this budget. Specific areas of concern include the cost of utilities, wages, insurance premiums and uninsured losses. There is an increased risk that the CBE will end 2015-16 with actual expenses greater than planned. We believe this risk is acceptable as it allows the CBE to maximize the resources available to support student success.

Finally, administration must deliver a balanced budget and this plan does that.

Balancing the budget

Budget assumptions and strategies

On June 16, 2015, CBE Administration provided the Board of Trustees with the Budget Assumptions Report (BAR) for 2015-18 for information. A copy of this report is provided in Appendix H. The values communicated within the BAR and upon which this budget was developed remain the same. These values guided us to provide stable rates in the Resource Allocation Method (RAM), which was distributed to principals in April, 2015 to facilitate the planning process for 2015-16.

Summary of increased resources and use of funds

The following table presents a summary of the increased funding sources from the 2014-15 fall budget and the increased use of these funds.

Source of funding	Increase / (decrease (\$ thousands)
Alberta Education	67,369
Fees revenue	2,915
Other revenue (e.g. rental)	(1,566)
Use of reserves	46,056
	114,774
Use of funding	
Increase to schools via RAM	31,070
One-time funding to schools	16,000
Increase capital investments	18,819
Start-up costs for new schools	25,000
Year over year increased transportation costs	3,307
Increased maintenance spending	16,282
Net other changes	4,296
	114,774

Resources allocated to schools via the RAM increased by over \$31 million in order to maintain staff to student ratios, consistent with 2014-15. One-time funding of \$16 million was provided to schools in the fall of 2015 to further schools' goals of improving student achievement as outlined in school development plans. The additional funds will also pay for high school graduation coaches to support our First Nations, Metis and Inuit students.

Our investment in capital assets has increased by \$18.8 million for projects that were not complete at the end of 2014-15 and carried forward into 2015-16, as well as increased spending plans for wireless upgrades in schools and amounts to upgrade equipment in Career and Technology Studies/Foundations and Fine and Performing Arts.

Maintenance spending is budgeted to increase by \$16.3 million due to additional infrastructure, maintenance and renewal funding received in 2014-15 that was not fully spent during the year and is planned for spending in 2015-16.

The remaining is the net increase in all other budgets. This is a combination of budget reductions reflecting current cost projections (utilities, insurance), increases (long term contracts, wage rates) as well as other organizational changes which include adding school support positions in each Area and establishing funds to build a new approach to public engagement.

Impacts on student learning

CBE provides a world class education program for our students and families. As recently reported by Alberta Education, CBE students continue to lead the Province in [academic achievement](#).

Funding allocations to schools and the investment in capital projects has increased and the CBE has maintained centrally provided service levels. That being said, the funding cannot support everything that we would like to do to support student learning and our staff. Some examples of impacts on student learning include:

- Student engagement and achievement will be advanced through personalized instruction and assessment; however, innovations and supports to respond to student learning interests and needs and the changing face of education will be somewhat constrained.
- Resources have been allocated to support the improvement priorities identified by the Board of Trustees.
- Teachers will have time and opportunity to learn together and build their collective capacity to meet student learning needs and ensure student success.
- Schools will organize for instruction and make choices about the deployment of their resources to best meet the learning needs of students. As schools prioritize for the best use of their resources, some program offerings or services may be enhanced, replaced, modified, or reduced. Staffing levels may be impacted.
- Groups of students who would most benefit from extended early learning experiences will have access to full-day kindergarten.
- Students and teachers will have access to the learning tools, resources, and environments that help create flexible, responsive and personalized learning opportunities and support student success.
- Student learning environments will be impacted as increased costs for supplies and maintenance are not addressed. Costs throughout the system continue to outpace funding.
- The impact of school leaders on student learning is second only to the teacher in the classroom. The leadership strategy provides opportunities for teachers to continuously develop their capacity to lead staff to achieve the goals of the Three Year Education Plan.

Three-year financial plan

Operational Expectation 5: Financial Planning requires a multi-year budget and plan for fiscal soundness when future Government funding commitments have been made. The provincial Government has made a three-year commitment for education funding, however the details of that funding are not currently known and the provincial Governments budget process does not provide for long-term financial certainty. For example targeted funding may be provided to reduce parent fees, which would be a replacement for fees revenue and would not contribute to the paying of expenses. A change such as this would have a material impact on the CBEs budget and operations and in the absence of certainty we have chosen not to build a three-year financial plan with this information.

Year one of the financial plan is the budget for 2015-16. The budgets in **years two and three** projects cost increases resulting from increased enrolment, the opening of new schools and grid movement increases for unionized staff. It projects staffing increases to maintain current student to school-based staffing ratios. We assume that the Government will continue to fund for enrolment growth and have assumed 2015-16 funding rates. The excess of expenses over anticipated revenues is the cost savings to be found in order to balance the budget in those years.

Public engagement

The Calgary Board of Education continually examines its approach to public engagement and participation. The CBE's Education Act Public Engagement Working Group was established in the spring of 2015 to explore what is laid out in the new Education Act legislation and understand opportunities for building a system approach to public engagement.

The CBE recognizes that the public has an important role to play in the education and supporting services i.e. transportation we deliver to our students. We remain committed to consulting with the community on decisions that affect them. During the past year, the CBE provided opportunities for parents and the public to share their thoughts on budget, transportation, assessment and reporting, and school construction/ modernization projects. This is in addition to consultations specific to certain schools.

Any future system-wide consultations and engagements with the public will need to be conducted in a way that is financially responsible and in alignment with our values.

At the time this report is written, the CBE is developing a framework that respects the diversity of our community and supports the CBE in achieving its mission. The framework will:

- Be well understood and accepted by our stakeholders.
- Give stakeholders a clear understanding of their roles and responsibilities, and how their contributions may influence decisions within the CBE.
- Reflect best practices and be applied consistently and effectively across the system.
- Be monitored and evaluated to meet stakeholder needs over time.

We will do this by thinking long-term and actively involving stakeholders in the process of creating the framework. The framework is the first step in making effective system-wide engagement a top priority at the CBE for many years to come.

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Three-year financial plan

	Actuals	Fall Budget Update		Projections	
	2014-15	2014-15	2015-16	2016-17	2017-18
	<i>for the periods 2015-16 to 2017-18 (with comparatives for 2013-14 and 2014-15)</i>				
	(all figures in \$ thousands)				
Revenues					
Alberta Education	1,144,396	1,136,965	1,204,334	1,237,360	1,270,498
Other Government of Alberta	1,108	1,134	846	846	846
Federal Government & First Nations	2,904	2,220	2,393	2,393	2,393
Other sales and services	24,329	19,684	23,196	23,832	24,470
Fees revenue	47,148	46,736	49,651	51,012	52,379
Investment revenue	14,863	3,026	2,817	2,817	2,817
Other Alberta school authorities	832	522	522	522	522
Gifts and donations	7,023	5,034	4,842	4,975	5,108
Fundraising	6,828	11,300	6,400	6,576	6,752
Rentals	6,698	7,226	7,544	7,751	7,958
Gains on disposal	63	-	-	-	-
Other revenue	1,323	-	20	-	-
Total Revenues	1,257,515	1,233,847	1,302,565	1,338,083	1,373,743
Expenses by block					
Instruction: grades 1-12	940,461	953,069	1,000,765	1,050,286	1,086,053
Instruction: early childhood services	49,136	43,011	46,664	50,401	52,118
Board and system administration	33,917	35,779	35,773	38,287	39,591
Transportation	44,336	44,698	48,005	49,717	51,410
Plant operations and maintenance	157,489	148,885	166,578	171,567	177,410
External services	20,814	23,049	22,709	24,163	24,986
Total Expenses	1,246,153	1,248,491	1,320,494	1,384,421	1,431,567
Expenses by object					
Certificated salaries and benefits	728,527	730,184	767,467	796,434	825,702
Non-certificated salaries and benefits	244,700	256,010	256,462	264,368	272,391
Supply and services	217,687	205,467	237,524	243,318	249,240
Amortization expenses	51,644	52,042	52,115	73,211	76,980
Interest and finance charges	2,038	1,619	2,158	2,191	2,224
Other (uncollectible accounts)	1,557	3,169	4,768	4,899	5,030
Total Expenses	1,246,153	1,248,491	1,320,494	1,384,421	1,431,567
Surplus / (deficit)	11,362	(14,644)	(17,929)	(46,338)	(57,824)
Transfers from operating reserves/designated funds	3,760	18,772	41,670	-	-
Add/(deduct) capital items paid by operating funds					
Capital assets acquired	(22,184)	(26,605)	(72,077)	(33,612)	(35,549)
Board funded amortization	21,837	21,832	22,880	33,612	35,549
Debt repayments	(6,633)	(2,750)	(1,096)	-	-
Draw from / (add to) capital reserves	(8,142)	3,394	26,552	-	-
	(15,122)	(4,129)	(23,741)	-	-
Amount to be funded by reserves/costs to be reduced	-	-	-	(46,338)	(57,824)

Understanding the Budget

Revenue

Alberta Education funding

Alberta Education provides funding to school jurisdictions via various grants. In 2015-16, grant funding will continue to be based on enrolment, and some rates have increased in order to cover the wage increases stated in the Alberta Teachers' Association collective agreement.

The table below sets out year-over-year funding changes from 2014-15.

Alberta Education grant	Grant rate change %
Base funding	1.8%
Class size funding	2.0%
Home Education funding	1.8%
All other grant allocations	0%

Of the funding received from Alberta Education, 14 per cent is targeted or restricted for specific use (including student transportation, Alberta Teachers Retirement Fund funding, expended deferred capital revenue, and infrastructure, maintenance and renewal). The remaining amount may generally be used at the CBE's discretion to support student learning.

92 per cent of the CBE's funding comes from the provincial Government. The remaining eight per cent is generated through parent fees, adult learning fees, school fundraising activities, rental of facilities and investment income. With the exception of investment income, these other revenue sources are tied directly to spending activities and do not contribute to the delivery of instruction in schools or other school board operations.

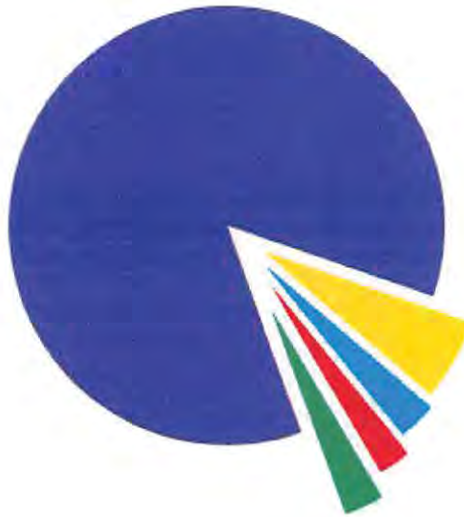
Alberta Education funding is virtually the only source of revenue to pay for operating and supporting all aspects of our schools.

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Alberta Education funding (cont'd)

Alberta Education funding by grant type is shown in the table below.

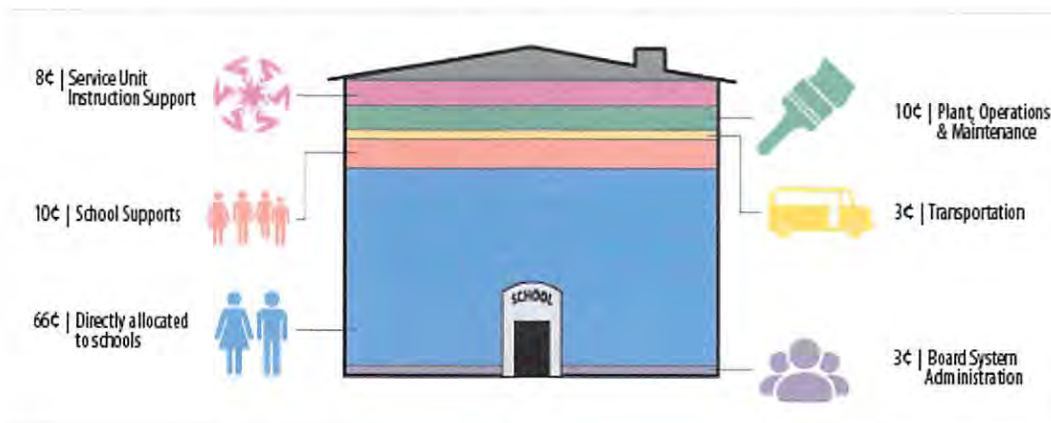
	Fall Budget Update		Increase/ (Decrease)	
	2015-16	2014-15		
	(in \$ thousands)		(\$ thousands)	%
Student funding	1,032,481	982,681	49,800	5%
Alberta teacher retirement funding	72,740	71,531	1,209	2%
Student transportation	34,877	33,825	1,052	3%
Expended deferred capital revenues	29,236	30,210	(974)	-3%
Infrastructure maintenance and renewal funding	35,000	18,718	16,282	87%
Alberta Education funding	1,204,334	1,136,965	67,369	6%



Alberta Education funding (cont'd)

Each dollar of Alberta Education funding is seen in or affects schools.

While the majority of our funding from Alberta Education goes directly to schools, a portion of it is also held centrally. This enables us to give schools the resources they need. For example, each school cannot afford several full-time specialists in different fields. But when specialists are paid for centrally, they can be deployed to schools as needed and shared amongst schools.



66 cents of every dollar goes directly to schools.

Money is provided to schools via a process we call RAM (Resource Allocation Method). Monies allocated through the RAM fund the learning experience in schools, which includes teacher and staff salaries. These funds enable schools to meet our learning outcomes. This method is designed to allocate resources equitably while providing principals and schools with choice in the assignment and deployment of those resources to best meet the unique needs of students within their schools.

This 66 cents also includes custodial services provided in schools which ensure a clean and healthy learning environment.

The remaining 34 cents directly affects schools.

Our entire organization supports student learning. Some specific school and instruction supports are administered on behalf of schools, rather than directly by schools, as it is more efficient and effective to provide these at a system level rather than to duplicate these at individual schools. Central administration relieves schools and principals of administrative burden and allows them to focus on students and their learning. However the majority of funds are allocated directly to schools.

10 cents of every dollar goes to support learning in schools by funding school supports.

This includes the many specialized services for students that are available for principals to access including psychologists, braille assistants, deaf and hard of hearing specialists, mental health specialists, occupational and physical therapists, speech language pathologists, cultural diversity advisors and more.

Alberta Education funding (cont'd)

These central supports are critical to our teachers, particularly to the more than 16,000 students identified with special education needs, and to the over 26,000 students identified as English language learners. These specialists work in various schools supporting learning.

This funding also supports our five area offices, which are needed to manage the needs of our large school system and efficiently support our schools.

While our schools do excellent work day in and day out, our area offices ensure that the entire system of schools remains integrated and coordinated so that our students have a seamless learning experience. Our substitute teachers for long and short-term absences are also funded here.

The largest amount of school support funds go to pay into the Alberta Teachers' Retirement Fund as part of our collective agreement with teachers. This is a contractual obligation over which the CBE has no direct control

8 cents of every dollar goes to service unit instruction support

This funds the instructional and programming support to teachers and schools that is provided by service units.

Support is offered in areas such as Aboriginal education, attendance, suspensions, student records, expulsions, counselling, kindergarten, multicultural services and specialized assessment. Funding provided to service unit instruction support also includes programs such as school health, school nutrition, off-site and off-campus learning programs, outreach programs, community partnerships, home schooling, online learning and high school success initiatives.

This funding also supports our human resources department with teacher recruitment, enabling us to find the best, most qualified candidates for teaching in our classrooms.

10 cents of every dollar goes to plant, operations and maintenance

Schools are safe and secure thanks to funding for plant, operations and maintenance. This also funds facility maintenance and repairs, and provides utilities and insurance for schools.

3 cents of every dollar goes to transportation

Transportation dollars help fund how 37,000 of our students get to school each day. Other transportation needs are also funded in this category: busing aides, charter services, attendants, LPN's (licensed practitioner nurses), Calgary Transit passes and taxis/Handi-Bus services as needed. The revenue generated through transportation fees is not reflected in this summary.

3 cents of every dollar goes to board and system administration

At 2.7 per cent, the CBE has one of the lowest percentages of administrative expenses of metro school boards. These dollars are seen in your schools every day through services provided by the Board of Trustees, Chief Superintendent's office, Human Resources, Technology Services, Financial Services, Legal Services, and Communication Services.

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Non-Alberta Education revenue

	Fall Budget Update		Increase/ (Decrease)	
	2015-16	2014-15		
	(in \$ thousands)		(\$ thousands)	%
Fees revenue	49,651	46,736	2,915	6%
Other sales and services	23,196	19,684	3,512	18%
Investment revenue	2,817	3,026	(209)	(7)%
Federal Government & First Nations	2,393	2,220	173	8%
Other Government of Alberta	846	1,134	(288)	(25)%
Other Alberta school authorities	522	522	-	0%
Gifts and donations	4,842	5,034	(192)	(4)%
Fundraising	6,400	11,300	(4,900)	(43)%
Rentals	7,544	7,226	318	4%
Other revenue	20	-	20	100%
Other revenues	98,231	96,882	1,349	1%

Other sales and services, gifts and donations and fundraising revenues are mainly generated in schools and inherently variable. The changes in these categories are based on prior year actuals and adjusted for enrolment growth.

Fees

In addition to the information provided below relating to fees, please also refer to Appendix E which includes details of the internal fee review and related calculations.

The CBE charges fees for instructional supplies and materials (ISM), transportation, noon supervision and other incidentals. ISM fees are mandatory and charged per student 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 set at a level to cover the estimated 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.

Rapid enrolment growth and a lack of schools close to where students live means that ever more students are being transported and supervised over the noon hour. As well, the growing gap between funding received to support students and the costs of doing so means that we were (prior to 2014-15) spending increasing amounts of instructional dollars to subsidize fee-based programs. While providing transportation and noon supervision have evolved to become part of our modern education system, they are separate from student learning. Reflecting on our values of students come first and learning is our central purpose, a practice was established to eliminate any subsidy to fee programs from instructional funds. This means that we can keep more dollars in the classroom where they can best support students in their learning.

Eliminating any central budget support for fees means that all the costs of providing transportation, noon supervision and instructional supplies and materials are funded by targeted provincial grants and reserves (where available), and parent fees. Costs of providing the services include direct labour and supplies, as well as the cost of fee waivers and uncollectible accounts.

To keep fees as low as possible, the CBE is committed to being as efficient as possible in the provision of services.

In keeping with our values, the CBE is continuing its comprehensive waiver process to ensure that no student is denied access to an education due to the inability to pay some or all fees. Learning is, and remains, our central purpose.

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Fees (cont'd)

2015-16 fees

Noon supervision (see Appendix G for details relating to these services)

There will be small increases to noon supervision fees for the 2015-16 year as a result of increased costs of running the program.

	four day			four / five day			five day		
	2014-15	2015-16	% var	2014-15	2015-16	% var	2014-15	2015-16	% var
Bused and non-bused students	\$ 250	\$ 255	2.0	\$ 270	\$ 275	1.9	\$ 280	\$ 285	1.8

Transportation (see Appendix F for key transportation statistics)

When fees were set in the spring, changes to transportation services were being considered in order to reduce fee levels. In the fall of 2015, further changes were made to respond to concerns from some parents. We added busses and shortened travel distances to yellow bus stops as a result. The fees remained at the lower amount.

Charter rates	2014-15	2015-16
ECS – Grade 9	\$ 330	\$ 300

Instructional Supplies and Materials

ISM fees will remain at 2014-15 levels for the 2015-16 year.

ISM fees	2014-15	2015-16
Kindergarten	\$15	\$15
Grades 1 – 6	\$30	\$30
Grades 7 – 9	\$137	\$137
Grades 10 - 12	\$152	\$152

Daily rate summary

Based on 184 instructional days (185 – 2014-15), the daily fee rates are as shown below. The maximum amount that could be incurred by an individual student is **\$3.34 per day** (a Grade 1 – 6 student taking transportation, staying for noon supervision and paying the ISM fee).

Service	2014-15 Cost per day	2015-16 Cost per day
Noon supervision	\$1.35 - \$1.50	\$1.39 - \$1.55
Transportation	\$1.78	\$1.63
ISM	\$0.08 - \$0.82	\$0.08 - \$0.83

Program costs and fee breakdown (further details in Appendix E)

The following chart breaks down expenses for each of these programs and sets out how the fees are calculated to recover costs in excess of non-fee revenue and reserves.

	Fall Budget Update 2015-16			Total
	Transportation	Noon Supervision	Instructional Supplies Materials	
	(all figures in \$ thousands)			
Government grants	34,877	-	-	34,877
Reserve funding	122	-	-	122
Available funding	34,999	-	-	34,999
Busing aides	1,390	-	-	1,390
Program delivery	1,343	-	-	1,343
Noon supervision	-	10,626	-	10,626
Salaries and benefits	2,733	10,626	-	13,359
Transportation services	43,647	-	-	43,647
Other supplies and services	202	253	7,930	8,385
Contracts and services	43,849	253	7,930	52,032
Waivers	921	1,153	910	2,984
Uncollectible accounts	502	1,019	263	1,784
	48,005	13,051	9,103	70,159
Funding gap	(13,006)	(13,051)	(9,103)	(35,160)
Fees	8,370	13,051	9,103	30,524
Net (deficit) / surplus	(4,636)	-	-	(4,636)

Consistent with the assumptions disclosed in the June 16, 2015 Budget Assumptions Report, the Transportation program was budgeted at a level so that parent fees fully covered the cost of the program, after Government grants and the planned use of reserves had been applied. Changes to the design of routes were planned at that time in order to reduce costs and, ultimately, parent fees.

In response to parent concerns heard in the fall of 2015, routes have been re-configured, busses added and travel distances to yellow bus stops shortened. This has increased the cost of the program. Parent fees were not increased, and as such, the transportation program is anticipated to be in a deficit. The number of routes and fuel costs will be monitored throughout the year for any changes to the anticipated deficit of \$4.6 million.

Organizational model and allocation of resources

The CBE is organized so that school-based leaders (principals and assistant principals) can devote the maximum amount of time to instructional leadership. This means that many services and supports that directly impact staff and students are provided through supporting service units. Doing this significantly reduces the administrative burden placed on school-based leaders.

Examples of this approach include the provision of specialized learning supports and services for students (psychology, language and curriculum support) where and when required. These services are provided through our Learning service unit. Similarly, facilities operations, staff recruitment practices and information technology infrastructure development and maintenance and a host of other supports are provided through our supporting service units.

The CBE is a large school system and in order to efficiently support our schools, we have divided our school district into five geographic areas. Each Area is led by an Area Director who provides leadership support to principals in 40 – 50 schools. The area office helps deliver system services to its schools, supports principals in school operations and ensures effective collaboration amongst schools where appropriate. All area offices also work collaboratively to ensure consistent leadership and direction for principals and schools across the system.

Each school is led by a principal who is responsible for meeting the learning needs of each student. Resources are allocated to each school via the Resource Allocation Method (RAM), a methodology for allocating funds with the objective of ensuring that resources are allocated equitably in support of student learning. Principals make staffing and deployment decisions using those funds because it is the CBE's belief that school principals, in consultation of their communities, are best positioned to make school-based spending decisions.

Lastly, resources are deployed based on needs and priorities and may not be distributed to schools or on behalf of schools in the same way. For example Infrastructure Maintenance and Renewal (IMR) funds may not be needed by a school that is relatively new, and so projects are prioritized based on need, rather than an equal distribution. Services and supports are available when, and where, needed.

CALGARY BOARD OF EDUCATION BUDGET 2015 – 2018

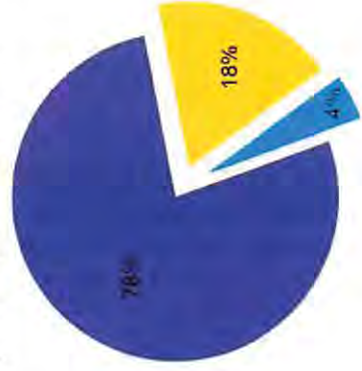
Expenses

Expense details are provided by major expense category and operating unit. Further breakdowns and comparisons to the prior year are provided for each operating unit.

2015-16 Actual Spending										
Schools & Areas	Service Unit System Budgets	Learning	Facilities and Environmental Services	Legal	Communi- cations	Finance/ Technology Services	Human Resources	Chief Supt's Office	Board of Trustees	Total
FTEs by:										
Superintendent	-	1	1	1	1	1	-	2	-	7
Staff (incl ATA, Staff Assn, CUPE, trades)	8,772	42	217	218	3	10	141	44	-	9,447
Exempt Staff	10	-	26	50	10	10	48	41	3	198
Total FTEs	8,782	42	244	269	14	21	190	85	5	9,652
2015-16 Fall Budget Update										
Salaries and benefits	917,517	6,427	32,412	27,963	1,865	2,459	23,969	9,980	919	1,023,929
Supplies and services	82,049	18,421	4,856	122,793	137	653	1,960	5,551	236	237,524
Other (interest, amortization and uncollectible accounts)	59	49,479	1,400	5,060	14	-	3,014	13	2	59,041
	999,625	74,327	38,668	155,816	2,016	3,112	28,943	15,544	1,157	1,320,494
2014-15 Fall Budget Update										
	952,554	68,205	40,523	136,667	1,826	2,673	27,642	15,521	1,371	1,248,491
Increase/ (decrease) ⁽¹⁾										
	47,071	6,122	(1,855)	19,149	190	439	1,301	23	(214)	(223)
										72,003

Significant changes from the 2014-15 budget:

- Schools & Areas increase is due to an increase in funding allocated to schools related to increased enrolment as well as a one-time initiative to improve student achievement and support FNMI students.
- Service Unit System budgets increase is due to an increase in maintenance expenses for schools constructed under the P3 program and an increase in the estimates of uncollectible accounts based on 2014-15 actuals.
- Learning budget reduction is related to a reduction in Chinook Learning certificated staff.
- FES budget increase is related to increased infrastructure, maintenance and renewal spending due to additional funds received in the prior year.
- F/TS budget increase is related to higher amortization expenses where actual amounts capitalized are different from 2014-15 estimates.



