

🎵 **Please join us on the link at 11:45 a.m. for a pre-meeting performance by the Grade 7-9 Choir from Sherwood School**

public agenda

Regular Meeting of the Board of Trustees

November 26, 2019
12:00 p.m.

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

R-1: Mission |

Each student, in keeping with their 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	
	3 Awards and Recognitions		GC-3	
	4 Results Focus			
	5 Operational Expectations			
	6 Public Comment [pdf]		GC-3.2	
	Requirements as outlined in Board Meeting Procedures			
	7 Matters Reserved for Board Action	Board	GC-3	
	7.1 2018-2019 Year-end Financial Results and Audited Financial Statements	Board	GC-3,5E	Page 7-1
	8 Consent Agenda	Board	GC-2.6	
8.1 Items Provided for Board Approval				
8.1.1 Minutes of the Regular Meetings held:				
<ul style="list-style-type: none"> • October 29, 2019 • November 5, 2019 			Page 8-3 Page 8-7	
(<i>THAT the Board approves the minutes as submitted.</i>)				

Time	Topic	Who	Policy Ref	Attachment
	8.2 Items Provided for Board Information		OE-7	
	8.2.1 Fourth Quarter Budget Variance Report for the 2018-19 Budget		OE-5	Page 8-13
	8.2.2 EducationMatters – Financial Statements as at September 30, 2019			Page 8-23
	9 In-Camera Session			
3:00 p.m.	10 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

Presentation of the 2018-19 Financial Results of the Calgary Board of Education

Date	November 26, 2019
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	Board of Trustees' Audit Committee
Purpose	Decision
Originator	Trustee Mike Bradshaw 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, 2019, including the Audited Financial Statements for the year ended August 31, 2019 and the Independent Auditors' Report dated November 26, 2019, for submission to the Minister of Alberta Education.

2 | Background

In accordance with section 138 of the *Education Act*, the Board of Trustees must appoint an auditor. The Board of Trustees appointed KPMG LLP, who has now completed their examination of the 2018-19 financial statements.

The auditors' professional opinion on these financial statements is included in the unsigned Independent Auditors' Report, dated November 26, 2019, and will be signed following approval of the Financial Results by the Board of Trustees.



Pursuant to section 139(2) of the *Education 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.

Pursuant to section 142 of the *Education Act*, the Board of Trustees has established an Audit Committee with the following responsibilities that specifically apply to the audited financial statements:

- (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 Results and the Independent Auditors' Report thereon, as submitted. Board approval of the financial statements is a requirement of the *Education Act*.

Attachments:

- Financial Results of the CBE, including the Audited Financial Statements, for the year ended August 31, 2019, and including the Independent Auditors' Report thereon, dated November 26, 2019.

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**CALGARY BOARD OF EDUCATION
STATEMENT OF ADMINISTRATION RESPONSIBILITY
FOR THE YEAR ENDED AUGUST 31, 2019, WITH COMPARATIVE INFORMATION FOR 2018**

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 Auditors 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 August 31, 2019 and 2018, and the results of its operations and cash flows for the years 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 Independent Auditors' Report.

CHRISTOPHER USIH
CHIEF SUPERINTENDENT OF SCHOOLS

BRAD GRUNDY
SUPERINTENDENT, CHIEF FINANCIAL OFFICER,
AND CORPORATE TREASURER

November 26, 2019

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the Calgary Board of Education

Opinion

We have audited the consolidated financial statements of the Calgary Board of Education (the Entity), which comprise:

- the consolidated statement of operations for the years then ended
- the consolidated statement of financial position as at August 31, 2019 and 2018
- the consolidated statement of cash flows for the years then ended
- the consolidated statement of accumulated remeasurement gains and losses for the years then ended
- the consolidated statement of changes in net debt for the years then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies and complete Schedules 1,2,3,5, and 6, Schedule 4 excluding the row under "Square Meters", and Schedule 7 excluding the column "FTE"

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at August 31, 2019 and 2018, and its consolidated results of operations, its consolidated remeasurement gains and losses, its consolidated changes in net debt and its consolidated cash flows for the years then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises:

- The information, other than the financial statements and the auditors' report thereon, included in the Management's Discussion & Analysis document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in Management's Discussion & Analysis document as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants

November 26, 2019
Calgary, Canada

Independent Practitioner's Reasonable Assurance Report

To the Board of Trustees of the Calgary Board of Education

We have undertaken a reasonable assurance engagement of the accompanying FTE and Meters Square as reported in the specific rows "Square Meters – School buildings" in Schedule 4 and column "FTE" in Schedule 7 ("subject matter information") both prescribed by Alberta Education of the Calgary Board of Education (the "Entity") for the years ended August 31, 2019 and 2018.

Management's Responsibility

Management is responsible for the preparation and presentation of the subject matter information in accordance with the criteria established by Alberta Education in the AFS Guidelines (the "applicable criteria").

Management is also responsible for such internal control as management determines necessary to enable the preparation of the subject matter information that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibilities

Our responsibility is to express a reasonable assurance opinion on the subject matter information based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standards on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the subject matter information is free from material misstatement.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report.

The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the subject matter information.

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

Practitioner's Independence and Quality Control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, the subject matter information of the Entity for the years ended August 31, 2019 and 2018 is prepared, in all material respects, in accordance the applicable criteria.

Specific Purpose of Subject Matter Information

The subject matter information has been prepared in accordance with the applicable criteria. As a result, the subject matter information may not be suitable for another purpose.

Chartered Professional Accountants

November 26, 2019
Calgary, Canada

**CALGARY BOARD OF EDUCATION
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED AUGUST 31
(in thousands)**

		Budget (Note 20)		Actuals	
		2019	2019	2019	2018
Revenues	(Sch 3)				
Government of Alberta		\$ 1,307,548	\$ 1,288,251	\$ 1,266,172	
Federal Government and First Nations		2,822	2,698	3,287	
Other sales and services		20,410	28,874	30,340	
Fees revenue	(Note 13)	41,159	43,627	38,974	
Investment revenue		1,649	3,837	7,180	
Gifts and donations		8,073	9,536	7,957	
Fundraising		7,400	2,524	2,640	
Rentals		4,323	4,211	4,878	
(Loss) gain on disposal of tangible capital assets		-	110	(18)	
Other revenue		545	1,047	1,737	
Total revenues		\$ 1,393,929	\$ 1,384,715	\$ 1,363,147	
Expenses	(Sch 3)				
Instruction: grades 1-12		\$ 1,053,663	\$ 1,048,639	\$ 1,024,638	
Instruction: early childhood services		48,480	44,354	52,780	
Board and system administration		47,121	48,054	47,247	
Transportation		47,845	52,632	49,605	
Plant operations and maintenance	(Sch 4)	169,731	161,616	157,312	
External services		33,089	32,898	33,617	
Total expenses		\$ 1,399,929	\$ 1,388,193	\$ 1,365,199	
Annual deficit		\$ (6,000)	\$ (3,478)	\$ (2,052)	
Accumulated operating surplus at beginning of year		\$ 213,063	\$ 213,063	\$ 215,115	
Accumulated operating surplus at end of year		\$ 207,063	\$ 209,585	\$ 213,063	

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

**CALGARY BOARD OF EDUCATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT AUGUST 31
(in thousands)**

		<u>2019</u>	<u>2018</u>
Financial assets			
Cash and cash equivalents	(Sch 5 and Note 3)	\$ 136,522	\$ 141,747
Accounts receivable (net after allowances)	(Note 4)	40,818	44,623
Portfolio investments	(Sch 5)		
Operating		13,899	13,507
Endowment		7,436	7,010
Total financial assets		\$ 198,675	\$ 206,887
Liabilities			
Deferred contributions	(Note 5)	\$ 1,172,115	\$ 1,161,598
Accounts payable and accrued liabilities	(Notes 6 and 14)	111,474	116,407
Employee future benefits	(Note 7)	24,833	25,732
Asset retirement obligations	(Note 8)	327	327
Debt			
Supported: debentures	(Note 9)	232	528
Unsupported: capital leases	(Note 10)	13,250	12,833
Total liabilities		\$ 1,322,231	\$ 1,317,425
Net debt		\$ (1,123,556)	\$ (1,110,538)
Non-financial assets			
Tangible capital assets	(Sch 6)	1,320,073	1,308,096
Prepaid expenses		14,066	16,302
Total non-financial assets		\$ 1,334,139	\$ 1,324,398
Accumulated surplus			
		\$ 210,583	\$ 213,860
Accumulated surplus is comprised of:	(Sch 1 and Note 11)		
Accumulated operating surplus		\$ 209,585	\$ 213,063
Accumulated remeasurement gains and losses		998	797
		\$ 210,583	\$ 213,860
Economic dependence	(Note 1)		
Contractual obligations and contingent liabilities	(Note 15)		

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

Approved by:

Marilyn Dennis, Chair of Board of Trustees

Date Signed

**CALGARY BOARD OF EDUCATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31
(in thousands)**

	<u>2019</u>	<u>2018</u>
Cash flows from:		
Operating transactions		
Annual deficit	\$ (3,478)	\$ (2,052)
Add (deduct) items not affecting cash:		
Amortization of tangible capital assets	70,419	66,419
(Gain) loss on disposal of tangible capital assets	(110)	18
Loss (gain) on sale of portfolio investments	-	(4,196)
Expended deferred capital revenue	(43,476)	(38,999)
Changes in:		
Accounts receivable	3,805	(23,561)
Prepaid expenses	2,236	(6,001)
Accounts payable and accrued liabilities	(4,933)	146
Deferred operating revenue	(4,499)	5,252
Employee future benefits	(899)	187
Supported debt: debentures	(296)	(841)
Cash flows from (used in) operating transactions	<u>\$ 18,769</u>	<u>\$ (3,628)</u>
Capital transactions		
Acquisition of tangible capital assets	(82,396)	(130,371)
Net proceeds from disposal of tangible capital assets	110	-
Deferred capital revenue	15,016	67,268
Expended deferred capital revenue	43,476	38,999
Cash flows used in capital transactions	<u>\$ (23,794)</u>	<u>\$ (24,104)</u>
Investing transactions		
Purchase of portfolio investments	(4,099)	(74,848)
Proceeds on sale of portfolio investments	3,281	157,675
Foreign currency translation	201	(57)
Cash flows from (used in) investing transactions	<u>\$ (617)</u>	<u>\$ 82,770</u>
Financing transactions		
Repayment of capital leases	(1,944)	(1,756)
Additional financing capital leases	2,361	2,048
Cash flows from financing transactions	<u>\$ 417</u>	<u>\$ 292</u>
(Decrease) increase in cash and cash equivalents	(5,225)	55,330
Cash and cash equivalents, beginning of year	141,747	86,417
Cash and cash equivalents, end of year	<u>\$ 136,522</u>	<u>\$ 141,747</u>

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

**CALGARY BOARD OF EDUCATION
CONSOLIDATED STATEMENTS OF ACCUMULATED REMEASUREMENT GAINS AND LOSSES
FOR THE YEARS ENDED AUGUST 31
(in thousands)**

	<u>2019</u>	<u>2018</u>
Accumulated remeasurement gains, beginning of year	\$ 797	\$ 2,011
Unrealized gains (losses) attributable to:		
Portfolio investments	-	3,039
Foreign currency translation	201	(57)
Amounts reclassified to the statement of operations:		
Portfolio investments	-	(4,196)
Net remeasurement gain (loss) for the year	<u>201</u>	<u>(1,214)</u>
Accumulated remeasurement gains, end of year	\$ 998	\$ 797

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

**CALGARY BOARD OF EDUCATION
CONSOLIDATED STATEMENTS OF CHANGES IN NET DEBT
FOR THE YEARS ENDED AUGUST 31
(in thousands)**

	<u>Budget (Note 20)</u>	<u>Actuals</u>	
	<u>2019</u>	<u>2019</u>	<u>2018</u>
Annual deficit	\$ (6,000)	\$ (3,478)	\$ (2,052)
Changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (32,347)	\$ (82,396)	\$ (130,371)
Amortization of tangible capital assets	70,366	70,419	66,419
Net (gain)/loss on disposal of tangible capital assets	-	(110)	18
Net proceeds from disposal of unsupported capital assets	-	110	-
Total changes in tangible capital assets	\$ 38,019	\$ (11,977)	\$ (63,934)
Changes in			
Prepaid expense	-	2,236	(6,001)
Net remeasurement gains	-	201	(1,214)
Changes in net debt	\$ 32,019	\$ (13,018)	\$ (73,201)
Net debt, beginning of year	\$ (1,110,538)	\$ (1,110,538)	\$ (1,037,337)
Net debt, end of year	\$ (1,078,519)	\$ (1,123,556)	\$ (1,110,538)

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

**CALGARY BOARD OF EDUCATION
SCHEDULE 1 – ACCUMULATED SURPLUS
FOR THE YEARS ENDED AUGUST 31
(in thousands)**

	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, 2018	\$ 213,860	\$ 797	\$ 213,063	\$ 158,721	\$ 4,165	\$ -	\$ 25,977	\$ 24,200
Annual surplus	(3,478)	-	(3,478)	-	-	(3,478)	-	-
Board funded tangible capital asset additions	-	-	-	32,267	-	(23,555)	-	(8,712)
Net remeasurement gains (losses) for the year	201	201	-	-	-	-	-	-
Endowment contributions	-	-	-	-	549	(549)	-	-
Amortization of tangible capital assets	-	-	-	(70,419)	-	70,419	-	-
Capital revenue recognized	-	-	-	43,476	-	(43,476)	-	-
Debt principal repayments (unsupported)	-	-	-	1,944	-	(1,944)	-	-
Net transfers to operating reserves	-	-	-	-	-	(4,847)	4,847	-
Net transfers from operating reserves	-	-	-	-	-	7,829	(7,829)	-
Net transfers to capital reserves	-	-	-	-	-	(5,478)	-	5,478
Net transfers from capital reserves	-	-	-	-	-	5,079	-	(5,079)
Balance at August 31, 2019	\$ 210,583	\$ 998	\$ 209,585	\$ 165,989	\$ 4,714	\$ -	\$ 22,995	\$ 15,887

	School & Instruction Related		Operations & Maintenance		Board & System Administration ⁽¹⁾		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, 2018	\$ 35,487	\$ 6,271	\$ -	\$ 15,884	\$ (9,510)	\$ 1,069	\$ -	\$ -	\$ -	\$ 976
Annual surplus	-	-	-	-	-	-	-	-	-	-
Board funded tangible capital asset additions	-	(6,271)	-	(396)	-	(1,069)	-	-	-	(976)
Net transfers to operating reserves	3,964	-	-	-	883	-	-	-	-	-
Net transfers from operating reserves	(7,175)	-	-	-	(654)	-	-	-	-	-
Net transfers to capital reserves	-	1,381	-	2,049	-	1,960	-	-	-	88
Net transfers from capital reserves	-	-	-	(5,079)	-	-	-	-	-	-
Balance at August 31, 2019	\$ 32,276	\$ 1,381	\$ -	\$ 12,458	\$ (9,281)	\$ 1,960	\$ -	\$ -	\$ -	\$ 88

(1) The operating reserve balance includes our Changes in accounting policy reserve and the Education Matters flow-through fund which are not available for use.

**CALGARY BOARD OF EDUCATION
SCHEDULE 2 – CAPITAL REVENUE
FOR THE YEARS ENDED AUGUST 31
(in thousands)**

	Alberta Education	Alberta Infrastructure	Donations and grants from others	Student fees	Total other sources	Total
Deferred Contributions (DC)						
Balance at Aug 31, 2018	\$ 10,442	\$ -	\$ 990	\$ 59	\$ 1,049	\$ 11,491
Received during the year (excluding investment income)	22,390	-	845	-	845	23,235
transfer (to) grant/donation revenue (excluding investment income)	(27,291)	-	(801)	-	\$ (801)	\$ (28,092)
Investment earnings	-	-	-	-	-	-
Received during the year	358	-	-	-	-	358
Transferred to investment income	-	-	-	-	-	-
DC Closing balance at Aug 31, 2019	\$ 5,899	\$ -	\$ 1,034	\$ 59	\$ 1,093	\$ 6,992

Unspent Deferred Capital Contributions (UDCC)

Balance at Aug 31, 2018	\$ -	\$ 12,974	\$ -	\$ -	\$ -	\$ 12,974
Prior period adjustments - playgrounds	2,873	-	3,175	-	3,175	6,048
Adjusted ending balance Aug. 31, 2018	\$ 2,873	\$ 12,974	\$ 3,175	\$ -	\$ 3,175	\$ 19,022
Received during the year (excluding investment income)	23,500	22,221	50	-	50	45,771
UDCC Receivable	-	6,673	-	-	-	6,673
Transferred from (to) DC	-	-	-	-	-	-
Transferred from (to) EDCC	(26,373)	(38,596)	(3,225)	-	(3,225)	(68,194)
UDCC Closing balance at Aug 31, 2019	\$ -	\$ 3,272	\$ -	\$ -	\$ -	\$ 3,272

Expended Deferred Capital Contributions (EDCC)

Balance at Aug 31, 2018	\$ 24,738	\$ 1,112,395	\$ -	\$ -	\$ -	\$ 1,137,133
Transferred from UDCC	26,373	38,596	3,225	-	3,225	68,194
Amounts recognized as revenue (Amortization of EDCC)	(1,864)	(41,395)	(217)	-	(217)	(43,476)
EDCC Closing balance at Aug 31, 2019	\$ 49,247	\$ 1,109,596	\$ 3,008	\$ -	\$ 3,008	\$ 1,161,851

**CALGARY BOARD OF EDUCATION
SCHEDULE 3 – PROGRAM OF OPERATIONS
FOR THE YEARS ENDED AUGUST 31
(in thousands)**

	2019							2018
	Instruction: early childhood services	Instruction: grades 1-12	Plant operations and maintenance	Transportation	Board and system administration	External services	Total	Total
Revenues								
Alberta Education	\$ 49,981	\$ 994,512	\$ 108,816	\$ 42,451	\$ 49,901	\$ -	\$ 1,245,661	\$ 1,227,558
Alberta Infrastructure	-	-	41,608	-	-	-	41,608	37,999
Other Government of Alberta	-	155	52	-	301	96	604	265
Federal Government and First Nations	-	1,149	-	-	25	1,524	2,698	3,287
Other Alberta school authorities	-	359	19	-	-	-	378	350
Fees revenue	-	23,930	-	4,921	-	14,776	43,627	38,974
Other sales and services	474	14,560	201	-	135	13,504	28,874	30,340
Investment revenue	-	929	-	-	2,908	-	3,837	7,180
Gifts and donations	-	9,319	217	-	-	-	9,536	7,957
Rentals	-	-	405	-	429	3,377	4,211	4,878
Fundraising	-	2,524	-	-	-	-	2,524	2,640
Gain on disposal of assets	-	-	110	-	-	-	110	(18)
Other revenue	-	1,011	-	-	-	36	1,047	1,737
Total revenues	\$ 50,455	\$ 1,048,448	\$ 151,428	\$ 47,372	\$ 53,699	\$ 33,313	\$ 1,384,715	\$ 1,363,147
Expenses								
Certificated salaries	\$ 24,595	\$ 641,801	\$ -	\$ -	\$ 1,756	\$ 6,913	\$ 675,065	\$ 662,049
Certificated benefits	2,774	141,259	-	-	209	739	144,981	145,702
Non-certificated staff salaries	11,976	118,493	48,212	1,924	16,512	13,357	210,474	211,480
Non-certificated staff benefits	3,099	28,765	11,308	570	3,143	2,671	49,556	51,402
Sub-total	42,444	930,318	59,520	2,494	21,620	23,680	1,080,076	1,070,633
Supplies and services	1,910	102,374	51,559	49,108	21,529	5,756	232,236	223,226
Amorization of supported tangible capital assets	-	-	43,476	-	-	-	43,476	38,999
Amorization of unsupported tangible capital assets	-	15,585	6,642	-	4,658	58	26,943	27,420
Supported debt interest	-	-	52	-	-	-	52	128
Unsupported interest on capital debt	-	-	367	-	44	-	411	360
Other interest and finance charges	-	346	-	129	43	345	863	868
Other expense	-	16	-	901	160	3,059	4,136	3,565
Total expenses	44,354	1,048,639	161,616	52,632	48,054	32,898	1,388,193	1,365,199
Operating surplus / (deficit)	\$ 6,101	\$ (191)	\$ (10,188)	\$ (5,260)	\$ 5,645	\$ 416	\$ (3,478)	\$ (2,052)