**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Schools and Areas

Resource Allocation Method (RAM) Summary by major allocation (in \$ thousands)

	Fall Budget Update		Fall Allocation	
	2015-16	# students	2014-15	# students
<u>Per-student allocations</u>				
K - Grade 3	\$ 192,718	38,368	\$ 182,302	37,124
Grades 4 - 6	100,200	24,630	94,133	23,779
Grades 7 - 9	95,290	22,754	91,230	22,385
Grades 10 - 12	115,938	28,027	113,211	27,982
<u>Other allocations</u>				
Regular, basic staff allocation	67,341		67,596	
Contract absences, short-term	10,672		10,447	
All other allocations	194,901		187,071	
Total RAM	\$ 777,060		\$ 745,990	
Increase from 2014-15	\$ 31,070			

This table highlights the year-over-year increase in resources allocated to schools via the RAM. This funding supported an additional 114 certificated and 92 non-certificated staff directly in schools.

The allocation through the RAM does not advantage or disadvantage one division or one area over another. Subject to final staff deployment decisions by school principals, funding should maintain student to school based staffing ratios at, or near, 2014-15 levels.

RAM Summary by area (in \$ thousands)

	Fall Budget Update		Fall Allocation	
	2015-16	# students	2014-15	# students
Area I	\$ 128,047	19,190	\$ 119,330	18,402
Area II	179,160	26,598	172,894	26,024
Area III	146,924	20,721	143,857	20,529
Area IV	130,242	18,031	125,836	17,741
Area V	192,687	29,239	184,073	28,574
Total	\$ 777,060	113,779	\$ 745,990	111,270

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Schools, area supports and custodial supports (cont'd)

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$ thousands)		(in \$ thousands)		(in \$ thousands)	
	FTEs		FTEs		FTEs	
Expenses						
Certificated salaries and benefits	6,126	744,913	6,009	706,994	117	37,919
Non-certificated salaries and benefits	2,656	172,604	2,562	173,705	93	(1,101)
Dues and fees	-	185	-	155	-	30
Maintenance and repairs	-	245	-	320	-	(75)
Insurance	-	10	-	10	-	-
Professional services	-	3,388	-	4,795	-	(1,407)
Utilities	-	12	-	12	-	-
Transportation charges	-	2,045	-	2,145	-	(100)
Travel and subsistence	-	79	-	372	-	(293)
Other supplies	-	65,847	-	53,343	-	12,504
Minor equipment	-	1,983	-	2,182	-	(199)
Textbooks and materials	-	8,255	-	8,457	-	(202)
Amortization expenses	-	9	-	9	-	-
Interest and finance charges	-	50	-	55	-	(5)
Total expenses	8,782	999,625	8,572	952,554	210	47,071

Our students come first and learning is our central purpose. CBE schools live by these words each and every day, and Area offices support them in making it happen. In fact, the recently released Provincial Achievement Test and Diploma Exam results show that our students continue to lead the Province in academic outcomes. This is a strong validation of our commitment to students coming first and learning being our central purpose.

Schools create engaging learning experiences and support students in a variety of ways. They also connect with our families and communities to help ensure students are successful. For many CBE students and families, their experiences with the CBE occur solely through our schools.

Schools make learning meaningful for individual students and their families. They work collaboratively with service units to create and implement system initiatives that enhance learning experiences and honour the hopes of their students and families. Some of the ways this happens in schools:

- Teachers personalize learning for students and communicate with families about student progress and achievement.
- Educational assistants provide valuable support to help students be successful.
- Principals provide leadership to school staff and lead learning at the school. They also work with school councils, parent societies and other groups to implement and communicate priorities and initiatives.
- Office staff communicate with school employees, students and families to ensure there is a common understanding and implementation of processes and procedures.
- Facility operators keep schools clean and safe.

Our schools are organized into five geographic areas. Each area has an administrative office, which is led by a director. Area offices play an important role in helping to deliver system services to their schools, supporting principals in school operations and ensuring effective collaboration amongst schools where appropriate. All area offices also work collaboratively together to ensure consistent leadership and direction for principals and schools across the system.

Schools, area supports and custodial (cont'd)

In keeping with the CBE values that students come first and learning is our central purpose, funding allocated to school budgets via the RAM has increased by \$31.1 million. The total \$47.1 million year-over-year budget increase for schools can be broken down as such:

- \$31.1 million increase across all expense categories to support enrolment growth and salary cost changes in schools.
- \$14.5 million in one-time funding results in an increase to temporary certificated salaries and benefits for an initiative to further schools' goals of improving student achievement as outlined in school development plans.
- \$1.5 million in additional funds to pay for high school graduation coaches to support our First Nations, Metis and Inuit students.
- \$0.4 million and \$0.2 million for cost increases in the Area Offices and custodial services, respectively. Additional support has been added to each Area Office to support teachers and school learning teams to provide programming to meet student needs.
- \$0.6 million net reduction in central school provisions. The reduction is primarily due to union settlements that were centrally budgeted in 2014-15 and distributed through the RAM in 2015-16.

Budget changes have also been made within this service unit to reflect key areas for organizational growth and improvement and to support the improvement priorities identified by the Board of Trustees.

- Achievement of First Nations, Métis and Inuit students
 - Enhanced allocation to schools with more than 10 Aboriginal students to support school-by-school focus on improving results for aboriginal learners through their school development plans and professional learning communities
 - Maintained Area Aboriginal learning leaders and diversity and learning support advisors to build capacity in incorporating indigenous ways of knowing into students learning experiences, instructional tasks and assessment practices, and to support students in schools with fewer than 10 Aboriginal students.
- Achievement of English Language Learners on Grade 9 Provincial Achievement Tests
 - Maintained school-level funding for ELL learners in years six and seven of their education to support each schools' effort to improve results through their school development plans and professional learning communities.
 - Added a Strategist to each Area Learning Team to support teachers and school learning teams to provide programming to meet student needs.

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Learning

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

The Learning service unit provides instructional and programming supports and services for school and system personnel to assist all children and students in successfully realizing their learning goals.

It includes both central supports as well as the budget for operating Chinook Learning Services. Both are shown separately below.

Learning (excluding Chinook Learning Services)

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$ thousands)		(in \$ thousands)		(in \$ thousands)	
	FTEs		FTEs		FTEs	
Expenses						
Certificated salaries and benefits	68	9,553	65	9,513	3	40
Non-certificated salaries and benefits	101	12,164	101	12,067	1	97
Dues and fees	-	109	-	124	-	(15)
Maintenance and repairs	-	64	-	64	-	-
Insurance	-	12	-	12	-	-
Professional services	-	606	-	674	-	(68)
Utilities	-	52	-	55	-	(3)
Travel and subsistence	-	284	-	310	-	(26)
Other supplies	-	934	-	901	-	33
Minor equipment	-	164	-	210	-	(46)
Textbooks and materials	-	43	-	50	-	(7)
Amortization expenses	-	1,238	-	1,173	-	65
Interest and finance charges	-	89	-	50	-	39
Total expenses	170	25,312	166	25,203	4	109

The Learning service unit ("Learning team") is made up of professionals who work directly in support of students, staff and principals across the system.

The Learning team works with schools and Alberta Education to support the delivery of the Alberta Programs of Study to students and help with professional development of teachers. The Learning team leads the development of task design, assessment and reporting resources. These resources help teachers, students and parents see and understand student progress and achievement. Staff support schools with the administration of provincial achievement tests and diploma exams and the ongoing maintenance of student records through our student information management system.

Included in this portfolio are international education, as well as continuing education and academic upgrading offered through Chinook Learning Services. In addition, the Learning team manages corporate partnerships, comprehensive school health, school nutrition, noon-hour programs, off-site and off-campus learning programs. On behalf of the system, the Learning team manages outreach programs, community partnerships, home schooling, online learning and high school success initiatives. The Learning team helps students reconnect with their learning if they have left school and wish to complete their education.

The Learning team supports schools in keeping up with the changing world of technology and how our students learn best. These learning tools include D2L, HomeLogic, Iris, Gmail and Google Apps for Education, resources in school libraries, among many others.

Learning (cont'd)

The Learning team works with Principals every day to offer support in the following areas: Aboriginal education, attendance, suspensions, student records, expulsions, counselling, kindergarten, multicultural services and specialized assessment. Many specialized services for students are available for principals to access including psychologists, braille assistants, deaf and hard of hearing specialists, mental health specialists, occupational and physical therapists, speech language pathologists, translators and more. These central supports are critical to our teachers, particularly to the more than 17,500 students identified with special education needs, and to the almost 28,000 students identified as English language learners.

Budget changes have been made within this service unit to reflect key areas for organizational growth and improvement and to advance the strategic priorities of the CBE.

- Achievement of First Nations, Métis and Inuit students
Added a curriculum specialist position to
 - help build professional capacity in relation to incorporating indigenous ways of knowing into student learning experiences, instructional tasks, and assessment practices
 - support work with aboriginal community leaders to understand student learning needs and to build community and school learning supports
 - support principal leadership strategies for improving the achievement of aboriginal students in their schools
- Achievement of English Language Learners on Grade 9 Provincial Achievement Tests
Added strategists to increase system-wide and school-specific support to administrators and teachers in optimizing instruction and assessment practices for English Language Learners.
- Achievement on math and science Grade 9 Provincial Achievement Tests
Maintained specialists with math and science expertise to support system-wide and school-by-school focus on developing learning tasks that address authentic mathematical problems connected to student experiences in and out of school.

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Chinook Learning Services

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$ FTEs	thousands)	(in \$ FTEs	thousands)	(in \$ FTEs	thousands)
Expenses						
Certificated salaries and benefits	18	4,433	14	5,918	4	(1,485)
Non-certificated salaries and benefits	56	6,262	58	5,958	(2)	304
Dues and fees	-	2	-	10	-	(8)
Rental equipment and facilities	-	41	-	56	-	(15)
Maintenance and repairs	-	4	-	156	-	(152)
Professional services	-	466	-	518	-	(52)
Utilities	-	55	-	125	-	(70)
Transportation charges	-	-	-	1	-	(1)
Travel and subsistence	-	7	-	24	-	(17)
Other supplies	-	1,568	-	1,831	-	(263)
Minor equipment	-	220	-	203	-	17
Textbooks and materials	-	225	-	430	-	(205)
Interest and finance charges	-	73	-	90	-	(17)
Total expenses	74	13,356	72	15,320	2	(1,964)

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

In 2015-16, the services of Chinook Learning will support student achievement in a several ways. Staff will support students in:

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

Programming provided to students not eligible for provincial funding and adult learners is provided for a fee, which is included in other sales and services (\$3.4 million). Programming that is not within the ECS – Grade 12 mandate is provided on a cost-recovery basis.

Budget change highlights have been categorized as follows:

- Reorientation of funds to hire permanent staff.
- During the year, the ELL (Continuing Education) program moved to a new location, which realized some efficiencies and reduced expenses.
- The cafeteria at Viscount Bennett had closed and the related expenditures were reduced.

Facilities and Environmental Services

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$ FTEs	thousands)	(in \$ FTEs	thousands)	(in \$ FTEs	thousands)
Expenses						
Certificated salaries and benefits	6	900	6	875	-	25
Non-certificated salaries and benefits	263	27,063	263	26,490	-	573
Dues and fees	-	305	-	305	-	-
Rental equipment and facilities	-	9,446	-	9,438	-	8
Maintenance and repairs	-	30,563	-	16,648	-	13,915
Insurance	-	4,605	-	4,949	-	(344)
Professional services	-	5,864	-	5,583	-	281
Utilities	-	19,397	-	20,800	-	(1,403)
Transportation charges	-	43,421	-	40,830	-	2,591
Travel and subsistence	-	275	-	275	-	-
Other supplies	-	8,871	-	6,175	-	2,696
Minor equipment	-	44	-	34	-	10
Textbooks and materials	-	2	-	2	-	-
Amortization expenses	-	5,060	-	4,263	-	797
Total expenses	269	155,816	269	136,667	-	19,149

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

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

It works closely with schools, parents and communities to plan student accommodation and is accountable for the transportation of 37,000 students daily.

To help accommodate students, FES's design and property development team is managing the construction of 31 major capital projects with a value in excess of \$473.4 million, including the construction and commissioning of 24 new schools and seven modernizations to open in the next three years. It works closely with the Province to complete that work.

FES is responsible for maintenance projects such as the replacement of roofs, windows, siding and heating and ventilation plant and components that have failed or have exceeded their life expectancy: 57 percent of CBE schools were built prior to 1970. That means the majority of our facilities are more than 40 years old. The estimate of deferred maintenance costs is \$1 billion, and it is growing at a rate of approximately \$40 million per year.

It manages public use rental access to CBE facilities and its real estate and leasing team provides for the leasing, disposition and management of surplus space and facilities.

FES is also accountable for emergency, safety and security services. Its risk and insurance team provides risk management functions, including asset protection, liability management through contract reviews, insurance program and claims management. Student safety is ensured through expanded safety training opportunities for teachers (welding, science, culinary arts, drama, auto mechanics) and Career and Technology equipment safety inspections.

Facilities and Environmental Services (cont'd)

In all, FES manages 1.8 million square metres of facilities, valued at \$4.3 billion on 269 properties covering 345 hectares.

Included in *Salaries & benefits, Maintenance & Repairs* and *Supplies* is \$35.0 million for Infrastructure, Maintenance and Renewal work which is used to maintain and repair our aging facilities.

Budget change highlights have been categorized as follows:

- Student safety will be ensured through expanded safety training opportunities for teachers. For example: teachers will have opportunities to work directly with safety experts in specific program areas such as welding, science, culinary arts, drama, auto mechanics, etc. Training will also include teacher safety certification. Program safety will extend to safe learning environments and safety training for students.
- No changes to regular, ongoing budgeted positions
- Grid movement for unionized employees
- \$16.6 million increase in maintenance and repairs and other supplies relates to additional planned expenditure on infrastructure, maintenance and renewal work
- \$1.4 million decrease in utility costs due to a combination of decreased rate and volume expected to occur in natural gas and electricity
- \$2.5 million increase to transportation cost as a result of increased routes and buses, as well as rate increases from service providers.
- Amortization decrease of \$0.8 million due to aging assets within the facilities

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Human Resources and Legal Services

During the 2014-15 year, these two departments have been reorganized under the direction of one Superintendent. The budgets continue to be presented separately, as they are two distinct operating units.

Legal Services

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$ thousands)		(in \$ thousands)		(in \$ thousands)	
	FTEs		FTEs		FTEs	
Expenses						
Certificated salaries and benefits	1	157	1	164	-	(7)
Non-certificated salaries and benefits	13	1,708	11	1,517	2	191
Dues and fees	-	23	-	24	-	(1)
Maintenance and repairs	-	2	-	2	-	-
Professional services	-	19	-	18	-	1
Utilities	-	4	-	6	-	(2)
Travel and subsistence	-	19	-	18	-	1
Other supplies	-	42	-	43	-	(1)
Minor equipment	-	22	-	17	-	5
Textbooks and materials	-	6	-	7	-	(1)
Amortization expenses	-	14	-	10	-	4
Total expenses	14	2,016	12	1,826	2	190

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

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

Legal Services supports students, schools and the organization by:

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

Budget change highlights include:

- Two FTEs have been transferred in from the Board of Trustees administrative support budget

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Human Resources and Legal Services (cont'd)

Human Resources

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)	FTEs	(in \$ thousands)
Expenses						
Certificated salaries and benefits	10	1,512	7	1,024	3	488
Non-certificated salaries and benefits	75	8,468	77	8,786	(2)	(318)
Dues and fees	-	121	-	81	-	40
Rental equipment and facilities	-	11	-	6	-	5
Maintenance and repairs	-	8	-	10	-	(2)
Professional services	-	5,119	-	5,350	-	(231)
Utilities	-	24	-	29	-	(5)
Travel and subsistence	-	112	-	139	-	(27)
Other supplies	-	109	-	46	-	63
Minor equipment	-	40	-	30	-	10
Textbooks and materials	-	7	-	7	-	-
Amortization expenses	-	13	-	13	-	-
Total expenses	85	15,544	84	15,521	1	23

During 2014-15, General Counsel assumed responsibility for the leadership of the Human Resources service unit and a Superintendent position was eliminated. The 2015-16 budget reflects this.

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

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

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

Budget change highlights include:

- FTE for a Superintendent position has been eliminated.
- Three FTEs have been established from funds previously assigned as contracted services.
- One FTE has transferred to the Learning Service Unit.

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Communications

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$ FTEs	thousands)	(in \$ FTEs	thousands)	(in \$ FTEs	thousands)
Expenses						
Non-certificated salaries and benefits	21	2,459	22	2,507	0	(48)
Dues and fees	-	2	-	13	-	(11)
Rental equipment and facilities	-	-	-	3	-	(3)
Maintenance and repairs	-	1	-	5	-	(4)
Professional services	-	592	-	92	-	500
Utilities	-	9	-	2	-	7
Travel and subsistence	-	5	-	12	-	(7)
Other supplies	-	17	-	19	-	(2)
Minor equipment	-	26	-	11	-	15
Textbooks and materials	-	1	-	5	-	(4)
Amortization expenses	-	-	-	4	-	(4)
Total expenses	21	3,112	22	2,673	0	439

Communication Services works primarily to engage and communicate with parents, Government and community stakeholders and staff about what matters most to them. This centralized department allows all schools and teachers access to experienced communications advice and support.

Often, Communication Services is the “first point of contact” for the public, answering questions and directing inquiries through the public information line. This service relieves pressure in individual school offices and ensures that questions are answered in a timely matter. Communication Services also works to provide support for stakeholder engagement projects throughout the CBE, which includes the development of a new system-wide approach to public engagement in 2015-16. As well, Communication Services provides significant and ongoing support to the Board of Trustees in aid of their ongoing advocacy work on behalf of CBE students.

Communication Services manages media relations and social media activity for the system. The team provides emergency and crisis communications (fires, natural disasters, student or staff incidents, matters involving Calgary Police Services) advice and support for schools. This ensures that principals can focus their attention on their most important work: the education and well-being of our students. Communication Services proactively and strategically works to tell good news stories about the work done by every department in the CBE, and clarify facts and respond to negative or critical news stories.

Communication Services works to help support schools through managing the design and content of the CBE website and our internal employee website, called staff insite. On an ongoing basis, the team updates about 200 school websites and a number of multi-jurisdictional websites to create better tools for parents, teachers, students, employees and other audiences.

Communication Services manages the print, design and production of all materials for schools and teachers, such as the report to the community, and the annual education results report, school brochures, course guides and teaching resources such as professional development training videos for teachers. By creating a centralized library of tools, all schools, staff and students across our system can benefit.

Budget change highlights include:

Allocation of resources to support the community engagement project

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Finance / Technology Services

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$ thousands)		(in \$ thousands)		(in \$ thousands)	
	FTEs		FTEs		FTEs	
Expenses						
Certificated salaries and benefits	1	144	-	127	1	17
Non-certificated salaries and benefits	189	23,825	187	23,425	2	400
Dues and fees	-	222	-	229	-	(7)
Rental equipment and facilities	-	-	-	1	-	(1)
Maintenance and repairs	-	7	-	22	-	(15)
Professional services	-	1,064	-	1,115	-	(51)
Utilities	-	73	-	70	-	3
Travel and subsistence	-	108	-	133	-	(25)
Other supplies	-	282	-	273	-	9
Minor equipment	-	203	-	232	-	(29)
Textbooks and materials	-	1	-	1	-	-
Amortization expenses	-	2,914	-	1,714	-	1,200
Interest and finance charges	-	100	-	300	-	(200)
Total expenses	190	28,943	187	27,642	3	1,301

Finance/Technology Services is made up of three integrated teams.

The Financial Services group provides financial support and services to ensure resources are available to create a personalized learning environment for students including:

- Preparing the annual budget and related reports.
- Monitoring and reporting on financial performance through the year .
- Supporting sound financial practices in schools and across the CBE.
- Providing financial administration of the school noon supervision services, student transportation, and instructional supplies and materials programs, including waivers and collections.
- Seeking the best deals possible when purchasing goods and service.
- Paying the bills on time.

Information Technology Services (ITS) designs, builds, and supports the CBE's technology infrastructure and protects the integrity of that system against external threats. The CBE's technology infrastructure operates across 230 discrete sites and 235,000 nodes to support students every day, all year long with access to digital resources. ITS also manages the huge volume of information and records, digital and hard-copy, that are generated annually across the CBE.

Client Technology Services (CTS), working directly in our schools and across our system, ensures that computers, tablets and other school-based technology(printers, digital displays, etc.) is available, accessible and appropriate for students and their learning. This group works with teachers, principals, and other school-based staff to develop targeted plans for technology. In helping students learn, CTS empowers students to collaborate, connect, and explore as they personalize their learning through the purposeful use of technology. CTS also supports the myriad of software solutions that are part and parcel of the modern learning environment.

Budget change highlights include:

- Established three (3) permanent positions from temporary budget dollars – two (2) uncertificated staff in Records Management and one (1) certificated position in School Financial Management.
- Increase in amortization expenses for 2015-16
- Increase in interest and finance charges and realignment under Corporate Responsibilities

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Chief Superintendent's Office

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$ FTEs	thousands)	(in \$ FTEs	thousands)	(in \$ FTEs	thousands)
Expenses						
Certificated salaries and benefits	2	636	3	880	(1)	(244)
Non-certificated salaries and benefits	3	283	3	285	-	(2)
Dues and fees	-	21	-	21	-	-
Rental equipment and facilities	-	64	-	54	-	10
Maintenance and repairs	-	2	-	2	-	-
Professional services	-	105	-	85	-	20
Utilities	-	2	-	2	-	-
Travel and subsistence	-	15	-	15	-	-
Other supplies	-	22	-	22	-	-
Minor equipment	-	4	-	4	-	-
Textbooks and materials	-	1	-	1	-	-
Amortization expenses	-	2	-	-	-	2
Total expenses	5	1,157	6	1,371	(1)	(214)

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

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

There is one change in the budget from 2014-15: the transfer of 1.0 FTE to the Learning service unit.

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Board of Trustees

	Fall Budget Update		Fall Budget Update		Increase / (Decrease)	
	2015-16		2014-15			
	(in \$ FTEs	thousands)	(in \$ FTEs	thousands)	(in \$ FTEs	thousands)
Expenses						
Non-certificated salaries and benefits	-	418	2	654	(2)	(236)
Dues and fees	-	252	-	246	-	6
Rental equipment and facilities	-	-	-	2	-	(2)
Professional services	-	572	-	551	-	21
Utilities	-	1	-	1	-	-
Travel and subsistence	-	33	-	34	-	(1)
Other supplies	-	9	-	19	-	(10)
Textbooks and materials	-	1	-	2	-	(1)
Total expenses	-	1,286	2	1,509	(2)	(223)

The Board's job is to represent, lead and serve Calgarians and to govern the CBE. This is done by establishing expectations for organizational results and quality operational performance and then monitoring actual performance against those expectations. This monitoring takes place at public board meetings.

The Board of Trustees works for the best interest of the CBE and its students. As part of their role the Board connects with key stakeholders and advocates the needs of the system with elected officials (MLAs and City Councillors).

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.

Budget change highlights for the Board of Trustees includes:

- \$0.2 million reduction in Salaries & Benefits due to lower accruals and two positions moving to the Corporate Secretary's office.
- \$0.02 million increase in Professional and Technical related to increased audit fees.
- Other changes are due to some budgets being transferred to the Corporate Secretary's office along with the above noted positions, plus actual budget reductions.

The Board of Trustees budget for 2015-16 was approved by the Board on May 12, 2015.

**CALGARY BOARD OF EDUCATION
BUDGET 2015 – 2018**

Service Unit (Corporate) System Budgets

	Fall Budget Update 2015-16		Fall Budget Update 2014-15		Increase / (Decrease)	
	(in \$		(in \$		(in \$	
	FTEs	thousands)	FTEs	thousands)	FTEs	thousands)
Expenses						
Certificated salaries and benefits	37	5,220	44	4,689	(7)	531
Non-certificated salaries and benefits	6	1,207	9	616	(3)	591
Dues and fees	-	63	-	359	-	(296)
Maintenance and repairs	-	7,426	-	4,095	-	3,331
Professional services	-	1,540	-	1,909	-	(369)
Utilities	-	4,415	-	4,059	-	356
Travel and subsistence	-	5	-	5	-	0
Other supplies	-	4,967	-	3,319	-	1,648
Minor equipment	-	5	-	5	-	0
Amortization expenses	-	42,869	-	44,856	-	(1,987)
Interest and finance charges	-	1,842	-	1,124	-	718
Other (uncollectible accounts)	-	4,768	-	3,169	-	1,599
Total expenses	42	74,327	53	68,205	(11)	6,122

CBE expenditures which are made on behalf of the entire organization are grouped together for budget presentation as 'Corporate'. While certain Service Units may have accountability for the oversight of these budgets, they are not the cost of operating a specific service unit and are therefore presented separately. Examples include Professional Improvement Fund (ATA and non-ATA) leave costs, staff secondments for union activities, legal fees, amortization of facilities, interest expense and bank charges. In some years, these accounts may also include system provisions for severance accruals or retroactive payroll costs due to union settlements.

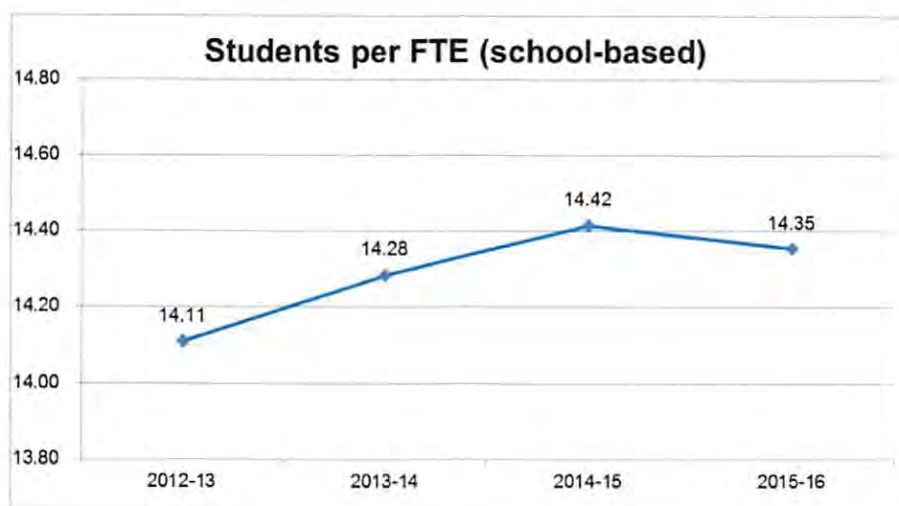
Budget change highlights include:

- A reduction in school building amortization. Amortization decreases as assets become fully amortized in the absence of newly acquired assets. The reduction of school building amortization is the result of the hiatus in new school construction over the last number of years. As the 31 major new capital projects come into service school building amortization will increase.
- An increase in uncollectible accounts expense based on 2014-15 projected actuals. As fee revenue increases there will be a proportionate increase in the number and amount of uncollectable accounts.
- Resources have been allocated to support a number of reviews and evaluations designed to allow us to continue enhancing program and service delivery.
- Curriculum Development Prototyping work has concluded and the related reports have been submitted to Alberta Education as required under our contract for services with them. Dollars allocated to support this work have been eliminated.
- Reductions related to the transition of Regional Educational Assessment & Consultation Services (REACH).