**CALGARY BOARD OF EDUCATION
SCHEDULE 4 – OPERATIONS AND MAINTENANCE EXPENSES
FOR THE YEARS ENDED AUGUST 31
(in thousands)**

EXPENSES	Custodial	Maintenance	Utilities and Telecom	Expensed IMR, Modulars, Relocation & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	Supported Capital & Debt Services	2019 Total Operations and Maintenance	2018 Total Operations and Maintenance
Uncertificated salaries and wages	\$ 31,646	\$ 10,571	\$ -	\$ 1,167	\$ 4,828	\$ -	\$ -	\$ 48,212	\$ 49,988
Uncertificated benefits	7,834	2,331		114	1,030			11,309	11,996
Sub-total Remuneration	39,480	12,902		1,281	5,858			59,521	61,984
Supplies and services	4,534	5,743	26	13,933	617			24,853	23,670
Electricity			9,833					9,833	9,302
Natural gas/heating fuel			6,376					6,376	5,811
Sewer and water			2,638					2,638	2,519
Telecommunications			313					313	201
Insurance					4,911			4,911	3,967
ASAP maintenance & renewal payments							2,634	2,634	2,766
Amortization of tangible capital assets									
Supported							43,476	43,476	38,999
Unsupported						6,642		6,642	7,595
Total Amortization						6,642	43,476	50,118	46,594
Interest on capital debt									
Supported							52	52	128
Unsupported						367		367	338
Lease payments for facilities									32
TOTAL EXPENSES	\$ 44,014	\$ 18,645	\$ 19,186	\$ 15,214	\$ 11,386	\$ 7,009	\$ 46,162	\$ 161,616	\$ 157,312

SQUARE METRES	2019	2018
School buildings	1,500,514	1,485,040
Non school buildings	58,767	58,767

**CALGARY BOARD OF EDUCATION
SCHEDULE 5 – CASH AND PORTFOLIO INVESTMENTS
AS AT AUGUST 31, 2019
(in thousands)**

	2019			2018
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash	2.24%	\$ 135,660	\$ 135,660	\$ 140,872
Cash equivalents				
Other, including GIC's	1.30%	862	862	875
Total cash and cash equivalents	1.30%	\$ 136,522	\$ 136,522	\$ 141,747

Portfolio Investments	2019			2018	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Interest-bearing securities					
Deposits and short-term securities	2.21%	\$ 13,899	\$ 13,899	\$ 13,899	\$ 13,507
Equities					
Pooled investment funds	2.32%	5,849	7,436	7,436	7,010
Total portfolio investments	2.25%	\$ 19,748	\$ 21,335	\$ 21,335	\$ 20,517

Portfolio investments	2019	2018
Operating		
Cost	\$ 13,899	\$ 13,507
Endowments		
Cost	5,519	5,625
Unrealized gains and losses	1,917	1,385
Total portfolio investments	\$ 21,335	\$ 20,517

The following represents the maturity structure for portfolio investments based on principal amount:

	2019	2018
Under 1 year	0%	0%
1 to 5 years	100%	100%
6 to 10 years	0%	0%
	100%	0%

**CALGARY BOARD OF EDUCATION
SCHEDULE 6 – TANGIBLE CAPITAL ASSETS
FOR THE YEARS ENDED AUGUST 31**

	2019							2018
	Land	Construction In Progress	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total	Total
Estimated useful life			25-50 Years	5-15 Years	5-10 Years	3-5 Years		
Historical cost								
Beginning of year	\$ 2,711	\$ 3,887	\$ 1,792,421	\$ 151,210	\$ 10,057	\$ 167,168	\$ 2,127,454	\$ 2,022,800
Prior period adjustments	-	-	-	-	-	-	-	-
Additions	-	82,396	-	-	-	-	82,396	130,371
Transfers in (out)	-	(71,580)	7,240	47,934	328	16,078	-	-
Less disposals including write-offs	-	-	(1,462)	(39)	-	(2,860)	(4,361)	(25,717)
Historical cost, August 31, 2019	\$ 2,711	\$ 14,703	\$ 1,798,199	\$ 199,105	\$ 10,385	\$ 180,386	\$ 2,205,489	\$ 2,127,454
Accumulated amortization								
Beginning of year	\$ -	\$ -	\$ 574,863	\$ 113,640	\$ 7,367	\$ 123,488	\$ 819,358	\$ 778,638
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	44,490	9,041	655	16,233	70,419	66,419
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	(1,462)	(39)	-	(2,860)	(4,361)	(25,699)
Accumulated amortization, August 31, 2019	\$ -	\$ -	\$ 617,891	\$ 122,642	\$ 8,022	\$ 136,861	\$ 885,416	\$ 819,358
Net Book Value at August 31, 2019	\$ 2,711	\$ 14,703	\$ 1,180,308	\$ 76,463	\$ 2,363	\$ 43,525	\$ 1,320,073	
Net Book Value at August 31, 2018	\$ 2,711	\$ 3,887	\$ 1,217,558	\$ 37,570	\$ 2,690	\$ 43,680		\$ 1,308,096

	2019	2018
Total cost of assets under capital lease	\$ 45,135	\$ 42,774
Total amortization of assets under capital lease	\$ 20,211	\$ 17,888

Disposals and write downs

During 2019, tangible capital assets with a net book value of \$nil (2018 - \$18) were disposed of for net proceeds of \$110 (2018 - \$nil).

**CALGARY BOARD OF EDUCATION
SCHEDULE 7 – REMUNERATION
FOR THE YEAR ENDED AUGUST 31, 2019**

Board Members:	FTE	Remuneration	Benefits	Allowances	ERIP's / Other Paid	Other Accrued Unpaid Benefits (1)	Expenses
Marilyn Dennis, Chair	0.21	11,406	1,510	852	-	-	739
Trina Hurdman, Chair	0.79	43,619	5,644	3,248	-	-	4,288
Althea Adams, Vice Chair	0.21	10,367	1,462	852	-	-	-
Marilyn Dennis, Vice Chair	0.79	39,633	5,690	3,248	-	3,462	3,745
Trina Hurdman	0.21	9,381	1,416	852	-	22,500	326
Julie Hrdlicka	1.00	45,000	7,032	4,100	-	18,750	4,872
Althea Adams	0.79	35,671	5,619	3,248	-	3,462	63
Lisa Davis	1.00	45,000	7,032	4,100	-	3,462	940
Richard Hehr	1.00	45,000	4,500	4,100	-	3,462	2,225
Mike Bradshaw	1.00	45,000	7,032	4,100	-	3,462	1,250
Subtotal	7.00	330,077	46,937	28,700	-	58,560	18,448
Christopher Usih, Chief Superintendent	0.71	185,000	24,389	4,269	-	28,099	5,554
David Stevenson, Chief Superintendent	0.29	90,769	8,824	4,615	753,925	-	306
Brad Grundy, Chief Financial Officer, Corporate Treasurer	1.00	239,892	33,466	8,000	-	128,891	4,853
Kelly Ann Fenney, General Counsel, Corporate Secretary (2)	1.00	191,616	29,988	3,692	-	16,693	5,093
Superintendents	4.53	1,061,688	130,580	28,850	394,726	320,156	5,582
<i>Certificated</i>		674,551,487	143,758,627	-	201,287	-	-
School based	6,704.58						
Non-School based	131.50						
<i>Non-certificated</i>		208,887,721	46,906,886	-	1,617,338	-	
Instructional	2,166.20						
Plant Operations & Maintenance	806.68						
Transportation	43.33						
Other	418.93						
TOTALS	10,286	885,538,250	190,939,697	78,126	2,967,276	552,399	39,836

(1) Other Accrued Unpaid Benefits Include: Retirement Accruals for trustees and untaken vacation pay and supplemental pension expenses for employees.

(2) Kelly Ann Fenney's duties are split between Director of Legal Services and Corporate Secretary.

**CALGARY BOARD OF EDUCATION
SCHEDULE 7 – REMUNERATION
FOR THE YEAR ENDED AUGUST 31, 2019**

Notes for Trustees

¹ **Remuneration** includes honorarium payment 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.

² **Benefits** include the employer's share of all employee benefits and contributions or payments made on behalf of trustees including: Canada Pension Plan, 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.

⁶ **Expenses** will include the reimbursement of travel, subsistence, conferences fees and other costs, 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.

Notes for Employees

¹ **Remuneration** includes regular base salaries, administrative allowances, overtime, lump-sum payments, honoraria, deferred salary leave, accruals, and any other direct cash remuneration. This includes negotiated allowance, performance bonuses, ERIP's/Other as described below. Remuneration reported is on an accrual basis and other 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 Alberta Teachers Retirement Fund ("ATRF") contributions of individual jurisdictions are included in the audit confirmations that is accessible on Extranet. Individual employee contributions, such as to the Superintendent, can be estimated by using the following formula:

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

D = Salary updated to plan members files
ER rate (2018) – 11.95%

The ATRF Board has decided to reduce teacher and employer/government contribution rates for the Teachers' Pension Plan (TPP) and the Private School Teachers' Pension Plan (PSTPP). Beginning September 1, 2018, the effective rate will be decreased to 11.29%. <https://atrf.com/corporate/news/atrf-board-reduces-contribution-rates>

Benefits for certificated superintendent include Alberta Education contributions to the ATRF as well as any supplemental pension plan contributions, if applicable. Benefits for non-certificated superintendents and including the Secretary and 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 allowance, isolation allowance, relocation expenses, 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 (ERIP's), and other settlement costs due to loss of employment. These are disclosed on a cash basis.

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.

⁷ **Other Accrued Unpaid Benefits** includes untaken vacation pay and supplemental pension expenses accrued up to August 31, 2019.

CALGARY BOARD OF EDUCATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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 "Calgary School District 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 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.

School jurisdictions have been deemed to be controlled by the Government of Alberta according to criteria set out in the CPA Canada Public Sector Accounting Handbook 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.

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 Canadian Public Sector Accounting Standards ("PSAS") without reference to Sections PS 4200 to PS 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

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the Corporation, which is composed of all organizations, which are controlled by the Corporation. These organizations include:

- 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.

The accounts of government sector entities, except those designated as government business enterprises, are consolidated using the line-by-line method. Under this method, accounting policies of the consolidated entities are adjusted to conform to the Corporation's accounting policies and the results of each line item in their financial statements (revenue, expense, assets, and liabilities) are included in the Corporation's results. Inter-departmental and inter-organizational transactions and balances between these organizations are eliminated upon consolidation.

(b) Basis of Financial Reporting

Valuation of Financial Assets and Liabilities

The Corporation's financial assets and liabilities are generally measured as follows:

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Amortized cost
Accounts receivable	Lower of cost or net recoverable value
Inventories for resale	Lower of cost or net realizable value
Portfolio investments	Fair value and amortized cost
Accounts payable and accrued liabilities	Amortized cost
Debt	Amortized cost

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets are the Corporation's financial claims on external organizations and individuals, and inventories for resale at the year end.

Cash and cash equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid, investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term commitments rather than for investment purposes.

Accounts receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain

Portfolio investments

The Corporation has investments in GIC's, term deposits, bonds, equity instruments and mutual funds that have no maturity dates or a maturity of greater than three months. GIC's, term deposits and investments not quoted in an active market are reported at cost or amortized cost. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value. Discounts and premiums arising on the purchase of fixed income securities are amortized over the term of the investments

Derivatives and portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of 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 is defined as a loss in value of a portfolio investment that is other than a temporary decline 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 Statement of Remeasurement Gains and Losses. A subsequent increase in value would be recognized on the Statement of Remeasurement Gains and Losses and realized on the Statement of Operations only when sold.

Scholarship Endowment Funds are included in Financial Assets in the Consolidated Statement of Financial Position. Contributions and income pertaining to scholarship endowment funds are recognized on the Statement of Operations and must be held in perpetuity in accordance with the agreement with the donor. The residual may be disbursed for the purposes of the scholarship. Undisbursed funds earned on endowment principal are recognized as deferred revenue or as revenue in the year to the extent that stipulations have been met. Donors have placed restrictions on their contributions to endowments, for example capital preservation. The principal restriction is that the original contribution should be maintained intact in perpetuity. Other restrictions may include spending investment income earned by endowments for specific operational or capital purposes, or capitalizing a certain amount of investment income to maintain and grow the real value of endowments.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Detailed information regarding portfolio investments is disclosed in Schedule 5: Schedule of Cash and Portfolio Investments.

Other financial assets

Other financial assets are valued at the lower of cost or expected net realizable value.

Liabilities

Liabilities are present obligations of the Corporation to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include unearned revenue collected from external organizations and individuals for which goods and services have yet to be provided.

Deferred revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per *PS3200*. 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.
- 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.

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 cost to operate the education system in Alberta and the Corporation’s proportionate share 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 “Certified 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.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 OverCap plan, or SERP, is administered by the Corporation and is an OverCap plan to the SiPP. LAPP/ATRF and SiPP together can provide the maximum benefit of 2% of final average earnings to the maximum, which changes every year as set by the CRA. SERP tops up the pension benefit to 2% on any earnings over this maximum. 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 August 31st.

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.

Enrollment in SiPP, SERP and SRP

The following table reflects the number of employees enrolled in each of the SiPP, SERP and SRP plans as at August 31:

	<u>2019</u>	<u>2018</u>
Supplemental Integrated Pension Plan (SiPP)	7	7
Supplementary Executive Retirement Program (SERP)	7	7
Supplementary Retirement Plan (SRP)	<u>29</u>	<u>29</u>
Total	<u>43</u>	<u>43</u>

Post-Retirement and Post-Employment Benefits Plans (“PRB” and “PEB”)

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

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (“EARSL”) of active employees covered under the plan. The EARSL for employees of the Corporation is 12 years. The most recent valuation of the obligation was performed at August 31, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of August 31st was adopted.

Asset retirement obligations

The Corporation recognizes the fair value of an asset retirement obligations (“ARO”) in the period in which it incurs a legal obligation associated with the retirement of certain buildings and related assets. Certain building assets may contain asbestos or other contamination. Although any contamination is appropriately contained in accordance with environmental regulations, it is the Corporation’s practice to, if necessary, remediate any contamination 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.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The estimated fair value of the ARO is capitalized as part of the related long-lived asset and accreted on the same basis as the underlying asset. The ARO provision 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 the Statement of Operations when remediation is completed.

Debt

Notes, debentures, and mortgages are recognized at their face amount less unamortized discount, which includes issue expenses.

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

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 in the year following substantial completion. Estimated useful life is as follows:

Buildings	25 - 50 years
Furniture and equipment	5 - 15 years
Computer software and hardware	3 - 5 years
Vehicles	5 - 10 years

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets

The standard (PS 3210) provides guidance for applying the definition of assets set out in PS 1000 Financial Statement concepts, and establishes general disclosure standards for assets. Under this standard, for unrecognized assets, disclosing major categories may provide additional resources available to the school jurisdiction. Additionally, information about the major categories of assets that are not recognized is disclosed in the notes to the consolidated financial statements. When an asset is not recognized because a reasonable estimate of the amount involved cannot be made, the reasons for this are disclosed.

Capital leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incidental 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.

Prepaid expenses

Prepaid expenses is recognized at cost and amortized based on the terms of the agreement or using a methodology that reflects use of the resource.

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.

Trust funds under administration

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 16.

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.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 *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.

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.

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-focused 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.

Financial instruments

The Corporation classifies its financial instruments at either the fair value cost 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. These 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.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Cost / Amortized Cost

This category consists of cash and cash equivalents, accounts receivable, guaranteed investment certificates (GICs), accounts payable and accrued liabilities, debt. 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 in 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.

Measurement uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. 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 professional 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, estimated employee future benefits and rates used in the determination of asset retirement obligations.

Budgetary information

Unaudited budget information is presented on the Statement of Operations and Statement of Changes in Net Debt and on the related schedules and represents the budget approved by the Board of Trustees and submitted to Alberta Education in June 2018. The budget was amended in November 2018 and accepted by the Board of Trustees.

Contingent assets

By definition, a contingent asset is a possible asset arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Contractual rights

By definition, a contractual right arises out of a contract or agreement that is binding between two or more parties, has clear economic consequences and is enforceable by law (see note 15).

Related party transactions

By definition, a related party transaction is a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party (see note 12).

Inter-entity transactions

By definition, inter-entity transactions are those transactions occurring between commonly controlled entities. Commonly controlled entities are all public sector entities that comprise a government's reporting entity (Note 12).

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Restructuring transactions

By definition, (i) a restructuring transaction is a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities without consideration based primarily on the fair value of the individual assets and individual liabilities transferred; (ii) the net effect of a restructuring transaction should be recognized as revenue or as an expense by entities involved; (iii) a recipient should recognize individual assets and liabilities received in a restructuring transaction at their carrying value amount with applicable adjustments at the restructuring date; (iv) a transferor and a recipient should not restate their financial position or results of operations; and (v) a transferor and a recipient should disclose sufficient information to enable users to assess the nature and financial effects of a restructuring transaction on their financial position and operations. The Corporation adopted this accounting standard prospectively as of September 1, 2017. The adoption of this standard did not have a significant effect on the consolidated financial statements of the Corporation.

Asset retirement obligations

In August 2018, the Public Sector Accounting Board issued this accounting standard that addresses the reporting of legal obligations associated with the retirement of tangible capital assets. This new standard takes effect for annual reporting periods beginning on or after April 1, 2021, with earlier adoption permitted. Alberta Education has indicated that school jurisdictions, including the Corporation, will adopt this new standard as of September 1, 2021.

Management is currently evaluating the impact of this standard on the consolidated financial statements of the Corporation.

3. CASH AND CASH EQUIVALENTS

	2019		2018	
	Effective Market Yield	Amortized cost	Effective Market Yield	Amortized cost
Bank balances ⁽¹⁾	2.24	\$ 136,564	1.75	\$ 142,110
Outstanding cheques		(904)		(1,239)
Cash equivalents (GIC)	1.30	862	1.30	876
Total cash and equivalents		\$ 136,522		\$ 141,747

⁽¹⁾ Includes cash balances restricted for EducationMatters in the amount of \$167 (2018-\$122).

General operating and other bank indebtedness

The Corporation maintains a line of credit to a maximum of \$44,600 (2018 - \$25,000) with a 3.95% (2018 – 3.70%) borrowing rate per annum that has been negotiated with its banker for general operating purposes. The line of credit is secured against the Corporation’s accounts receivable. At August 31, 2019, no amount has been drawn against the Corporation’s general operating line of credit (2018 - \$nil).

Supplementary cash flow information

For the year ended August 31, 2019, cash interest paid on school building debenture debt and other debt amounted to \$52 (2018 - \$128) and cash interest earned (both operating and capital) and dividends received on investments totalled \$2,550 (2018 - \$2,269).

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

4. ACCOUNTS RECEIVABLE

	2019		2018	
	Gross amount	Allowance for doubtful accounts	Net realizable value	Net realizable value
Alberta Infrastructure - Capital	\$ 32,141	\$ -	\$ 32,141	\$ 32,692
Fees	9,034	(7,071)	1,963	1,316
Municipalities	1,932	-	1,932	2,098
Federal government	1,408	-	1,408	1,478
Insurance Claims	1,136	-	1,136	1,009
Alberta Education - Grants	852	-	852	1,158
Other	819	(272)	547	2,850
Alberta Education - Substitute Teacher	287	-	287	266
Alberta Treasury Board and Finance	280	-	280	597
Other Alberta school jurisdictions	168	-	168	30
First Nations	53	-	53	1,113
Other Government of Alberta ministries	46	-	46	-
Post-secondary institutions	3	-	3	13
Foundations	2	-	2	3
	<u>\$ 48,161</u>	<u>\$ (7,343)</u>	<u>\$ 40,818</u>	<u>\$ 44,623</u>

5. DEFERRED REVENUE

	2019	2018
Unexpended deferred operating contributions		
Infrastructure Maintenance Renewal grants	1,547	1,189
International Student Fees	59	59
Alberta Education operating grants	4,352	9,253
Other	1,034	990
Total unexpended deferred operating contributions	<u>\$ 6,992</u>	<u>\$ 11,491</u>
Unexpended deferred capital contributions (Schedule 2)	3,272	12,974
Expended deferred capital contributions (Schedule 2)	1,161,851	1,137,133
Total deferred contributions	<u>\$ 1,172,115</u>	<u>\$ 1,161,598</u>

**CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2019</u>	<u>2018</u>
Other trade payables and accrued liabilities	\$ 48,612	\$ 52,348
Salaries and benefit costs	27,633	28,222
Accrued vacation liability	7,253	7,582
Federal Government	808	474
Post-Secondary Institutions	72	64
Alberta Capital Finance Authority (Interest on supported debt)	35	56
Other Alberta school jurisdictions	5	20
Other Government of Alberta ministries	699	-
Unearned Revenue		
School generated funds, including fees (Note 14)	14,308	15,167
Other fee revenue not collected at school level	12,047	12,474
	<u>\$ 111,474</u>	<u>\$ 116,407</u>

7. EMPLOYEE FUTURE BENEFITS

(a) Employee Future Benefits

	<u>2019</u>	<u>2018</u>
Supplemental executive retirement program	\$ 290	\$ 730
Supplementary retirement plan	170	255
Post retirement and post-employment benefit plans	24,373	24,747
	<u>\$ 24,833</u>	<u>\$ 25,732</u>

(b) 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 \$44 (2018 - \$48).

The net pension expense for SERP was \$154 (2018 - \$110). The total liability for the SERP at August 31, 2019 was \$290 (2018 - \$730).

(c) Supplementary Retirement Plan (SRP)

The total liability for the SRP at August 31, 2019 was \$170 (2018 - \$255).

(d) Post-Retirement and Post-Employment Benefits Plans (PRB/PEB)

Changes in PRB/PEB

The following table provides the plans' change in Post Retirement and Post-Employment Benefits Plans ("PRB/PEB") for the years ended August 31, 2019 and 2018:

To date, \$24,373 (2018 - \$24,747) has been accrued in the Corporation's consolidated financial statements as a liability for PRB/PEB.

	<u>2019</u>	<u>2018</u>
Liability for PRB/PEB, beginning of year	\$ 24,747	\$ 24,577
Current service cost	1,130	1,218
Interest cost	1,542	1,484
Benefits payments	(4,154)	(3,577)
Amortization of net actuarial losses	1,108	1,045
Liability for PRB/PEB, end of year	<u>\$ 24,373</u>	<u>\$ 24,747</u>

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

7. EMPLOYEE FUTURE BENEFITS (continued)

Plan Funded Status

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

	<u>2019</u>	<u>2018</u>
Accrued benefit obligation, ending balance	\$ 33,810	\$ 32,441
Unamortized net actuarial losses	(9,437)	(7,694)
Liability for PRB/PEB, ending balance	<u>\$ 24,373</u>	<u>\$ 24,747</u>

(e) Post-Retirement and Post-Employment Benefits Plans (PRB/PEB) (continued)

Components of Net Periodic Post - Retirement Benefit Cost

The net period benefits cost for pension plans include the following components for the years ended August 31 are:

	<u>2019</u>	<u>2018</u>
Current period service cost	\$ 1,130	\$ 1,218
Amortization of net actuarial gains(losses)	1,108	1,045
Benefit expenses	\$ 2,238	\$ 2,263
Benefit interest expenses	1,542	1,484
Total benefit expenses	<u>\$ 3,780</u>	<u>\$ 3,747</u>

The accrued benefit obligations for employee future benefit plans as at August 31, 2019 are based on actuarial valuations for accounting purposes as at August 31, 2019. 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>2019</u>	<u>2018</u>
Discount rate on accrued benefit obligation	4.05%	4.95%
Rate of Compensation increase	3.50%	3.50%
Supplemental Health Care (SHC) cost trend rate 5.75% for 3 years with grading by 0.25% per year to an ultimate rate of 5.0%	5.75%	5.75%
Dental cost trend rate	4.50%	4.50%

(f) Alberta Teachers Retirement Fund (ATRF)

The current service and past service costs of the Alberta Teachers Retirement Fund (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 \$73,326 (2018 - \$75,590) and are included in these consolidated financial statements as revenue from the Government of Alberta and as certificated benefits expense. At August 31, 2019, the ATRF reported a surplus of \$2,697,272 (2018 - \$1,904,968).

(g) Local Authorities Pension Plan (LAPP)

The Corporation participates in the LAPP, which is a multi-employer pension plan and does not report on any unfunded liabilities. The service costs for the employees for the current year of \$18,678 (2018 - \$21,428) are included in these consolidated financial statements and comprise the Corporation's costs of employer contributions. At December 31, 2018, the LAPP reported a surplus of \$3,469,347 (2017 - \$4,835,515).

The Corporation provides non-contributory defined benefit supplementary retirement benefits to its executives and it participates in the multi-employer supplementary integrated pension plan (SiPP) for members of senior administration. The plan provides a supplement to the LAPP or ATRF pension to a full 2% of pensionable earnings multiplied by pensionable service, limited by the Income Tax Act. The annual expenditure for this pension plan is equivalent to the annual contributions of \$44 for the year ended August 31, 2019 (2018 - \$48).

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

7. EMPLOYEE FUTURE BENEFITS (continued)

The non-registered supplemental executive retirement plan (SERP) is administered by the Corporation and provides annual retirement benefits of 2% of total employee earnings. The cost of SERP is incurred by the Corporation and is actuarially determined using the projected accrued benefit cost method with proration of service costs.

The Corporation does not have sufficient plan information on the LAPP/MEPP/PSPP/SiPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the PSPP/LAPP/MEPP/SiPP is comprised of employer contributions to the plan that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

8. ASSET RETIREMENT OBLIGATIONS

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 327	\$ 327
Obligations discharged, during the year	-	-
Balance, end of year	<u>\$ 327</u>	<u>\$ 327</u>

An annual 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 monitors the utilization of its assets in the normal course of operations. The Corporation has not recorded an asset retirement obligation for the estimated costs of restoring certain schools or disposing of surplus sites that may require remediation as the Corporation is unable to determine the value of this liability as all locations and types of contamination, if any, are unknown.

9. DEBENTURES AND OTHER SUPPORTED DEBT

The debentures for the acquisition of school buildings are 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 annual interest rates ranging from 7.38 per cent to 11.75 per cent, and mature at various dates to 2020. Balances at August 31, 2019 are \$232 (2018 - \$528) and are repayable by 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>
2020	\$ 232	\$ 24	\$ 256

CALGARY BOARD OF EDUCATION
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10. 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. The Corporation has set aside restricted long-term investments of \$13,899 (2018 - \$13,507) (refer to Schedule 5) to retire the outstanding lease obligation as of August 31, 2019. As of August 31, 2019, capital lease obligations pertaining to the Corporation are as summarized below:

	<u>2019</u>	<u>2018</u>
Finance contracts, secured by certain building components at annual interest rates ranging from 2.17 per cent - 3.28 per cent, repayable in annual installments of \$565,885 including interest, maturing August 2021 through August 2023.	\$ 1,572	\$ 2,080
Finance contracts, secured by certain building components at annual interest rates ranging from 1.67 per cent - 3.28 per cent, repayable in annual installments of \$457,765 including interest, maturing August 2021 through August 2023.	4,753	5,426
Finance contracts, secured by certain building components at annual interest rates ranging from 1.67 per cent - 3.28 per cent, repayable in annual installments of \$809,437 including interest, maturing August 2019 through August 2024.	1,579	1,987
Finance contracts, secured by certain building components at annual interest rates ranging from 1.67 per cent - 3.28 per cent, repayable in annual installments of \$442,355 including interest, maturing August 2021 through August 2024.	5,346	3,340
	<u>\$ 13,250</u>	<u>\$ 12,833</u>

Minimum lease payments for future years are as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2020	\$ 335	\$ 2,193	\$ 2,528
2021	280	3,844	4,124
2022	200	3,606	3,806
2023	105	1,982	2,087
2024	43	1,625	1,668
Total	<u>\$ 963</u>	<u>\$ 13,250</u>	<u>\$ 14,213</u>

The Corporation entered into finance contracts during the year in the amount of \$2,361 (2018 - \$2,048) secured by certain building components maturing through August 2024.

CALGARY BOARD OF EDUCATION
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11. ACCUMULATED SURPLUS

The components of the Corporation's accumulated surplus are described below:

	2019	2018
Unrestricted surplus	\$ -	\$ -
Operating reserves	22,994	25,977
Accumulated surplus from operations	22,994	25,977
Investment in tangible capital assets	165,990	158,721
Capital reserves ^(a)	15,887	24,200
Endowments ^(b)	4,714	4,165
Accumulated rereasurement gains	998	797
Accumulated surplus	\$ 210,583	\$ 213,860

Included in Accumulated surplus from operations are school generated funds to which the Corporation has no claim. Adjusted accumulated surplus represents funds owned by the Corporation.

	2019	2018
Accumulated surplus from operations	\$ 22,994	\$ 25,977
Add: Non-vesting accumulating employee future benefits charged to accumulated surplus ^(c)	(10,164)	(10,164)
Deduct: School generated funds included in accumulated surplus (Note 14)	(14,308)	(15,167)
Adjusted accumulated surplus from operations ^(d)	\$ 27,138	\$ 30,980

(a) 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.

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 August 31, 2019, \$5,478 (2018 - \$8,711) is committed or designated for a specified purpose and \$10,409 (2018 - \$15,489) available for new building commitments.

(b) Endowments

As a result of consolidating EducationMatters, the Corporation has included the Endowment Fund which represents the principal amounts contributed for the benefit of students which must be held in perpetuity by EducationMatters in accordance with stipulations placed by the contributor.

(c) Employee future benefits

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

(d) Adjusted accumulated surplus from operations

Adjusted accumulated surplus from operations represents funding available for use by the Corporation after deducting funds committed in the 2018-19 and 2019-20 budget process for capital and operating initiatives as well as our net investment in capital assets.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

12. RELATED PARTY TRANSACTIONS

(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 Professional 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:

As at and for the year ended August 31, 2019	Assets (at cost or net realizable value)	Liabilities	Revenues	Expenses
Government of Alberta (GOA):				
Education				
Accounts receivable / accounts payable	\$ 1,140	\$ -	\$ -	\$ -
Prepaid expenses / deferred revenue	-	4,352	-	-
Unexpended deferred capital revenue	-	3,272	-	-
Expended deferred capital revenue	-	1,158,843	-	-
Grant revenue & expenses	-	-	1,287,680	-
Other revenue & expenses	53	-	2,400	-
Other Alberta school jurisdictions	168	6	602	84
Treasury Board and Finance (principal)	246	-	-	-
Treasury Board and Finance (accrued interest)	35	1,582	52	-
Alberta Health Services	-	1	1	1,123
Post-secondary institutions	3	72	49	795
Other Government of Alberta	46	699	496	58
Alberta Infrastructure	32,141	-	-	-
Alberta Pensions Administration Corporation	-	-	-	35,442
TOTAL 2019	\$ 33,832	\$ 1,168,827	\$ 1,291,280	\$ 37,502
TOTAL 2018	\$ 35,868	\$ 1,160,690	\$ 1,269,474	\$ 43,113

(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.

Any transactions between key management personnel or the Board of Trustees and the organization have been recorded at fair or market value in these consolidated financial statements.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

13. FEES REVENUE

	<u>2019</u>	<u>2018</u>
Transportation fees	\$ 4,921	\$ 4,585
Fees charged for instruction materials and supplies	-	273
Noon supervision	14,777	13,967
Other (school generated funds and Chinook)	23,929	20,149
	<u>\$ 43,627</u>	<u>\$ 38,974</u>

14. SCHOOL GENERATED FUNDS

	<u>2019</u>	<u>2018</u>
Unearned school generated revenue, beginning of year	\$ 15,167	\$ 15,259
Gross receipts:		
Fees	23,208	19,667
Fundraising	6,118	4,778
Gifts and donations	7,672	5,786
Grants to schools	174	149
Other sales and services	5,177	4,830
Total gross receipts	\$ 42,349	\$ 35,210
Less:		
Related expenses and uses of funds	\$ 41,555	\$ 34,018
Direct costs including costs of goods sold to raise funds	1,653	1,284
	<u>\$ (859)</u>	<u>\$ (92)</u>
Deferred school generated revenues, end of year (Note 6)	\$ 14,308	\$ 15,167
Balance included in Accounts Payable	\$ 14,308	\$ 15,167

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

15. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

(a) Contractual obligations

	<u>2019</u>	<u>2018</u>
Building projects	\$ 3,609	\$ 48,816
Building leases	172,464	192,388
Service providers	265,826	121,216
	<u>\$ 441,898</u>	<u>\$ 362,420</u>

Building 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.

Building lease:

The Corporation has entered into various operating lease agreements for office spaces that expire up to February 2031. The annual lease expense exclusive of operating costs is \$9,875 (2018 - \$9,668) from which sublease income of \$214 (2018 - \$919) was recovered historically.

Service providers:

As at August 31, 2019, the Corporation has the following commitments relating to service and grant contracts:

- Effective March 9, 2017, the Corporation entered into a five (5) year term Master Transportation Agreement (“MSA”) with Southland Transportation Ltd. (the “Carrier”) for the provision of student school bus and taxi transportation services. The agreement may be renewed for one additional term of five (5) years or may be terminated by the Corporation by giving sixty (60) days notice prior to the effective date of such termination. The parties agreed to execute Annual Service Agreements (“ASA”), the first such Annual Service Agreement (“ASA-1”) began August 1, 2018 and continues to and including July 31, 2019. ASA-1 outlines the Carrier’s obligations, the applicable rates, performance indicators, the drivers’ responsibilities, and all other anticipated fees and charges under the agreement.
- The Corporation has revised its service agreement related to certain payroll and human resources administration processes expiring October 14, 2019.
- The Corporation entered into an electricity supply agreement with Enmax to the end of December 2020. The Corporation entered in a natural gas supply agreement with Direct Energy expiring December 2020.

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

	<u>Building Projects</u>	<u>Building Leases</u>	<u>Service Providers</u>	<u>Total</u>
2019-20	\$ 3,609	\$ 13,530	\$ 74,515	\$ 91,654
2020-21	-	13,821	63,732	77,553
2021-22	-	14,068	56,945	71,014
2022-23	-	14,107	55,507	69,615
2023-24	-	14,555	3,931	18,486
Thereafter	-	102,382	11,195	113,577
Total	<u>\$ 3,609</u>	<u>\$ 172,464</u>	<u>\$ 265,826</u>	<u>\$ 441,898</u>

(b) Contingent liabilities

Periodically, 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
(in thousands)

16. TRUST FUNDS UNDER ADMINISTRATION

	<u>2019</u>	<u>2018</u>
Scholarship trust funds	\$ 18	\$ 191
School staff funds	2	3
	<u>\$ 20</u>	<u>\$ 194</u>

17. 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 not proportionately consolidated the 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 August 31, 2019 was \$2,345 (2018 - \$2,644).

18. COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures have been reclassified as directed by Alberta Education to conform to the presentation requirements of Alberta Education’s AFS Guidelines.

	<u>Originally Reported</u>	<u>Adjustment</u>	<u>Reclassified</u>
Deferred contributions	\$ 1,189,239	\$ (27,641)	\$ 1,161,598
Accounts payable and accrued liabilities	88,766	27,641	116,407
Portfolio Investments	20,517	(20,517)	-
Operating	-	13,507	13,507
Endowment	-	7,010	7,010

19. SEGMENTED 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 expenses 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.

CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

19. SEGMENTED INFORMATION (continued)

iii. *Transportation*

The Corporation offers transportation services to students meeting eligibility criteria. 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 tangible capital asset that is being utilized.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2. See Schedule 3 – Program of Operations for details.

20. 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 2018-19 unaudited budget was approved by the Board of Trustees on May 22, 2018 and submitted to Alberta Education on May 22, 2018. In the fall, the budget was updated to reflect actual enrolment numbers and was accepted by the Board of Trustees on November 27, 2018.

The fall budget update is presented in the 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.

Amounts budgeted for tangible 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 \$29,052 (2018 - \$24,603) as shown in Schedule 1.

**CALGARY BOARD OF EDUCATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)**

20. BUDGET COMPARATIVES (continued)

	Original Budget	Budget as presented for comparative purposes	Increase (Decrease)
Revenues			
Government of Alberta	\$ 1,311,094	\$ 1,307,548	\$ (3,546)
Federal Government and First Nations	3,289	2,822	- 467
Other sales and services	20,613	20,410	(203)
Fees revenue	41,174	41,159	- 15
Investment revenue	1,649	1,649	-
Gifts and donations	7,592	8,073	481
Fundraising	7,400	7,400	-
Rentals	4,254	4,323	69
Other revenue	-	545	545
Total revenues	\$ 1,397,065	\$ 1,393,929	\$ 410
Expenses			
Instruction: grades 1-12	1,057,050	1,053,663	(3,387)
Instruction: early childhood services	47,785	48,480	695
Board and system administration	46,341	47,121	780
Transportation	48,612	47,845	(767)
Plant operations and maintenance	169,944	169,731	(213)
External services	33,333	33,089	(244)
Total expenses	\$ 1,403,065	\$ 1,399,929	\$ (3,136)
Annual deficit	\$ (6,000)	\$ (5,999)	\$ -
Transfer from operating reserves/designated funds			
Transfer from operating reserves	2,500	2,500	-
	\$ 2,500	\$ 2,500	\$ -
Add/(deduct) capital items paid by operating funds			
Capital assets acquired	(31,576)	(32,347)	(771)
Board funded amortization	35,076	27,136	(7,940)
Use of capital reserves	-	8,711	8,711
	\$ 3,500	\$ 3,500	\$ -
Cost to be reduced/efficiencies identified	\$ -	\$ -	\$ -



Management's Discussion and Analysis For the year ended August 31, 2019

2018-19 Overview

The Calgary Board of Education (CBE) is the public school board in Calgary, Alberta, Canada, and is one of the best public education systems in the world. From Early Childhood Services (ECS) to Grade 12, the CBE operates a wide variety of programs and services to support each and every student. Outstanding education depends on making wise decisions about how to invest public resources on behalf of the over 123,000 students. It is an important responsibility. Money spent educating today's youth is one of the most important investments a society can make in its future.

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

The CBE's values, set out below, guide Administration's approach to the budget and the work we do:

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

This Management Discussion and Analysis (MD&A) should be read in conjunction with the CBE's [Budget Report](#) for 2018-19 (including the Fall Budget Update), Fourth Quarter Budget Variance Report and Consolidated Financial Statements and the accompanying notes for the year ended Aug. 31, 2019. The Budget Report outlines how the CBE is structured, governed and outlines priorities for supporting students.

The CBE's work is guided by its [Three-Year Education Plan](#) and the Fall Budget Update Report outlines the allocation of resources to achieve student success which includes:

- Priorities – this section summarizes learning and operating priorities in keeping with the CBE values above. See page 4 in the [Budget Report](#) for 2019-20.

2018-19 Achievements and other operational highlights

The CBE is a leader in public education and is proud of students and their accomplishments. The CBE offers an impressive breadth and depth of programming and supports to meet the unique learning needs and interests of all students in an increasingly diverse population.

Enrolment growth

Student enrolment at the CBE continues to grow. Over the past ten years, enrolment has increased by 21,597 (21.2%) students. Enrolment for 2018-19 increased to 123,419, up 1,728 (1.4 per cent) from the previous year. To put that in perspective, a large elementary school has a student population of about 600 students; for 2018-19 the CBE grew by the equivalent of approximately three such schools.

Grade 6 and Grade 9 PAT and Grade 12 Diploma examination results

CBE students achieved impressive results on the [2018-19 Provincial Achievement Tests and Diploma Examinations](#). Highlights include:

- CBE student results in Grade 6 exceeded provincial results in all measures at both the Acceptable Standard and the Standard of Excellence.
- In Grade 9, our results exceeded provincial results in three of five measures at the Acceptable Standard and in four of five measures at the Standard of Excellence.
- CBE results were above provincial results in 10 out of 11 Diploma Exam measures at the Acceptable Standard and 11 of 11 measures at the Standard of Excellence.

Operational priorities

Resources were allocated to support the improvement priorities identified within the Three-Year Education Plan. Those priorities include increasing success of Indigenous students and improving success of all students in mathematics and literacy. The CBE also continues to focus on high school success through a range of initiatives.

Approximately 710 students benefited from extended early learning experiences at 16 full day kindergarten locations across the school district which is not funded by Alberta Education.