Staffing and Full-Time Equivalents (FTEs)

The CBE spends the greatest proportion of the budget (78 per cent) on salaries and benefits with certificated staff (teachers) making up the majority of that total. The provincial grant rate increase in recent years has not been sufficient to keep up with enrolment growth and to cover the negotiated rate increases and movement up the salary grid for teachers and support staff. As a result, the number of FTEs has not been increasing at a rate equal to enrolment growth. For the 2015-16 year, due to the increase in funding from the Government, that ratio will not increase.

The following table shows the average number of CBE students per full-time equivalent staff position.



More than 13,000 people work for the CBE, which equates to 9,652 full time equivalent (FTE) positions budgeted in 2015-16.

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 departments.

At the time of printing this report, RAM spring staffing decisions had been made and are reflected in the FTEs disclosed in this report. Actual positions filled and staffing deployment fluctuates throughout the year as student populations and needs ebb and flow.

Student enrolment

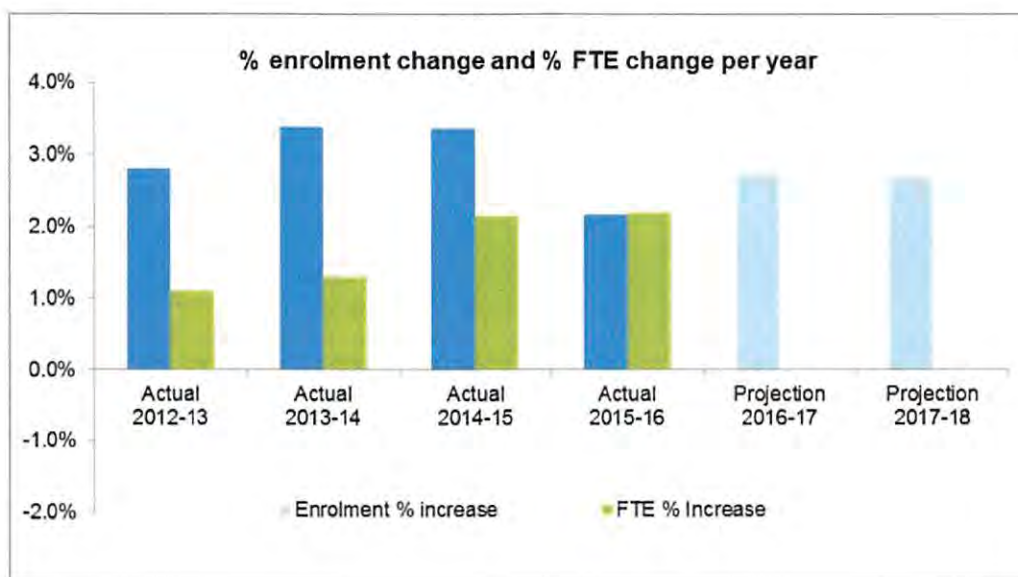
Enrolment for 2015-16 was counted at Sept. 30, 2015 and projections are made for the next two years. These projections are based on City of Calgary population changes, market share, and student retention rates. It is expected that student enrolment will continue to increase 2.7 per cent annually.

Student enrolment by year

Enrolment by program	Fall Update 2014-15	Fall Update 2015-16	Projection 2016-17	Projection 2017-18
Pre-K and Kindergarten	9,377	9,389	10,015	10,270
Grades 1-6	51,239	53,329	55,390	57,025
Grades 7-9	22,251	22,624	23,535	24,545
Grades 10-12	26,432	26,375	25,940	26,175
Unique Settings	690	676	768	796
Home Education	248	270	263	272
Outreach Programs	1,281	1,384	1,282	1,329
Chinook Learning Services	2,393	2,327	2,400	2,400
Cbe-Learn	589	611	600	600
Total	114,500	116,985	120,193	123,412
Total annual change		2,485	3,208	3,219
Total % change		2.2%	2.7%	2.7%

Given the nature of education, there is a strong link between the student population and staffing. As enrolment counts change, the number of positions, both in schools and centrally provided services and supports, should change in relation in order to support student learning.

The chart below shows that the rate of change in enrolment is generally greater than the rate of change in staffing. This means that over time, the ratio of students to full-time equivalent staff has increased and will continue to increase.



Non-facility capital

Overview

Consistent with our values and with a focus on supporting student learning, the CBE makes decisions every year on needed non-facility capital investments. Those investments focus on enhancing the CBE's learning environment for students and maintaining key CBE systems and infrastructure.

The determination of which projects are funded is based on the direction provided by *Inspiring Education* and informed by the CBE's Three-Year Education Plan and related strategic imperatives. Decision making is delegated to the Capital Planning Council which is headed by the Superintendent, Facilities and Environmental Services. The council is co-chaired by the Chief Financial Officer and has representation from across the organization. Three school-based principals also participate on the council. The council evaluates and prioritizes all non-facility capital projects and makes a recommendation to the Chief Superintendent via the superintendents' team. The recommended projects then form part of the CBE's non-facility capital budget for the year.

The CBE will continue to invest resources to ensure that necessary capital investments are being made today that will support the learning environment our students will need in the future. As a result, the CBE is investing \$36.7 million in more than 17 capital projects in addition to the \$11.5 million of projects continuing from 2014-15 and up to \$25 million in new school commissioning for a total of \$73.2 million. Note: the CBE does not receive explicit funding from Alberta Education for these capital projects. Rather, the CBE must accumulate funds over time from its annual funding. This explains, in part, why operating and capital reserves are so important to the operation of the CBE.

This budget includes projects such as Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades, wireless upgrades to a consistent capacity standard in all schools and the implementation of a new student information system. These investments that we are making today will allow us to maintain and enhance the learning environment that supports student success into the future.

Background

The budget for capital acquisitions (or non-facility capital) includes technology, furniture, equipment, vehicles and all other non-facility assets.

These capital acquisitions do not reflect capital needs for school buildings and related facility infrastructure. School building and related facility infrastructure are supported by additional capital grants provided by the provincial Government through a separate capital planning process.

Non-facility capital needs are funded from in-year operating grants or targeted funds, if any. The budget is generally established based on the non-facility amortization expense for the year. The anticipated funding available from amortization for non-facility capital in 2015-16 is \$22.9 million. Reserves may also be used to fund capital activities. In 2015-16, we plan on drawing \$26.5 million from capital reserves and \$41.7 million from operating activities in order to fund all the capital activities that are planned.

As noted above, the CBE's Capital Budget Council categorizes, assesses, and recommends for approval non-facility capital projects based on the business and strategic value that they deliver. The categories used are: strategic, enhancement, and maintenance. This allows us to monitor non-facility capital investment mix to ensure that sufficient resources are allocated to maintain and enhance existing capital investment to meet the technological requirements for student learning. Further, we also ensure that the extent of new investment matches the organization's ability to maintain its assets in the future.

Funding may be provided for projects for a single year or over several years, depending on the nature and size of the project and the availability of funding.

Funds to prepare for the opening of new schools are included in the board-funded capital budget and will be funded through the use of reserves. These costs will include preparing the learning environment with learning materials, sound systems, specialty equipment and technology. Other costs are related to the staff time (principals, assistant principals, learning leaders, administrative assistants, etc.) required to engage with the new school communities, develop time-tables, and make pre-school opening curricular decisions. A summary of these costs are included in Appendix K.

Details relating to capital acquisition budgets are included in Appendix B.

Reserves

The CBE is required to balance its budget every year. As described throughout this document, we have diligently evaluated services and implemented strategies to achieve this balance while remaining true to our values. To help with this work, we can use our accumulated savings, which we call reserves.

	Reserve balance Sept 1, 2015	Planned use of reserves	Reserve balance Aug 31, 2016
Accumulated operating reserves			
<u>Available for use reserves</u>			
Chinook Learning Services fee stabilization	1,593	(1,593)	-
Utility expense stabilization	5,007	(5,007)	-
Snow removal budget stabilization	200	(200)	-
Administrative systems renewal	890	(890)	-
General instruction	3,000	(3,000)	-
Fiscal stability	10,464	(10,464)	-
System transformation	2,000	(2,000)	-
Operating lease	14,577	(14,577)	-
Total available for use reserves	37,731	(37,731)	-
<u>Restricted reserves</u>			
Transportation fee stabilization	122	(122)	-
Changes in accounting policy	(10,164)	-	(10,164)
Unrealized investment gains and losses	-	-	-
Total operating reserves	27,689	(37,853)	(10,164)
Designated operating funds			
School decentralized budgets	2,275	(2,275)	-
Instructional and service unit initiatives	1,440	(1,440)	-
Education_Matters	1,679	-	1,679
Total designated funds	5,394	(3,715)	1,679
Endowments	3,520	-	3,520
Remeasurement gains and losses	9,680	-	9,680
Unrestricted surplus	104	(104)	-
Total operating reserves and designated funds	46,387	(41,672)	4,715
Capital reserves			
Building reserve	18,212	(15,018)	3,193
Other capital reserves ⁽¹⁾	17,206	(11,534)	5,672
Plant, operations and maintenance asset replacement	798	-	798
Total designated funds	36,216	(26,552)	9,663

(1) Included in Other Capital Reserves is Designated Capital Funds - capital funds carried forward for projects that were in progress and will continue into 2015-16. The Designated Capital Funds balance at Aug 31, 2015 is \$11.5 million.

Organizational Risks

Given the choices made during the budget process, there will be impacts on student learning, the most significant of which include:

Budget Risks

As part of the budget development process, budget risks have been identified where there are circumstances that may result in financial pressures that cannot be completely estimated at this time. These include:

- Long-term decline in per-student provincial funding

The CBE appreciates the Government's commitment to Education and the increase in per-student funding for 2015-16. We remain hopeful looking forward, however, with ever increasing costs and funding uncertainty, there is a risk that funding will be insufficient to support existing levels of programming, services and supports and changes will impact negatively on student learning. To date the CBE has managed to largely maintain the integrity of programming and services. Continued funding declines increase the risk that those programs and services will be negatively impacted.

To mitigate this risk the CBE will be undertaking a comprehensive review of all programming, services and supports with the goal of identifying and eliminating redundancy, inefficiency, and duplication. At the same time the CBE will undertake a comprehensive public engagement program that will assist with identifying the changes and adjustments necessary to continue to achieve above average results for our students while respecting the financial resources provided by the taxpayers of Alberta.

- Future cost escalation

A number of collective agreements come up for negotiation in 2015-16. This budget follows the lead of the provincial Government and has made no provisions for wage rate increases, with the exception of projected grid movement. As a result, there are two broad risks. One is that future settlements may exceed available funding, putting core programming and services in jeopardy. The second risk is that an inability to reach a negotiated settlement may impact CBE operations as a result of labour action.

To mitigate this risk the CBE has an experienced and competent labour negotiation team and maintains effective working relationships with all associations and unions. For other costs, hedging strategies will be deployed to assist in managing cost variability.

Risks (cont'd)

- School commissioning

Start-up costs associated with new schools are the responsibility of the school jurisdiction. This includes furniture and equipment, musical instruments, customizations for programming, etc. These costs will create an additional budget pressure in that year and will be funded by reserves. In addition, the construction of new schools which are slated to come into service in 2016, increases the pressure on the CBEs systems and processes. This increases the risk that those systems and processes may fail in whole or in part.

This risk is mitigated by the school development projects being a standing item on administration's agenda. Also, the CBE is working closely with Alberta Education and Alberta Infrastructure through the school development process.

- Systemic health – technology, infrastructure, volume, etc.

To operate effectively and efficiently the CBE must continue to invest in its core systems, processes and infrastructure. Due to significant funding shortfalls over the last few years there is an increased risk that core infrastructure, systems and processes will fail, either completely or in part. Similarly, there is a higher risk that our technology infrastructure will not be able to accommodate the rapid enrolment growth forecasted and our ever changing environment.

This risk is mitigated to an extent by careful assessment of the most critical investments necessary to maintain operations and student success. To the extent resources are available they are allocated to those critical systems, infrastructure and processes.

- Elimination of all budget conservatism

This budget has eliminated all known "conservatism" in estimates and projections. In some cases, more aggressive assumptions were made in order to minimize budget projections. An example of this is the amount of staffing turnover anticipated in the calculation of average salary costs.

There is an increased risk of an overall negative variance between the budget plan and actual results at the end of 2015-16. Should this occur, the CBE would seek provincial approval for an additional draw on reserves.

Glossary of terms³

Accumulated Operating Surplus
The school jurisdiction's residual interest in assets after deducting liabilities. Definition provided by Alberta Education.
Alberta Education revenue
All funds received from Alberta Education, including amortization of Alberta Education-funded facilities. This is sometimes referred to as provincial funding.
Amortization
Amortization expenses for both supported and unsupported capital assets ("unsupported" capital assets are non-facility; "supported" capital assets are funded by externally restricted capital funding/contributions).
Base provincial instruction grants (Alberta Education)
Kindergarten to Grade 9 students are funded on a per-student basis and students in grade 10 to 12 are funded based on a high school credits formula. Base funding is the largest component of funding and is provided for each eligible student, regardless of other factors that drive additional funding.
Non-facility (board-funded) capital
The acquisition of all capital assets other than those specifically funded by Alberta Education. This includes technology, maintenance equipment, furniture and fixtures, musical instruments, and other capital purchases.
Capital assets
These are goods that are acquired that have a useful life that extends beyond one year and are of more than minor value. For example, computers, most musical instruments, furniture, machinery, etc.
Classroom complexity
The variety of different needs of the students in a classroom
Collective agreement
An agreement between a union or association that sets out terms and conditions of employment including general wage increases, benefits, grid movement, and other employment terms.
Deferred maintenance
The practice of postponing repair and maintenance activities to property (such as school buildings) in order to save costs and/or meet budget funding levels.
EducationMatters
EducationMatters is a charitable trust that funds innovative public enhancement programs. It is governed through a Trust Indenture by an independent Board of Governors, which includes two appointed CBE Trustees.
In accordance with generally accepted accounting principles, the CBE is required to consolidate the financial activities of EducationMatters for year-end reporting purposes. The budget for EducationMatters has not been considered for consolidation for the purposes of this report, however their year-end financial information is provided in Appendix J for information purposes.
Enhancement (capital-related)
Projects that improve or extend the functionality of existing systems, technologies and processes.

³ Some terms are defined by Alberta Education

<p>Enrolment</p> <p>The total number of students attending CBE schools, including those that are federally funded or pay fees as international students. Funded enrolment (as required in the Budget Report to Alberta Education) refers to only those students who qualify for funding by Alberta Education.</p>
<p>Exempt employee</p> <p>Employees who are not covered by a collective agreement (approximately 200 positions). Exempt employees do not experience grid movement. Superintendents and directors make up the minority of this group. Approximately 86 per cent of the exempt group are staff who are not in senior leadership positions. This group of employees includes, but is not limited to: administrative assistants; human resources, communications and finance personnel; business analysts; engineers; and managers and supervisors from various service units.</p>
<p>Fixed cost</p> <p>A cost that will not change based on fluctuations in activity.</p>
<p>Grid movement</p> <p>The increase in the salary paid to an employee based on movement through progressive salary grid levels. The movement is based on the passage of time. Employees covered by a collective agreement may benefit from grid movement.</p>
<p>Inspiring Education</p> <p>Alberta Education's vision for education</p>
<p>Interest and charges</p> <p>Interest expenses charged for both supported and unsupported debenture debt and all other interest charges.</p>
<p>Maintenance (capital-related)</p> <p>Projects that are required to maintain current systems and keep them working in good conditions.</p>
<p>Non-discretionary costs</p> <p>Specific costs that are difficult to regulate in the short term, such as contractual obligations, utilities, and insurance premiums.</p>
<p>Operational Expectations</p> <p>Policies established by the Board of Trustees by which the Chief Superintendent's performance and successful operation of the organization is evaluated</p>
<p>Reserves</p> <p>Reserves are like the CBE's equity. They are dollars that have been accumulated from prior years' surpluses that are available to support current year projects, programs and services. Reserves can be restricted by board motion or external parties.</p>
<p>Resource Allocation Method (RAM)</p> <p>Refers to the process and formulas by which resources for schools are calculated and distributed to schools. Principals make staffing decisions for their school based on their RAM allocation.</p>
<p>Student Outcome measures</p> <p>Measures against which Alberta Education accumulates data to evaluate achievement of a School Jurisdiction, including student learning achievement, safe and caring schools, preparation for lifelong learning, world of work, citizenship, parental involvement, continuous and improvement and ACOL measure. For more information, see our Annual Education Results Report</p>

System administration

The overall management, administration and educational leadership of the CBE at the system level. Also includes Board of Trustees remuneration and office budgets. Examples include functions in human resources, finance, information technology, legal and communications that provide system-level support.

Salaries & Benefits

- Consists of both certificated and non-certificated salaries and benefits.
- Certificated salaries refer to all salaries paid or accrued for those employees of the jurisdiction who possess a valid Alberta Teaching Certificate, or its equivalent (i.e., certified teachers, principals and superintendents).
- Certificated benefits refer to the employer share of amounts paid on behalf of employees possessing an Alberta Teacher Certificate or equivalent for statutory and pension contributions, and medical and insurance benefits. It also includes allowances which are taxable payments made to (or on behalf of) employees for sabbatical leave, advanced study and training, and for negotiable or board-authorized allowances including automobile, subsidized housing, relocation, retirement, and supplementary unemployment benefits.
- Non certificated salaries are salaries and wages paid or accrued for all other employees, who do not possess an Alberta Teaching Certificate or equivalent.

School-Generated Funds

School-Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)

Strategic (capital-related)

Projects that open up new horizons, learning methods, organizational models, and value propositions that cut across the organization or physical facility.

Total revenue

All funds received from Alberta Education plus all other revenues.

Appendix A

Fall 2015 budget update: Use of reserves and Alberta Education submission

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**report to
Board of Trustees**

**First Quarter Budget Variance Report, Fall 2015 Budget Update
and 2014-15 Use of Reserves**

Date	December 1, 2015
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	David Stevenson, Chief Superintendent of Schools
Purpose	Decision and Information
Originator	Brad Grundy, Superintendent, Chief Financial Officer and Corporate Treasurer
Governance Policy Reference	Operational Expectations OE-5: Financial Planning OE-6: Financial Administration
Resource Persons	Carla Male, Director, School Financial Management Donna Rogers, Manager, Corporate Planning and Reporting Sharyn Tut, Lead, Corporate Budgets

1 | Recommendations

It is recommended:

- THAT the Board of Trustees approve the recommended reserve transfers pertaining to the year ended Aug. 31, 2015 (Attachment II).
- THAT the Board of Trustees approve the planned 2015-16 use of reserves and designated funds (Attachment III) for a total of \$41.7 million and \$26.6 million in capital reserves.
- THAT the Board of Trustees receives the Fall 2015 Update to the 2015-16 Operating Budget (Attachment VI), reflecting total planned spending of \$1,320.5 million, an increase of \$37.2 million, and authorize submission to Alberta Education.



**Calgary Board
of Education**

Page 1 | 22

2 | Issue

Operational Expectation OE-6: Financial Administration requires that the Chief Superintendent will not transfer monies between reserves or committed operating surplus without Board approval. This report seeks approval for the 2014-15 reserve transfers as well as approval for the planned use of reserves in 2015-16.

OE-6 further requires that quarterly variance reports are prepared and provide explanations for variances in excess of 1% and \$500,000. This report serves as the first quarter report for the 2015-16 fiscal year.

Alberta Education requires a Fall 2015 Budget Update to the 2015-16 Operating Budget, which was approved by the Board of Trustees on June 18, 2015. This update includes forecasted changes related to enrolment and other known adjustments.

3 | Background

2014-15 reserve transfers

Each spring the Calgary Board of Education prepares its operating and capital budgets for the following fiscal year. Quarterly and annual reports are presented to the Board of Trustees to provide updates on the status of the results of financial activity. These results are compared to the approved Operating and Capital Budgets to meet the monitoring requirements of OE 6: Financial Administration.

When the year-end actual financial results are known, funds are transferred out of or into reserves as required. The Board has approved terms and conditions for various operating and capital reserves which include conditions for additions and withdrawals that are subject to Board approval consistent with OE 6: Financial Administration.

Practice at the Calgary Board of Education has permitted unspent budgeted funds pertaining to one-time programs to be carried forward for use in the following year. These are called Designated Funds.

On April 1, 2014, the Board of Trustees approved, in principle, the use of all operating reserves to balance the 2014-15 budget. For 2014-15, the Calgary Board of Education began the fiscal year with operating reserves (all types) of \$53.6 million, with \$37.3 million available to balance the 2014-15 budget. With better 2014-15 operating information available with the Fall Budget Update, planned usage for 2014-15 was \$18.8 million.

Due to a number of factors that will be detailed with the 2014-15 year-end financial statements, Administration is anticipating a surplus for the year ended August 31, 2015, which is favourable when compared against the budgeted deficit. There are several factors contributing to this difference including investment gains and higher revenues than projected. As a result, the actual draw on reserves required is smaller than planned.



If the proposed transfers are approved, the operating reserves balances at Aug. 31, 2015 totals \$46.4 million, of which \$37.8 million is available to fund operations in future years (Attachment II). As reported in the 2015-16 Budget on June 18, 2015, the 2015-16 budget is balanced without the use of reserves. The CBE is committed to working collaboratively with the Government of Alberta regarding the use of available reserves to support student learning and advancing the CBE's and government's learning agenda. Since the approval of the 2015-16 Budget on June 18, 2015, several budget pressures have been identified and are summarized in the Analysis section below to be recommended for funding by reserves.

2015-16 budget and use of reserves

The approved 2015-16 Operating Budget was prepared using a consultative process and focused resources on achieving the vision as articulated in the Results Statements, the Three-Year Education Plan and Inspiring Education.

The Board approved the Operating Budget on June 18, 2015 and documentation was submitted to Alberta Education. The approved budget was based on enrolment projections for 2015-16, which drives provincial grant funding and school spending.

Enrolment numbers for the school year are counted at Sept. 30 and those are the official enrolment numbers which drive actual funding and resources deployed to schools for the school year. Alberta Education requires an update to the approved 2015-16 operating budget which includes a revised estimate of funding, expenditures, number of students eligible for provincial funding and an estimate of full-time equivalents (FTEs). This is the Fall 2015 Update to the 2015-16 Operating Budget shown in Attachment VI. It is important to note that the estimate of FTEs is based on the resource deployment by school principals as at Oct. 2015. Actual FTEs will vary from this and fluctuate throughout the year.

Once this Fall 2015 Update is approved by the Board of Trustees, it will be immediately submitted to Alberta Education for use in their financial forecasting and preparing for any Provincial budget submissions for the subsequent fiscal year.

Also included in this report is the first quarter operating budget variance analysis in Attachment I. This report is prepared for the Board of Trustees and varies slightly in presentation from the Fall 2015 Update, which is prepared for Alberta Education. The budget changes and updated deficit amounts in both reports are the same.



4 | Analysis

2014-15 reserve transfers

The following provides details to support all requests for Operating and Capital Reserve transfers for the year ended August 31, 2015.

Restricted Reserves (Attachment II)

1. Transportation Fee Stabilization Reserve

Administration monitors all external fee revenues, grant funding and expenses under the Transportation funding block. The net result at year-end was a deficit of \$2.2 million.

The *School Act* requires that any surplus resulting from transportation fees must be used to subsidize the cost of transporting students in future years and as such, the entire transportation deficit is covered by a draw from the reserve. At August 31, 2015, there is a balance of \$122,491 available. This reserve is not available to fund non-transportation costs.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$ 2,291,106	\$ (2,168,615)	\$ 122,491

2. Unrealized Investment Gains/Losses Reserve

Fluctuations in the fair value over the cost of investments are reported as Remeasurement Gains/Losses in the financial statements. This account has historically been reported under the Unrealized Investment Gain/Losses Reserve for internal CBE reporting, but in the future will be removed from the internal reserve report to demonstrate consistent reporting with public sector accounting standards as Remeasurement Gains/Losses. This reserve is not available to fund CBE operations.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$ 16,548,409	\$ (6,867,399)	\$ 9,681,010

3. Endowment Fund

Under public sector accounting standards, it has been determined that the CBE is required to consolidate the financial results of EducationMatters¹ for financial reporting purposes. The Endowment Fund represents principal amounts contributed to EducationMatters for the benefit of third-parties which must be held in perpetuity in

¹ EducationMatters is a charitable trust that funds innovative public enhancement programs. It is governed through a Trust indenture by an independent Board of Governors, which includes two appointed CBE Trustees.

accordance with stipulations placed by the contributor. This fund is not available to support CBE operations.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$ 3,292,000	\$ 227,970	\$ 3,519,970

Designated Operating Funds (Attachment II)

Operating budgets are prepared on an annual basis and relate to the Calgary Board of Education's fiscal year of September 1 to August 31. Past practice at the Calgary Board of Education has been to permit unspent budgeted funds pertaining to projects initiated in the year that are not yet fully complete to be carried forward for use in the following year. If not approved, these expenditures would need to be funded from 2015-16 resources.

In addition, the operating and flow through funds relating to the activities of EducationMatters are restricted for its use only, and the CBE has included its operating surplus as a designated fund.

Available for use reserves (Attachment II)

1. Administrative Systems Renewal Reserve

The Administrative Systems Renewal Reserve was created in 2004-05 to set aside funds for information system projects that would generate future savings or efficiencies.