The CBE continues to provide seven years of English Language Learner support (versus the five years of programming funded by Alberta Education). This decision, supported by research, increases the results achieved by students. Approximately 4,610 students across the system directly benefit from these additional two years of support.

A critical enterprise application in the CBE used by students, parents, guardians, teachers, administrators, managers and service units was replaced by Powerschool, which went live at the beginning of the 2018-19 school year ensuring the CBE was compliant with Alberta Education's student information data standards.

New school construction and student spaces

During the past three years the CBE has opened 24 new schools, modernized four schools and initiated the major modernization of Forest Lawn High School. Information on these projects is available on the [CBE's website](#). In 2018-19, the CBE opened Joane Cardinal-Schubert High School and reopened Glenmeadows School, which created 2,300 new student spaces during the 2018-19 school year. The new schools provide much needed learning spaces and allows students to attend schools closer to their home communities. The modernization of Forest Lawn High School includes upgrades to programs such as welding shop, automotive shop, and building construction shop. Phase two includes the modernization of learning commons, four computer labs and seven classrooms.

New, modernized and replacement school projects are primarily funded by the Government of Alberta. The CBE also invested more than \$26.8 million between 2015 and 2019 to ensure that new, replacement and modernized schools are set up for student success. These commissioning dollars mean that CBE schools continue to meet students' needs today, tomorrow and into the future. Ongoing operating costs increased by approximately \$2 million in 2018-19 to operate Joane Cardinal-Schubert High School and Glenmeadows School. The CBE's total increased annual operating costs due to new schools between 2015 to 2019 school years is approximately \$15.7 million.

Employee engagement

The CBE's Three-Year Education Plan identified understanding the level of engagement employees have in their jobs as a priority. In spring 2017, a third-party partner administered an employee engagement survey. In the 2017-18 school year the results were released, Areas and service units facilitated focused discussions on the survey results, and the CBE committed to system-wide actions to help improve employee engagement.

The CBE conducted its second [employee engagement survey](#) in the spring of 2019. The strong response on this survey is very encouraging, with more than 9,200 employees participating. That's an increase of more than 1,200 participants from the 2017 employee engagement survey.

Staffing highlights

Staff and full-time equivalents (FTEs)

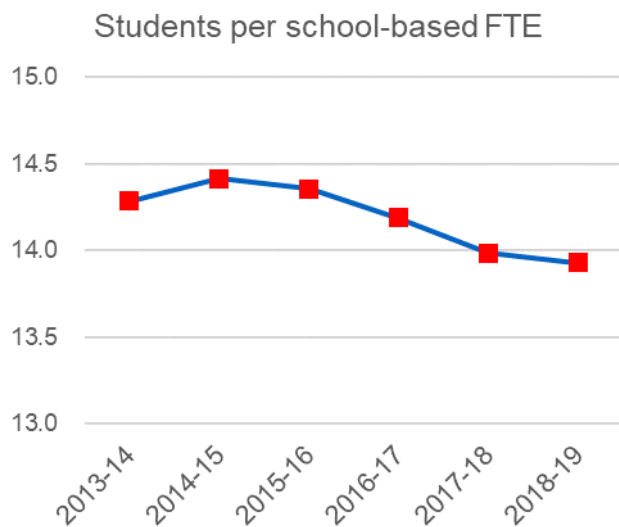
In 2018-19, the CBE employed more than 14,000 people, which equates to 10,286 FTE positions. This makes the CBE one of the largest employers in the city of Calgary. Each employee plays an important role in supporting students in their learning. Teachers, principals and other school-based employees work directly with students to help them reach their potential. School-based employees represent 92 per cent of the total 10,286 FTEs. School-based staff are supported by skilled, knowledgeable, and dedicated employees who work in a variety of other capacities across all of the supporting service units.

The CBE spends the greatest proportion of its funds (78 per cent) on salaries and benefits, with teachers making up the majority of that total. The provincial grant increases in past years have not been sufficient to cover the negotiated wage rate increases and

wage grid movement for teachers and support staff. As a result, the number of school-based FTEs has not always increased at a rate equal to enrolment growth. This places upward pressure on the ratio of students to school-based staff.

Students per FTEs

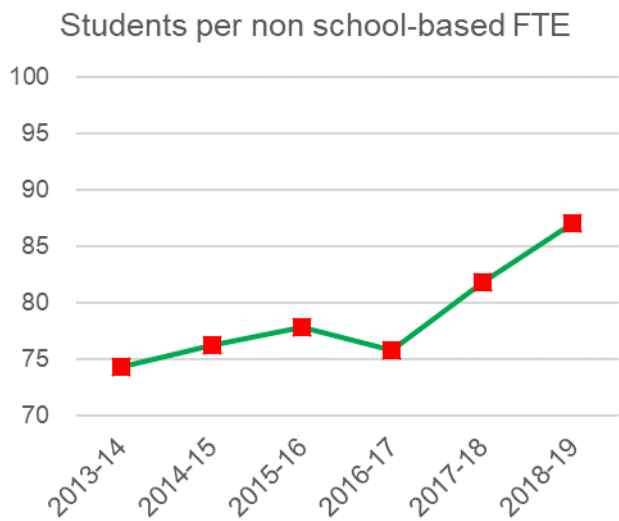
Every staff member is critical to ensuring a student's path to success. While decisions on funding allocation is prioritized to schools, this has a direct impact on what is available for non school-based support to students.



While grant rates did not change, funding for enrolment growth, the use of reserves, and the incremental funding made available through the Classroom Improvement Fund provided sufficient funding to allow the CBE to slightly improve the ratio of students to school-based staff.

The following tables show the average number of the CBE students per school-based FTE staff position. For the purposes of this graph, school based staff **does not include** staff in service units that work directly in schools, such as facility operations staff, trades staff, centrally managed school supports including school technology support specialists, psychologists, speech-language pathologists and the range of other supporting professionals.

- A lower ratio in this chart indicates that each school-based FTE is servicing a smaller group of students.



The ratio of students to non school-based FTEs are not as closely tied to enrolment growth as school-based staffing levels. Since resource allocations are prioritized to schools, central support staffing changes have not kept pace with enrolment growth. This results in an increase to the student per non school-based FTE ratio.

For the purposes of this table, non school-based FTEs include facility operations staff who work in schools as well as psychologists, braille assistants, deaf and hard of hearing specialists, mental health specialists, occupational and physical therapists, and speech language pathologists.

- A higher ratio in this chart indicates that each non school-based FTE is servicing a larger group of students.

Financial highlights

Operating highlights

For the 2018-19 school year, the CBE continued to provide high quality, comprehensive, responsive, caring, inclusive public education to students. Over the past three years, 24 new schools have opened. Non-school facility capital and maintenance projects create a positive environment and system supports to schools and their students. Supporting the delivery of the Three-Year Education Plan within available resources requires focus, prioritization and choices. Inflation, salary grid movement, operating new schools and covering all costs within the available resources is a challenge. These costs often outpace the growth in Alberta Education funding, which is based on per-student formula rather than actual costs of providing public education. This requires utilizing a variety of sources of savings (for example, service level reductions, reductions and changes to programming, service unit support reductions, use of reserves) to continue to deliver the levels of service expected by the community.

Year-over-year highlights

The 2018-19 deficit of \$3.5 million is \$1.4 million higher than the prior year deficit of \$2.1 million. Highlights in the year include:

- An increase in enrolment. Funding rates remained steady to prior year, but with an increase in the number of students, overall funding increased.
- The number of staff to provide instruction and support students have also increased.
- The government has provided the same funding with Bill 1, including the Fee Replacement Grant for Instructional Supplies and Material, as well as Transportation Fees.
- Classroom Improvement Funding remained consistent with prior year. This was channeled into student learning by increasing FTEs to support student learning.
- In 2017-18 Administration projected operational and capital project funding requirements and deemed it prudent to convert equity and bond investments into cash. This strategy has not been repeated in 2018-19, resulting in lower investment income compared to prior year.

Revenue and expense categories are further discussed in the following sections.

Financial results and analysis

Consolidated financial results

The CBE's consolidated financial statements are presented in accordance with Public Sector Accounting Standards and in the format prescribed by Alberta Education. Expenditures reported in the consolidated financial statements are grouped based on the lines of service provided and activities performed by the CBE, regardless of whether these activities happen in schools or centrally. An alternate view of expenditures is presented below with comparative figures and in Attachment II for schools and service units. This is the view commonly presented in the CBE's Budget Reports and provides more information as to the specific types of expenditures that were made during the year.

	Actuals 2018-19	Actuals 2017-18	Increase / (Decrease)
	(in \$000s)		
Revenues			
Alberta Education	1,288,251	1,266,172	22,079
Fees	43,627	38,974	4,653
Other sales and services	28,874	30,340	(1,466)
All other revenue	17,428	17,194	234
Federal Government and First Nations	2,698	3,287	(589)
Investment income	3,837	7,180	(3,343)
	1,384,715	1,363,147	21,568
Expenses by block			
Instruction - Early Childhood Services	44,354	52,780	(8,426)
Instruction - Grades 1-12	1,048,639	1,024,638	24,001
Plant operations and maintenance	161,616	157,312	4,304
Transportation	52,632	49,605	3,027
Board & system administration	48,054	47,247	807
External services	32,898	33,617	(719)
	1,388,193	1,365,199	22,994
Expenses by nature			
Salaries and benefits	1,080,076	1,070,631	9,445
Services, contracts and supplies	232,235	223,226	9,009
Other (interest, amortization and uncollectible accounts)	75,882	71,341	4,540
	1,388,193	1,365,199	22,994
Annual deficit	(3,478)	(2,052)	(1,426)
Transfer from / (to) operating reserves	2,434	(7,204)	9,638
Add / (deduct) capital items paid by operating funds			
Board funded amortization	26,943	27,420	(477)
Capital assets acquired	(34,212)	(26,365)	(7,847)
Transfer from capital reserves	8,313	8,201	112
	1,044	9,256	(8,212)
Costs to be reduced / efficiencies to identify	-	-	-

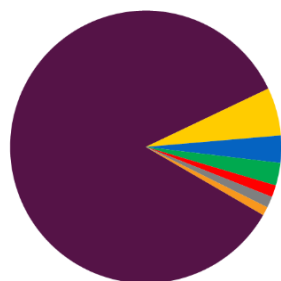
Year-over-year review

Revenue

Overall revenues increased by \$21.6 million (1.6 per cent) due to:

- An increase in revenue from the Government of Alberta of \$22.1 million. Funding increased due to:
 - Enrolment growth of \$18.6 million with grant funding rates that were held constant.
 - Expended deferred capital revenues (EDCR) increased by \$3.6 million due to two new schools and four modernizations which were completed in the previous year and began incurring amortization costs during the year. These non-cash revenues fully offset the amortization expense for those new schools.
 - Infrastructure Maintenance and Renewal (IMR) funding increased by \$2.1 million.
 - This was offset with a decrease to ATRF of \$2.3 million due to a small decline in rates.
- A decrease of \$3.3 million of investment revenue from the prior year. In 2017-18 Administration projected operational and capital project funding requirements and deemed it prudent to convert equity and bond investments in to cash; and
- An overall increase of \$4.0 million in all other categories of revenue, mainly due to the natural variability of school operations year over year.

Government of Alberta funding



	Actuals 2018-19	Actuals 2017-18	Increase/ Decrease	
	(in \$000s)	(in \$000s)	(in \$000s)	%
Student Funding	1,090,160	1,072,100	18,060	1.7%
Alberta teacher retirement funds	73,326	75,590	(2,264)	(3.0%)
Expended deferred capital funding	41,608	37,999	3,609	9.5%
Student transportation	34,581	34,267	314	0.9%
Fee Replacement Grant	18,265	18,265	-	-
Infrastructure Maintenance and Renewal	17,030	14,930	2,100	14.1%
Classroom Improvement Fund	13,281	13,022	259	2.0%
Government of Alberta revenue	1,288,251	1,266,172	22,079	1.7%

The CBE received \$1,288.3 million or 93 per cent of total revenue from the Government of Alberta. Of those funds, \$1,113.9 million to provide instruction and support student learning. The CBE decides how best to use these funds in support of teaching and learning.

- \$1,090.1 million were provided for instruction and to support student learning.
- \$13.3 million was a part of Classroom Improvement Funding.
- \$10.5 million was provided in response to the School Fees and Cost Regulation in efforts to replace instructional supplies and material fees with a Fee Replacement Grant.

Of the remaining \$174.4 million of total Government of Alberta funding, a large portion of it is targeted for specific expenditures, including:

- \$73.3 million – ATRF is a flow-through transaction whereby funds received are designated for payment to the ATRF.
- \$42.5 million - Student transportation is funding received specifically for the transportation of pupils, including the fee replacement grant provided by the government. A portion of the fee replacement grant is included here.
- \$41.6 million – As facility capital projects are amortized (expensed) over the course of their estimated useful life, a corresponding amount of Alberta Education revenue is recognized to show that provincial funding fully offsets the cost of the building.
- \$17.0 million - IMR funding is provided by the Province to ensure that the health, safety and essential upgrading needs of facilities are met.

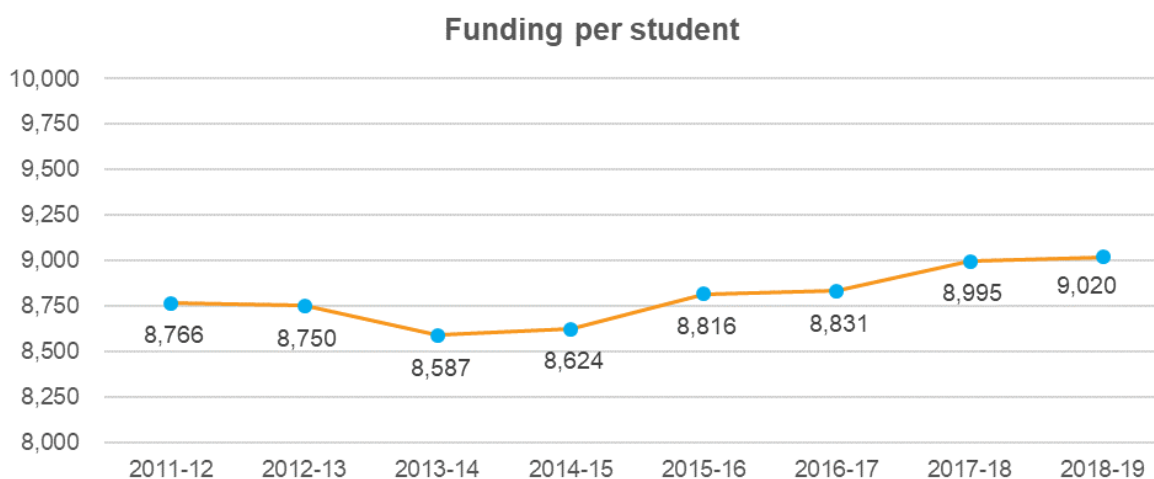
Alberta Education funding per student

The CBE's enrolment in 2018-19 increased by 1,728 students as of September 30, 2018. Grant funding rates have not increased since 2015-16.

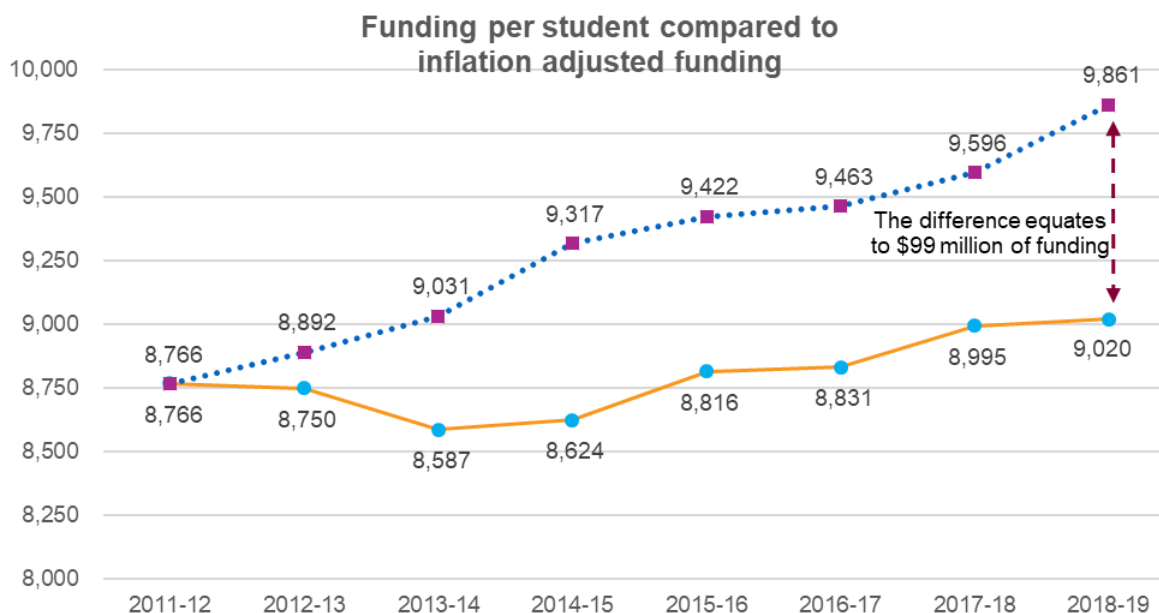
CBE received funding in multiple forms from Alberta Education. Some targeted funding is not available to support to teaching and classroom learning. The following targeted funds are excluded from the calculation of funding per student: IMR, the ATRF, student transportation (including the related fee replacement grant) and EDCR.

CBE also received lump sum targeted grants that are used to directly support student learning. These include:

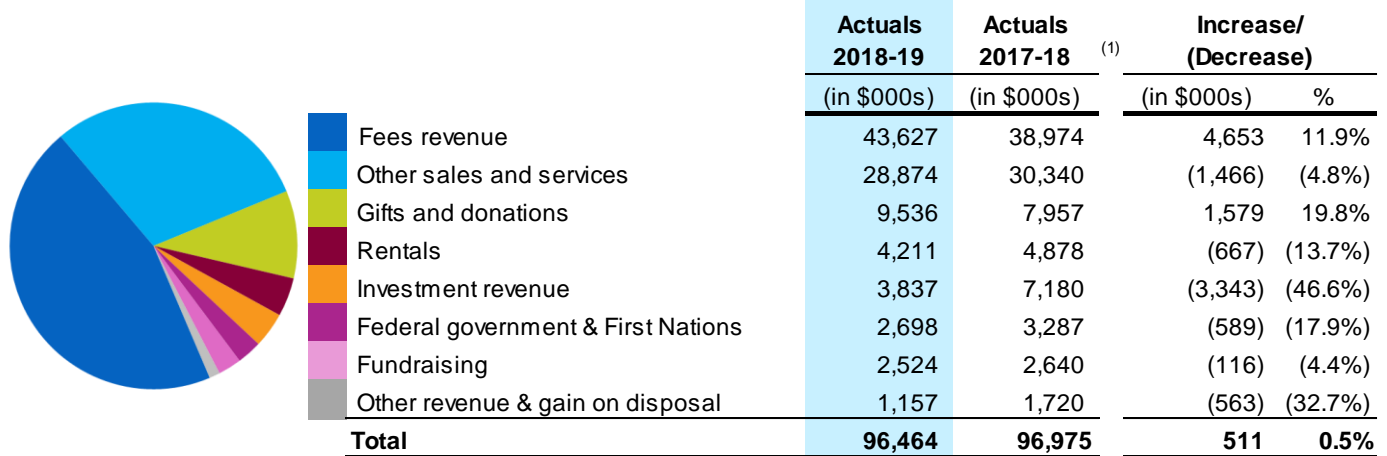
- Classroom Improvement Fund (CIF) - This provincial grant, jointly administered by the local school jurisdiction and the Alberta Teachers Association, assisted in improving the student experience in the classroom by hiring additional teachers, hiring additional school-based non-teaching staff or purchasing materials for the classroom. The CBE and ATA Local 38 agreed to use this funding to hire an additional 125 school-based FTEs.
- Fee Replacement Grant – In lieu of charging school fees.



Funding per student has remained steady over the past few years. However, as with most costs in the economy, CBE also faces inflationary challenges. Using 2011-12 as a base year, if funding had kept pace with inflation, CBE would have received an additional \$99 million in 2018-19, over and above the funding and targeted funding received.