The funding source for this reserve is the rebates received by the CBE related to strategic sourcing. \$461,019 is recommended for transfer into the reserve for rebates received during the year.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$ 429,345	\$ 461,019	\$ 890,364

Capital Reserves (Attachment II)

1. Other Capital Reserves

Other Capital Reserves includes the carry forward of unspent budgeted funds from the previous year as well as other specific capital reserves established such as for capital leases, relocations, etc. Similar to Operating Designated funds, unspent budgeted funds pertaining to projects initiated in the year that are not yet fully complete are recommended for carry forward for use in the following year.



The same guidelines for both operating and capital are used to determine which requests are considered appropriate for carryforward. See Attachment II.

Sept 1, 2014	Transfers in / (out)	Aug 31, 2015
\$9,064,244	\$8,141,000	\$17,205,244

2015-16 Budget and use of reserves

The 2015-16 First Quarter Operating Budget Variance Report (Attachment I) and Fall 2015 Update (Attachment VI) reflects the budget impacts of changes in student enrolment from what was estimated during the budget preparation in the spring, and the Sept. 30, 2015 count.

Attachment I summarizes the forecasted changes to the budgeted revenues and expenses. Explanations have been provided for variances above 1% of reported line items in accordance with Operational Expectations 6. This includes:

REVENUE

Total revenue has increased by \$19.3 million, which includes an increase in Alberta Education revenue of \$19.4 million. This is comprised of:

- \$2.0 million increase in base instructional funding due to enrolment growth different from projections.
- \$0.3 million increase in capital allocation revenue due to higher amounts capitalized in 2014-15 for provincially supported assets than what was estimated in the approved budget.
- \$14.6 million increase in infrastructure maintenance and renewal funding due to revised estimate of anticipated spending in the year. The corresponding cost increase has been included in the expenses.
- \$2.5 million increase in maintenance expenses for schools constructed under the Alberta Schools Alternative Procurement (ASAP) program. This increase was a result of better estimates which were not known at the time 2015-16 budget was prepared. The corresponding cost increase has been included in the expenses.

A decrease of \$0.4 million in other sales and services relating to a revised estimate of foreign student enrolment.

An increase of \$0.3 million in fees revenue related to the changes in enrolment from what was projected in the spring to Sept. 30th actual counts.

EXPENSES

Total expenses have increased by \$37.2 million. This is comprised of:

- \$11.4 million increase in certificated salaries and benefits, which is the combined impact of:
 - \$14.5 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in their school development plans.
 - \$1.5 million in additional funds will be used to hire high school graduation coaches to support our First Nations, Metis and Inuit students.
 - (\$5.0) million decrease in certificated salaries and benefits due to revised estimate of anticipated average wage rates.
 - \$0.4 million for projects that were incomplete at the end of 2014-15 and the budget has been carried forward for completion in 2015-16.
- \$1.8 million increase in non-certificated salaries and benefits which is the increase in resources allocated to schools via the RAM due to the changes in enrolment and for one additional position added to each Area Office. Also includes increase for projects that were incomplete at the end of 2014-15 and the budget has been carried forward for completion in 2015-16.
- \$24.3 million increase in supply and services due to:
 - \$14.6 million increase in infrastructure maintenance expenses due to revised estimate of anticipated spending (offsetting revenue increase noted above).
 - \$4.9 million increase in transportation expenses, which is the best estimate at the time this report was written, for the impact of revised route configuration. As the year progresses, the number of routes and fuel costs will fluctuate. We will track these changes in detail and provide updated forecast information in the second and third quarterly reports.
 - \$2.5 million increase in maintenance expenses for schools constructed under the P3 program (offsetting revenue increase noted above).
 - \$1.8 million for projects and schools budgeted in 2014-15 that were incomplete or unspent at year-end and the budget will be carried forward to 2015-16.
 - \$0.5 million increase for enhanced community engagement requirements. The additional resources are expected to be expended on professional and technical services.
- \$0.5 million net decrease in amortization due to lower amounts capitalized in 2014-15 for board funded assets (decrease of \$0.8 million) less higher amounts capitalized for the provincially supported assets increase of \$0.3 million.
- \$0.2 million increase in other expenses due to a revision of estimated uncollectible fees.

OPERATING DEFICIT

The planned deficit is \$17.9 million.



USE OF RESERVES

Transfer from operating reserves/designated funds shows the forecasted use of \$41.7 million of operating reserves and \$26.6 million of capital reserves in order to fund the \$17.9 million operating deficit and increased capital activities.

Further details are provided in Attachment III - first quarter use of reserves and designated funds.

CAPITAL ACTIVITIES

The 2015-16 first quarter capital budget status report (Attachments IV and V) highlights variances between the current approved budget and estimated capital expenditures for the year ended August 31, 2016.

Capital assets acquired has increased by \$45.4 million, which is \$7.5 million more carried forward from 2014-15 to fund projects budgeted in 2014-15 that were not complete by August 31, 2015 as well as \$37.9 million in planned spending for one-time initiatives and enhancements:

- Up to \$25.0 million for new school fit-up and commissioning over the next few years
- Up to \$5.7 million for CTS/CTF and Fine and Performing Arts equipment upgrades
- Up to \$7.0 million for wireless upgrades in schools
- \$0.2 million for air conditioning units in P3 schools (approved in 2014-15 but to be completed in 2015-16)

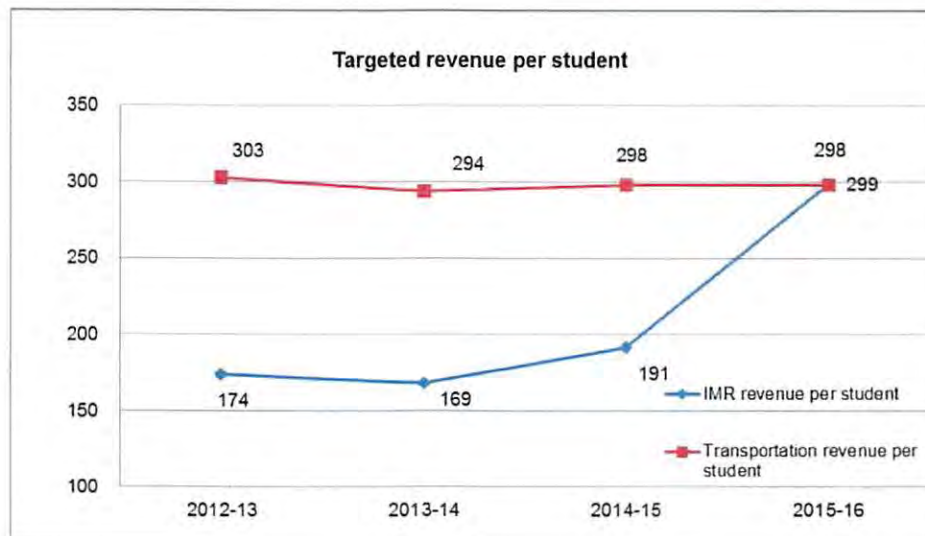
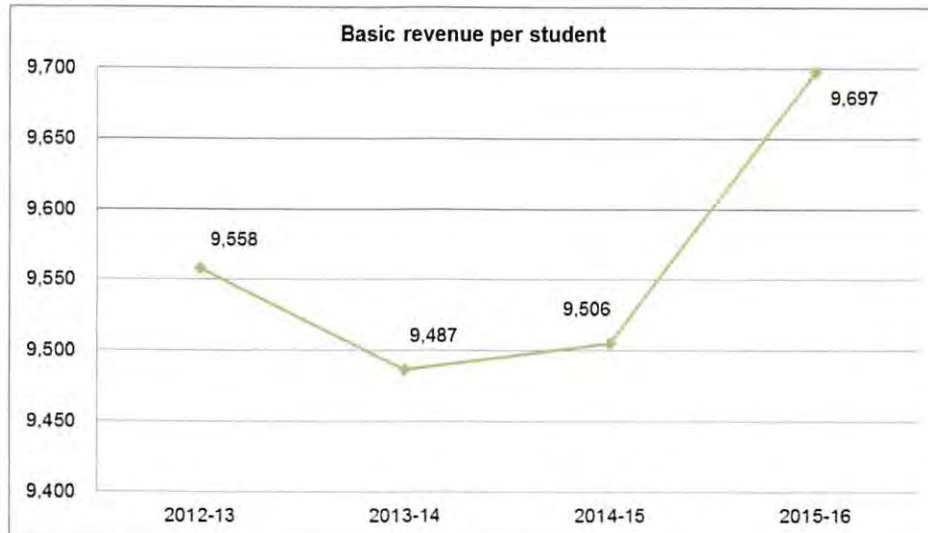
This is reflected as an increase in the use of capital and operating reserves.

Amortization for board-funded assets decreased \$0.8 million as noted above.



6 | Funding Impacts

Alberta Education basic funding per student has increased by \$191 per student since 2014-15 due to the commitment from the provincial government to fully fund enrolment increases as well as the ATA wage increases per the collective agreement.



The following table provides additional information as to the planned spending between schools and service units. Expense and FTE details are provided by major expense category and operating unit.

Summary:

2015-16 Actual Spending											
	Schools & Areas	Service Unit System Budgets	Learning	Facilities and Environmental Services	Legal	Communications	Finance/Technology Services	Human Resources	Chief Supt's Office	Board of Trustees	Total
FTEs by:											
Superintendent	-	-	1.0	1.0	1.0	1.0	1.0	-	2.0	-	7.0
Staff (incl ATA, Staff Assn, CUPE, trades)	8,772.2	42.4	217.0	217.6	3.0	10.8	141.0	44.2	-	-	9,448.2
Exempt Staff	10.0	-	25.5	50.0	10.0	9.5	48.0	41.0	3.0	-	197.0
Total FTEs	8,782.2	42.4	243.5	268.6	14.0	21.4	190.0	85.2	5.0		9,652.2
2015-16 Fall Budget Update											
Salaries and benefits	917,517	6,427	32,412	27,963	1,865	2,459	23,969	9,980	919	418	1,023,929
Supplies and services	82,050	18,425	4,854	122,793	137	652	1,961	5,549	235	888	237,624
Other (interest, amortization and uncollectible accounts)	50	48,479	1,400	5,080	14	-	3,014	13	2	-	59,041
	999,616	74,331	38,666	155,836	2,016	3,111	26,944	15,542	1,156	1,206	1,320,494
2015-16 Approved Budget	984,490	70,842	39,945	136,301	2,002	2,621	29,292	15,441	1,126	1,204	1,283,284
Increase/(decrease) ⁽¹⁾	15,126	3,489	(1,279)	19,535	14	490	(348)	101	30	82	37,210

- ⁽¹⁾ Significant changes from the approved 2015-16 budget are explained as follows:
- (a) Schools & Areas increase is due to the one-time initiative to improve teacher practice
 - (b) Service Unit System budgets increase is due to an increase in maintenance expenses for schools constructed under the P-3 program
 - (c) Learning budgets reduction is related to amortization expense where actual amounts capitalized are different from estimates
 - (d) Facilities and Environmental Services budgets are related to an increase in maintenance due to revised anticipated spending

7 | Financial Impact

2014-15 year-end financial statements

For the year ended Aug. 31, 2015, the Calgary Board of Education's unrestricted surplus is \$0.1 million after accounting for the reserve provision requests identified in this report.

The complete Financial Statements with the signed Audit Report will be presented to the Board of Trustees on Dec. 1, 2015 for final adoption and approval. At the time of writing this report, the audit is in progress. Any changes required as a result of audit findings could amend the year end position for the CBE.

The Financial Statements will include disclosure of planned reserve transfers and the reserved designated funds with full disclosure in the 2014-15 year-end Audited Financial Statements and this disclosure will be consistent with previous Board of Trustees motions.

2015-16 budget and use of reserves

The 2015-16 budget was balanced without the use of reserves. Several pressures have since been identified for which the use of reserves will be requested: These pressures are all one-time initiatives that support student learning and advancing the CBE's and government's learning agenda.

Operating pressures

- \$14.5 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in their school development plans.
- \$1.5 million in additional funds will be used to hire high school graduation coaches to support our First Nations, Metis and Inuit students.
- \$3.7 million for the use of operating budgets carried forward from 2014-15. These represent operating projects that have started in the 2014-16 school year but will not complete until the 2015-16 school year.

Capital pressures

- Up to \$25.0 million for the commissioning of new schools in the next few years.
- Up to \$5.7 million for Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades.
- Up to \$7.0 million for wireless upgrades to a consistent standard in all schools.
- \$11.5 million for the use of capital budgets carried forward from 2014-15. These represent capital projects that have started in the 2014-15 school year but will not complete until the 2015-16 school year.



These are summarized in Attachment II & III for a total of \$68.2 million in planned draws on both operating and capital reserves in 2015-16.

It should be noted that the use of available operating and capital reserves for purposes other than those approved in the reserve's creation, means that reserve funds are not available in the event funds are needed. For example, if the Operating Lease Reserve funds are used for the pressures identified above, future budgets will need to address the increases in operating leases going forward.

8 | Conclusion

Reserve transfers approved for the 2014-15 year will be reflected in the financial statements for the year ended August 31, 2015.

A draft copy of the Fall 2015 Update to the 2015-16 Operating Budget will be submitted to Alberta Education by Nov 30, 2015, and the approved report will be submitted following Board of Trustee approval.

DAVID STEVENSON
CHIEF SUPERINTENDENT OF SCHOOLS

Attachments

Attachment I: 2015-16 first quarter operating budget variance analysis
Attachment II: recommended reserve transfers pertaining to the year ended Aug. 31, 2015
Attachment III: first quarter planned use of reserves and designated funds
Attachment IV: 2015-16 first quarter capital budget status report, summary of board funded capital investment
Attachment V: 2015-16 first quarter capital budget status report – projects funded by the Province of Alberta
Attachment VI: Fall 2015 update to the 2015-16 operating budget

GLOSSARY – Developed by the Board of Trustees

Board: Board of Trustees

Governance Culture: The Board defined its own work and how it will be carried out. These policies clearly state the expectations the Board has for individual and collective behaviour.

Board/Chief Superintendent Relationship: The Board defined in policy how authority is delegated to its only point of connection – the Chief Superintendent – and how the Chief Superintendent's performance will be evaluated.

Operational Expectations: These policies define both the nonnegotiable expectations and the clear boundaries within which the Chief Superintendent and staff must operate. They articulate the actions and decisions the Board would find either absolutely necessary or totally unacceptable.

Results: These are our statements of outcomes for each student in our district. The Results policies become the Chief Superintendent's and the organization's performance targets and form the basis for judging organization and Chief Superintendent performance.



Calgary Board
of Education

Attachment I: 2015-16 first quarter operating budget variance analysis

Q1 Budget Variance Report (in \$ thousands)				
	Approved Budget 2015-16 ⁽¹⁾	Fall Budget Update 2015-16	Increase / (Decrease)	%
Revenues				
Alberta Education	1,184,939	1,204,334	19,395	2%
Other Government of Alberta	846	846	-	0%
Federal Government & First Nations	2,393	2,393	-	0%
Other sales and services	23,628	23,196	(432)	-2%
Fees revenue	49,313	49,651	338	1%
Investment revenue	2,817	2,817	-	0%
All other revenue	19,328	19,328	-	0%
	1,283,264	1,302,565	19,301	1%
Expenses by object				
Certificated salaries and benefits	756,039	767,467	11,428	1%
Non-certificated salaries and benefits	254,658	256,462	1,804	1%
Supply and services	213,191	237,524	24,333	10%
Amortization expenses	52,665	52,116	(549)	-1%
Interest and finance charges	2,157	2,157	-	0%
Other (uncollectible accounts)	4,554	4,768	214	4%
	1,283,264	1,320,494	37,230	3%
Annual surplus / (deficit)	-	(17,929)	(17,929)	100%
Transfer from operating reserves/designated funds				
Transfer from operating reserves	-	37,956	37,956	100%
Transfer from designated funds - schools	-	2,275	2,275	100%
Transfers from designated funds - service units	-	1,439	1,439	100%
	-	41,670	41,670	100%
Add/(deduct) capital items paid by operating funds				
Capital acquisitions	(26,677)	(72,077)	(45,400)	63%
Board funded amortization	23,773	22,880	(893)	-4%
Debt repayments	(1,096)	(1,096)	-	0%
Use of capital reserves	4,000	26,552	22,552	85%
	-	(23,741)	(23,741)	0%
Net operating surplus / (deficit)	-	-	-	0%

⁽¹⁾ Approved by the Board of Trustees on June 18, 2015. Some numbers have been reclassified for comparative purposes.

Attachment II: recommended reserve transfers pertaining to the year ended Aug. 31, 2015

	Reserve balance Sept 1, 2014	Fall Update planned transfers from reserves	Recommended actual transfers to/(from) reserves	Reserve balance Aug 31, 2015
Accumulated operating reserves				
<u>Available for use reserves</u>				
Chinook Learning Services fee stabilization	1,593	-	-	1,593
Utility expense stabilization	5,007	(5,007)	-	5,007
Snow removal budget stabilization	200	-	-	200
Administrative systems renewal	429	(429)	461	890
General instruction	3,000	-	-	3,000
Fiscal stability	10,463	(7,311)	-	10,463
System transformation	2,000	(2,000)	-	2,000
Operating lease	14,577	-	-	14,577
Total available for use reserves	37,270	(14,747)	461	37,730
<u>Restricted reserves</u>				
Transportation fee stabilization	2,291	(1,425)	(2,169)	122
Changes in accounting policy	(10,164)	-	-	(10,164)
Unrealized investment gains and losses	3,195	-	(3,195)	-
Total operating reserves	32,592	(16,172)	(4,903)	27,688
Designated operating funds				
School decentralized budgets	596	(596)	1,679	2,275
Instructional and service unit initiatives	2,004	(2,004)	(565)	1,439
Education_Matters	1,755	-	(76)	1,679
Total designated funds	4,355	(2,600)	1,038	5,393
Endowments	3,292	-	228	3,520
Remeasurement gains and losses	13,353	-	(3,672)	9,681
Unrestricted surplus	-	-	104	104
Total operating reserves and designated funds	53,592	(18,772)	(7,206)	46,386

Attachment II (cont'd): recommended reserve transfers pertaining to the year ended Aug. 31, 2015

	Reserve balance Sept 1, 2014	Fall Update planned transfers from reserves	Recommended actual transfers to/(from) reserves	Reserve balance Aug 31, 2015
Capital reserves				
Building reserve	18,212	-	-	18,212
Other capital reserves ⁽²⁾	9,064	-	8,141	17,205
Plant, operations and maintenance asset replacement	798	-	-	798
Total designated funds	28,074	-	8,141	36,215

(1) Approved by the Board of Trustees on November 25, 2014

(2) Included in Other Capital Reserves is Designated Capital Funds - capital funds carried forward for projects that were in progress and will continue into 2015-16. The Designated Capital Funds balance at Aug 31, 2015 is \$11.5 million.

Attachment III: first quarter planned use of reserves and designated funds

	Reserve balance Sept 1, 2015	Planned use of reserves	Reserve balance Aug 31, 2016
Accumulated operating reserves			
<u>Available for use reserves</u>			
Chinook Learning Services fee stabilization	1,593	(1,593)	-
Utility expense stabilization	5,007	(5,007)	-
Snow removal budget stabilization	200	(200)	-
Administrative systems renewal	890	(890)	-
General instruction	3,000	(3,000)	-
Fiscal stability	10,463	(10,463)	-
System transformation	2,000	(2,000)	-
Operating lease	14,577	(14,577)	-
Total available for use reserves	37,730	(37,730)	-
<u>Restricted reserves</u>			
Transportation fee stabilization	122	(122)	-
Changes in accounting policy	(10,164)	-	(10,164)
Unrealized investment gains and losses	-	-	-
Total operating reserves	27,688	(37,852)	(10,164)
Designated operating funds			
School decentralized budgets	2,275	(2,275)	-
Instructional and service unit initiatives	1,439	(1,439)	-
Education_Matters	1,679	-	1,679
Total designated funds	5,393	(3,714)	1,679
Endowments	3,520	-	3,520
Remeasurement gains and losses	9,681	-	9,681
Unrestricted surplus	104	(104)	-
Total operating reserves and designated funds	46,386	(41,670)	4,716

Attachment III (cont'd): first quarter use of reserves and designated funds

	Reserve balance Sept 1, 2015	Planned use of reserves	Reserve balance Aug 31, 2016
Capital reserves			
Building reserve	18,212	(15,018)	3,193
Other capital reserves ⁽¹⁾	17,205	(11,534)	5,671
Plant, operations and maintenance asset replacement	798	-	798
Total designated funds	36,215	(26,552)	9,663

(1) Included in Other Capital Reserves is Designated Capital Funds - capital funds carried forward for projects that were in progress and will continue into 2015-16. The Designated Capital Funds balance at Aug 31, 2015 is \$11.5 million.

Attachment IV: 2015-16 first quarter capital budget status report, summary of board funded capital investment

Capital Budget										
	Budget Sept 1, 2015	Approved Carry Forward and Revision	Total Approved Budget and Carry Forwards (A)	Costs to Date	Forecast Costs to Complete	Total Costs	Total Forecast	Variance Favorable / (Unfavorable) (\$)	Variance % +1% & 50000 Note	Estimate 2016-17
Capital Lease Payments (Contracts)										
Performance Contracts	1,096	-	1,096	-	1,096	1,096	1,096	-	-	-
Total Capital Lease Payments (Contracts)	1,096	-	1,096	-	1,096	1,096	1,096	-	-	-
Non-Facility Related Projects										
Strategic	3,900	852	4,652	-	4,652	4,652	4,652	-	0.0%	633
Enhancement	2,360	1,792	4,152	-	4,152	4,152	4,152	-	0.0%	1,970
Maintenance	19,517	2,599	22,116	-	22,116	22,116	22,116	-	0.0%	23,509
Total Non-Facility Related Projects	25,677	5,242	30,919	-	30,919	30,919	30,919	-	0.0%	26,112
Capital Reserve Projects										
Wireless Enhancements	-	7,000	7,000	-	7,000	7,000	7,000	-	0.0%	-
CTB/CIT Upgrades	-	5,675	5,675	-	5,675	5,675	5,675	-	0.0%	-
New School Commissioning	-	25,000	25,000	-	25,000	25,000	25,000	-	0.0%	-
Air Conditioning for P3 Modulars	-	191	191	-	191	191	191	-	0.0%	-
Total Capital Reserve Projects	-	27,866	27,866	-	27,866	27,866	27,866	-	0.0%	-
School Enhancements	1,000	3,292	3,292	-	3,292	3,292	3,292	-	0.0%	1,500
Total Non-Facility Capital Expenditures	27,772	45,400	73,172	-	73,172	73,172	73,172	-	0.0%	27,612
Financed by the Following:										
Contribution from (to) operating activities	-	23,741	23,741	-	-	-	23,741	-	-	-
Total Amortization Expense (non-cash)	23,772	(892)	22,880	-	-	-	22,880	-	-	33,612
Designated Capital Funds	4,000	7,534	11,534	-	-	-	11,534	-	-	29,599
Capital Reserves	-	15,018	15,018	-	-	-	15,018	-	-	-
Total Non-Facility Capital Financing	27,772	45,400	73,172	-	-	-	73,172	-	-	73,172

Definitions:

Strategic - Projects that open up new horizons, learning methods, organizational modes, and value propositions that cut across the organization or physical facility.

Enhancement - Projects that improve or extend the functionality of existing systems, technologies, and processes.

Maintenance - Projects that are required to maintain current systems and keep them in good working condition.



Calgary Board
of Education

Attachment V: 2015-16 first quarter capital budget status report –
projects funded by the Province of Alberta

	Total Approved Budget and Carry Forwards	Estimated Capital Expenditure	Forecast Variance
(in thousands)			
Ongoing Capital Projects - Funded by Alberta Education			
<u>Phase One-2011 Announcement</u>			
Chinook Learning Centre Modernization (Booth Centre)	\$ 10,500	10,500	-
<u>Phase Two-2013 Announcements</u>			
Auburn Bay School	14,307	14,307	-
Christine Meikle School - Modernization/Replacement	16,377	16,377	-
Copperfield School	14,353	14,353	-
Evanston School	14,353	14,353	-
Harold W. Riley (Aboriginal Family Community) School - Modernization	10,499	10,499	-
New Brighton School	14,353	14,353	-
Panorama Hills School	14,307	14,307	-
Tuscany School	14,307	14,307	-
Sub-total Elementary Schools	112,856	112,856	-
Evergreen Middle	24,237	24,237	-
McKenzie Towne Middle	24,237	24,237	-
New Brighton - Copperfield Middle	24,237	24,237	-
Royal Oak - Rocky Ridge Middle	24,201	24,201	-
Saddle Ridge Middle	24,201	24,201	-
Sub-total Middle Schools	121,113	121,113	-
Bowness High - Modernization	16,882	16,882	-
Jack James High - Modernization	11,729	11,729	-
Northeast High	-	-	-
Sub-total High School	28,611	28,611	-
Total Phase Two Announcements	262,580	262,580	-
<u>Phase Three-2014 Announcements</u>			
Aspen Woods School	6,700	6,700	-
Martindale School	750	750	-
Saddle Ridge School	6,700	6,700	-
Silverado School	750	750	-
Glenmeadows School - Portable (B)	-	2,800	-
Sub-total Elementary Schools - Portable	14,900	17,000	-
Cranston Middle	6,700	6,700	-
West Springs/Cougar Ridge Middle	6,700	6,700	-
Springbank Hill/Discovery Ridge Middle	750	750	-
Sub-total Middle Schools	14,150	14,150	-
James Fowler High - Modernization	750	750	-
Lord Beaverbrook High	750	750	-
Southeast High - design	1,000	1,000	-
Sub-total High School	2,500	2,500	-
Total Phase Three Announcements	31,550	34,350	-
<u>Flood Relief</u>			
Elbow Park School	16,500	16,500	-
<u>National Sports School</u>			
	3,000	3,000	-
Total Capital Projects - Funded by Alberta Education	\$ 324,130	326,930	-

The following attachments are templates provided by Alberta Education and updated with the CBE's 2015-16 first quarter forecast information.

These will be submitted to Alberta Education following Board of Trustees approval. While the totals are the same, some groupings may be different in some cases due to Alberta Education reporting requirements.



Attachment VI: Fall 2015 Update to the 2015-16 Operating Budget

3030 Calgary School District No. 19				
School Jurisdiction Code and Name				
FALL 2015 UPDATE TO THE 2015/2016 BUDGET				
	Fall 2015 Update to the Budget 2015/2016	Spring 2015 Budget Report 2015/2016	Variance	% Variance
OPERATIONS (SUMMARY)				
Revenues				
Alberta Education	\$1,204,333,933	\$1,184,335,162	\$19,394,771	1.6%
Other - Government of Alberta	\$846,443	\$846,443	\$0	0.0%
Federal Government and First Nations	\$2,392,591	\$2,392,591	\$0	0.0%
Other Alberta school authorities	\$522,000	\$522,000	\$0	0.0%
Out of province authorities	\$0	\$0	\$0	0.0%
Alberta Municipalities - special tax levies	\$0	\$0	\$0	0.0%
Property taxes	\$0	\$0	\$0	0.0%
Fees	\$49,650,827	\$49,313,027	\$337,800	0.7%
Other sales and services	\$23,195,948	\$23,628,426	(\$432,478)	-1.8%
Investment income	\$2,816,882	\$2,816,882	\$0	0.0%
Gifts and donation	\$4,842,000	\$4,842,000	\$0	0.0%
Rental of facilities	\$7,542,752	\$7,542,752	\$0	0.0%
Fundraising	\$6,400,000	\$6,400,000	\$0	0.0%
Gain on disposal of capital assets	\$0	\$0	\$0	0.0%
Other revenue	\$20,000	\$20,000	\$0	0.0%
Total revenues	\$1,302,563,376	\$1,283,263,283	\$19,300,093	1.5%
Expenses By Program				
Instruction - ECS	\$46,663,989	\$46,663,989	\$1	0.0%
Instruction - Grade 1 - 12	\$1,000,763,993	\$986,721,479	\$14,042,514	1.4%
Plant operations and maintenance	\$166,578,383	\$149,215,131	\$17,363,252	11.6%
Transportation	\$48,005,481	\$42,904,456	\$5,101,025	11.9%
Board & system administration	\$35,773,466	\$35,049,461	\$724,005	2.1%
External services	\$22,708,768	\$22,708,768	\$0	0.0%
Total expenses	\$1,320,494,080	\$1,283,263,283	\$37,230,797	2.9%
Annual Surplus (Deficit)	(\$17,930,704)	\$0	(\$17,930,704)	100.0%
Accumulated Surplus from Operations (Projected)				
Accumulated Surplus from Operations - Aug 31, 2015	\$33,083,000	\$29,296,000	\$3,787,000	12.9%
Accumulated Surplus from Operations - Aug 31, 2016	\$52,799,064	\$29,296,000	\$23,503,064	80.2%
Expenses by Object				
Certificated salaries & wages	\$626,601,666	\$616,256,185	\$10,345,481	1.7%
Certificated benefits	\$140,865,031	\$139,733,890	\$1,131,201	0.8%
Non-certificated salaries & wages	\$203,566,657	\$202,092,400	\$1,544,257	0.8%
Non-certificated benefits	\$52,895,452	\$52,684,790	\$210,662	0.4%
Services, contracts and supplies	\$237,523,743	\$213,190,746	\$24,332,997	11.4%
Amortization expense	\$52,116,316	\$52,664,817	(\$548,501)	-1.0%
Interest on capital debt	\$356,443	\$356,443	\$0	0.0%
Other interest and finance charges	\$1,800,537	\$1,800,537	\$0	0.0%
Losses on disposal of tangible capital assets	\$0	\$0	\$0	0.0%
Other expenses	\$4,768,235	\$4,553,535	\$214,700	4.7%
Total Expenses	\$1,320,494,080	\$1,283,263,283	\$37,230,797	2.9%
Certificated Staff FTE's				
School based	6,092.8	6,092.8	-	0.0%
Non-school based	135.1	135.1	-	0.0%
Total Certificated Staff FTE's	6,227.9	6,227.9	-	0.0%
Non-Certificated Staff FTE's				
Instructional	2,098.4	2,079.3	19.1	0.9%
Plant Operations & Maintenance	824.1	824.1	-	0.0%
Transportation	42.5	42.5	-	0.0%
Non-instructional	416.9	417.9	(1.0)	-0.2%
Total Non-Certificated Staff FTE's	3,381.9	3,363.7	18.1	0.5%
Eligible Funded Students				
Early childhood services (ECS headcount)	9,402.0	9,759.0	(357.0)	-3.7%
Grades 1 to 9 (headcount)	76,341.0	76,113.0	228.0	0.3%
Grade 10 to 12 (FTE)	29,478.0	29,219.0	260.0	0.9%
Total Eligible Funded Students	115,221.0	115,091.0	131.0	0.1%
Attestation of Secretary-Treasurer/Treasurer:				
This information was formally received by the Board of Trustees at the meeting held on December 1, 2015				



Attachment VI (cont'd): Fall 2014 Update to the 2015-16 Operating Budget

3030 Calgary School District No. 19 <small>School Jurisdiction Code and Name</small>
FALL 2015 UPDATE TO THE 2015/2016 BUDGET
<p>Comments/Explanations of changes from original Spring 2014/2015 Budget Report:</p> <p>Explain any changes in revenue items >5% (any highlighted items in cells S10-S24). If fee projections have changed, specify types of fees affected:</p> <p>An increase in fees revenue related to the changes in enrolment from what was projected in the spring to September 30th actual counts. The increase was made to the the ISM fees (\$117,000) and transportation fees (\$220,800).</p> <p>Explain any changes in program expenses >5% (any highlighted items in cells S27-S32):</p> <p>Plant operations & maintenance program changes are related to a \$14.6m increase in infrastructure maintenance and renewal spending due to additional funding received in the prior year and deferred at year-end and \$2.5 million increase in maintenance expenses for schools constructed under the P3 program. The corresponding cost increases for both have been included in the expenses.</p> <p>Transportation Block changes are related to a \$5.1m increase in expenses are to due to revised route configuration</p> <p>Explain any changes in projected Accumulated Operating Surplus as at August 31, 2015 or August 31, 2016 by >5% (highlighted items in cell S37 or S38):</p> <p>\$14.5 million increase in temporary certificated salaries and benefits for a one-time initiative to further schools' goals of improving student achievement as outlined in their school development plans.</p> <p>\$1.5 million in additional funds will be used to hire high school graduation coaches to support our First Nations, Metis and Inuit students.</p> <p>Explain any changes in expenses by object >5% (any highlighted items in cells S41-S50):</p> <p>\$14.6 million increase in infrastructure maintenance expenses due to revised estimate of anticipated spending (offsetting revenue increase noted above).</p> <p>\$4.9 million increase in transportation expenses to revise route design.</p> <p>\$1.8 million for projects and schools budgeted in 2014-15 that were incomplete or unspent at year-end and the budget will be carried forward to 2015-16.</p> <p>\$2.5 million increase in maintenance expenses for schools constructed under the P3 program (offsetting revenue increase noted above).</p> <p>\$0.5 million increase for enhanced community engagement requirements. The additional resources are expected to be expended on professional and technical services.</p> <p>Explain change in total certificated staff >3% (if cell S56 highlighted):</p> <p>Immaterial variance.</p> <p>Explain change in total non-certificated staff >3% (if cell S63 highlighted):</p> <p>Immaterial variance.</p> <p>Explain change in enrolment >3% (if cell S69 highlighted):</p>
<p>Attestation of Secretary-Treasurer/Treasurer:</p> <p>This information was formally received by the Board of Trustees at the meeting held on : <u>December 1, 2015</u></p>

Appendix B

Capital Budget Detail

	Capital Budget		
	Total Budget 2015-16	Estimate 2016-17	Estimate 2017-18
	(000)	(000)	(000)
Capital Lease Payments (Contracts)			
Performance Contracts	1,096	-	-
Total Capital Lease Payments (Contracts)	\$ 1,096	-	-
Non-Facility Related Projects			
Strategic	4,652	633	1,644
Enhancement	4,877	1,970	2,870
Maintenance	21,390	29,009	29,035
Total Non-Facility Related Projects	\$ 30,919	31,612	33,549
Capital Reserve Projects			
Wireless Enhancements	7,000	-	-
CTS/CTF Upgrades	5,675	-	-
New School Commissioning	25,000	-	-
Air Conditioning for P3 Modulars	191	-	-
Total Capital Reserve Projects	\$ 37,866	-	-
School Enhancements	\$ 3,292	2,000	2,000
Total Non-Facility Capital Expenditures	\$ 73,173	33,612	35,549
<hr/>			
Financed by the Following:			
Total amortization expense (non-cash)	22,880	33,612	35,549
Designated Capital Funds	11,534	-	-
Contribution from/(to) operating activities	23,741	-	-
Capital Reserves	15,018	-	-
Total Non-Facility Capital Financing	\$ 73,173	33,612	35,549

	Capital Budget		
	Total Budget 2015-16	Estimate 2016-17	Estimate 2017-18
	(000)	(000)	(000)
Strategic			
Integrated Workplace System 5yr Plan	661	633	644
Iris	329	-	-
Media Design Centre Lab	168	-	-
Software Asset Management	394	-	-
Student Information System (Carryforward)	3,100	-	1,000
Total Strategic - Non-Facility Related	\$ 4,652	633	1,644

	Capital Budget		
	Total	Estimate	Estimate
	Budget	2016-17	2017-18
	2015-16	2016-17	2017-18
	(000)	(000)	(000)
Enhancement			
Corporate Performance Management (Hyperion)	745	695	1,580
Fees Central	580	580	580
Musical Instrument Evergreening	641	695	695
D2L/SIS Integration	130	-	15
CLASS Application Replacement Initiative	295	-	-
Eyewash & Chemical Storage	170	-	-
Eyewash Stations for Elementary Schools	70	-	-
School Portal Solution	361	-	-
Spring Staffing Tool Integration	118	-	-
CTS/CTF Equipment	460	-	-
Specialized School Equipment	100	-	-
Security Cameras (Phase 3)	53	-	-
CCTV at Lord Shaughnessy	55	-	-
Irrigation at Central Memorial	25	-	-
Water Fountain Replacement	175	-	-
Bowness Robotics Lab	675	-	-
Windows 10 Upgrade	136	-	-
Online Application System for Global Learning	88	-	-
Total Strategic - Non-Facility Related	\$ 4,877	1,970	2,870

	Capital Budget		
	Total	Estimate	Estimate
	Approved	2016-17	2017-18
	Budget		
	2015-16	2016-17	2017-18
	(000)	(000)	(000)
Maintenance			
Program Moves and Expansions	1,236	1,100	1,100
Wireless Upgrades	1,366	-	-
Client Access Technology Refresh	2,195	8,245	8,200
Infrastructure Maintenance & Growth	1,560	2,427	2,306
Edge Switch Replacement	2,524	2,552	2,971
Intrusion Alarm System Replacement	600	650	650
Occupational Health & Safety Solution	282	-	-
Genie Lift	11	-	-
Storage Sheds for Gas Powered Equipment	13	-	12
School Entryway Matting System	380	240	-
MFP for Legal Services	10	-	-
Filenet Replacement	91	-	-
Welding Truck	35	-	-
Sewer Camera	11	-	-
Overhead Doors	62	-	-
Warehouse Floor	27	-	-
Rooftop Heating/Cooling Units	13	-	-
Records and Archive Centre Modernization	750	-	-
Auto Scrubbers	7	220	220
Ride-On Auto Scrubbers	-	78	60
Bumishers	-	21	30
Facility Operator Equipment	5	-	-
Ride-On Tractor	-	37	36
Vehicle Replacement (Services Vans)	36	132	34
Vehicle Replacement (Trucks)	-	-	280
Four MFPs for Finance	20	-	-
Future Projects	10,156	13,307	13,137
Total Strategic - Non-Facility Related	\$ 21,390	29,009	29,035

Appendix C

Alberta Education block coding criteria flowchart

Summary of Block Coding Review Process

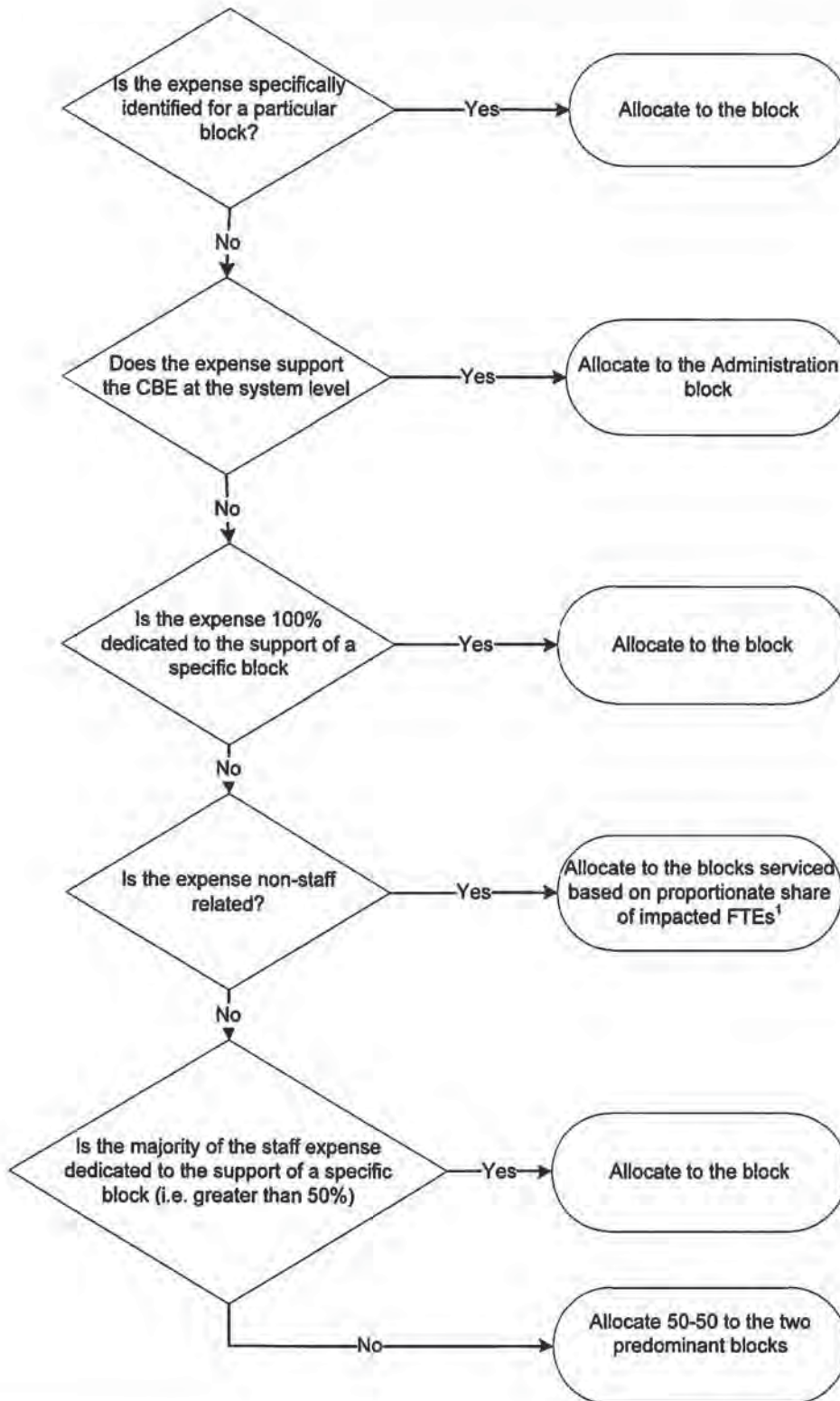
The CBE periodically reviews its expenses to ensure they are categorized in accordance with the program allocation guidelines set out by Alberta Education. The five programs are:

1. ECS – Grade 12 Instruction (Instruction)
2. Operations & Maintenance of Schools and Maintenance Shops (PO&M)
3. Transportation
4. System Administration and Board Governance (Administration)
5. External Services

For reporting to Alberta Education, the CBE uses the term 'block' to refer to the programs defined by Alberta Education.

The CBE follows the guidelines set out by Alberta Education to track budget and actual expenses. Within those guidelines, some examples of block expenses are explicitly stated and some are more general and require the application of criteria in order to allocate consistently. The CBE also consults with other metro school boards in Alberta to ensure consistent interpretation of the guidelines.

In consultation with Service Units, Corporate Finance allocated expenses to blocks based on the criteria set out below:



FTEs refer to a full-time equivalent staff position

The following are some examples of the application of the criteria:

Criteria	Example of expense allocation	Block
Is the expense specifically identified for a particular block	Teachers, principals and administrative staff working in schools	Instruction
	Cleaning and janitorial activities and supplies	PO&M
	Transport of students to and from school	Transportation
	Board of Trustees remuneration and administration, costs for the Office of the Chief Superintendent	Administration
	Providing courses and programs to adult learners	External Services
Does the expense support the CBE at the system level	Staff expenses responsible for the CBE financial planning and reporting.	Administration
Is the expense 100% dedicated to the support of a specific block	Clerical staff that administer the scheduling of cleaners and facility operators	PO&M
Is the expense non-staff related	Proportion of building lease or amortization costs that pertain to instruction activities (allocated based on Instruction FTEs working in the building)	Instruction
Is the majority of the staff expense dedicated to the support of a specific block	Human Resources staff responsible for supporting staff in both Instruction and Administration and spends approximately 50% of time on both. Expense is allocated 50 – 50.	Instruction
		Administration

Appendix D

Budget detail by Alberta Education block coding

Schools and Areas

	Instruction: grades 1-12	Instruction: early childhood services	Board and system administration	Transportation operations and maintenance	Plant operations and maintenance	External services	Total
	(in \$ thousands)						
Expenses							
Certificated salaries and benefits	715,839	29,074	-	-	-	-	744,913
Non-certificated salaries and benefits	108,885	14,649	30	1,390	37,634	10,015	172,604
Dues and fees	185	-	-	-	-	-	185
Maintenance and repairs	115	-	-	-	130	-	245
Insurance	10	-	-	-	-	-	10
Professional services	3,301	75	-	-	12	-	3,388
Utilities	12	-	-	-	-	-	12
Transportation charges	1,295	750	-	-	-	-	2,045
Travel and subsistence	49	30	-	-	-	-	79
Other supplies	64,336	67	-	-	1,444	-	65,847
Minor equipment	1,856	-	-	-	127	-	1,983
Textbooks and materials	8,135	120	-	-	-	-	8,255
Amortization expenses	9	-	-	-	-	-	9
Interest and finance charges	50	-	-	-	-	-	50
Total expenses	904,077	44,765	30	1,390	39,347	10,015	999,625
Fall Budget Update 2014-15	861,174	41,156	29	1,395	39,150	9,651	952,554
Increase / (decrease) from 2014-15	42,904	3,609	1	(4)	197	364	47,071

Corporate Accounts

	Instruction: grades 1-12	Board and system administration	Transportation	Plant operations and maintenance	External services	Total
	(in \$ thousands)					
Expenses						
Certificated salaries and benefits	5,219	-	-	-	-	5,219
Non-certificated salaries and benefits	647	(15)	11	526	38	1,207
Dues and fees	55	8	-	-	-	63
Maintenance and repairs	3,693	981	-	2,718	34	7,426
Professional services	474	962	-	104	-	1,540
Utilities	4,338	49	-	35	-	4,422
Travel and subsistence	-	5	-	-	-	5
Other supplies	5,672	(590)	-	(115)	-	4,967
Minor equipment	4	1	-	0	-	5
Amortization expenses	11,472	2,154	-	29,229	6	42,861
Interest and finance charges	138	257	202	1,036	209	1,842
Other (uncollectible accounts)	1,173	-	1,423	-	2,172	4,768
Total expenses	32,885	3,812	1,636	33,533	2,459	74,325
Fall Budget Update 2014-15	29,604	3,467	1,091	32,063	1,980	68,205
Increase / (decrease) from 2014-15	3,281	345	545	1,470	479	6,120

Learning

	Instruction: grades 1-12	Instruction: early childhood services	Board and system administration	External services	Total
	(in \$ thousands)				
Expenses					
Certificated salaries and benefits	8,952	-	272	329	9,553
Non-certificated salaries and benefits	9,640	1,886	91	547	12,164
Dues and fees	105	-	4	-	109
Maintenance and repairs	63	-	1	-	64
Insurance	12	-	-	-	12
Professional services	601	5	-	-	606
Utilities	52	-	-	-	52
Travel and subsistence	284	-	-	-	284
Other supplies	904	6	24	-	934
Minor equipment	164	-	-	-	164
Textbooks and materials	43	-	-	-	43
Amortization expenses	1,215	-	23	-	1,238
Interest and finance charges	89	-	-	-	89
Total expenses	22,124	1,897	415	876	25,312
Fall Budget Update 2014-15	21,713	1,853	701	936	25,203
Increase / (decrease) from 2014-15	411	44	(286)	(60)	109

Chinook Learning Services

	Instruction: grades 1-12	External services (in \$ thousands)	Total
Expenses			
Certificated salaries and benefits	3,948	484	4,432
Non-certificated salaries and benefits	2,428	3,834	6,262
Dues and fees	1	1	2
Rental equipment and facilities	1	40	41
Maintenance and repairs	-	4	4
Professional services	219	247	466
Utilities	31	24	55
Travel and subsistence	2	5	7
Other supplies	1,049	518	1,567
Minor equipment	175	45	220
Textbooks and materials	76	149	225
Interest and finance charges	64	11	75
Total expenses	7,994	5,362	13,356
Fall Budget Update 2014-15	8,985	6,335	15,320
Increase / (decrease) from 2014-15	(991)	(973)	(1,964)

Facilities and Environmental Services

	Instruction: grades 1-12	Board and system administration	Transportation operations and maintenance	Plant maintenance	External services	Total
	(in \$ thousands)					
Expenses						
Certificated salaries and benefits	600	-	119	181	-	900
Non-certificated salaries and benefits	1,356	376	697	23,725	908	27,063
Dues and fees	14	7	3	277	5	305
Rental equipment and facilities	5,245	2,805	-	184	1,412	9,446
Maintenance and repairs	1	27	1	30,513	23	30,563
Insurance	853	76	-	3,677	-	4,605
Professional services	2,027	1,313	40	1,693	790	5,864
Utilities	753	267	1	18,376	1	19,397
Transportation charges	-	-	43,421	-	-	43,421
Travel and subsistence	18	1	2	252	2	275
Other supplies	22	105	174	8,559	13	8,871
Minor equipment	-	1	7	35	1	44
Textbooks and materials	-	-	-	2	-	2
Amortization expenses	-	11	-	5,049	-	5,060
Total expenses	10,888	4,789	44,463	92,522	3,154	155,816
Fall Budget Update 2014-15	10,761	4,706	41,714	76,457	3,029	136,667
Increase / (decrease) from 2014-15	127	83	2,749	16,065	125	19,149

Human Resources

	Instruction: grades 1-12	Board and system administration	Plant operations and maintenance	Total
	(in \$ thousands)			
Expenses				
Certificated salaries and benefits	1,335	176	-	1,511
Non-certificated salaries and benefits	1,702	6,383	383	8,468
Dues and fees	13	108	-	121
Rental equipment and facilities	10	2	-	12
Maintenance and repairs	2	6	-	8
Professional services	889	4,230	-	5,119
Utilities	2	22	-	24
Travel and subsistence	37	75	-	112
Other supplies	35	74	-	109
Minor equipment	10	30	-	40
Textbooks and materials	3	4	-	7
Amortization expenses	-	13	-	13
Total expenses	4,038	11,123	383	15,544
Fall Budget Update 2014-15	3,922	11,226	373	15,521
Increase / (decrease) from 2014-15	116	(103)	10	23

Legal Services

	Instruction: grades 1-12	Board and system administration (in \$ thousands)	Total
Expenses			
Certificated salaries and benefits	-	157	157
Non-certificated salaries and benefits	193	1,514	1,707
Dues and fees	-	23	23
Maintenance and repairs	-	2	2
Professional services	-	19	19
Utilities	-	4	4
Travel and subsistence	-	19	19
Other supplies	-	43	43
Minor equipment	-	22	22
Textbooks and materials	-	6	6
Amortization expenses	-	14	14
Total expenses	193	1,823	2,016
Fall Budget Update 2014-15	194	1,632	1,826
Increase / (decrease) from 2014-15	(1)	191	190

Communications

	Instruction: grades 1-12	Board and system administration (in \$ thousands)	Total
Expenses			
Non-certificated salaries and benefits	774	1,685	2,459
Dues and fees	-	2	2
Maintenance and repairs	1	-	1
Professional services	510	82	592
Utilities	-	9	9
Travel and subsistence	1	4	5
Other supplies	12	5	17
Minor equipment	25	1	26
Textbooks and materials	1	0	1
Total expenses	1,324	1,788	3,112
Fall Budget Update 2014-15	827	1,846	2,673
Increase / (decrease) from 2014-15	497	(58)	439

Finance / Technology Services

	Instruction: grades 1-12	Instruction: early childhood services	Board and system administration	Transportation	Plant operations and maintenance	External services	Total
	(in \$ thousands)						
Expenses							
Certificated salaries and benefits	144	-	-	-	-	-	144
Non-certificated salaries and benefits	13,953	-	8,106	515	720	531	23,825
Dues and fees	58	-	164	-	-	-	222
Maintenance and repairs	-	-	7	-	-	-	7
Professional services	282	-	523	-	-	260	1,065
Utilities	42	-	31	-	-	-	73
Travel and subsistence	81	-	27	-	-	-	108
Other supplies	118	2	112	-	-	50	282
Minor equipment	151	-	52	-	-	-	203
Textbooks and materials	-	-	1	-	-	-	1
Amortization expenses	2,373	-	474	-	66	-	2,913
Interest and finance charges	-	-	100	-	-	-	100
Total expenses	17,202	2	9,597	515	786	841	28,943
Fall Budget Update 2014-15	15,846	2	9,337	499	843	1,115	27,642
Increase / (decrease) from 2014-15	1,356	0	260	16	(57)	(274)	1,301

Chief Superintendent's Office

	Instruction: grades 1-12	Board and system administration (in \$ thousands)	Total
Expenses			
Certificated salaries and benefits	-	637	637
Non-certificated salaries and benefits	-	283	283
Dues and fees	-	21	21
Rental equipment and facilities	22	42	64
Maintenance and repairs	-	2	2
Professional services	21	83	104
Utilities	-	2	2
Travel and subsistence	-	15	15
Other supplies	-	22	22
Minor equipment	-	4	4
Textbooks and materials	-	1	1
Amortization expenses	-	2	2
Total expenses	43	1,114	1,157
Fall Budget Update 2014-15	42	1,329	1,371
Increase / (decrease) from 2014-15	1	(215)	(214)

Board of Trustees

	Board and system administration	Total
	(in \$ thousands)	
Expenses		
Non-certificated salaries and benefits	418	418
Dues and fees	252	252
Professional services	572	572
Utilities	1	1
Travel and subsistence	33	33
Other supplies	9	9
Textbooks and materials	1	1
Total expenses	1,286	1,286
Fall Budget Update 2014-15	1,509	1,509
Increase / (decrease) from 2014-15	(223)	(223)

Appendix E

Fees report for Budget 2015 - 2018

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notes

School Fees for 2015-16

Date: April 30, 2015

Issue & Background:

The CBE charges fees for system wide services, namely Transportation, Instructional Supplies & Materials (ISM), and Noon Supervision. Other fees are charged for specific programs and services like courses at Chinook Learning Services, or the education of international students.