Non-Government of Alberta revenue



(1) Actuals for 2017-18 have been reclassified for comparative purposes.

Other revenue of \$96.5 million (7 per cent of total revenue) was received from the sources listed above. Primary reasons for changes include:

- The following are mainly generated in schools, which are inherently variable year to year based on school decisions to adapt to student needs.
 - Fees revenue increased by \$4.7 million.
 - Other sales and services decreased by \$1.5 million.
 - Gift and donations increased \$1.6 million.
 - Rentals decreased by \$0.7 million.
- Investment revenue has decreased from the prior year by \$3.3 million due to the sale of investments in 2017-18 and this strategy has not been repeated in 2018-19.
- Federal government and First Nations grants have decreased by \$0.6 million as funding for the Language Instruction for New Comers program was reduced.
- Other revenue has decreased by \$0.6 million mainly due to a decrease in funding for students with special needs.

Fees revenue

Fee regulations

The CBE has developed three new or modified Administrative Regulations effective Sept. 1, 2017 that address the provincial government's fee regulations:

- [School Fees](#)
- [Student Transportation](#)
- [Noon Services](#)

Fee revenue background

The CBE charges fees to enhance the learning experience for students and provide services that reflect the expectations that families have for the scope, breadth and depth of programs offered by the CBE. Fees are an unfortunate reality to enhancing learning experiences, which in many cases, are not provincially funded.

CBE estimates the fees to cover program costs in the spring. Fees levied do not include overhead costs. Fees are used exclusively for the purpose for which it was collected and are not used to support other activities at CBE. Any surplus resulting from fees collected are added to a related reserve to moderate year-over-year changes in fees.

In keeping with our values, the CBE provides a 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.

Fee revenue summary

The following fees were centrally set and managed:

	Actuals 2018-19	Actuals 2017-18
Transportation	\$350	\$335
Noon Supervision (4/5 Days)	\$265-\$295	\$255-\$285

Fees revenue reported in the tables presented are the fees charged to parents in the year, including fees that are waived or deemed uncollectible.

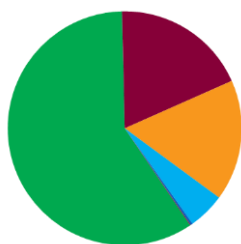
In addition to transportation and noon supervision fees (Attachment 1), there are school based fees that are charged directly by schools such as for optional courses, field trips and extracurricular activities. School based fees totaled \$19.7 million for 2018-19.

Additional fee reporting is also included in the Audited Financial Statements that discloses the nature of fees for the year.

Expenses

In 2018-19, with student enrolment increasing by 1,728 or 1.5 per cent. Expenses increased by \$23.0 million, or 1.7 per cent.

	Actuals	Actuals	Increase/	
	2018-19	2017-18	Decrease	
	(in \$000s)		(in \$000s)	%
Certificated salaries and benefits	820,046	807,751	12,295	1.5%
Non-certificated salaries and benefits	260,029	262,882	(2,853)	(1.1%)
Supply and services	232,235	223,226	9,009	4.0%
Amortization expenses	70,419	66,419	4,000	6.0%
Other (uncollectible accounts and waivers)	4,137	3,565	572	16.0%
Interest and finance charges	1,326	1,356	(30)	(2.2%)
Total expenses	1,388,193	1,365,199	22,994	1.7%



Overall expenses by nature increased by \$23.0 million (1.7 per cent) which is primarily the net impact of the following:

Increased expenses of:

- \$22.2 million in salaries and benefits due to an additional 239 FTEs in schools.
- \$4.0 million in increased amortization expenses due to the completion of new capital projects.
- \$3.6 million increase in transportation due to increased ridership and higher number of complex need students.
- \$2.1 million due to long-term absences and sick leaves.
- \$2.0 million in medical and dental benefits administration costs.
- \$1.6 million increase in utility rates.
- \$1.2 million increase in insurance claims.
- \$1.2 million in increased expenditures for infrastructure maintenance and renewal.

Which is offset by decreased expenses of:

- \$9.1 million due to cost saving measures and changes to the program offerings at Chinook Learning Services.
- \$2.9 million due to changes in staffing levels within the Facilities and Environmental Services.
- \$2.1 million due to position vacancies in service units.
- \$0.8 million in payroll services repatriation expenses that were not incurred this year as the project is complete.

Expenses by service unit

Expenses can also be viewed by schools and Areas and service units to understand the costs to support learning.

This chart shows that the majority of the CBE's resources are allocated to schools and areas. The chart also shows how service units spend money to support student success in schools. FTEs presented here and in the schools/service unit tables in Attachment II, reflect budgeted positions; actual positions filled during the year will vary.

Expense by service unit

	2018-19 FTEs	Salaries and benefits	Supplies and services	Other (interest, amortization and uncollectible accounts)	Actuals 2018-19	Actuals 2017-18	Increase/ (decrease)
in \$000s							
Schools & Areas	9,521	984,238	85,934	29	1,070,201	1,046,496	23,705
Service Unit System Budgets	18	8,047	128,671	68,838	205,556	192,125	13,431
Facilities & Environmental Services	208	22,714	9,242	2,928	34,884	37,481	(2,597)
Learning	190	24,856	4,914	623	30,393	41,556	(11,164)
Finance/Technology Services	194	22,798	1,347	3,394	27,539	27,683	(144)
Human Resources	110	12,114	804	45	12,963	13,187	(225)
Communications	22	2,587	53	-	2,640	2,583	57
Legal	11	1,227	66	24	1,317	1,722	(405)
Chief Supt's Office	5	1,074	109	2	1,185	1,030	155
Board of Trustees	7	422	1,095	-	1,517	1,336	181
Total	10,286	1,080,077	232,235	75,883	1,388,193	1,365,199	22,994

FTEs in each service unit can be categorized into:

	2018-19	2017-18
ATA, SA, CUPE, Trades Staff	10,074	9,978
Exempt Staff	205	204
Superintendents	7	7
Total	10,286	10,189

Year over year highlights

- Schools & Areas increase of \$23.7 million is the result of additional staffing due to increased enrolment, student complexity and collective agreement grid movement.
- Corporate accounts are higher by \$13.4 million, over half of which can be attributed to increased transportation and amortization costs. The remaining increase is due to increase in utility rates, annual fees and professional services for the new PowerSchool, offset with savings from the payroll repatriation and increased infrastructure maintenance spend.
- Decrease in facilities and environmental services can be traced to a decrease in positions to conserve expenses.
- The decrease in Learning is largely due to the reduction of spacing and programs for Chinook as well as the reduced funding received for the LINC program, which translated to a decrease in expenditures.

Please refer to Attachment II for further details provided for each service unit.

Capital highlights

The CBE receives funding for capital assets through three main sources. Examples of the types of projects supported by capital funding are listed below.

Fund Provider	Types of Projects
Alberta Infrastructure	<ul style="list-style-type: none"> • Funding specific, new, modernized schools through targeted grants • Largely funds modular classroom additions
Alberta Education	<ul style="list-style-type: none"> • Infrastructure Maintenance Renewal (IMR) • Playgrounds
Board Funded	<ul style="list-style-type: none"> • New School Commissioning • IT Infrastructure • Student Information System • Electronic Device upgrades

Total additions to tangible capitals assets were \$82.4 million in 2018-19 which are largely comprised of:

- \$20.1 million in Construction and modular funding from Alberta Infrastructure
- \$34.2 million was attributed to board funded capital activities such as school commissioning, technology infrastructure upgrades, technology hardware purchases
- \$23.5 million in IMR capital projects were completed at various schools

As new schools open and require additional commissioning and ongoing maintenance costs, the CBE is faced with these additional draws on funding available. Two new projects were approved out of capital reserves in the 2018-19 year by the Board for the solar project (\$2.5 million) and new school commissioning (\$2.6 million). The CBE also faces aging facilities with the majority of facilities more than 50 years old, increasing the need for additional funding.

As part of the CBE's Three –Year System Student Accommodation Plan and the High School Community Engagement, CBE is working with school communities to manage the use of learning space in schools on an ongoing basis.

Financial position highlights

The CBE has a combined total of \$136.5 million in cash, cash equivalents and portfolio investments as at Aug. 31, 2019. The balance is due to the timing difference between when cash comes in and when related payments are made as well as the timing of significant new school construction activity.

Cash required for the CBE's daily operations is primarily for vendor payments and payroll costs. Cash designated for capital projects is received from the Province for capital construction that is not yet spent. Lastly, the CBE's cash related to designated funding for initiatives or funding carried forward into the following year. CBE reserves are at a modest 2.8 per cent of total annual expenditures.

As at Aug. 31, 2019 the CBE has an accumulated surplus balance of \$210.6 million (2018 - \$213.9 million), reflecting net financial debt of \$1,123.6 million and non-financial assets of \$1,334.1 million. Net debt includes \$1,172.1 million of unearned revenue from Government funding spent on the construction of capital assets. That revenue is recognized and brought into income over the useful life of the related assets.

Reserves highlights

The CBE must balance service and program level changes within available revenue and reserves. The following table summarizes the net impact of operating and capital activities on reserves (see Attachment IV for more details):

	Reserves balance Sept 1, 2018	2018-19 proposed used of reserves	Reserves balance Aug 31, 2019
	(in \$ thousands)		
Total operating reserves	25,977	(2,983)	22,994
Total capital reserves	24,200	(8,313)	15,887
Total reserves	50,177	(11,296)	38,881

The carry-forward of capital project activity from 2017-18 increased the use of capital reserves in 2018-19. Consequently, there was additional funding needed from operating reserves to fund 2018-19 capital projects resulting in a decrease in operating reserves of \$3.0 million.

Balances remaining in reserves of \$38.9 million, or 2.8 per cent of total expenditures, are available for use in 2019-20 and future years, subject to Board of Trustees approval.

Please note that the accumulated surplus is not equivalent to available for use reserves.

Outlook for 2019-20

Student success is at the center of every budget-related decision the CBE makes. The CBE's values, set out below, guide Administration's approach to the budget:

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

The CBE continues to feel the pressure of operating over 240 schools for more than 123,000 students. 24 schools have opened in the past three years, and three more are set to open in 2020-21. This will mean additional financial pressure as CBE will need to fund the commissioning of these new schools. In addition to new schools, CBE continues to face challenges with aging facilities. As a majority of CBE facilities are over 50 years old, renovation and modernization costs will pose additional pressure on CBE finances.

The CBE is committed to student success and prudent financial management. The CBE will continue to review all programs and operations and make changes where necessary in order to maximize efficiency and resources. CBE has introduced a new School Support model that:

- Is more responsive to the needs of schools;
- Improves accessibility and instructional support to principals, school staff, students and parents;
- Shares the leadership and accountability for delivering on key system priorities;
- Minimizes the number of central leadership positions; and,
- Works within current and future budget constraints.

Prior to the provincial budget being made available, CBE had prepared a budget under the assumption that the provincial funding would be frozen at the 2018-19 school year levels. However, based on the provincial budget announcement made on Oct. 24, 2019, CBE would be receiving at least \$32 million less than the prior school year. This funding cut comes despite of the increase in enrolment by nearly 2,400 students, which is equivalent to four large elementary schools. This cut is in addition to the reductions already reflected in CBE's Spring Budget submission to the government.

As this \$32 million cut comes in the midst of the school year, the overall impact will be much larger. CBE is estimating it will need to reduce spending by at least \$48 million to balance the budget by the end of the 2019-20 school year.

The CBE continues to face challenges with a growing population and providing services at comparable levels. In prior periods, in order to minimize the impact on student learning, reserve funds have been accessed to keep operations running smoothly. CBE's current reserves are at very moderate levels. The strategy of using reserve funds to support growing needs is not a feasible solution in the long term. At the time of developing this report, the organization was in the process of evaluating strategies to bridge the additional gap presented by the Province's October 24, 2019 budget. All options are being evaluated and will consider both short and long term strategies.

Compliance

For the year ended Aug. 31, 2019, 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.

Attachments

Attachment I

Transportation fees

The CBE arranges transportation for students by contracting with yellow school bus providers or working with Calgary Transit to ensure transportation is available to move students safely, reliably, affordably and in alignment with bell times. A total of 35,500 students were transported in the 2018-19 year; 23,500 students were on yellow school buses, while 12,000 used Calgary Transit. This is an increase of 1,000 compared to the 2017-18 year, in which 34,500 students were transported; 22,500 students were on yellow school buses, and 12,000 used Calgary Transit.

	Actuals 2018-19	Actuals 2017-18	Increase/ (Decrease)
(in \$ thousands)			
Government grants and other	42,451	42,145	306
Busing aides	1,426	1,415	11
Central administration	1,068	1,241	(173)
Transportation services	48,837	45,225	3,612
Other supplies and services	400	849	(449)
Waivers	705	689	16
Uncollectible accounts	197	185	12
Total transportation costs	52,633	49,604	3,029
Funding gap	(10,182)	(7,459)	(2,723)
Fees	4,921	4,585	336
Net (deficit) / surplus	(5,261)	(2,875)	(2,386)

Through Bill 1, the Provincial Government has eliminated or reduced transportation fees, particularly for students attending a regular program at their designated school. Students requiring complex learning needs transportation or attending a special setting are also exempt from transportation fees.

Changes in transportation costs and revenues compared to the fall budget update are due to:

- Increased fuel costs.
- Reduction in paying riders beyond what was projected, as result of Bill 1.
- One-time bus routes in support of the school-within-a-school model for new schools opening part-way during the year. The CBE has adjusted routes to reflect the needs of students.
- Increased students with complex transportation needs.
- Escalating costs due to contractual obligations.

Noon supervision fees

	Actuals 2018-19	Actuals 2017-18	Increase/ (Decrease)
(in \$ thousands)			
Available funding	-	-	-
School-based staff	10,764	10,497	267
Central administration	490	481	9
Contracts and services	407	353	54
Waivers	2,025	1,871	154
Uncollectible accounts	1,034	839	195
Total noon supervision costs	14,720	14,041	679
Funding gap	(14,720)	(14,041)	(679)
Fees	14,777	13,967	810
Net (deficit) / surplus	57	(74)	131

The 2018-19 noon supervision program budget was balanced. Fee rates were set at a level that covered the majority of the anticipated cost of running the program. Lunchroom staff are hired for a minimum of two hours per day (in accordance with the Staff Association collective agreement), however only 1.5 hours of labour are charged to the noon supervision program for which fees are recovered. The remaining 0.5 hours per day must be covered by each school's budget.

Actual 2018-19 results show that the fee revenues did cover all costs of providing the service; therefore, the remaining amounts are set aside in a related reserve to moderate year-over-year changes in fees.

In 2018-19, the average number of students attending the noon supervision program was 55,276. This was an increase of 1,812 students, or 3.3 per cent over the 2017-18 average student count of 53,464.

Attachment II

Schools, Areas and Service Unit functions and highlights

Schools and Facility Operations

Schools create engaging learning experiences and support students in a variety of ways. They also connect with families and communities to help support student success. For many CBE students and families, their experiences with the CBE occur solely through 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 and honour the hopes of their students and families. Some of the ways this happens in schools include:

- Teachers personalize learning for students and communicate with families about their students' 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 students, employees and families to ensure there is a common understanding and implementation of processes and procedures.
- Facility operators keep schools clean and safe.
- Area directors support instructional leaders and teachers to improve teaching, learning and student success.

CBE schools are organized into seven Areas. Area offices play an important role in providing instructional leadership to principals, helping to deliver system services to schools, supporting school operations and ensuring effective collaboration amongst schools where appropriate. Area offices also work collaboratively to ensure directions for principals and schools across the system are aligned. Each area has an average of 35 schools and budget of approximately \$1.1 million.

A summary of year over year expenses for schools and facility operations are as follows:

Expenses	Actuals 2018-19		Actuals 2017-18		Increase/ (Decrease)		
	FTE	(\$000s)	FTE	(\$000s)	FTE	(\$000s)	%
Certificated permanent salaries and benefits	6,745	770,802	6,574	757,613	171	13,189	2%
Certificated temporary salaries and benefits	-	30,273	-	24,967	-	5,306	21%
Non-certificated permanant salaries and benefits	2,777	173,311	2,797	171,087	(20)	2,224	1%
Non-certificated temporary salaries and benefits	-	9,852	-	8,324	-	1,528	18%
Dues and fees	-	617	-	978	-	(361)	(37%)
Rental equipment and facilities	-	716	-	681	-	35	5%
Maintenance and repairs	-	1,536	-	1,985	-	(450)	(23%)
Insurance	-	4	-	44	-	(40)	(90%)
Professional services	-	11,656	-	10,437	-	1,219	12%
Utilities	-	288	-	424	-	(136)	(32%)
Transportation charges	-	2,769	-	2,315	-	454	20%
Travel and subsistence	-	360	-	360	-	-	-
Other supplies	-	61,713	-	58,890	-	2,823	5%
Minor equipment	-	4,953	-	7,205	-	(2,252)	(31%)
Textbooks and materials	-	1,322	-	1,171	-	151	13%
Amortization	-	-	-	4	-	(4)	(100%)
Interest and finance	-	13	-	10	-	3	27%
Other (uncollectible accounts)	-	16	-	-	-	16	0%
Total expenses	9,521	1,070,202	9,371	1,046,496	150	23,705	2%

2018-19 FTEs by group



Schools
Facility operations
Areas

	2018-19 Actuals		2017-18 Actuals		Increase/ (decrease)	
	FTEs	Expenses (in \$000s)	FTEs	Expenses (in \$000s)	FTEs	Expenses (in \$000s)
Schools	8,860	1,021,495	8,702	997,456	158	24,039
Facility operations	608	41,651	618	41,969	(10)	(318)
Areas	53	7,055	51	7,071	2	(16)
Total expenses	9,521	1,070,202	9,371	1,046,496	150	23,705

Service Unit Corporate Accounts

There are 'corporate costs' that are managed by respective service units on behalf of the organization.

Specific service units are responsible for monitoring these costs and thus have these items included in their budget. As these costs are incurred for the entire system, they are grouped and presented together here as 'corporate accounts'.

	Chief Supt	Communications and Engagement Services	Facilities	Finance and Technology Services	Corporate Revenues	General Counsel	Human Resources	Learning	Education Matters	2018-19 Total	2017-18 Total	Change
(in \$000s)												
Expenses												
Certificated salaries and benefits	-	-	4	1,467	-	-	3,834	83	-	5,387	4,913	474
Non-certificated salaries and benefits	-	100	146	289	-	-	1,578	10	537	2,660	3,197	(537)
Dues and fees	-	1	5	2	-	-	716	-	-	725	1,700	(975)
Rental equipment and facilities	-	-	10,111	-	-	-	12	-	-	10,123	10,434	(311)
Maintenance and repairs	-	-	16,552	4,378	-	-	-	-	-	20,930	19,381	1,550
Insurance	-	-	-	5,905	-	-	-	-	-	5,905	4,672	1,233
Professional services	94	134	4,019	1,606	-	586	4,755	1,526	12	12,733	11,802	931
Utilities	-	-	21,469	4,088	-	-	-	-	-	25,557	23,934	1,623
Transportation charges	-	-	48,830	-	-	-	-	-	-	48,830	45,225	3,605
Travel and subsistence	-	1	47	0	-	-	3	-	-	51	40	11
Supplies	329	11	9	1,295	-	-	1,599	373	203	3,818	3,350	468
Minor equipment	-	-	-	-	-	-	-	-	-	-	2	(2)
Amortization	-	-	45,353	15,953	-	-	-	2,098	-	63,405	58,457	4,947
Interest and finance charges	-	-	-	1,313	-	-	-	-	-	1,313	1,297	16
Other (uncollectible accounts)	-	-	-	114	4,006	-	-	-	-	4,121	3,721	400
Total expenses	422	247	146,545	36,410	4,006	586	12,497	4,090	752	205,556	192,125	13,431

Below is a quick overview of some activities which are typically incurred in corporate accounts, including:

Facilities and Environmental Services	Utilities, amortization, student transportation (chart buses, Handi-bus, taxis), maintenance, repair costs, etc.
Finance/ Technology Services	Technology licenses, subscription and fees, amortization for board funded assets, insurance etc.
General Counsel	External legal counsel fees
Human Resources	Professional Improvement Fellowship (in accordance with the ATA Collective Agreement), secondments, staff development funds, etc.
Learning	Programs supporting suicide prevention and therapeutic intervention, the budget for Calgary Police Services school resource officers, and amortization for learning information systems
Education Matters	In accordance with Public Sector Accounting Standards, EducationMatters is consolidated for the CBE's financial reporting purposes

Legal Services

Legal Services provides the business functions of law, privacy and access. The service unit handles the CBE's Administrative Regulation development, contract administration, Corporate Secretary and administrative support to the Board of Trustees.