Fees are a small portion of overall revenue for the CBE (approx. 4%), however, a loss of fees would have significant consequences to the operations of the system as 4% represents an estimated \$52.5 million for Budget 2015-16.

The charging of fees is governed by the *School Act* and its regulations (specific references are provided with each fee type) and by the CBE's Administrative Regulation 7005: Student Fees. Further, the calculation of CBE fees is informed by the Report to the Minister dated October 2012 submitted by Keates and van Tamelen (known as "the Ministerial Report on Fees").

The charging of fees is guided by the CBE's values:

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

These values result in the CBE directing the maximum amount of dollars towards student learning during its budget process. Also, the CBE ensures that no child is denied access to an education due to the inability to pay fees.

Since the 2012-13 budget year, CBE administration has been delegated responsibility for establishing the various fee rates by the Board of Trustees. The Board's approval of fees is done through the approval of the annual budget.

Information included in this Note supports Operational Expectation 5: Financial Planning.

Historical levels for the system wide fees have been:

	2014-15	2013-14	2012-13	2011-12	2010-11
	(in \$)				
Noon Supervision Fees					
Non bused students	250 - 280	200 - 220	185 - 230	240 - 295	230 - 280
Bused students	-	135 - 145	65 - 80	-	-
Transportation Fees – Charter Buses					
Kindergarten	330	215	215	215	200
Elementary	330	295	295	295	200
Junior High	330	295	295	335	200
ISM					
Kindergarten	15	15	15	15	15
Elementary	30	30	30	30	30
Junior High	137	105	105	105	105
Senior High	152	132	132	132	132

Fees are an area which attracts a great deal of public interest and scrutiny. The ramifications of the high level of public concern on fees are:

- the increased need for communication around why fees are charged and the amounts,
- the increased need for transparency on how they are calculated,
- the pressure on decision makers to keep fees low, and
- the necessity for a waiver program that is equitable and well communicated and understood.

Analysis:

Fees Calculation & Reporting

The three fees that the CBE centrally manages and reports on are noon supervision; transportation; and ISM. The setting of these fees takes into consideration the full costs associated with the program or service including the costs of unpaid fees and waivers and the number of students projected to participate in the programs or services. The setting of the fees also takes into account the intangible costs to the parent population.

Waivers

The CBE provides parents and independent students with a mechanism to waive the centrally managed fees. The availability of waivers meets the CBE value that no child be denied access to an education due to the inability to pay fees.

Fees can be waived for two reasons. The first reason is for a low family income and this must be demonstrated in one of four ways:

- parents receive provincial social assistance;
- parents are refugees;



- parents are low income; or,
- student is independent.

The second reason a parent or independent student can receive a waiver is hardship. Hardship is assessed and acknowledged by the respective principal. Forms are available for parents/independent students to apply for waivers. If they are not able to demonstrate their eligibility for a waiver, fee clerks suggest that the parent/independent student approach their principal for a principal approved waiver.

Unpaid Fees & Collections

For the unpaid amounts for Transportation, Noon Supervision, and ISM fees, schools will be centrally supported and their individual budgets will not be directly impacted.

The accounts of parents who owe Transportation, Noon Supervision or ISM fees and any charges related to payments resulting in non-sufficient funds (NSF) are sent to collections. The minimum amount that needs to be outstanding before an account is sent to collection varies by fee. For ISM it is \$15, for Noon Supervision and Transportation it is \$25.

An external collection agency is contracted by the CBE to perform the collection duties. The agency is compensated at a rate of 23% of the amount that is recovered on the account. If an account has already been sent to collections and account holder pays the CBE, the collection agency still receives a fee for the amount collected. Collection rates for 2013-14 were approximately 32% (30% in 2012-13) of the total value of the accounts sent to collection. This is in the range of \$0.5 million collected (\$0.3 million in 2012-13).

Noon Supervision Fees

- Noon Supervision fees are charged to cover the costs related to the supervision of children in full day Kindergarten and Grades 1 to 6. The costs are incurred primarily in the schools and relate to lunchroom supervisors and lead lunchroom supervisors levels A to B depending on principal's decisions. 25% of the costs associated with these staff members is not supported by the fee and is covered by the school.
- should the CBE decide to increase the recovery of staff costs to reflect the full 2 hours (current recovery is 1 ½ hours), fees would increase over the proposed rate by \$80 (4 day - \$335, 4/5 day - \$355, 5 day - \$365).
- included in the fee are centralized costs (absence relief in schools and registration and fee collection costs, noon supervision co-ordination costs).

Noon Supervision Fee	4 day			4/5 day			5 day		
	2015-16	2014-15	% var	2015-16	2014-15	% var	2015-16	2014-15	% var
	\$255	\$250	2.0	\$275	\$270	1.9	\$285	\$280	1.8



Transportation Fees

SUBSEQUENT EVENT NOTE: Information on Transportation Fees in this document has been superseded by Report to Board of Trustees: Student Travel Distance for Yellow School Bus Riders dated September 15, 2015.

- rapid enrolment growth and a lack of schools close to where students live means that more students are being transported. Further, the formula used by the province to fund the CBE for transportation of its students does not adequately address the needs of the system. These factors combine to increase the level of fees.
- transportation service levels are changing. The CBE will be moving towards many more congregated stops to minimize the number of buses and routes, discontinuation of Calgary Transit pass rebates, amongst other modifications to service.
- at the date of this report it is assumed that the total \$2.3 million Transportation Fee Reserve (the reserve) will be used in 2014-15. There is \$nil remaining balance in the reserve to moderate fees in 2015-16.
- As more information on current costs is known each \$0.1 million change in the use of the reserve will change the fee by approx. \$5.

Charter rates	2015-16	2014-15	% var
Grades 1 – 9	\$330	\$330	0
Kindergarten	\$330	\$330	0

Instructional Supplies and Materials Fees

- Due to variations in actual costs in instructional supplies and materials purchased as a result of curriculum changes and the timing of principals' purchasing and budgeting decisions, the costs for ISM in schools was averaged over the available 5 years of data.

ISM fees	2015-16	2014-15	% var
Kindergarten	\$15	\$15	0
Elementary	\$30	\$30	0
Junior High	\$137	\$137	0
Senior High	\$152	\$152	0



Impacts:

To the CBE

Charging full costs to the users of services allows the CBE to focus the dollars received through Provincial grants on student learning.

The costs of collecting of fees and the administration of fee waivers are incurred throughout the system, at schools and within the service units. To mitigate these costs, resources have been committed to develop and maintain systems that allow parents to pay and/or waive their fees online.

The use by parents of these online systems significantly reduces the administrative costs for the system and contributes to a CBE key expense assumption of making school based management "easier".

The movement away from paper based processes for fees and towards encouraging parents to use online systems promotes efficient and effective management of the CBE's resources.

To enable parents to use online fee payment and waiver systems the accuracy of the demographic information relating to legal guardian status and email becomes increasingly important.

To the Parents

The setting of fees, in essence, has parents support those who require waivers and those who do not pay. The CBE actively collects on the accounts that are not paid.

The majority of parents pay the fees for their students. In 2013-14, \$21.3 million of the total \$24.5 million, or 87%, of fees that could have been assessed were paid.

In the same year, the average number of families that received waivers or did not pay fees was as follows:

	Total students	Waivers		Unpaid Fees	
		number	% of total	number	% of total
Noon Supervision	44,500	4,430	10.0	3,100	7.0
Transportation	25,800	*2,520	9.8	1,400	5.4



ISM	106,800	8,885	8.3	2760	2.6
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*includes only charter waivers

Due to separate systems being used to capture and report each of these fees, the same parent may be included in the numbers for each type of fee.

Recommendation:

- THAT the Superintendents' Team approve the 2015-16 Fee Schedule in Attachment I.
- THAT the Superintendents' Team approve this report for release to the Board of Trustees in conjunction with the 2015-16 Budget, and that this report be posted on CBE's website.

Attachments:

- Attachment I: 2015-16 Fee Schedule
- Attachment II: Calculation of Central Fees



Attachment I Calgary Board of Education 2015- 16 Fee Information

The following is a list of fees for the 2015-16 school year for the Calgary Board of Education, with comparative information presented for the 2014-15 school year.

In accordance with Section 60(2) (j) of the School Act, a school board may charge a parent of a student or an independent student, fees with respect to instructional supplies or materials. The table reflects the annual instructional supplies and materials fees to be charged by Calgary Board of Education schools, pursuant to this section of the Act.

1. Instructional Supplies and Materials Fee (mandatory per-student fee)

Instructional Supplies and Materials Fees	2015-16	2014-15
Kindergarten (Half day)	\$15	\$15
Kindergarten (Full day program when offered)	\$30	\$30
Elementary (Grades 1 to 6)	\$30	\$30
Junior High (Grades 7 to 9)	\$137	\$137
Senior High (Grades 10 to 12)	\$152	\$152
Refundable Security Deposit	2015-16	2014-15
Junior High (Grades 7 to 9)	\$50	\$50
Senior High (Grades 10 to 12)	\$50	\$50

In accordance with Section 51(3) of the School Act, a school board may charge a fee (as determined by the Provincial Student Transportation Regulation) to the parents of students receiving student transportation services.

2. Transportation Fees

Calgary Transit	2015-16	2014-15
Eligible Transit – <i>rebate discontinued</i>		
Grades 7 to 9 as designated and all Grades 10 - 12 (net of rebate of \$19 monthly)*	\$60 monthly	*\$41 monthly
Ineligible Transit	\$60 monthly	\$60 monthly
Charter Transportation		
Kindergarten Charter Transportation	\$330	\$330
Grades 1 to 12 Charter Transportation	\$330	\$330



The *School Act*, Section 62(1)(a), provides that "a board is authorized to enter into an agreement with a person respecting the provision of educational, managerial or other services with respect to the operation of schools." A noon supervision fee was introduced for bused students in 2012-13 on a graduated basis. In 2014-15, the fees charged to all parents of students who use noon supervision services will be the same.

3. Elementary Noon Supervision Fee

Conditional riders and kindergarten (full-day) and grades 1 to 6	2015-16	2014-15
4 day program	\$255	\$250
4/5 day program	\$275	\$270
5 day program	\$285	\$280

This fee was established in order to assist schools in meeting incidental needs of students at lunch time. The amounts indicate the allowed maximums.

4. Incidental Activity Fees for Students at Lunchtime

This fee was established in order to assist schools in meeting incidental needs of students at lunch time. The amount of the fee is set annually by schools and fees shall not exceed the following maximums.

Incidental Activity Fees	2015-16	2014-15
Elementary (grades 1 to 6)	\$10	\$10
Junior High (grades 7 to 9)	\$30	\$30

5. Musical Instrument Registration Fees

All Programs	2015-16	2014-15
Annual	\$100	\$100

6. Non-Resident Student Fees

(i) Non-Resident (of Alberta) Fees (Entitled under Section 8 of the School Act)

In accordance with Section 49(2) (a) of the *School Act*, a School Board may charge Tuition Fees to students who attend its schools and who are not residents of Alberta. Section 49(3) (a) states that a tuition fee charged by a school board to students' resident of Canada and entitled under Section 8 to have access to an education program must not exceed the cost to the school board.

Non-resident (of Alberta) fees reflect actual school year costs. The following basic fees represent the projected average cost per student of the programs offered:

Non-Resident Student Fees	2015-16	2014-15
Kindergarten	\$4,620	\$4,620
Elementary	\$9,235	\$9,235
Junior High	\$7,800	\$7,800
Senior High School - Other Programs	\$8,135	\$8,135
Students with Exceptional Needs Add:		
Mild or Moderate Disabilities	\$4,275	\$4,275
Severe Disabilities	\$15,360	\$15,360



Calgary Board
of Education

English Language Learner Basic Support	\$1,160	\$1,160
Specialized Individual Student Costs (if provided) Add:		
Education Assistant (1.0 FTE – 10 month)	\$60,436	\$60,436
Transportation	Actual Cost	Actual Cost
Institutions	Actual Cost	Actual Cost

Fees related to students with special needs, or for a requested specialized individual educational program or for a part-time program, are determined on request on an individual basis. No non-resident (of Alberta) students have attended CBE schools since the 2003-04 school year.

In accordance with Section 49(3) (b) of the School Act, a tuition fee charged by a school board to a student not resident of Canada, and not entitled under Section 8 to have access to an education program, may exceed the cost to the board. Global Learning was established by the Calgary Board of Education in 2002 to pursue opportunities to bring international students to Calgary. Fees are set based on market conditions for international students coming to Calgary.

(ii) Non-Resident (of Canada) Fees
(Not entitled under Section 8 of the School Act)

The following annual mandatory fees per non-resident (of Canada) students for 2015-16 (inclusive of English language support, as required) are recommended:

	2015-16	2014-15
Non-refundable application fee	\$250	\$250
*Grade 1 – Grade 12 (full year and full day Kindergarten where offered)	\$11,500	\$11,000
*Kindergarten (full year, half day)	\$5,750	\$5,500
*Senior High – Grades 10-12 (one semester only)	\$5,750	\$5,700
Monthly Fee (grades 1 to 12) (no credit granted on auditing of course(s))	\$1,200	\$1,200
Refund processing service charge	\$250	\$250

*Fees set in accordance with market factors in reference to competing programs in the world and within Canada. Further, fees aligned with Edmonton Public jurisdiction due to similarity in programming. The increased fee level has been published with agents for the past year.

Fees related to a student with special needs, or for a requested specialized individual educational program, are determined on request on an individual basis. Costs for required learning resources and, including shipping costs, if applicable, are determined on an individual basis.

7. Chinook Learning Services – Under 20 Years of Age Academic Fees

Students who are under 20 years of age (as at September 1, 2015) and enrolled in Chinook Learning Services will be required to pay the following fees per course:

	2015-16	2014-15
Course Fees for Students Under 20 Years of Age		
A non-refundable Instructional Supplies and Materials Fee per course	\$65	\$65
Learning Resources Rental Fee, including a refundable learning resource Security Deposit of \$60 (2014-15 \$60)	\$85	\$85

Chinook Learning fees are based on a cost recovery model.

8. Chinook Learning Services – Over 20 Years of Age Adult Academic Fees

Students who are 20 years of age or older (as at September 1, 2015), and enrolled with Chinook Learning Services will be required to pay course fees and learning resources rental fees as approved, for academic courses, as follows:

	2015-16	2014-15
Course Fees for Students Over 20 Years of Age		
A non-refundable Instructional Supplies and Materials Fee per course	\$65	\$65
Learning Resources Rental Fee, including a refundable learning resource Security Deposit of \$60 (2014-15 \$60)	\$85	\$85
8 credit Classroom Learning daytime courses	\$545	\$545
4 or 5 credit Classroom Learning daytime courses	\$545	\$545
4 or 5 credit Self-Directed Learning and Classroom Learning evening courses	\$480	\$480
3 credit Classroom Learning daytime courses	\$355	\$355
3 credit Self-Directed Learning and Classroom Learning evening courses	\$295	\$295
1 credit Self-Directed Learning and Classroom Learning evening courses	\$140	\$140
Course Fees for Diploma Exam Preparation		
Power Week - 15 hours of instruction	\$165	\$165
Power Weekend – 15 hours of instruction	\$165	\$165
*Course Fees for International Students		
8 – Credit Courses	\$1,840	\$1,765
5 – Credit Courses	\$1,150	\$1,110
3 – Credit Courses	\$690	\$655

*Increase in fees for 2015-16 resulting from increased costs for added Federal reporting requirements.

9. CBe-learn Fees

These fees apply to students who are 19 years of age or younger (as at September 1, 2015), who are only taking CBe-learn courses, and who are not registered at any other Calgary Board of Education school or program of studies. These students enrolled in CBe-learn will be required to pay the following fees per course:

	2015-16	2014-15
CBe-learn Registration Fees		
Junior High Fees		
CBe-learn students (not attending another CBE school)		
A non-refundable Instructional Supplies and Materials Fee per school year		
Maximum	\$137	\$137
First course	\$86	\$86
Two courses	\$129	\$129
Full-time access	\$137	\$137
Senior High Fees		
Students under 20 (not attending another CBE school)		
A non-refundable Instructional Supplies and Materials Fee per course		
Maximum	\$195	\$195
First course	\$65	\$65
Two courses	\$130	\$130
Three courses	\$195	\$195
Students under 20 (attending any other non-CBE school)		
A non-refundable Instructional Supplies and Materials Fee per credit		
One credit course	\$30	\$30
Three credit course	\$90	\$90
Five credit course	\$150	\$150
Learning Resources Rental Fee, including a refundable learning resource Security Deposit of \$50 (2014-15 \$50)	\$85	\$85

10. CBe-learn Age 20 and over Course Fees and non-resident fees

Students who are 20 years of age or older (as at September 1, 2015) or non-resident and enrolled with CBe-learn will be required to pay fees, as follows:

	2015-16	2014-15
Students over 20		
5 – Credit Courses	\$480	\$480
3 – Credit Courses	\$295	\$295
Learning Resources Rental Fee including a refundable learning resources Security Deposit of \$50 (2014-15 - \$50)	\$85	\$85
Out of province (non-resident of Alberta)		



Per course	\$870	\$870
*International student (non-resident of Canada)		
5 – Credit Courses	\$1,150	\$1,110
3 – Credit Courses	\$690	\$655
*Increase in fees for 2015-16 in alignment with Chinook Learning Services.		

11. Student Parking Fee (annual)

High schools are permitted to charge students a parking fee for those students wishing access to on-site parking at schools.

	2015-16	2014-15
Maximum annual fee	\$40	\$40

Attachment II Calculation of 2015-16 Transportation Fees

	(in \$ thousands)
Government grants	33,622
Reserve funding	-
Available funding	33,622
Salaries and Benefits	
Busing Aides	1,392
Central Administration	1,276
Contracts and Services	
Transportation Services	38,574
Waivers	896
Bad Debt	448
	42,586
Funding Gap	(8,964)
Full recovery fees	8,964
Net surplus / (deficit)	-
Total registered students	27,164
Fees	\$ 330

Calculation of 2015-16 Noon Supervision Fees

	(in \$ thousands)
Government grants	-
Reserve funding	-
Available funding	-
Salaries and Benefits	
Central Administration	-
Noon Supervision	10,728
Contracts and Services	
Other Supplies and Services	
Waivers	1,153
Bad Debt	1,019
	12,900
Funding Gap	(12,900)
Full recovery fees	12,900
Net surplus / (deficit)	-
Total registered students	48,466
Fees	
4 day	\$ 255
4/5 day	\$ 275
5 day	\$ 285

Calculation of 2015-16 Instructional Supplies & Materials Fees

	(in \$ thousands)
Government grants	-
Reserve funding	-
Available funding	-
Salaries and Benefits	
Central Administration	-
Contracts and Services	
Other Supplies and Services	7,827
Waivers	899
Bad Debt	261
	<u>8,986</u>
Funding Gap	(8,986)
Full recovery fees	<u>8,986</u>
Net surplus / (deficit)	<u>-</u>
Number of students	112,393
Fees	
ECS	\$ 15
Elementary	\$ 30
Junior High	\$ 137
Senior High	\$ 152

Appendix F

Transportation statistics and quick facts

November 1, 2015

Prepared in
collaboration with
Transportation and
Finance

	2013-14 Actual	2014-15 Actual	2015-16 Budget*	Change over 3 years %
Sept 30 enrolment	110,763	114,500	116,985	5.6% incl.
Collective Agreement Increase %	2.5%	2.6%	0%	5.1% incl.
Service Provider Cost Increase %	3.0%	1.7%	3.0%	7.7% incl.
Alberta Education Funding	\$32,550,000	\$34,117,000	\$34,877,000	6.8% incl.
Transportation Grant Rate As per AE Funding Manual	\$549/regular \$3,374/severe	\$549/regular \$3,374/severe	\$549/regular \$3,374/severe	Flat
CBE Fee Rate	KG \$215 Other \$295	\$330	\$300	9% reduction from 2014-15 to 2015-16

*Enrolment was 116,985 based on September 30 enrolment count. Budget submitted to Alberta Education on June 30th, 2015.

As of November 1, 2015:

Number of Yellow School Buses: 851

Number of yellow school bus registrations received and processed: 25,124

Number of Routes: 1,095

Regular bus routes: 641 routes

CLN routes: 274 routes

Mid-day kindergarten routes: 180 routes

NOTE: No funding received for
mid-day Kindergarten

City Transit dedicated to CBE: 68 routes (98 buses)

Number of Conditional Riders: 483

Applications received: 583

Applications approved: 483

Applications declined: 100

Ride Times: average ride time minutes per route 34

Longest ride time: 84 minutes

Shortest ride time: 5 minutes

The average cost of one bus for one school year	\$55,000
--	-----------------

- Provincial funding rate for student based on funding manual \$549
- Number of students needed to fund one bus based on rate per student (\$55,000 / \$549) 100
- Yellow bud capacity used when planning routes:
 - Elementary school students Grades K-6 = 60
 - Middle school students Grades 4-9 = 55
 - Junior high school students Grades 7-9 = 48

Note: Funding received per rider does not cover the cost of the yellow bus.

***2015-16 Budget**

(thousands)

2015-16 Provincial Government Funding **\$34,877**

Reserve funding \$ 122

Bus Company Costs – publically tendered **\$(43,849)**
(wages, fuel, insurance, cost of bus, LPN's, taxi's, etc.)

Busing Aids **\$(1,390)**
(salaries and benefits under collective agreement)

Program delivery **\$(1,343)**
(salaries and benefits, info. Systems, interac fees, etc.)

Waiver of Fees (yellow school bus) for economically disadvantaged **\$(921)**

Uncollectible accounts **\$(502)**

Total Transportation Costs **\$(48,005)**

Funding gap covered by fees **\$8,370**

Deficit recovered from Instructional grants **\$(4,636)**

Note: Provincial funding does not cover the bus company costs. Bus company costs have increased by 7.7%, net of enrolment growth, over three years, while provincial funding has only increased by 6.8 % inclusive of enrolment growth. Accordingly, there is a growing gap between the cost of services provided and funding received.

Appendix G

Noon Supervision services summary

1 | CBE Noon Supervision

CBE Noon Supervision goes far beyond just providing childcare during lunch by;

- providing a safe, secure, and caring environment for students
- utilizing three of the principles of Comprehensive School Health: positive social behaviours, active living and healthy eating as a foundation that connects the program back to curriculum which builds on and supports student learning
- setting the stage for a successful afternoon of learning by supporting students with a time to build on social and emotional skills which are vital to their wellbeing
- providing a setting that fosters inclusion which increases acceptance, builds confidence and promotes positive social behaviour
- providing supervised time for students to explore unstructured active living activities with some guidance to support the building of leadership, teamwork and mentorship skills

CBE Noon Services Facilitator provides support services to school administration and noon supervision staff through:

- promoting best practices
- providing information on relative food program supports, active living, positive social behaviours and safety
- sourcing and delivering training to and for noon supervision staff
- connecting CBE service units and schools to foster consistent system supports and standards
- supporting the implementation of guidelines in the Noon Supervision Handbook
- initiating and responding to requests for site visits to connect with Administration and the Noon Supervision staff to;
 - review lunch programs, share best practices, and identify specific needs
 - capture information to identify staff training needs
 - provide support and be a resource
 - network and share success stories
- supporting schools in developing solutions to challenges
- publishing newsletters that are distributed to administrators and noon supervision staff
- developing tip sheets for supervisors that are based on the noon supervision handbook to be utilized as training aides for consistent practices and procedures for the noon supervision programs

- successful supervisors
- student expectations
- playground supervision
- code of ethics
- safe food handling

- encouraging students to become environmental citizens
- creating a climate of collaboration
- FOIP – best practices

2 | Standardization of staff training

The following skill building sessions were offered during 2014/2015:

Session	Cost
<ul style="list-style-type: none"> Two focus groups of Lead Lunchroom Supervisors and Noon Supervisors 	<ul style="list-style-type: none"> In house – \$60.00 beverages <ul style="list-style-type: none"> (39 participants)
<ul style="list-style-type: none"> AHS Creating a Supportive Environment for Students during the Lunch Hour 	<ul style="list-style-type: none"> In house – \$30.00 beverages <ul style="list-style-type: none"> (19 participants)
<ul style="list-style-type: none"> Four introductory Noon Supervision courses by Chinook Learning 	<ul style="list-style-type: none"> 64 X \$129.00 = \$8256.00
<ul style="list-style-type: none"> Two sessions: Building Healthy Relationships 	<ul style="list-style-type: none"> Staff Association Convention – no cost

3 | Parent/Guardian communications

- The new CBE corporate website Noon Supervision page provides parents/guardians with an overview of the services provided with this fee-based program. User friendly supports are available to help facilitate questions or concerns, including contact information for staff regarding general inquiries, or fees information. Links are also available to connect parents/guardians to:
 - Information on program governance,
 - Supports on the importance of Healthy Eating,
 - Resources on Healthy Relationships through positive social environments.

Appendix H

Budget Assumptions Report (BAR)

cbe.ab.ca

report to
Board of Trustees

Budget Assumptions Report

Date	June 16, 2015
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	David Stevenson, Chief Superintendent of Schools
Purpose	Information
Originator	Brad Grundy, Superintendent, Chief Financial Officer, Corporate Treasurer
Governance Policy Reference	Operational Expectations OE-5: Financial Planning
Resource Persons	Superintendents' Team Finance & Supply Chain Services staff Communications staff

1 | Recommendation

This report is being provided for the information of the Board. No decision is required at this time.