Legal Services supports students, schools and the CBE by:

- Delivering important information and training to schools on complex legal and privacy issues.
- Providing or coordinating the delivery of legal services on behalf of the CBE.
- Providing risk mitigation oversight.
- Managing the CBE's compliance with Freedom of Information and Protection of Privacy Act (FOIP Act).
- 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 a 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.

Costs related to Legal Services are broken down in the following chart:

Expenses	Actuals 2018-19		Actuals 2017-18		Increase/ (Decrease)		
	FTE	(\$000s)	FTE	(\$000s)	FTE	(\$000s)	%
Certificated permanent salaries and benefits	1	125	1	112	-	13	12%
Non-certificated permanant salaries and benefits	10	1,078	11	1,522	(1)	(445)	(29%)
Non-certificated temporary salaries and benefits	-	25	-	-	-	25	0%
Dues and fees	-	12	-	10	-	2	24%
Professional services	-	17	-	16	-	1	6%
Utilities	-	3	-	4	-	(1)	(16%)
Travel and subsistence	-	4	-	4	-	1	27%
Other supplies	-	13	-	15	-	(2)	(14%)
Minor equipment	-	5	-	-	-	5	500%
Textbooks and materials	-	12	-	12	-	-	0%
Amortization	-	24	-	28	-	(4)	(14%)
Total expenses	11	1,318	12	1,722	(1)	(405)	(23%)

Learning (excluding Chinook Learning Services)

Learning works with schools and Alberta Education to support the delivery of the Alberta Programs of Study to students and to support the professional learning of staff. Learning leads the implementation of curriculum, assessment and reporting resources. These resources assist teachers, students and parents to ensure students' progress and achieve in their learning. Learning staff support schools with the administration of Provincial Achievement Tests and diploma exams. Learning also supports schools with the changing world of technology and best instructional practices. These learning tools include D2L, HomeLogic, Iris, Gmail and Google Apps for Education and resources in school learning commons among many others.

Learning works with principals every day to offer support in the following areas: Indigenous education, attendance, suspensions, expulsions, student records, counselling, early learning services, English Language Learning, multicultural services, language and culture programs and specialized assessment.

Many specialized services for students are available for principals to access to support students 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 teachers as they support the more than 21,000 students identified with special education needs, and to the more than 29,000 students identified as English Language Learners.

In addition, Learning is responsible for international students, corporate partnerships, comprehensive school health, school nutrition, noon-hour programs, off-site and off-campus learning programs.

Expenses	Actuals 2018-19		Actuals 2017-18		Increase/ (Decrease)		
	FTE	(\$000s)	FTE	(\$000s)	FTE	(\$000s)	%
Certificated permanent salaries and benefits	80	10,619	78	9,764	2	855	9%
Certificated temporary salaries and benefits	-	516	-	2,474	-	(1,958)	(79%)
Non-certificated permanant salaries and benefits	93	10,540	102	11,458	(8)	(918)	(8%)
Non-certificated temporary salaries and benefits	-	519	-	325	-	194	60%
Dues and fees	-	77	-	65	-	12	18%
Rental equipment and facilities	-	-	-	-	-	-	0%
Maintenance and repairs	-	45	-	30	-	16	53%
Insurance	-	2	-	3	-	()	(6%)
Professional services	-	1,272	-	1,005	-	268	27%
Utilities	-	36	-	16	-	20	126%
Transportation charges	-	25	-	26	-	(1)	(3%)
Travel and subsistence	-	184	-	225	-	(41)	(18%)
Other supplies	-	2,302	-	1,875	-	427	23%
Minor equipment	-	79	-	545	-	(465)	(85%)
Textbooks and materials	-	33	-	18	-	15	85%
Amortization	-	623	-	687	-	(64)	(9%)
Interest and finance	-	-	-	1	-	(1)	(100%)
Total expenses	173	26,874	180	28,516	7	1,642	6%

Chinook Learning Services

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. Programming that is not within the kindergarten – Grade 12 mandate is provided on a cost-recovery basis.

In 2018-19, Chinook Learning Services supported its students in several ways, including:

- 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).

Chinook Learning Services receives revenue from a number of sources including Alberta Education and Federal Government grants as well as other sales and services.

Starting in the 2018-19 school year, Chinook Learning Services moved from its previous locations and changed the scope of programs offered to students. Further information on the Chinook Learning Services Transition can be found [here](#).

Expenses	Actuals 2018-19		Actuals 2017-18		Increase/ (Decrease)		
	FTE	(\$000s)	FTE	(\$000s)	FTE	(\$000s)	%
Certificated permanent salaries and benefits	-	-	17	2,146	(17)	(2,146)	(100%)
Certificated temporary salaries and benefits	-	102	-	3,253	-	(3,151)	(97%)
Non-certificated permanent salaries and benefits	17	1,408	54	3,440	(36)	(2,032)	(59%)
Non-certificated temporary salaries and benefits	-	1,152	-	2,061	-	(909)	(44%)
Dues and fees	-	1	-	7	-	(6)	(90%)
Rental equipment and facilities	-	9	-	28	-	(20)	(69%)
Maintenance and repairs	-	1	-	4	-	(3)	(70%)
Professional services	-	324	-	337	-	(13)	(4%)
Utilities	-	2	-	42	-	(40)	(95%)
Travel and subsistence	-	-	-	14	-	(14)	(100%)
Other supplies	-	350	-	1,441	-	(1,091)	(76%)
Minor equipment	-	84	-	61	-	23	38%
Textbooks and materials	-	85	-	157	-	(72)	(46%)
Interest and finance	-	-	-	49	-	(49)	(100%)
Total expenses	17	3,518	71	13,039	(54)	(9,522)	(73%)

Facilities and Environmental Services

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

FES works closely with students, parents, communities, the City of Calgary, the Government of Alberta, to provide support and services including:

- Design of new and existing facilities
- Day-to-day operations maintenance, construction, renovation and modernization
- Internal deliveries, environmental initiatives
- Emergency, safety and security services
- Leasing, disposition and management of surplus space and facilities

	Actuals 2018-19		Actuals 2017-18		Increase/ (Decrease)		
	FTE	(\$000s)	FTE	(\$000s)	FTE	(\$000s)	%
Expenses							
Certificated permanent salaries and benefits	-	-	3	285	(3)	(285)	(100%)
Non-certificated permanent salaries and benefits	208	20,882	226	23,524	(18)	(2,642)	(11%)
Non-certificated temporary salaries and benefits	-	1,831	-	1,570	-	262	17%
Dues and fees	-	64	-	70	-	(6)	(8%)
Rental equipment and facilities	-	-	-	(2)	-	2	(200%)
Maintenance and repairs	-	7,521	-	7,218	-	303	4%
Professional services	-	883	-	1,074	-	(192)	(18%)
Utilities	-	144	-	154	-	(10)	(6%)
Transportation charges	-	7	-	-	-	7	0%
Travel and subsistence	-	106	-	125	-	(20)	(16%)
Other supplies	-	510	-	358	-	151	42%
Minor equipment	-	7	-	15	-	(7)	(49%)
Amortization	-	2,928	-	3,089	-	(162)	(5%)
Total expenses	208	34,883	229	37,481	(21)	(2,597)	(7%)

Communication and Engagement Services

Communication and Engagement Services creates and delivers consistent and timely messages to various stakeholders, including parents/guardians, students, staff, government, unions and associations and members of the community. This centralized department provides ongoing communications and community engagement advice and support to schools, service units, Board of Trustees and to support the CBE priorities.

Support includes:

- Being the “first point of contact” for the public, answering questions and directing inquiries through the public information line.
- Managing media relations and social media activities on behalf of the CBE, including emergency and crisis communication (fires, natural disasters, student or staff incidents, matters involving Calgary Police Services) advice and support for schools.
- Managing large-scale public engagement projects and providing advice and support to schools and service units in planning and managing their engagement activities.
- Providing strategic communications advice to schools, service units and the Board of Trustees.
- Managing the design and content of the CBE corporate website, internal employee website, individual school websites and other public and internal websites.
- Managing School Messenger, a mass and emergency communications tool. This includes technical administration and support as well as ongoing advice and training to users while continually looking for ways to improve and expand the capabilities of the tool.
- Managing the print, design and production of a variety of materials for schools and the CBE including templates, school brochures, banners and course guides. Also producing a variety of video and photo projects and online learning resources that support employee professional learning and share the good stories of schools and the system.

Expenses	Actuals 2018-19		Actuals 2017-18		Increase/ (Decrease)		
	FTE	(\$000s)	FTE	(\$000s)	FTE	(\$000s)	%
Non-certificated permanent salaries and benefits	22	2,571	22	2,443	-	128	5%
Non-certificated temporary salaries and benefits	-	16	-	101	-	(84)	(84%)
Dues and fees	-	-	-	1	-	(1)	(67%)
Professional services	-	5	-	7	-	(2)	(23%)
Utilities	-	8	-	10	-	(1)	(13%)
Travel and subsistence	-	1	-	2	-	(1)	(31%)
Other supplies	-	9	-	10	-	(1)	(12%)
Minor equipment	-	28	-	9	-	20	228%
Total expenses	22	2,640	22	2,583	-	57	2%

Finance and Technology Services

Finance and 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 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 services.
- Paying the bills on time.

Information Technology Services (ITS) designs, builds and supports the CBE's technology infrastructure and works to protect the integrity of the CBE systems against threats including:

- Operating across 260 discrete sites which involves approximately 300,000 connected devices.
- Supporting students every day, all year long with access to services and digital resources.
- Holding responsibility for massive volumes of data and records (digital and physical) generated annually.

Client Technology Services (CTS), works directly in schools and across the CBE to ensure that computers, tablets and other school-based technology (printers, digital displays, etc.) are available, accessible and appropriate for students and their learning. This includes:

- Working with teachers, principals and other school-based staff to develop targeted plans for technology.
- Empowering students to collaborate, connect, explore as they personalize their learning through the purposeful use of technology.
- Supporting the myriad of software solutions that are part and parcel of the modern learning environment.

Expenses	Actuals 2018-19		Actuals 2017-18		Increase/ (Decrease)		
	FTE	(\$000s)	FTE	(\$000s)	FTE	(\$000s)	%
Certificated permanent salaries and benefits	1	117	1	128	-	(11)	(8%)
Non-certificated permanent salaries and benefits	193	22,338	194	22,323	(1)	15	0%
Non-certificated temporary salaries and benefits	-	343	-	420	-	(77)	(18%)
Dues and fees	-	168	-	184	-	(16)	(9%)
Maintenance and repairs	-	22	-	1	-	21	2100%
Professional services	-	871	-	288	-	583	202%
Utilities	-	39	-	48	-	(9)	(18%)
Travel and subsistence	-	43	-	41	-	2	5%
Other supplies	-	115	-	126	-	(10)	(8%)
Minor equipment	-	89	-	173	-	(84)	(49%)
Amortization	-	3,394	-	4,107	-	(713)	(17%)
Other (uncollectible accounts)	-	-	-	(155)	-	155	(155%)
Total expenses	194	27,539	195	27,683	(1)	(144)	(1%)

Human Resources

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

In 2018-19, the work of Human Resources supported students, schools and the CBE by:

- Supporting over 14,000 employees while they provide a first-class education to Calgary students.
- Proactively recruiting 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, the human resources management system, the Employee Health Resource Centre, operations and integrated solutions.
- Supporting employee engagement.

Expenses	Actuals 2018-19		Actuals 2017-18		Increase/ (Decrease)		
	FTE	(\$000s)	FTE	(\$000s)	FTE	(\$000s)	%
Certificated permanent salaries and benefits	10	1,278	11	1,383	(1)	(105)	(8%)
Certificated temporary salaries and benefits	-	59	-	67	-	(7)	(11%)
Non-certificated permanent salaries and benefits	100	10,174	77	10,077	23	97	1%
Non-certificated temporary salaries and benefits	-	602	-	253	-	349	138%
Dues and fees	-	30	-	30	-	-	0%
Rental equipment and facilities	-	-	-	5	-	(5)	(500%)
Maintenance and repairs	-	-	-	1	-	(1)	(100%)
Professional services	-	565	-	904	-	(339)	(37%)
Utilities	-	18	-	21	-	(3)	(13%)
Travel and subsistence	-	38	-	51	-	(13)	(26%)
Other supplies	-	127	-	294	-	(166)	(57%)
Minor equipment	-	20	-	29	-	(9)	(32%)
Textbooks and materials	-	5	-	27	-	(23)	(83%)
Amortization	-	45	-	45	-	-	0%
Total expenses	110	12,962	88	13,187	22	(225)	(2%)

Chief Superintendent's Office

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 all of the CBE's 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.

Expenses	Actuals 2018-19		Actuals 2017-18		Increase/ (Decrease)		
	FTE	(\$000s)	FTE	(\$000s)	FTE	(\$000s)	%
Certificated permanent salaries and benefits	2	768	2	646	-	123	19%
Non-certificated permanent salaries and benefits	3	306	3	299	-	7	2%
Dues and fees	-	4	-	7	-	(3)	(40%)
Rental equipment and facilities	-	62	-	68	-	(7)	(10%)
Maintenance and repairs	-	1	-	-	-	1	100%
Professional services	-	25	-	-	-	25	2500%
Utilities	-	3	-	3	-	-	0%
Travel and subsistence	-	3	-	-	-	3	300%
Other supplies	-	10	-	5	-	5	109%
Minor equipment	-	1	-	-	-	1	100%
Amortization	-	2	-	2	-	-	0%
Total expenses	5	1,184	5	1,030	-	155	15%

Board of Trustees

The Board of Trustees represent, lead and serve Calgarians and 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 its role, the Board connects with key stakeholders and advocates for the needs of the system with elected officials such as MLAs and City Councillors.

The Board of Trustees 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.

The Board of Trustees does not include the cost of services and supports provided by the service units in delivering on the Board's governance responsibilities. Service and support costs to the Board are absorbed by the relevant service unit.

Staff who directly support and manage the proceedings of the Board of Trustees are included in General Counsel.

Expenses	Actuals 2018-19		Actuals 2017-18		Increase/ (Decrease)		
	FTE	(\$000s)	FTE	(\$000s)	FTE	(\$000s)	%
Non-certificated permanent salaries and benefits	7	422	7	457	-	(35)	(8%)
Dues and fees	-	260	-	245	-	14	6%
Professional services	-	814	-	606	-	208	34%
Utilities	-	1	-	1	-	-	0%
Travel and subsistence	-	17	-	17	-	-	0%
Other supplies	-	3	-	9	-	(7)	(71%)
Total expenses	7	1,517	-	1,336	7	181	14%

Attachment III

School facility projects

The following new schools and major modernizations are open, under construction and/or have been announced.

School	Project type	Status
Schools opened in 2018-19		
Glenmeadows School	Reopening	Sept. 2018
Joane Cardinal-Schubert High School	New school	Sept. 2018
Lord Beaverbrook High School	Modernization	Sept. 2018
James Fowler High School	Modernization	Sept. 2018
Schools that are opening in 2019-20 and beyond		
Northern Lights School (Coventry Hills/Country Hills Village)	New school	Projected Sept. 2020
Sibylla Kiddle School (Cranston)	New school	Projected Sept. 2020
Dr. Freda Miller School (Evergreen)	New school	Projected Sept. 2020
Forest Lawn High School	Modernization	Projected Spring 2021
Skyview Ranch Elementary/Middle School Project	New school	TBD
Mahogany Elementary School	New school	TBD
Coventry Hills High School (announced fall 2019)	New school	TBD
Auburn Bay Middle School (announced fall 2019)	New school	TBD
Auburn Bay Elementary (announced fall 2019)	New school	TBD

Attachment IV

Reserves

	Reserve balance Sept 1, 2018	Fall Update planned use of reserves	2018-19 proposed use of reserves	Reserve balance Aug 31, 2019
(in \$ thousands)				
Operating reserves				
Unrestricted reserves	28,311	(2,500)	(3,959)	24,352
Restricted reserves	(8,237)	-	33	(8,204)
Designated operating funds	5,903	-	943	6,846
Total operating reserves	25,977	(2,500)	(2,983)	22,995
Capital reserves				
Building reserve	9,019	-	-	9,019
Other capital reserves	14,383	(8,711)	(8,313)	6,070
Plant, operations and maintenance asset replacement	798	-	-	798
Total capital reserves	24,200	(8,711)	(8,313)	15,887
Total reserves	50,177	(11,211)	(11,296)	38,881

The 2018-19 planned budget anticipated the transfer of \$2.5 million from operating reserves. Based on the actual operating results for 2018-19, a draw of \$3.0 million was required from the operating reserves.

Unrestricted reserves is comprised of the Fiscal Stability reserve. This reserve was established at the end of 2006-07 and amended in September 2016 to:

- Stabilize the CBE's operating activities from year to year if provincial funding does not keep pace with student growth.
- Stabilize the CBE's operating activities from year to year in years of temporary student decline.
- Provide funds for planned or unexpected dramatic operational consequences or emergencies.
- Provide funds for one-time initiatives that generate operating budget savings.

The targeted minimum balance under the terms and conditions for this reserve is \$5 million or 0.5 per cent of the total annual operating budget. This is a modest amount for an organization the size of the CBE. Alberta Education guidance suggests reserve balances up to five per cent of the total annual operating budget may be appropriate. The CBE's philosophy is to spend the money received in the year on the students receiving service in that year. Reserve dollars should only be accumulated for specific purposes.

Capital activities in 2018-19 planned on using \$8.7 million from capital reserves. This included activities such as new school commissioning, solar power project, implementation of the replacement Student Information System (PowerSchool), Enterprise Portal Lifecycle upgrade and IT infrastructure upgrade. Some projects, such as PowerSchool and Enterprise Portal Lifecycle upgrade had timing delays, with work continuing in 2019-20 and requested carry forwards of \$5.5 million. As a result, the actual draw on capital reserves was \$8.3 million.

Attachment V

Glossary of terms and acronyms

Alberta Education revenue	All funds received from Alberta Education, including amortization of Alberta Education-funded facilities. This is sometimes referred to as Provincial funding.
Alternative programs	Section 21(1) of the Alberta School Act defines alternative programs as, “an education program that (a) emphasizes a particular language, culture, religion or subject matter, or b) uses a particular teaching philosophy.” CBE alternative programs include: All Boys, All Girls, Arts-Centered Learning, Canadian Studies, Montessori, Science, Traditional Learning Centre and immersion and bilingual language programs.
All other revenues	Gifts and donations, fundraising and rental of facilities.
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). Amortization is a “non-cash” expenditure which means that an equivalent amount of cash is available to support other priorities. As a general rule, the CBE uses amortization related cash to fund non-facility capital needs.
BAR	Budget Assumptions Report
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. Capital assets are amortized over their useful life. Amortization periods are defined by Alberta Education.
CBE	Calgary Board of Education
CEU	Credit Enrolment Units (CEU) are a funding unit used to calculate base instructional funding at the high school level. CEUs are assigned when the course, the student, and the student’s achievement in a course meet certain criteria.
Classroom Improvement Fund (CIF)	The Classroom Improvement Fund was originally designed as a one-time grant for the 2018-19 school year. It has been renewed for the 2018-19 year. The CIF is distributed to schools based on student enrolment. The focus is on hiring and retaining teachers and support staff, as well as better supporting students with complex needs, or those learning one of Canada’s official languages for the first time.
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.
Designated school	All students have a designated school that is determined by the attendance area set by the resident school board. Designated schools offer regular programming and are not schools of choice. Designated schools are usually, but not always, the closest school to the residence of the student that offers regular programming.
ECS	Early Childhood Services includes Kindergarten and educational programming for children as young as 2½ years old.
Enrolment	Total number of students including those enrolled in Home Education, outreach programs and Chinook Learning Services.
Expended deferred capital revenues (EDCR)	As facility capital projects are amortized (expensed) over the course of their estimated useful life, a corresponding amount of Alberta Education revenue is recognized to show that provincial funding fully offsets the cost of the building.
Fixed cost	A cost that will not change based on fluctuations in activity.
Fall Budget Update	An update to the budget submitted in the spring is due to Alberta Education by November 30 of each year. This Fall Update Budget reflects updated revenue and expense estimates for actual September 30 enrolment counts.
General wage increase	An overall wage increase or lump sum applicable to an entire union (or exempt) group.