2 | Issue

Operational Expectation 5: Financial Planning, sub-provision 5.4 requires the Chief Superintendent to disclose budget-planning assumptions. The Chief Superintendent interprets this sub-provision as follows:

- The Chief Superintendent interprets the budget-planning assumptions to include:
 1. financial, economic and other relevant factors where uncertainty exists;
and
 2. resource allocation strategies.



Calgary Board
of Education

Page 1 | 3

- The Chief Superintendent interprets that the disclosure of budget planning assumptions shall be a separate document, containing both a description of the assumptions and the intended budget impact. Presentation of this document to the Board of Trustees will take place in advance of the presentation of the resulting budget.
- To demonstrate that the ultimate budget document reflects the planned assumptions, the statistics and impacts from the Budget Assumptions Report will be re-calculated using the final budget figures and included with the Budget Document presented to the Board.
- Disclosure of assumptions shall be based on materiality of impact. For the purposes of disclosure, the Chief Superintendent interprets material impact to be either:
 - any assumption having an impact greater than one per cent of the budget; and
 - any assumption that is pivotal to the delivery of the Three-Year Education Plan.
- Due to the uncertainty in enrolment growth, resource allocation strategies are only developed annually.

3 | Conclusion

The attached report on budget assumptions accomplishes the above-noted provision and interpretation and is submitted for consideration by the Board of Trustees.

DAVID STEVENSON
CHIEF SUPERINTENDENT OF SCHOOLS

ATTACHMENTS

Attachment I: Budget Assumptions Report 2015-16

GLOSSARY – Developed by the Board of Trustees

Board: Board of Trustees

Governance/Culture: The Board defined its own work and how it will be carried out. These policies clearly state the expectations the Board has for individual and collective behaviour.

Board/Chief Superintendent Relationship: The Board defined in policy how authority is delegated to its only point of connection – the Chief Superintendent – and how the Chief Superintendent's performance will be evaluated.



Calgary Board
of Education

Page 2 | 3

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June 16, 2015



Calgary Board
of Education

note |
This Budget Assumptions Report replaces the
previous report dated April 14, 2015.

Table of Contents

Introduction.....	1
Mission.....	1
Values.....	1
Guiding documents.....	2
Current and future context.....	3
Funding per student.....	4
Background.....	5
General assumptions.....	8
Revenue assumptions.....	10
Expense assumptions.....	12
Capital & student accommodation.....	15
Impacts on student learning.....	16
Opportunities and risks.....	17
Conclusion.....	18
Glossary of terms.....	19

Superintendent |

Brad Grundy, CA CIA

Superintendent, Chief Financial Officer, Corporate Treasurer

Contributors |

Superintendents' Team

Finance / Technology Services staff

Communications staff

Introduction

Mission

The Board of Trustees sets as its Mission that “each student, in keeping with his or her individual abilities and gifts, will complete high school with a foundation of learning necessary to thrive in life, work and continued learning.” We therefore know that we must consider each individual student and his or her learning requirements while balancing all student needs against the resources available across the organization.

Values

Administration’s approach to the operating budget is guided by our values:

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

Therefore, we will work to optimize student learning while recognizing the reality of our fiscal constraints.

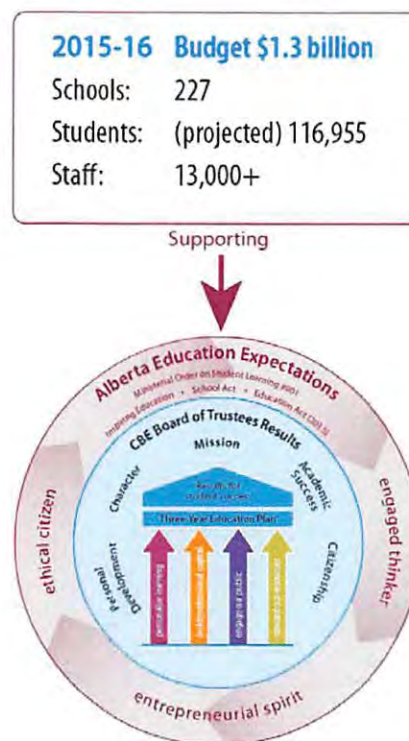
We do our work within the framework of Alberta Education’s Inspiring Education which sets out the following values for public education: opportunity, fairness, citizenship, choice, diversity and excellence. Balancing those values with the resources at hand takes careful consideration.

We are also guided by CBE’s Three-Year Education Plan, which focuses attention on personalized learning, building our professional capital, engaging our public and stewarding our resources. Taken together, these action areas allow us to maximize student learning and achievement.

In building the 2015-16 budget we know that public education is a shared responsibility. With our students, families, employees, communities and Alberta Education in mind, we make budgetary decisions knowing we need to work together to build positive learning and working environments. By sharing a common goal of student success, each one of us contributes to make it happen within our available financial resources.

Guiding documents

- *Inspiring Education* – Developing the qualities and abilities of ethical citizen, engaged thinker and entrepreneurial spirit
- *CBE Three-year Education Plan* – Personalize learning, build professional capital, engage our public, steward our resources
- *CBE Results* – Our Mission, academic success, citizenship, personal development, character
- *2015-16 School Funding* – the Alberta Government's updates regarding education funding for the 2015-16 school year



Current and future context

The CBE is grateful for the provincial funding update on May 28, 2015 that restored education funding for the 2015-16 school year. The financial resources that accompany the provincial funding update will allow the CBE to maintain student to teacher ratios system-wide, accommodate enrolment growth and maintain services and supports to students, teachers, and schools that is relatively consistent with 2014-15 levels.

Generally, provincial funding announcements are made in late February or early March of each year. In turn, school boards submit budgets by the end of May. This year, due to a number of unique circumstances, the provincial funding announcement was not made until late May. To meet the legislated requirement to submit a budget by June 30, the CBE will submit a budget based on information provided by the Province on May 28. A full provincial budget will be tabled in the fall which may include additional changes for school boards. As a result, the CBE will develop an updated, detailed budget package for presentation to the Board once the provincial budget has passed and Sept. 30, 2015 enrolments are confirmed.

This Budget Assumptions Report (BAR) replaces the previous BAR dated April 14, 2015.

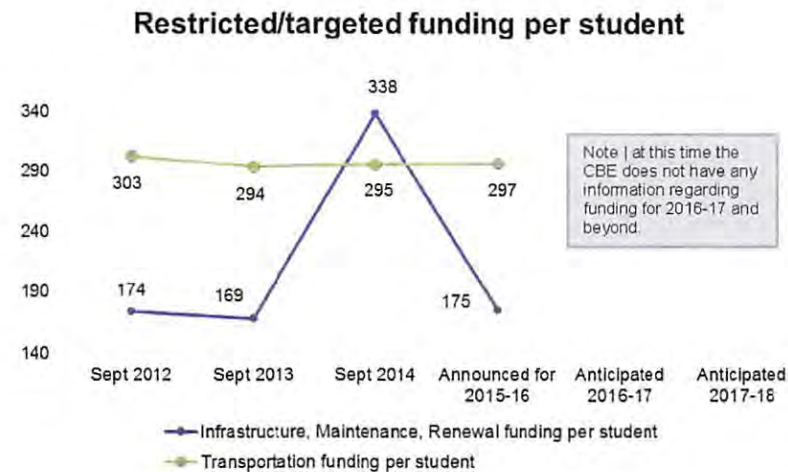
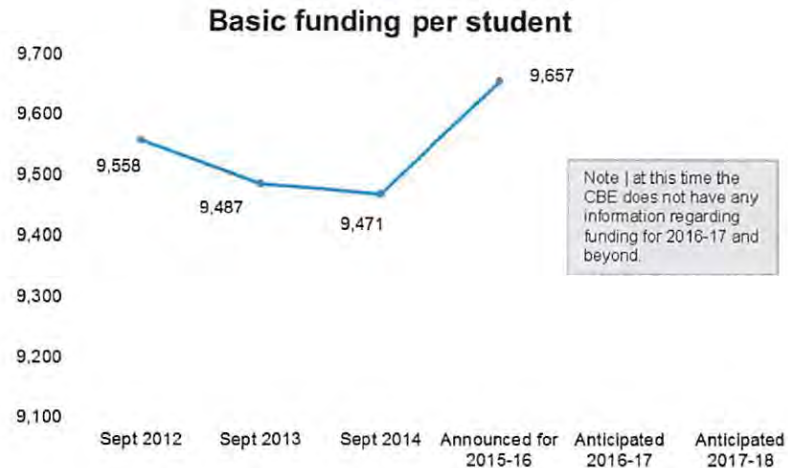
The CBE operates to fulfill the accountabilities of the School Act. We anticipate receiving \$1.185 billion of annual operating provincial funding, which represents 92 per cent of total CBE revenues. This is an increase of \$48 million from \$1.137 billion in 2014-15.

In addition, we expect to receive \$402 million (confirmed to date) in infrastructure project funding. We have received \$117 million and expect the remaining \$285 million over the next three years.

The provincial budget update contains provisions to fund the final year of the Teachers' Framework Agreement, funding for enrolment growth and maintaining the level of grant rates from 2014-15.

The CBE does not have any information regarding anticipated budget announcements for 2016-17 or 2017-18. Actual figures will vary based on future funding announcements and direction. The CBE appreciates that Alberta is still facing a challenging economic environment.

Funding per student



For the first time since 2012, the CBE will see basic funding per student increase. This year it is increasing by two per cent, or \$186 per student. The government is funding the CBE for enrolment growth and providing rate increases to basic instruction and class size in order to cover the wage increases negotiated in the Teacher Framework Agreement.

The CBE expects 2,455 more students – an increase of more than two per cent in 2015-16. At the same time, inflation, salary grid movement, and other operating expenses will combine to increase the costs of delivering a basic education to our students.

We allocated an additional \$31.2 million directly to schools via the Resource Allocation Method (RAM). The funds directed to schools will maintain current student to school-based staff ratios, subject to individual principal staffing deployment decisions. The number of school-based teachers will increase by approximately 114 full time equivalent positions (FTEs) and support staff in schools will increase by approximately 79 FTEs. Non-school based permanent FTEs will increase by approximately 8 FTEs due to the conversion of temporary staffing dollars.

The increase in provincial funding allows the CBE to maintain service levels in 2015-16 without reliance on reserves for regular operational expenses. Sixteen new schools are scheduled to open in the fall of 2016 and approximately \$19 million will be needed in 2015-16 to prepare these schools for opening in the next year. The CBE will continue discussions with the Province to identify a funding source for these costs as they are currently unfunded.

There continues to be uncertainty around long-term funding to education due to economic challenges in Alberta. This could result in difficulties in presenting balanced budgets in future years.

Background

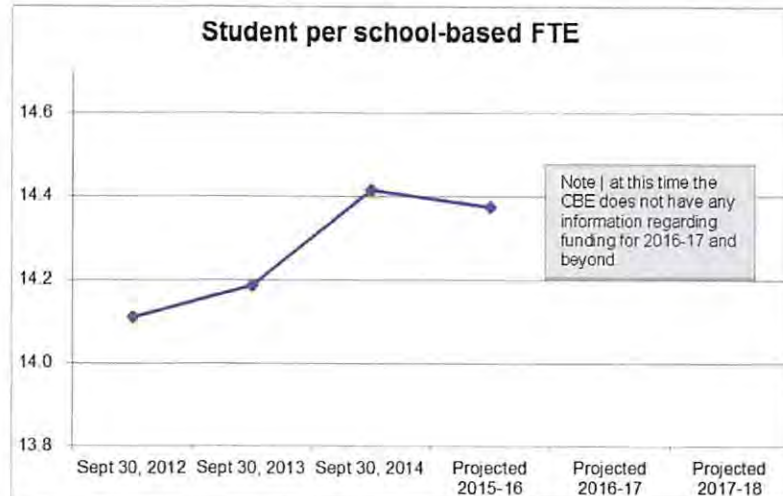
Guided by our Values and our Mission and Results focus, we have always looked to maximize the dollars directed towards our top priority: student success.

Alberta Education provides 92 per cent of CBE funding. Fees, sales and services, and other small revenue sources account for the remaining eight per cent. Overall, funding from Alberta Education is expected to increase by about \$48 million, or 4.2 per cent, year over year.

The provincial funding announcement provides additional funding to cover the provincially negotiated increases in teacher compensation costs, including wage increases and a one-time, one per cent lump sum payment. Other than a two per cent increase for class size funding, all other funding grant rates were held steady at 2014-15 rates.

In total, 85 per cent of provincial funding is spent on staffing costs - 90 per cent of staff positions work directly in schools, including custodial staff.

The chart below shows the average number of students per school-based FTE (not including custodial staff).



The CBE's programs and services are delivered under collective agreements with four unions: the Alberta Teachers' Association, Staff Association, Skilled Trades Unions and Canadian Union of Public Employees. In 2014-15, 75 per cent, or \$920 million of total revenue is spent on costs directly in schools. Of that, approximately 96 per cent (\$880 million) is spent exclusively on staffing in schools for positions such as teachers, school support staff and custodians.

We await future provincial direction with respect to settlements and no incremental funding has been included in the proposed budget for wage settlements.

The CBE also has about 205 positions in 2014-15 that are non-unionized. This group makes up 2.2 per cent of total staff positions. Other than superintendents (7) and directors (23 positions), 85 per cent of the exempt group (175 positions) are not in senior leadership positions. This group of employees includes, but is not limited to, people who pay the bills and issue paycheques, answer questions for the public, help with the payment of fees, provide technology support, design and build schools and information systems, and people who ensure our buildings are safe.

In addition the CBE has entered into a number of long-term service agreements to support the delivery of programs and services. These agreements are in the area of software systems relating to student information, payroll, accounting, utilities, student transportation and leased facilities. Long-term agreements support cost certainty and increased cost effectiveness. The CBE's ability to change those

costs is restricted. This comprises about \$327 million or 26 per cent of our \$1.2 billion budget for 2014-15.

Nearly 60 per cent of CBE schools were built prior to 1970 and are in need of maintenance, modernization and repair. The CBE's deferred maintenance has increased to \$1.0 billion. This is growing at a rate of approximately \$40 million per year while provincial maintenance and repair funding is running at around \$18 - \$20 million per year. Each year approximately \$20 - \$22 million dollars of needed repairs and maintenance goes undone. Our capital reserve of \$21.8 million (as at Aug. 31, 2014) to support our asset base is modest.

General assumptions

The CBE's 2015-16 budget will:

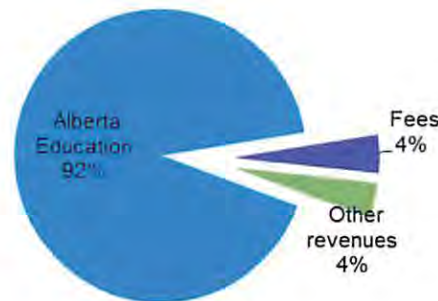
- Be guided by the CBE's mission, operational expectations and core values. Our core values are:
 - Students come first;
 - Learning is our central purpose; and
 - Public education serves the common good.
- Derive guidance from the direction provided by Alberta Education through Inspiring Education, the CBE's Results, the Three-Year Education Plan and the Chief Superintendent's priorities.
- Recognize that school principals, working with their school communities, are best positioned to make the ultimate school-based decisions related to staffing and resourcing.
- Maintain funding for enrolment growth and class sizes, subject to decisions made by principals on a site-by-site basis
- Support the provision of safe and healthy learning environments for students and staff.
- Provide for CBE-funded capital projects to meet the priorities established by our Three-Year Education Plan. These projects include program moves and expansions, software programs, and equipment used by facility operations to maintain our schools. These are the capital costs of running a school system.
- Take a system approach to budgeting, bearing in mind that all work is done in support of student learning. This means that the budget will ensure that the organization can continue to provide basic supports to comply with the Board's mandated Operational Expectations as well as legal and regulatory requirements as set out in the School Act.
- Not provide funding for Education Act implementation costs. Future impacts for changes to the Alberta Education Act, which is awaiting proclamation, are still being examined.
- Maintain the systems and processes that allow the CBE to attract, retain, and pay our employees.

- Prioritize investment in infrastructure and programs to address current challenges and anticipate future-year enrolment growth. We will continue to make critical investments, subject to ministry direction, which will position our students for success now and into the future.
- Not include a provision for new school commission costs. The CBE will continue to work with the Province regarding commissioning costs, which include furniture and equipment to prepare the new schools for students on the day they open. These costs will include preparing the learning environment with learning materials, sound systems, specialty equipment and technology. Other costs are related to the staff time (principals, assistant principals, learning leaders, school secretaries, etc.) required to engage with the new school communities, develop time-tables, and make pre-school opening curricular decisions.

As of the date of this report, no funding sources for these costs have been identified; however, we will seek additional funding from Alberta Education to cover these one-time new commissioning costs. With respect to the use of operating reserves we will seek the Board's support.

- Make prudent use of operating reserves considering the many pressures, such as new school commissioning costs and staff contract settlements
- Avoid putting the organization in fiscal jeopardy.
- Be balanced.

Revenue assumptions



Our budget revenue assumptions are:

- Alberta Education's funding formula is based on:
 - Sept. 30, 2015 enrolment
 - An increase of:
 - 1.8 per cent to the base and Home Education funding rates (to fund the wage increases under the ATA collective agreement)
 - 2.0 per cent to the Class Size funding rate.
 - 0 per cent increase to all other grant rates.
- A prudent level of reserves will be maintained to address unanticipated operational costs. Operational Expectation 5: Financial Planning requires that Administration "strive to develop and maintain an operating reserve base equal to one per cent of jurisdiction revenues, whenever possible". For the CBE, that suggests a minimum operating reserve level of \$13 million.
- We will make prudent decisions with respect to the use of operating reserves and will seek the Board's support if and when necessary. Circumstances where we would seek the Board's approval may be:
 - new school commissioning;
 - addressing implementation issues associated with the Education Act;
 - providing an initial response to in-year collective agreement changes; and
 - other emergent issues that are sure to arise as the year unfolds.
- We will apply Alberta Education targeted/restricted funding for the specified purpose, as directed.

- We will apply fees principals consistent with 2014-15 as follows:
 - All revenue from Alberta Education related to transportation, noon supervision and instructional materials and supplies (ISM) will be fully applied to the cost of these services. There will be no contribution from the instructional budget to support fee-based programs and services. Fee revenue for transportation, noon supervision, and instructional materials and supplies will fully fund the gap between Alberta Education funding and direct program costs, including waivers and bad debts.
 - Any Transportation Fee Reserve at the end of a fiscal year is applied to reduce fee levels in the following year. It is anticipated that there will be no Transportation Fee Reserve at Aug. 31, 2015. Fees will meet the cost of transportation.
 - There is no provincial funding for instructional supplies and materials or noon supervision. These programs are solely funded by student fees. In all, 50,100 Grade 1-6 students were supervised over the noon hour in CBE schools in 2014-15.
- Opportunities to grow non-Alberta Education revenue will be explored where it is consistent with our vision and values. A small team is charged with this corporate partnership work and that work will continue.
- Lease revenues from charter schools will continue to be restricted by Alberta Education. In most cases revenue is \$1 per year per school.
- Facility rental rates charged are currently set to break even (cover incremental direct costs) as set out in Administrative Regulation 8004 and by agreement with the Calgary Separate School District and the City of Calgary. The CBE will undertake a review, in conjunction with its partners, of the current facility rental model with an eye towards increasing revenue from this source.
- Revenue from the sale of CBE-owned properties, if any, will be applied to providing facilities to support student learning.
- The CBE will continue to participate in the Joint Use Agreement framework with the City of Calgary and the Calgary Separate School District respecting land and schools.
- Income earned on CBE cash balances will be assumed to accrue at a rate averaging between five and seven per cent over the medium to long term. Short-term investments will average one per cent, subject to changes in the Bank of Canada rate. Income earned on cash balances will be devoted to enhancing student outcomes.

Expense assumptions

- Certificated salaries, wages & benefits
- Non-certificated salaries, wages & benefits
- Services, contracts & supplies
- Amortization & other



Our budget expense assumptions are:

- The budget will ensure that the CBE complies with all requirements of current collective agreements including general wage increases, employee salary grid movement and benefits changes. The CBE will follow the Province's lead on future negotiations with our unions and associations.
- No funding will be provided for in-year collective agreement settlements.
- The number of superintendents will be reduced by 22 per cent (from nine to seven) with duties consolidated under the remaining positions. This will allow \$0.6 million in salaries, benefits and supplies to be allocated to other priorities.
- Administration will continue to review business processes in our service units. Where appropriate, service unit staffing reductions may occur if there are compelling business reasons to move forward with them. Any planned reductions will come to the Superintendents' Team for approval. Similarly, any hiring for new/replacement positions also needs to be approved by Superintendents' Team.
- The CBE will continue implementation of its system-wide software management strategy.
- The CBE will introduce a new model for technology replacement and refresh and move to a "break/fix" model until an alternative strategy has been implemented.
- There are no blanket provisions for inflationary increases built into the 2015-16 budget; projections for 2016-17 and 2017-18 (where presented) will include an inflationary increase of 1.6 per cent based on the five-year trend for Calgary.

- The CBE will meet all contractual obligations. All known changes in contractual obligations will be included based on current information.

Examples include:

- Significant increases in the cost of software licences and fees as well as the impact of the weaker Canadian dollar on contracts stated in US dollars.
- Future tax and fee increases are unknown at this time.
- Where practical, the CBE will enter discussions with contracted service providers with an eye to reducing costs.
- System administration costs will remain well below the provincially mandated cap of 3.6 per cent of total expenditures. For the CBE, which has system administration costs of approximately 2.7 per cent, this means that \$11.2 million is available to support other critical student support needs. Current projections suggest that the CBE's administrative costs in 2015-16 will be maintained at 2.7 per cent. CBE also has the lowest administration proportion of the four Alberta metro boards for 2014-15.
- Learning Innovation and Learning Services units will be consolidated into one integrated unit under one Superintendent to ensure that our reduced resources are focused on the areas of greatest need.
- The CBE has provided school principals with additional discretion within the Resource Allocation Method (RAM) by changing the mandate to have certain CBE staff positions. Principals are best positioned to make staffing and resource allocation decisions at the school level.
- We will continue with deployment of technology to support the personalization of learning.
- The CBE will face continued accommodation challenges as enrolment numbers increase and more students from outer areas are bussed to schools with available capacity. New schools are expected to open in the 2016-17 fiscal year.
- With the support of Alberta Education, the CBE will be rolling out an upgraded Student Information System for the commencement of the 2017-18 school year.
- CBE will face continued accommodation challenges as enrolment numbers increase and more students from outer areas are bused to schools with available capacity. New schools don't come into service until fiscal 2016-17.
- CBE will continue to seek strategies and actions related to aspects of our service delivery within the financial resources available. It is anticipated these actions will include:

- Further integrating the provision of centralized and decentralized specialized supports and services to students, teachers and schools.
- Enhancing and integrating programs and services provided by CBe-Learn, Chinook Learning Services, Encore, Discovering Choices and our outreach services.
- Making school-based management easier by streamlining the provision of administrative services and supports to schools and moving to further standardization in non-teaching supports.
- Evaluating the current model of the RAM to schools.
- Seeking further operational efficiencies where appropriate.

Capital & student accommodation

The CBE appreciates that the government has recognized the incredible growth in our student numbers and is building many of the schools required to support the growing educational needs of our students. The Province has committed to keeping its promise to continue with the 31 major capital projects the CBE currently has underway. Those projects include new school construction, replacement school construction and major modernizations.

The new school openings beginning September 2016 will further increase cost pressures. A new school requires a principal, assistant principals, secretaries, library assistants, facility operators and other staff in support of student learning. As well, new schools consume additional utilities and require facility maintenance services. Beyond these costs, new schools need teachers, learning assistants, library assistants, as well as other services and supports to maximize student learning. Some of these will transfer from our existing facilities and some may require additional dollars to deploy. Over the next three years the CBE will support nearly 9,000 additional students.

	Actual	Projection	Projection	Projection
Enrolment by Program	2014-15	2015-16	2016-17	2017-18
Pre-K & Kindergarten	9,389	9,750	10,015	10,270
Grades 1-6	51,253	53,075	55,390	57,025
Grades 7-9	22,237	22,670	23,535	24,545
Grades 10-12	26,420	26,210	25,940	26,175
Unique/Outreach	2,219	2,250	2,313	2,397
Chinook Learning Serv	2,393	2,400	2,400	2,400
Cbe-Learn	589	600	600	600
Total Enrolment	114,500	116,955	120,193	123,412
Total Annual Change		2,455	3,238	3,219
Total % Change		2.1%	2.8%	2.7%

Impacts on student learning

We expect average class size and complexity in each classroom to remain relatively consistent with those in 2014-15, subject to individual principal decisions. We also expect the teachers and schools to continue to change practices and processes guided by our Three-Year Education Plan.

While we are grateful for the Alberta Government's funding update, the funding cannot support everything that we would like to do to support student learning and our staff. Some examples of impacts on student learning include:

- Student engagement and achievement will be advanced through personalized instruction and assessment; however, innovations and supports to respond to student learning interests and needs and the changing face of education will be somewhat constrained. For example High School Success will continue without previous levels of funding.
- Existing resources will support the implementation of result for:
 - First Nations, Metis and Inuit student achievement
 - Grade 9 English Language Learners achievement on Provincial Achievement Tests (PATs)
 - Grade 9 achievement on PATs in Math and Science
- Teachers will have time and opportunity to learn together and build their collective capacity to meet student learning needs and ensure student success.
- Schools will organize for instruction and make choices about the deployment of their resources to best meet the learning needs of students. As schools prioritize for the best use of their resources, some program offerings or services may be enhanced, replaced, modified, or reduced. Staffing levels may be impacted.
- Groups of students who would most benefit from extended early learning experiences will have access to full-day kindergarten.
- Maintaining the current level of system supports for an increasing number of students with complex learning needs and the increasing complexity of needs will impact student learning and support for teachers.
- Students and teachers will have access to the learning tools, resources, and environments that help create flexible, responsive and personalized learning opportunities and support student success.
- Student learning environments will be impacted as increased costs for supplies and maintenance are not addressed. Costs throughout the system continue to outpace funding.
- The impact of school leaders on student learning is second only to the teacher in the classroom. Continued excellence in student learning

depends on our leadership strategy designed to continuously develop the competencies of all CBE staff. The implementation of the strategy will be limited.