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.
Infrastructure, maintenance and renewal (IMR)	<p>IMR funding is provided by the Province to ensure that the health, safety and essential upgrading needs of facilities are met. IMR funding may be spent only for approved purposes such as:</p> <ul style="list-style-type: none"> ▪ Ensure school facilities meet all regulatory requirements, particularly as they pertain to ▪ Providing a safe and healthy learning environment; ▪ Preserve and improve the quality of the learning environment by: <ul style="list-style-type: none"> ▪ Replacing building components that have failed, ▪ Prolonging the life of the facility through planned, proactive replacement of major components; and ▪ Upgrading of the educational areas to meet program requirements; ▪ Meet the facility requirements of students with special needs; and ▪ Replace or upgrade building components to improve energy conservation and efficiency and to achieve costs savings as a result.
Instructional supplies and materials (ISM)	Alberta Education's definition of ISM include the following items/costs: textbooks, workbooks, photocopying, printing/paper and any common fees charged to an entire student body or grade cohort.
Operational Expectations	Policies established by the Board of Trustees by which the Chief Superintendent's performance and successful operation of the organization is evaluated.
RAM	Resource Allocation Method
Regular program	A CBE school or program within a school that is not considered an alternative program.
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.
Sales and services	Represent revenues for the provision of goods and services other than the direct provision of educational services to students. This line includes revenue related to adult education, international students, continuing education.
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.
Unrealized investment gain / loss	Realized gains or losses on investments are reported when an investment is divested at an amount above or below the original cost. An unrealized gain or loss is recognized at each fiscal year-end date for investments that have not been disposed of but have changes in fair market value.

Summary of third party invoices*

For the year ending August 31, 2019

Category	Number of Suppliers	% of Suppliers	Sum of Amount Paid	% of Total Amount
Total payments amount is greater than \$250,000	135	4%	640,087,646	94.98%
Total payments amount is between \$200,000 and \$250,000	21	1%	4,514,711	0.67%
Total payments amount is between \$100,000 and \$200,000	71	2%	9,803,798	1.45%
Total payments amount is between \$50,000 and \$100,000	92	3%	6,558,876	0.97%
Total payments amount is less than \$50,000	3,144	91%	12,934,964	1.92%
Grand Total	3,463	100%	673,899,995	100.00%

Summary of third party invoices with total payment value > \$250,000
For the year ending August 31, 2019

Category	Number of Vendors	Total Amount	% of Total Amount
Salaries & Benefits	14	423,440,231	66.15%
Transportation	6	49,811,760	7.78%
Construction, Maintenance & Repair	44	46,940,378	7.33%
Utilities	7	26,844,384	4.19%
Tangible Capital Assets	13	21,258,854	3.32%
Supplies (Supp) & Other Services	23	18,672,135	2.92%
Professional & Technical Services (P&T)	11	15,384,099	2.40%
Rental Equipment & Facility	3	14,756,943	2.31%
P-Card Transactions	1	13,354,747	2.09%
Insurance	2	4,580,516	0.72%
Minor Equipment <\$5000	4	1,907,303	0.30%
Dues & Fees (D&F)	4	1,302,725	0.20%
Flow Through From Ab Ed	1	840,392	0.13%
Donations	1	699,177	0.11%
Postage	1	294,000	0.05%
Grand Total	135	640,087,646	100.00%

Details of third party invoices with total payment value > \$250,000 For the year ending August 31, 2019

Category	Total Amount	% of Total Amount
Salaries & Benefits	423,440,231	66.1%
Receiver General For Canada	229,647,010	
Board Of Administrators	76,907,311	
Sun Life Assurance Company Of Canada	48,799,996	
Alberta Pensions Administration Corp.	35,441,708	
Asebp - Alberta School Employee Benefit Plan	13,522,862	
Alberta Teachers Association	11,250,189	
Workers' Compensation Board	2,495,981	
Cbe Staff Association	1,647,096	
Alberta Blue Cross	1,028,335	
Msh International (Canada) Ltd.	657,857	
London Life Insurance Co.	624,642	
Canadian Union Of Public Employees Local 40	623,502	
Manulife	442,130	
London Life/Capital Estate Planning Corp.	351,612	
Transportation	49,811,760	7.8%
Southland Transportation Ltd.	37,944,996	
4Seasons Transportation Ltd.Dba 1323179 Alberta Ltd.	9,472,114	
Dreams Transportation Ltd.	1,327,281	
Imperial Oil Ltd.	431,544	
C F & R Services Inc.	337,972	
Checker Cabs Ltd.	297,853	
Construction, Maintenance & Repair	46,940,378	7.3%
Graham Construction & Engineering Lp	6,504,308	
Western Weather Protector Ltd.	4,475,751	
Ellisdon Construction Services Inc.	4,223,139	
Chandos Construction Ltd.	4,167,227	
Russpet Construction Ltd.	3,337,525	
Lear Construction Management Ltd.	2,818,414	
Freeze Maxwell Roofing (Calgary) Ltd.	1,497,786	
Alberta Fire & Flood Ltd.	1,312,167	
Great Northern Plumbing Inc.	1,292,213	
United Roofing Inc.	1,259,871	
Bmp Mechanical Ltd.	1,137,776	
Trotter & Morton Bldg Tech. Inc	1,124,936	
Syncon Management Ltd	822,117	
Big Country Plastering Ltd.	795,178	
Rocky Cross Construction (North) Ltd.	784,269	
Clark Builders	691,163	
West Source Enterprises Inc.	670,911	
Halbro Construction Ltd	612,439	
Tribuild Contracting (Calgary) Ltd.	611,905	
Peddie Roofing & Waterproofing Ltd.	541,153	
Riddell Kurczaba Architecture Engineering Interior Design Ltd.	494,544	
Lynwood Roofing (1991) Inc.	481,139	
Mjs Mechanical Ltd.	448,262	
Gibbs Gage Architects	431,008	
Flynn Canada Ltd.	416,112	
Kbm Commercial Floor Coverings Inc.	384,820	
Bow River Road Work Contracting Ltd.	383,455	
Ainsworth Inc.	357,762	

Cobra Corporate Management Inc.	356,541	
Maple Reinders Inc.	348,089	
Cormac Projects Inc.	344,050	
Foothills Decorating Partnership	339,768	
MBuilds (Alta) Limited Partnership	331,994	
Wolseley Canada Inc.	328,987	
Rockyview Projects Ltd	299,469	
Rydon Construction Inc.	297,826	
Eecol Electric Corp.	294,529	
Emm Decorating & Graffiti Removal Ltd.	290,316	
Hayes Elevator (Calgary) Inc.	288,609	
Oakcreek Golf & Turf Lp	281,232	
Crestview Electric Ltd.	272,663	
Chisholm Industries Ltd.	264,846	
Wsp Projects Inc.	262,685	
Golden Triangle Construction Management Inc.	261,426	
Utilities	26,844,384	4.2%
Enmax Energy Corporation	11,715,166	
Direct Energy Business Services	6,563,445	
Axia Supernet Ltd.	3,821,711	
City Of Calgary	2,674,608	
Telus Communications Inc.	898,607	
Waste Management Of Canada Corp.	630,902	
Bell Mobility Inc.	539,945	
Tangible Capital Assets	21,258,854	3.3%
Pc Corp Inc.	5,639,295	
Apple Canada Inc.	5,089,948	
Avi-Spl Canada Ltd.	3,087,136	
Lasernetworks Inc.	2,828,025	
Insync Systems Inc.	1,364,017	
Powerschool Group Llc	730,670	
Cdi Spaces	719,096	
Dbi Systems Integration Inc	351,205	
Telus	322,641	
Duo Security, Inc.	318,868	
Schoolhouse Products Inc.	282,933	
Hbi - Heritage Business Interiors	266,654	
Kayben, Inc.	258,366	
Supplies (Supp) & Other Services	18,672,135	2.9%
Oracle Canada Ulc	2,719,020	
Swish Maintenance Limited	2,472,063	
Grand & Toy	2,138,518	
Bell Canada	1,420,023	
Spicers Canada Ulc	1,046,164	
D2L Corporation	964,416	
Nose Creek Electrical Services Inc.	838,393	
Sysco Calgary, A Division Of Sysco Canada Inc.	797,147	
Supreme Office Products Ltd	696,457	
Calgary Meals On Wheels	606,489	
Logrhythm, Inc	595,066	
United Library Services Inc.	539,411	
Spalding Hardware Systems	459,151	
Office Solutions (Alberta) Inc.	414,282	
Sportfactor Inc.	392,383	
Done Rite Equipment Sales & Service	377,265	
Kirkman Bus Sales	350,722	
Spectrum Educational Supplies Limited	344,538	

Kahunaverse Sports Group Inc.	340,413	
Skyline Athletics Inc.	310,271	
Clean Air Services Inc.	300,994	
Data Communications Management Corp.	295,290	
W.E. Greer Ltd.	253,659	
Professional & Technical Services (P&T)	15,384,099	2.4%
Hull Services	4,202,491	
S.I. Systems Partnership	3,716,970	
Wood'S Homes	2,448,797	
Alberta Health Services	1,112,048	
Society For Treatment Of Autism	1,110,007	
Telus Sourcing Solutions Partnership	933,189	
Dla Piper (Canada) Llp	507,171	
Galileo Educational Network	379,000	
Robert Half Management Resources	346,503	
Optimum Talent Inc.	340,149	
Iron Mountain Canada	287,773	
Rental Equipment & Facility	14,756,943	2.3%
Bentall Greenoak (Canada) Limited Partnership	13,876,260	
Imperial Parking Canada Corp.	602,645	
Bentallgreenoak (Canada) Lp (Safran Op)	278,038	
P-Card Transactions	13,354,747	2.1%
Bank Of Montreal	13,354,747	
Insurance	4,580,516	0.7%
Marsh Canada Limited	3,666,534	
Urban Schools Insurance Consortium	913,982	
Minor Equipment <\$5000	1,907,303	0.3%
Pcm Canada	567,387	
St. John'S Music Ltd.	556,073	
Dell Canada Inc.	392,960	
Long & Mcquade Ltd.	390,883	
Dues & Fees (D&F)	1,302,725	0.2%
International Baccalaureate Organization	387,634	
Calgary Senior High School Athletic Association	379,173	
Alberta School Boards Association	271,240	
University Of Calgary	264,677	
Flow Through From Ab Ed	840,392	0.1%
Tsuut'Ina Nation	840,392	
Donations	699,177	0.1%
Educationmatters	699,177	
Postage	294,000	0.0%
Postage By Phone/Pitneyworks Prepaid	294,000	
Grand Total	640,087,646	



Calgary's | trust | for public education

Financial Statements

December 31, 2018



RSM Alberta LLP

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Independent Auditors' Report

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

Opinion

We have audited the financial statements of EducationMatters, Calgary's Public Education Trust (the "Trust"), which comprise the statement of financial position as at December 31, 2018, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2018, and its financial performance and its cash flows for the year ended December 31, 2018 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of EducationMatters, Calgary Public Education Trust for the year ended December 31, 2017 were audited by another firm of Chartered Professional Accountants who expressed an unmodified conclusion on those financial statements on March 8, 2018.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Trust or to cease operations, or has no realistic alternative but to do so.

THE POWER OF BEING UNDERSTOOD
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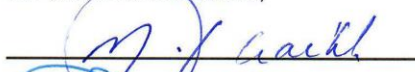

EducationMatters, Calgary's Public Education Trust
Statement of Financial Position
December 31, 2018

	2018	2017
Assets		
Current assets		
Cash and cash equivalents (notes 3 and 7)	\$ 1,899,149	\$ 1,978,053
Accounts receivable	1,000	-
Goods and Services Tax recoverable	<u>880</u>	<u>1,103</u>
	1,901,029	1,979,156
Investments (notes 4 and 7)	5,575,899	5,467,580
Property and equipment (note 5)	<u>9,605</u>	<u>19,329</u>
	<u>\$ 7,486,533</u>	<u>\$ 7,466,065</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 35,453	\$ 34,960
Deferred operating contributions (note 6)	<u>441,000</u>	<u>441,000</u>
	<u>476,453</u>	<u>475,960</u>
Funds		
Operating fund	778,282	774,693
Flow-through fund	835,876	957,130
Endowment fund (note 7)	<u>5,395,922</u>	<u>5,258,282</u>
	<u>7,010,080</u>	<u>6,990,105</u>
	<u>\$ 7,486,533</u>	<u>\$ 7,466,065</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, 2018

	2018				2017
	Operating Fund	Flow-Through Fund	Endowment Fund	Total	
Revenue					
Contributions	\$ 683,703	\$ 1,211,796	\$ 382,652	\$ 2,278,151	\$ 2,508,319
Interfund fees	104,400	(27,393)	(77,007)	-	-
Gains (losses) on investments (note 4)	(9,000)	-	(147,373)	(156,373)	439,661
Interest and dividend revenue	<u>32,706</u>	<u>-</u>	<u>168,414</u>	<u>201,120</u>	<u>115,409</u>
	<u>811,809</u>	<u>1,184,403</u>	<u>326,686</u>	<u>2,322,898</u>	<u>3,063,389</u>
Expenditures					
Grants (notes 6 and 10)	-	1,328,319	189,046	1,517,365	1,471,190
Salaries and benefits (note 10)	541,032	-	-	541,032	527,398
Communications (note 10)	4,975	-	-	4,975	14,341
Fund development (note 10)	18,000	-	-	18,000	22,680
Office	35,317	-	-	35,317	30,709
Investment fees	44,264	-	-	44,264	42,037
Professional fees	24,907	-	-	24,907	24,306
Special events (note 10)	12,785	-	-	12,785	26,346
Computer applications and support	55,561	-	-	55,561	67,005
Rent	38,993	-	-	38,993	38,993
Amortization	<u>9,724</u>	<u>-</u>	<u>-</u>	<u>9,724</u>	<u>9,724</u>
	<u>785,558</u>	<u>1,328,319</u>	<u>189,046</u>	<u>2,302,923</u>	<u>2,274,729</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 26,251</u>	<u>\$ (143,916)</u>	<u>\$ 137,640</u>	<u>\$ 19,975</u>	<u>\$ 788,660</u>

See accompanying notes to the financial statements

EducationMatters, Calgary's Public Education Trust
Statement of Changes in Fund Balances
Year Ended December 31, 2018

	Operating Fund	Flow- Through Fund	Endowment Fund	Total
Fund balances, December 31, 2016	\$ 728,963	\$ 638,999	\$ 4,833,483	\$ 6,201,445
Excess (deficiency) of revenue over expenditures	59,738	310,123	418,799	788,660
Interfund transfers	<u>(14,008)</u>	<u>8,008</u>	<u>6,000</u>	<u>-</u>
Fund balances, December 31, 2017	774,693	957,130	5,258,282	6,990,105
Excess (deficiency) of revenue over expenditures	26,251	(143,916)	137,640	19,975
Interfund transfers	<u>(22,662)</u>	<u>22,662</u>	<u>-</u>	<u>-</u>
Fund balances, December 31, 2018	<u>\$ 778,282</u>	<u>\$ 835,876</u>	<u>\$ 5,395,922</u>	<u>\$ 7,010,080</u>

See accompanying notes to the financial statements

EducationMatters, Calgary's Public Education Trust
Statement of Cash Flows
Year Ended December 31, 2018

	2018	2017
Cash provided by (used in):		
Operating activities		
Excess of revenue over expenditures	\$ 19,975	\$ 788,660
Adjusting items:		
Amortization	9,724	9,724
Loss (gain) on investments	<u>156,373</u>	<u>(439,661)</u>
	<u>186,072</u>	<u>358,723</u>
Changes in non-cash items		
Accounts receivable	(1,000)	-
Goods and Services Tax recoverable	223	(1,103)
Accounts payable and accrued liabilities	<u>493</u>	<u>(936)</u>
	<u>(284)</u>	<u>(2,039)</u>
Cash provided by (used in) operating activities	<u>185,788</u>	<u>356,684</u>
Investing activities		
Purchase of investments	(510,811)	(172,294)
Disposal of investments	<u>246,119</u>	<u>203,895</u>
Cash provided by (used in) investing activities	<u>(264,692)</u>	<u>31,601</u>
Cash inflow (outflow)	(78,904)	388,285
Cash and cash equivalents, beginning of year	<u>1,978,053</u>	<u>1,589,768</u>
Cash and cash equivalents, end of year	<u>\$ 1,899,149</u>	<u>\$ 1,978,053</u>
Cash and cash equivalents are comprised of:		
Cash	\$ 223,441	\$ 159,944
Treasury bills (note 3)	<u>1,675,708</u>	<u>1,818,109</u>
	<u>\$ 1,899,149</u>	<u>\$ 1,978,053</u>

See accompanying notes to the financial statements

EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2018

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 on an accrual basis.

(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.

EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2018

Operating fund

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

Flow-through fund

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 fund

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) Investments

Investments include pooled investment funds that consist of mutual funds and are measured at fair value.

(e) 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.

(f) 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.

EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2018

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.

(g) 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 of revenue over expenditures.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable. 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 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 of revenue over expenditures.

The Trust recognizes its transaction costs in excess 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.

(h) 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.

EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2018

(i) 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.

3. Cash and cash equivalents

Cash and cash equivalents include short-term investments of \$1,675,708 (2017 - \$1,818,109) 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 1.22% (2017 - 1.05%).

4. Investments

	2018	2017
Pooled Funds - Endowment Fund	\$ 5,161,698	\$ 5,052,891
Pooled Funds - Operating Fund	<u>414,201</u>	<u>414,689</u>
	<u>\$ 5,575,899</u>	<u>\$ 5,467,580</u>

Investments are comprised of \$5,575,899 (2017 - \$5,467,580) 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, 2018 or 2017.

Loss on investments of \$156,373 (2017 gain - \$439,661) includes unrealized loss of \$215,300 (2017 gain - \$392,876).

5. Property and equipment

	Cost	Accumulated Amortization	Net Book Value	
			2018	2017
Computer equipment	\$ 144,874	\$ 135,420	\$ 9,454	\$ 18,194
Office equipment	<u>25,850</u>	<u>25,699</u>	<u>151</u>	<u>1,135</u>
	<u>\$ 170,724</u>	<u>\$ 161,119</u>	<u>\$ 9,605</u>	<u>\$ 19,329</u>

6. 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 (2017 - \$660,000) from the CBE. Contributions in the amount of \$440,000 were deferred to 2019 in accordance with spending the funds over a twelve-month period and is included in the deferred operating contributions on the statement of financial position.

EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2018

The Trust rented office space and purchased services of \$38,993 (2017 - \$38,993) and \$6,265 (2017 - \$6,990), respectively, from the CBE.

Grants awarded to CBE schools by the Trust are distributed to recipients by way of the CBE. In 2018, this amount was \$1,020,914 (2017 - \$944,941).

7. Endowment funds

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

	2018	2017
Cash and cash equivalents	\$ 234,224	\$ 205,391
Investments	<u>5,161,698</u>	<u>5,052,891</u>
	<u>\$ 5,395,922</u>	<u>\$ 5,258,282</u>

8. Commitments

The Trust's office lease with the CBE was renewed in September 2018 for an additional one-year term to August 31, 2019 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 instruments that potentially subject the Trust to significant concentration of credit risk consist primarily of cash and cash equivalents and investments. The Trust mitigates its exposure to credit loss by placing its cash and cash equivalents and investments 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, 2018

10. Additional information on fund development

(a) Expenses incurred to raise funds

	2018	2017
Fundraising event	\$ 12,785	\$ 26,346
Fund development expenses	18,000	22,680
Fund development salaries and benefits	<u>144,657</u>	<u>148,714</u>
	<u>\$ 175,442</u>	<u>\$ 197,740</u>

(b) Funds raised during 2018 were \$1,618,151 (2017 - \$1,807,418).