- Some things that we would like to enhance but that are limited by this budget include fully funding the replacement and growth of technology and technology infrastructures that enhance the personalization of learning, transitioning all libraries to learning commons and purchasing equipment and resources to enhance the implementation of Career & Technology Foundations and Career & Technology Services learning opportunities.

Opportunities and risks

The single biggest opportunity presented by these assumptions is that the resulting budget will continue to support the reliable achievement of the Board's Results consistent with the values of:

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

The assumptions included in this report were developed based on the best information currently available. A full budget report will be presented to the Board of Trustees in the fall, shortly after the Sept. 30, 2015 enrolment funding date. Given that assumptions have been made and there are uncertainties in the related estimates, there is a risk that actual results may differ. Notable risk areas include:

- The budget is lean. With the funding we have available, we made the best choices in the interest of student success.
- Actual costs may be higher than assumed. We are planning in the spring for a budget year that does not begin until September. Specific areas of concern include the cost of utilities, wages, insurance premiums and uninsured losses.
- As the deferred maintenance backlog continues to grow, our facilities will be more susceptible to extreme weather events and mechanical and structural failure. This reality could increase costs beyond assumed levels. Our capital reserve of \$21.8 million as at Aug. 31, 2014 to support our asset base is modest.
- Support services that are minimally resourced after four years of reductions beginning in 2010. Significant events or broad system changes could affect the continuity of operations.
- Changes within the *Education Act* (to be proclaimed) extend the provision of services to Albertans aged less than 22. The impact of this new cohort of students on the CBE is unknown at this time. The CBE is assuming that Alberta Education will provide additional funding to support these students.

Conclusion

These assumptions will allow us to build a budget that is balanced and stays true to our values.

This budget will allow the CBE to continue to be the strong educational system that Calgarians have come to expect.

Our choices will be guided and informed by our values of students come first, learning is our central purpose, and public education serves the common good.

The CBE, working with students, parents, stakeholders, and Alberta Education will continue to provide the best public education programs and supports possible within the financial resources made available to us.

Glossary of terms

Accumulated Operating Surplus	The school jurisdiction's residual interest in assets after deducting liabilities. Definition provided by Alberta Education.
Alberta Education revenue	All funds received from Alberta Education, including amortization of Alberta Education-funded facilities. This is sometimes referred to as provincial funding.
Base funding	Kindergarten to Grade 9 students are funded on a per-student basis and students in Grades 10 to 12 are funded based on a high school credits formula. Base funding is the largest component of funding and is provided for each eligible student, regardless of other factors that drive additional funding.
Board-funded capital	The acquisition of all capital assets other than those specifically funded by Alberta Education. This includes technology, maintenance equipment, furniture and fixtures, musical instruments, and other capital purchases.
Capital assets	These are goods that are acquired that have a useful life that extends beyond one year and are of more than minor value. For example, computers, most musical instruments, furniture, machinery, etc.
Classroom complexity	The variety of different needs of the students in a classroom
Collective agreement	An agreement between a union or association that sets out terms and conditions of employment including general wage increases, benefits, grid movement, and other employment terms.
Deferred maintenance	The practice of postponing repair and maintenance activities to property (such as school buildings) in order to save costs and/or meet budget funding levels.
Enrolment	Total number of students including those enrolled in Home Education, outreach programs and Chinook Learning Services.
Exempt employee	Employees who are not covered by a collective agreement (207 positions in 2014-15). Exempt employees do not experience grid movement. Superintendents and directors make up the minority of this group. Approximately 86 per cent of the exempt group are staff who are not in senior leadership positions. This group of employees includes, but is not limited to, administrative assistants; human resources, communications and finance personnel; business analysts; engineers; and, managers and supervisors from various service units.
Fixed cost	A cost that will not change based on fluctuations in activity.
Grid movement	The increase in the salary paid to an employee based on movement through progressive salary grid levels. The movement is based on the passage of time. Employees covered by a collective agreement may benefit from grid movement.

Operational Expectations	Policies established by the Board of Trustees by which the Chief Superintendent's performance and successful operation of the organization is evaluated
Reserves	Dollars that have been accumulated from prior years that are available to support current year projects, programs and services. Reserves can be restricted by board motion or external parties.
School-based teaching staff	Includes all certificated staff including school based administration such as principals.
Student Outcome measures	Measures against which Alberta Education accumulates data to evaluate achievement of a School Jurisdiction, including student learning achievement, safe and caring schools, preparation for lifelong learning, world of work, citizenship, parental involvement, continuous and improvement and ACOL measure. For more information, see our Annual Education Results Report
System administration	The overall management, administration and educational leadership of the CBE at the system level. Also includes Board of Trustees remuneration and office budgets. Examples include functions in human resources, finance, information technology, legal and communications that provide system-level support.
Total revenue	All funds received from Alberta Education plus all other revenues.

Appendix I

Charter lease summary

BUILDING LEASE REVENUE

SCHOOL NAME	TENANT NAME	2013/2014	2014/2015	2015/2016	2016/2017
Alice M. Curtis	Foundations for the Future Charter Academy	\$ -	\$ -	\$ -	\$ -
Andrew Davison	Foundations for the Future Charter Academy	\$ -	\$ -	\$ -	\$ -
Bel-Aire	Calgary Girls Charter School	\$ -	\$ -	\$ -	\$ -
Clem Gardner	Connect Charter School	\$ 795,302	\$ -	\$ -	\$ -
Glenmeadows	Calgary Arts Charter School	\$ -	\$ -	\$ -	\$ -
Greenview	Foundations for the Future Charter Academy	\$ -	\$ -	\$ -	\$ -
Knob Hill	Calgary Arts Charter School	\$ -	\$ -	\$ -	\$ -
Lakeview	Calgary Girls Charter School	\$ -	\$ -	\$ -	\$ -
Mountain View	Almadina Charter Academy	\$ -	\$ -	\$ -	\$ -
Montgomery	Foundations for the Future Charter Academy	\$ -	\$ -	\$ -	\$ -
Ogden	Almadina Charter Academy	\$ -	\$ -	\$ -	\$ -
Parkdale	Westmount Charter School	\$ 345,830	\$ 345,830	\$ 345,830	\$ -
Sir William Van Horne	Westmount Charter School	\$ 806,938	\$ 806,938	\$ 806,938	\$ -
Southwood	Foundations for the Future Charter Academy	\$ -	\$ -	\$ -	\$ -
CHARTER LEASE TOTAL		\$ 1,948,070	\$ 1,152,768	\$ 1,152,768	\$ -

Appendix J

EducationMatters financial statements as at December 31, 2014



Financial Statements
December 31, 2014



Collins Barrow Calgary LLP
1400 First Alberta Place
777 – 8th Avenue S.W.
Calgary, Alberta, Canada
T2P 3R5

T. 403.298.1500
F. 403.298.5814
e-mail: calgary@collinsbarrow.com

Independent Auditors' Report

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

We have audited the accompanying financial statements of EducationMatters, Calgary's Public Education Trust, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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 BAKER TILLY
INTERNATIONAL

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of EducationMatters, Calgary's Public Education Trust as at December 31, 2014, and the results of its operations, changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Collins Barrow Calgary LLP

CHARTERED ACCOUNTANTS

Calgary, Canada
March 19, 2015

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

	2014	2013
Assets		
Current assets		
Cash and cash equivalents (notes 3 and 6)	\$ 1,954,955	\$ 1,977,556
Goods and Services Tax recoverable	1,401	548
Prepaid expenses	<u>4,400</u>	<u>5,000</u>
	1,960,756	1,983,104
Investments (notes 4 and 6)	3,998,032	2,986,467
Property and equipment (note 5)	<u>32,488</u>	<u>2,735</u>
	<u>\$ 5,991,276</u>	<u>\$ 4,982,306</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 25,337	\$ 21,331
Deferred operating contributions (note 7)	<u>440,000</u>	<u>440,000</u>
	<u>465,337</u>	<u>461,331</u>
Funds		
Operating funds (including investment in capital assets)	707,463	614,842
Flow-through funds	725,289	844,975
Endowment funds (note 6)	<u>4,093,187</u>	<u>3,061,158</u>
	<u>5,525,939</u>	<u>4,520,975</u>
	<u>\$ 5,991,276</u>	<u>\$ 4,982,306</u>

Commitments (note 8)

See accompanying notes to the financial statements.

On behalf of the Board,

 Governor
 Governor

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

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

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

1. Nature of Trust

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

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

2. Significant accounting policies

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

(a) Revenue

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

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

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

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

(b) Trust funds

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

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

Operating funds

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

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

Flow-through funds

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

Endowment Funds

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

(c) Cash and cash equivalents

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

(d) Property and equipment

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

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

(e) Measurement uncertainty

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

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

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

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

(f) Financial instruments

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

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

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

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

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

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

(g) Expenditures

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

(h) Donated services

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

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

3. Cash and cash equivalents

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

4. Investments

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

5. Property and equipment

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

6. Endowment funds

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

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

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

7. Related party transactions

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

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

8. Commitments

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

9. Financial instruments

The Trust is exposed to the following significant financial risks:

(a) Credit risk

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

(b) Market risk

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

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

10. Additional information on fund development

(a) Expenses incurred to raise funds

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

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

(c) Summary of disbursements

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

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

(d) Allocation of total expenditures and disbursements

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

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

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

Appendix K

School commissioning costs

New school commissioning costs

Over the next three years, the CBE will be opening 20 new and replacement schools and completing modernizations of existing facilities. 15 new schools will be opening in the 2016-17 year. Much work is needed to prepare those schools to welcome students including the purchasing of furniture, equipment and learning supplies, as well as program and curriculum. Up to \$25 million is estimated to be spent to prepare the new and replacement schools and modernizations over the next three years.

New Schools

Elementary	8
Middle Schools	6
High School	1

Personnel:

Principal, Assistant Principal, Administrative Secretary, Specialist teachers, Technology Specialists, Librarian, Bookkeeper, Technicians, and Facility Operators.

K-4	\$1,599,464
Grade 5-9	\$2,043,531
High school	\$1,119,900
Total	\$4,762,895

Resources:

Learning resources:

Resources to address the Programs of Studies such as math manipulatives, science equipment, art supplies, and texts etc.

K-4	\$2,521,000
Grade 5-9	\$2,779,000
High school	\$741,400
Total	\$6,041,400

Technology

User devices such as computers, laptops, iPads, interactive screens, and cameras etc.

K-4	\$2,760,000
Grade 5-9	\$2,779,000
High school	\$741,400
Total	\$6,041,400

Learning commons:

Includes nonfiction and fiction books, and software etc.

K-4	\$400,000
Grade 5-9	\$490,000
High school	\$150,000
Total	\$1,040,000

Miscellaneous equipment

Includes such items as lab benches, easels, and storage bins etc.

K-4	\$648,000
Grade 5-9	\$1,197,000
High school	\$1,469,000
Total	\$3,314,000

Summary:

Total Personnel	\$4,762,895
Total Resources	\$17,205,400
Total	\$21,968,295

Replacement schools

Aboriginal Learning Centre, Christine Meikle and Elbow Park

Personnel	\$336,800
Learning Resources	\$537,400
Total	\$874,200

Modernizations

Bowness and Jack James

Personnel	\$60,200
Learning Resources	\$707,500
Total	\$767,700

Warehouse

Total	\$1,386,000
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Total of new schools, replacement schools and modernizations:

Total Personnel and Resources	\$21,968,295
Total – Replacement Schools	\$874,200
Total – Modernizations	\$767,700
Total – Warehouse	\$1,386,000
	\$24,996,195

report to Board of Trustees

Correspondence

Date	December 1, 2015
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	Janice R. Barkway Office of the Corporate Secretary
Purpose	Information
Governance Policy Reference	Operational Expectations OE-8: Communication With and Support for the Board

1 | Recommendation

The following correspondence is being provided to the Board for information:

- Letter dated October 21, 2015 to Board Chair J. Bowen-Eyre, from Mr. R. McIver, MLA Calgary-Hays, regarding the McKenzie Highlands Middle School, and response letter dated November 18, 2015.
- Letter dated November 9, 2015 to Board Chairs, Alberta School Boards, from Chair J. Bowen-Eyre, regarding the CBE's position on the Alberta School Boards Association proposal to establish a provincial bargaining unit.

Attachments: Relevant Correspondence





LEGISLATIVE ASSEMBLY
ALBERTA



October 21, 2015

Joy Bowen-Eyre, Chair
Calgary Board of Education
1221 8 Street SW
CALGARY AB T2R 0L4

Re: McKenzie Highlands Middle School (McKenzie Towne)

Dear Ms. Bowen-Eyre:

Recently the Education Minister announced that there are a number of school projects underway that are not expected to meet the original completion dates. In the case of McKenzie Highlands Middle School, a four-month delay is expected and the Minister has indicated that the delay is because the CBE has requested a planning extension.

As the McKenzie Towne School is in my riding of Calgary-Hays, I am concerned about the delay and would like to understand what has occurred. Can you advise what has caused the delay?

Sincerely,

Ric McIver, MLA Calgary-Hays
Interim Leader PC Caucus



Board Chair

Joy Bowen-Eyre Wards 1 & 2

Vice-Chair

Amber Stewart Wards 12 & 14

Trustees

Lynn Ferguson Wards 3 & 4

Pamela King Wards 5 & 10

Trina Hurdman Wards 6 & 7

Judy Hehr Wards 8 & 9

Julie Hrdlicka Wards 11 & 13

November 18, 2015

Mr. Ric McIver
MLA, Calgary-Hays
255, 11488 – 24 Street SE
Calgary, Alberta
T2Z 4C9

Dear Mr. McIver:

In response to your letter dated October 21, 2015, we write to advise that the McKenzie Highlands Middle School was tendered as a single school Design/Build project in October 2014. A single tender, with a scheduled project delivery date of September 2016, was received and assessed in February 2015. The tender was substantially over the approved provincial budget. No contract was awarded because permission to award a contract is not granted by the Province until the bid cost is equal to or less than the approved building construction and site development cost.

In order to bring the project costs within the budget, the Calgary Board of Education's project team prepared working drawings and went back to the market place in May 2015 using a design, bid, build approach. A satisfactory tender was received, approved by the Ministry and awarded in June 2015. Construction commenced in July 2015 with a scheduled construction completion date of December 2016 and a planned occupancy by students in January 2017.

Yours Truly,

Joy Bowen-Eyre, Chair
Board of Trustees
Calgary Board of Education



Calgary Board
of Education

Board of Trustees



Board Chair
Joy Bowen-Eyre

Vice-Chair
Amber Stewart

Trustees
Lynn Ferguson
Pamela King
Trina Hurdman
Judy Hehr
Julie Hrdlicka

November 9, 2015

Board Chair
Alberta School Boards

Dear Board Chairs,

RE: Emergent Motion 3EM/FGM13, ASBA FGM

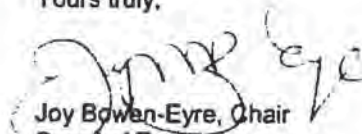
On behalf of the Calgary Board of Education, I am pleased to provide each of you with our position on the proposed emergent issue 3EM/FGM15 that would have the Alberta School Boards Association establishing a provincial bargaining unit with the power to negotiate and finalize a tripartite collective agreement among trustees, teachers, and the provincial government, with such agreement dealing only with salary and benefits.

The CBE continues to support a local bargaining model. Retaining full control of our labour relations destiny is the highest priority for the CBE. We do not support ceding control of the bargaining process to another entity, as such a change would reduce or eliminate the influence of local conditions within our schools and extended community to meet the needs of our students.

Should one or more "Employer Bargaining Agents" be created, membership in any such entity should be voluntary, and should provide for the voluntary association of school boards that share common interests.

As school districts prepare for the pending expiry of current collective agreements, we sincerely hope that each Alberta school board will be provided the opportunity to meet the needs of their local students. We fully support providing local boards the full authority they require to bargain locally with its teachers to address the needs of their students.

Yours truly,


Joy Bowen-Eyre, Chair
Board of Trustees
Calgary Board of Education

Cc: H. Cleese, President, ASBA

report to Board of Trustees

Chief Superintendent's Update

Date | December 1, 2015

Meeting Type | Regular Meeting, Public Agenda

To | Board of Trustees

From | David Stevenson,
Chief Superintendent of Schools

Purpose | Information

Governance Policy | Operational Expectations
Reference | OE-8: Communication With and Support for the Board

1 | Recommendation

This report is being provided for the information of the Board. No decision is required at this time.

2 | Issue

As the Board of Trustees' chief executive officer, the Chief Superintendent is accountable for meeting the expectations set by the Board. These expectations are stated in Results and Operational Expectations policies.

OE-8: Communication With and Support for the Board requires "the Board is supported in its work and is fully and adequately informed about matters relating to Board work and significant organizational concern." With other reports submitted to the Board of Trustees, this update meets the requirement of OE-8 for the provision of information in a timely, simple and concise form.



Records Management Quarterly Report

BACKGROUND

At the Board of Trustees' meeting on January 24, 2012, administration was directed to provide quarterly updates to the Board regarding the Calgary Board of Education's progress to address records management and retention issues. The following is the 2015/16 first quarter update presented in response to this directive.

Quarterly reports reference Generally Accepted Recordkeeping Principles as a means of contextualizing the work and overall progress. The Principles are an industry standard that forms the basis for the Corporate Records Management Program. Following are the Principles of Records Management:

- Accountability
- Transparency
- Integrity
- Protection
- Compliance
- Accessibility
- Retention
- Disposition

QUARTERLY UPDATE

Principle of Accountability

Official Student Record Folder Pilot

The initial stage of the OSR folder pilot has been completed and participating schools have worked with the folders since September. The first feedback phase has been successful and a round-table discussion with administrative secretaries from pilot schools was conducted on November 20th 2015.

At the conclusion of the pilot, a brief evaluation exercise will be conducted to help inform the planned 2016 system implementation of OSR folders as outlined in the approved Records Management Timeline.

Benefits

Establishing a standardized OSR folder along with processes and protocols are meant to enhance efficiency by eliminating duplications like multiple file reorganizations, while simultaneously improving the general care and maintenance of student records. In addition, centrally acquiring the standardized Student Folders should result in savings as a result of bulk purchasing.

The feedback received from schools piloting the OSR folders is vital as it can provide insights and understandings that could be very useful for

making fine adjustments or amendments prior to the system-wide folder deployment.

Records Management Guidelines for Principals and Area Directors

The Calgary Board of Education (CBE) continues to improve the maturity of its Records Management (RM) program by developing (and putting into practise) guidelines and protocols that assist staff. Consistent with this and following from discussions in the aftermath of the 2014 RM Audit, guidelines for use by Principals and Area Directors were developed to assist with school RM program development and progress monitoring.

Benefits

In conjunction with the efforts of the RM team in terms of providing training and support to schools, these resources are expected to empower Principals and Area Directors with tools that could be used to extend and deepen RM practices across CBE schools and simultaneously measure and monitor the progress of these efforts.

Principles of Retention and Disposition

Offsite Storage of CBE Records

The focus on retention and disposition continues and as of the end of November 2015:

Records received from schools and departments

218 administrative and 120 student record boxes were received, classified and retained in accordance with the organization's Classification and Retention schedule.

Records boxes provided to schools and departments

332 boxes were distributed to CBE schools and administrative offices.

Off-site Disposition

The disposition process for 789 boxes of records that are eligible for destruction has been completed.

On-site Active Disposition

Using the Active Disposition process, 24 boxes of records of records located at schools and administrative offices were disposed.

Benefits

- Provides the means and opportunity to refocus the CBE's Records Management program from a purely warehousing function to one that supports students, teachers and the community by more broadly administering the Records Management Program.

- Provides facilities more suitable for the maintenance of semi-active and inactive records (primarily fire suppression, enhanced security and protective racking to shield physical boxes from damage).
- Addresses overcrowding at the CBE's onsite facilities together with related occupational safety concerns.
- Reduces storage of active records by allowing the disposition of inactive, duplicate, or obsolete material.
- Record boxes provided to schools and departments provide superior protection of records during transit and resists crushing during long term storage.
- Reduces unnecessary monthly costs associated with record storage since records whose significance has passed are disposed.
- Reduces and/or eliminates ad-hoc and uncontrolled destruction of records.

Principle of Protection and Availability

Records requests

Following from the previously implemented process to track record requests as a means of understating related time, effort and costs, during the quarter, 173 requests were received and responded to. Of these approximately 64% represented requests from the public (including past students or on behalf of past students) and the remaining 36% were internal requests.

Confidential Shred Bins

Records Management staff continuously monitors, adjust and adapt elements of the program to ensure adequate and efficient coverage at schools and administrative sites. Recently, each school has been provided a detailed Shred Bin pick-up schedule for the 2015/16 school year. It is hoped that this will ensure that Shred Bins are more effectively utilized at schools and so reduce related operating costs.

Accordingly, throughout the CBE, records were securely disposed of via the emptying of a total of 1870 Shred Bins.

Benefits

The Shred Bin program adjustments have resulted in greater efficiency and satisfaction with the program. In addition, the Shred program has contributed significantly to compliance on related Operational Expectations and has helped to increase awareness of security issues with student information.

Archives Inventory

Records Management staff continued work efforts towards cataloguing the CBE's entire archive located at the Records Centre. For the purposes of



this inventory, items have been cataloguing based on the following properties:

- School/Site Name
- Type of Archive Material (Media Type)
- Dates
- Description
- Dimensions
- Record Centre Location

In addition, in the interim the inventory is being captured in a spreadsheet that allows for some rudimentary filtering and search capabilities.

Benefits

Creating an inventory of all archival holdings will also provide necessary specifics for determining requirements for storing, managing and resourcing the archives as well as the physical infrastructure requirements.

Archival inventory will be crucial for enhancing preservation efforts and could increase accessibility to the organization's vast archival holdings. Improved preservation will mean that the historical record of the CBE will be available for future generations to reference, research and appreciate. Retaining records and artefacts of enduring value is at the heart of meeting the CBE's fiduciary archival responsibilities.

Official Student Record Restoration

Records Management staff thawed and dried 33 Official Student Record (OSR) folders that had been frozen for preservation following their exposure to water. The content or significance of these records/files could not be ascertained until the restoration process was successfully completed. These student records are now catalogued and captured in the Record Management database and physically stored with other CBE records at the off-site storage facility.

Benefits

The preservation of records of value is fundamental to any RM Program and similarly the restoration of damaged records ensures that the records and the information they contain continue to be accessible.

Separately, because restoration type situations are not common, this circumstance was an ideal capacity building opportunity as it provided insight into freezing as a means of record preservation. Also, the restoration aspect was useful to train and prepare RM staff for similar situations.

Principles of Integrity and Transparency

Onsite Training

Site visits and Record Management consultations and training sessions were provided to the following schools during the reporting period:

Onsite Training to Schools	
Area IV Office	Woodlands School
Leasing & Property Development Department	R.T. Alderman School
Facility Rental Department	Revenue & Treasury

Benefits

In order for Records Management practises to be adopted and become standard organizational practise, they must be supported by on-going training and appropriate communications. In particular, new understandings and processes often require targeted training and specific communication to employees to build the foundations for achieving a mature RM program.

Records Management Support

Records Management Technicians continue to assist schools with a variety of Records Management tasks including:

- File clean-up and organization
- Preparation of record for transfer to the Records Centre
 - Sorting records based in similar retention
 - Packing records in appropriate RM Boxes
 - Completing Transmittal Forms
 - Separating and gathering records that were past their retention period
- Providing hands-on RM training as required by schools

Specifically, during the reporting period, the following schools and service units received support from the RM Technicians.

RM Support/Assistance to Schools	
Earl Grey School	Facility Rental Department
RT Alderman School	

Benefits

Direct contact with schools and school administrative staff has resulted in much improved practices as reflected in increased awareness of and appreciation for the Records Management program. School Record inventories provide vital information for administering the Corporate Records Management Program as they contribute to mapping all the information stored at school sites which in turn are critical for locating, retrieving and managing records.

Principle of Compliance

Area Office Staff Training

One of the areas of opportunity identified through the 2015 Records Management Audit was the possibility of engaging Area Office staff to act as Records Management Stewards and in so doing provide RM assistance and coordination to their respective schools. On October 7th, staff from the Area V Office received training from the Records Management Supervisor, at the Record Centre on standards, practices and access to resources.

Benefits

Developing well trained stewards of Records Management at the Area Office level, can greatly assist efforts to advance overall RM maturity in schools by establishing more possibilities and opportunities for schools to receive guidance and support. In addition, the establishment of this crucial RM link closer to the locus of Area administration might also be useful for accelerating and sustaining compliance as well as remediation efforts.

Furthermore, if successful these efforts should extend the capacity of the RM team by allowing them to provide more time and concentrated attention to those schools and service units that have exceptional needs.

Cross Functional RM Group

Consistent with recommendations from 2015 RM Audit, a cross functional group was established to review business processes and create guidance on associated recordkeeping requirements. So far, this group comprises Records Management, Legal, and FOIP, although other Service Units will be engaged when issue or processes pertinent to their area are being considered.

Benefits

Consultation with Service Units will ensure that simple, clear and consistent information and guidance related to records management is developed and provided to all stakeholders.

Retention Schedule for Alberta School Jurisdictions

The CBE's Acting Supervisor of Records Management has participated in the work of a Records Retention Committee that is being facilitated by the ASBOA (Association of School Business Officials of Alberta). The objective of this work is to develop a basic Retention Schedule that could be agreed to and used by all Alberta school jurisdictions.

Benefits

A standardized, provincial records retention schedule that covers the basics will enhance consistency of understanding and approaches across Alberta school districts and could have the added advantage of making the process of maintaining an up-to-date Classification and Retention Schedule easier and more efficient.



DAVID STEVENSTON
CHIEF SUPERINTENDENT OF SCHOOLS

GLOSSARY – Developed by the Board of Trustees

Board: Board of Trustees

Governance Culture: The Board defined its own work and how it will be carried out. These policies clearly state the expectations the Board has for individual and collective behaviour.

Board/Chief Superintendent Relationship: The Board defined in policy how authority is delegated to its only point of connection – the Chief Superintendent – and how the Chief Superintendent's performance will be evaluated.

Operational Expectations: These policies define both the nonnegotiable expectations and the clear boundaries within which the Chief Superintendent and staff must operate. They articulate the actions and decisions the Board would find either absolutely necessary or totally unacceptable.

Results: These are our statements of outcomes for each student in our district. The Results policies become the Chief Superintendent's and the organization's performance targets and form the basis for judging organization and Chief Superintendent performance.