(c) Summary of disbursements

	2018	2017
Grants	\$ 1,032,194	\$ 996,911
Scholarships	<u>485,171</u>	<u>474,279</u>
	<u>\$ 1,517,365</u>	<u>\$ 1,471,190</u>

In 2018 there were three disbursements of contributions greater than 10% of the gross contributions received in 2018. The following projects were supported:

- (1) Calgary Board of Education Exploratory or Dual Credit programs engage in learning experiences that can earn students credits in high school and post-secondary education institutions simultaneously allow students to discover and explore career pathways, which can help them plan for successful transitions to post-secondary and/or the workforce, provide workplace certification/accreditation or offer preferred placement at post-secondary institutions. During the year ended December 31, 2018, contributions in the amount of \$316,500 (2017 - \$315,248) were disbursed to this project.
- (2) Library to Learning Commons projects transform school libraries in Calgary Board of Education Schools into modern, welcoming Learning Commons. During the year ended December 31, 2018, contributions in the amount of \$165,000 (2017 - \$217,695) were disbursed to this project.
- (3) Maker Education is a way of introducing engineering to young learners. Such concrete experiences provide a meaningful context for understanding abstract science and math concepts traditionally taught by schools while expanding the world of knowledge now accessible to students for the first time. During the year ended December 31, 2018, contributions in the amount of \$188,500 (2017 - \$NIL) were disbursed to this project.

EducationMatters, Calgary's Public Education Trust
Notes to Financial Statements
December 31, 2018

(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:

	2018	2017
Grant disbursements	\$ 1,517,365	\$ 1,471,190
Communication expenses	4,975	14,341
Fund development expenses, excluding events	162,657	171,394
Events	12,785	26,346
Program expenses	595,417	581,734
Amortization expense	<u>9,724</u>	<u>9,724</u>
	<u>\$ 2,302,923</u>	<u>\$ 2,274,729</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.

**Urban Schools Insurance Consortium
Management Financial Statements
For the eight months ended August 31, 2019**

Contents:

Statement of Financial Position
Statement of Comprehensive Income
Statement of Changes in Subscribers' Surplus
Statement of Cash Flows
Equity allocation between Members

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

As at August 31	2019	2018
Assets		
Cash and cash equivalents	\$ 2,174,788	\$ 2,188,659
Marketable securities	14,118,602	14,513,638
Accrued investment income	95,127	107,528
Claims recoverable	-	7,261
Prepaid expenses	5,250	-
Deferred premium taxes	-	21,333
Total Assets	\$ 16,393,767	\$ 16,838,419
Liabilities		
Accounts payable and accrued expenses	\$ 111,800	\$ 72,087
Deferred revenue	86,357	83,355
Unearned premiums	425,000	533,333
Provision for unpaid claims and loss adjustment expenses	8,640,358	8,162,170
Total Liabilities	\$ 9,263,515	\$ 8,850,945
Subscribers' Surplus		
Subscribers' contributions	481,391	481,391
Retained Earnings	6,648,861	7,506,083
Total Subscribers' Surplus	7,130,252	7,987,474
Total Liabilities and Subscribers' Surplus	\$ 16,393,767	\$ 16,838,419

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

	Actual	Budget	Variance	Actual
For the eight months ended August 31	2019	2019	Favourable / (Unfavourable)	2018
Income				
Gross premiums written	\$ -	\$ -	\$ -	\$ -
Change in unearned premium reserve	1,700,000	1,700,000	-	2,133,334
Premiums earned	1,700,000	1,700,000	-	2,133,334
Other insurance income	341,693	345,334	(3,641)	333,420
Investment income	404,197	273,334	130,863	168,848
Realized gains (losses) on investments	(54,428)	-	(54,428)	163,902
Unrealized gains (losses) on investments	830,868	-	830,868	(487,118)
Total income	3,222,330	2,318,668	903,662	2,312,386
Expenses				
Losses paid	2,110,518	-	-	2,741,370
Change in outstanding loss reserves	892,426	-	-	414,285
Change in incurred but not reported reserves	(596,608)	-	-	(3,155,655)
Change in premium deficiency reserves	(112,762)	-	-	-
Losses incurred	2,293,574	1,695,648	(597,926)	-
Premium taxes	-	68,000	68,000	85,334
General and administrative expenses	467,900	419,464	(48,436)	389,240
Total expenses	2,761,474	2,183,112	(578,362)	474,574
Total comprehensive income	\$ 460,856	\$ 135,556	\$ 325,300	\$ 1,837,812

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, 2018	\$ 5,668,271	\$ 481,391	\$ 6,149,662
Total comprehensive income	1,837,812	-	1,837,812
As at August 31, 2018	\$ 7,506,083	\$ 481,391	\$ 7,987,474
As at January 1, 2019	\$ 6,188,005	\$ 481,391	\$ 6,669,396
Total comprehensive income	460,856	-	460,856
As at August 31, 2019	\$ 6,648,861	\$ 481,391	\$ 7,130,252

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

For the eight months ended August 31	2019	2018
Operating Activities		
Total comprehensive income	\$ 460,856	\$ 1,837,812
Items not involving cash:		
Net investment income	(1,180,637)	154,368
Change in non-cash operating accounts:		
Insurance balances receivable	45,290	180,263
Claims recoverable	3,541	(7,261)
Prepaid expenses	(5,250)	-
Commissions receivable	518,142	500,130
Deferred premium taxes	-	85,333
Accounts payable and accrued expenses	(164,492)	(199,377)
Deferred revenue	(345,428)	(333,420)
Claims payable	(618,543)	-
Premium tax payable	(102,000)	(128,000)
Unearned premiums	(1,700,000)	(2,133,334)
Provision for unpaid claims and loss adjustment exper	295,818	(2,741,375)
Provision for premium deficiency reserves	(112,762)	-
Cash used in operating activities	(2,905,465)	(2,784,861)
Investing Activities		
Investment income received	376,148	184,444
Purchases of marketable securities	(1,405,319)	(15,774,052)
Proceeds from sales of marketable securities	1,300,000	16,879,402
	270,829	1,289,794
(Decrease) increase in cash and cash equivalents	(2,634,636)	(1,495,067)
Cash and cash equivalents, opening	4,809,424	3,683,726
Cash and cash equivalents, ending	\$ 2,174,788	\$ 2,188,659

URBAN SCHOOLS INSURANCE CONSORTIUM
Calculation of Share of Consortium Pool Equity

as at August 31, 2019

Member	Percentage Share at Dec/18	Share of Equity at 31/12/18 (Note)	New Equity Balance	Share at August 31, 2019
Calgary Board of Education	32.6845%	2,179,862	2,345,045	32.8887%
Calgary Roman Catholic	12.5608%	837,728	894,499	12.5451%
Edmonton Public Schools	24.8862%	1,659,760	1,771,065	24.8387%
Fort McMurray S.D. No. 2833	2.0282%	135,270	150,552	2.1115%
Grande Prairie S.D. No. 2357	2.2950%	153,060	168,465	2.3627%
Grande Prairie Roman Catholic	1.2019%	80,160	88,333	1.2388%
Holy Spirit Roman Catholic	1.6530%	110,245	117,852	1.6528%
Lethbridge S.D. No. 51	2.7302%	182,088	193,485	2.7136%
Medicine Hat S.D. No. 76	2.4210%	161,463	170,124	2.3859%
Medicine Hat Catholic	1.2304%	82,058	86,301	1.2103%
Red Deer S.D. No. 104	3.0833%	205,639	220,537	3.0930%
Red Deer Catholic	2.1313%	142,145	150,330	2.1083%
Rocky View Schools (RVS)	8.9335%	595,811	621,008	8.7095%
St. Albert P.S.D. No. 5565	2.1607%	144,107	152,656	2.1410%
TOTAL	100.0000%	6,669,396	7,130,252	100.0000%

APPENDIX C: PROGRAM REPORTING

Section C.1 FUNDING FRAMEWORK PRINCIPLES

Financial resources for education identified by the provincial government are to be allocated to school jurisdictions on an equitable basis that recognizes the diversity among students and school systems and the costs associated with this diversity. The framework for funding provides school jurisdictions with flexibility in the processes of planning and budgeting for the delivery of educational programs and services. School jurisdictions are accountable to the Province, through Alberta Education, and the public for their expenditures and results.

The Province, through Alberta Education, determines the educational funding allocated to school boards. School boards are then responsible for establishing policy and allocating appropriate funds to schools. Alberta Education, has assumed funding responsibility for approved current and future costs of school building projects and for debt on certain existing schools through Alberta Treasury and Finance. In its efforts to direct more resources to instructional services, Alberta Education has imposed specific limitations on Board and System Administration expenditures of 3.6% - 5.4% of total expenses.

Section C.2 CHART OF ACCOUNTS - OVERVIEW

Each school jurisdiction's chart of accounts reflects unique information needs and organizational structure as well as program accounting and reporting requirements of Alberta Education.

For purposes of the Audited Financial Statements submitted to Alberta Education, the basic levels of accounting information and code structures must provide information consistent with definitions within the object, program and sub-program classifications.

Location codes must be used to track program costs for each facility in a jurisdiction in the event information reports are required by Alberta Education and/or Alberta Infrastructure. Activity codes may be used by school jurisdictions for administrative purposes in tracking unique project costs or specific elements within a program. Commencing September 1, 2016, revenues and expenses for each fee must also be tracked in order to demonstrate that "school fees collected have been spent for the same purpose for which they were collected".

Section C.3 REPORTING UNIT DEFINITIONS

PROGRAM AND SUB-PROGRAM

A program represents any plan or system under which action is taken toward a goal(s).

OBJECT

Revenues and expenditures are described according to their nature or characteristics (e.g. salaries; supplies and materials).

ACTIVITY

Activity provides another level of classification for identifying similar groups or processes.

LOCATION

A location code defines a decision unit such as a site, school, department or individual.

Section C.4 PROGRAMS/SUB-PROGRAM FUNDING

The *Funding Manual for School Authorities 2017/2018 School Year* describes the purposes and formulae for the funding framework. However, it is important to note that aside from some targeted funding such as the Regional Collaborative Service Delivery (RCSD) and Board and System Administration expenditure limit, school jurisdictions currently have the flexibility to determine how the funds are best directed. As such, the funding envelope does not necessarily have to correspond with the programs to which revenues are assigned for financial statement purposes.

Section C.5 PROGRAM DEFINITONS

C.5.1 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.

C.5.2 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 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.

C.5.3 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.

Revenues and expenses associated with the use of transportation services for field trips, co-curricular trips and athletic trips, etc. should be recognized under programs other than transportation (Grade 1 – 12 instruction, for example). If buses are rented to other groups for ancillary revenue, the associated revenues & expenses should be reported as "Other Revenue" under the Transportation program.

C.5.4 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;

C.5.4 BOARD & SYSTEM ADMINISTRATION (BSA) (Continued)

General Services Management (continued)

- 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.

C.5.5 EXTERNAL SERVICES

Includes services offered outside the board's regular educational programs for ECS children and students in grades 1 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.

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019**
[Education Act (formerly School Act), Sections 139, 140, 244]

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

Legal Name of School Jurisdiction

1221 8 Street SW Calgary AB T2R 0L4

Mailing Address

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

Contact 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, remeasurement gains and losses, changes in net financial assets (debt), and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

BOARD CHAIR

Trina Hurdman

Name

Signature

SUPERINTENDENT

Christopher Usih

Name

Signature

SECRETARY-TREASURER OR TREASURER

Bradley Grundy

Name

Signature

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: EDC.FRA@gov.ab.ca
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Version 20181115

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STATEMENT OF FINANCIAL POSITION
As at August 31, 2019 (in dollars)

	2019	2018
FINANCIAL ASSETS		
Cash and cash equivalents (Schedule 5; Note 3)	\$ 136,522,000	\$ 141,747,000
Accounts receivable (net after allowances) (Note 4)	\$ 40,818,000	\$ 44,623,000
Portfolio investments		
Operating (Restated) (Schedule 5)	\$ 13,899,000	\$ 13,507,000
Endowments (Restated) (Schedule 5)	\$ 7,436,000	\$ 7,010,000
Inventories for resale	\$ -	\$ -
Other financial assets	\$ -	\$ -
Total financial assets	\$ 198,675,000	\$ 206,887,000
LIABILITIES		
Bank indebtedness	\$ -	\$ -
Accounts payable and accrued liabilities (Restated) (Note 6 & 14)	\$ 111,474,000	\$ 116,407,000
Deferred contributions (Restated) (Note 5)	\$ 1,172,115,000	\$ 1,161,598,000
Employee future benefits liabilities (Note 7)	\$ 24,833,000	\$ 25,732,000
Liability for contaminated sites	\$ -	\$ -
Other liabilities (Note 8)	\$ 327,000	\$ 327,000
Debt		
Supported: Debentures (Note 9)	\$ 232,000	\$ 528,000
Unsupported: Debentures	\$ -	\$ -
Mortgages and capital loans	\$ -	\$ -
Capital leases (Note 10)	\$ 13,250,000	\$ 12,833,000
Total liabilities	\$ 1,322,231,000	\$ 1,317,425,000
Net debt	\$ (1,123,556,000)	\$ (1,110,538,000)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 6)	\$ 1,320,073,000	\$ 1,308,096,000
Inventory of supplies	\$ -	\$ -
Prepaid expenses	\$ 14,066,000	\$ 16,302,000
Other non-financial assets	\$ -	\$ -
Total non-financial assets	\$ 1,334,139,000	\$ 1,324,398,000
Accumulated surplus (Schedule 1; Note 11)	\$ 210,583,000	\$ 213,860,000
Accumulating surplus / (deficit) is comprised of:		
Accumulated operating surplus (deficit)	\$ 209,585,000	\$ 213,063,000
Accumulated remeasurement gains (losses)	\$ 998,000	\$ 797,000
	\$ 210,583,000	\$ 213,860,000
Economic dependence (Note 1)		
Contractual obligations (Note 15)		

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

School Jurisdiction Code: 3030

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2019 (in dollars)

	Budget 2019 Spring	Actual 2019	Actual 2018
REVENUES			
Government of Alberta (Restated)	\$ 1,311,094,000	\$ 1,288,251,000	\$ 1,266,172,000
Federal Government and First Nations	\$ 3,289,000	\$ 2,698,000	\$ 3,287,000
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8; Note 13)	\$ 41,174,000	\$ 43,627,000	\$ 38,974,000
Other sales and services	\$ 20,613,000	\$ 28,874,000	\$ 30,340,000
Investment income	\$ 1,649,000	\$ 3,837,000	\$ 7,180,000
Gifts and donations	\$ 7,592,000	\$ 9,536,000	\$ 7,957,000
Rental of facilities	\$ 4,254,000	\$ 4,211,000	\$ 4,878,000
Fundraising	\$ 7,400,000	\$ 2,524,000	\$ 2,640,000
Gains on disposal of capital assets	\$ -	\$ 110,000	\$ (18,000)
Other revenue	\$ -	\$ 1,047,000	\$ 1,737,000
Total revenues	\$ 1,397,065,000	\$ 1,384,715,000	\$ 1,363,147,000
EXPENSES			
Instruction - ECS	\$ 47,785,000	\$ 44,354,000	\$ 52,780,000
Instruction - Grades 1 - 12	\$ 1,057,050,000	\$ 1,048,639,000	\$ 1,024,638,000
Plant operations and maintenance (Schedule 4)	\$ 169,944,000	\$ 161,616,000	\$ 157,312,000
Transportation	\$ 48,612,000	\$ 52,632,000	\$ 49,605,000
Board & system administration	\$ 46,341,000	\$ 48,054,000	\$ 47,247,000
External services	\$ 33,333,000	\$ 32,898,000	\$ 33,617,000
Total expenses	\$ 1,403,065,000	\$ 1,388,193,000	\$ 1,365,199,000
Operating surplus (deficit)	\$ (6,000,000)	\$ (3,478,000)	\$ (2,052,000)
Accumulated operating surplus (deficit) at beginning of year		\$ 213,063,000	\$ 215,115,000
Accumulated operating surplus (deficit) at end of year	\$ (6,000,000)	\$ 209,585,000	\$ 213,063,000

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

School Jurisdiction Code: <u>3030</u>		
STATEMENT OF CASH FLOWS For the Year Ended August 31, 2019 (in dollars)		
	2019	2018
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (3,478,000)	\$ (2,052,000)
Add (Deduct) items not affecting cash:		
Amortization of tangible capital assets	\$ 70,419,000	\$ 66,419,000
Net (gain)/loss on disposal of tangible capital assets	\$ (110,000)	\$ 18,000
Transfer of tangible capital assets (from)/to other entities	\$ -	\$ -
(Gain)/Loss on sale of portfolio investments	\$ -	\$ (4,196,000)
Expended deferred capital revenue recognition	\$ (43,476,000)	\$ (38,999,000)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
	\$ 23,355,000	\$ 21,190,000
(Increase)/Decrease in accounts receivable	\$ 3,805,000	\$ (23,561,000)
(Increase)/Decrease in inventories for resale	\$ -	\$ -
(Increase)/Decrease in other financial assets	\$ -	\$ -
(Increase)/Decrease in inventory of supplies	\$ -	\$ -
(Increase)/Decrease in prepaid expenses	\$ 2,236,000	\$ (6,001,000)
(Increase)/Decrease in other non-financial assets	\$ -	\$ -
Increase/(Decrease) in accounts payable, accrued and other liabilities	\$ (4,933,000)	\$ (1,123,000)
Increase/(Decrease) in deferred revenue (excluding EDCC)	\$ 53,993,000	\$ 112,788,000
Increase/(Decrease) in employee future benefit liabilities	\$ (899,000)	\$ 187,000
Supported debt: debentures	\$ (296,000)	\$ (841,000)
Total cash flows from operating transactions	\$ 77,261,000	\$ 102,639,000
B. CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	\$ (82,396,000)	\$ (130,371,000)
Net proceeds from disposal of unsupported capital assets	\$ 110,000	\$ -
Other - Rounding	\$ -	\$ -
Total cash flows from capital transactions	\$ (82,286,000)	\$ (130,371,000)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (4,099,000)	\$ (74,848,000)
Proceeds on sale of portfolio investments	\$ 3,281,000	\$ 157,675,000
Other (Describe)		
Other - Foreign Exchange Loss	\$ 201,000	\$ (57,000)
Total cash flows from investing transactions	\$ (617,000)	\$ 82,770,000
D. FINANCING TRANSACTIONS		
Debt issuances	\$ -	\$ -
Debt repayments	\$ (296,000)	\$ (841,000)
Other factors affecting debt (describe)	\$ -	\$ -
Capital lease issuances	\$ 2,361,000	\$ 2,048,000
Capital lease payments	\$ (1,944,000)	\$ (1,756,000)
Other (describe)	\$ -	\$ -
Supported debt: debentures	\$ 296,000	\$ 841,000
Total cash flows from financing transactions	\$ 417,000	\$ 292,000
Increase (decrease) in cash and cash equivalents	\$ (5,225,000)	\$ 55,330,000
Cash and cash equivalents, at beginning of year	\$ 141,747,000	\$ 86,417,000
Cash and cash equivalents, at end of year	\$ 136,522,000	\$ 141,747,000

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

School Jurisdiction Code: 3030

STATEMENT OF CHANGE IN NET DEBT
For the Year Ended August 31, 2019 (in dollars)

	Budget 2019	2019	2018
Operating surplus (deficit)	\$ (6,000,000)	\$ (3,478,000)	\$ (2,052,000)
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (32,347,000)	\$ (82,396,000)	\$ (130,371,000)
Amortization of tangible capital assets	\$ 70,366,000	\$ 70,419,000	\$ 66,419,000
Net (gain)/loss on disposal of tangible capital assets	\$ -	\$ (110,000)	\$ 18,000
Net proceeds from disposal of unsupported capital assets	\$ -	\$ 110,000	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Transfer of tangible capital assets (from)/to other entities	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 38,019,000	\$ (11,977,000)	\$ (63,934,000)
Acquisition of inventory of supplies	\$ -	\$ -	
Consumption of inventory of supplies	\$ -	\$ -	
(Increase)/Decrease in prepaid expenses	\$ -	\$ 2,236,000	\$ (6,001,000)
(Increase)/Decrease in other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ 201,000	\$ (1,214,000)
Other changes	\$ -	\$ -	\$ -
Decrease (increase) in net debt	\$ 32,019,000	\$ (13,018,000)	\$ (73,201,000)
Net debt at beginning of year	\$ (1,110,538,000)	\$ (1,110,538,000)	\$ (1,037,337,000)
Net debt at end of year	\$ (1,078,519,000)	\$ (1,123,556,000)	\$ (1,110,538,000)

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

School Jurisdiction Code: 3030

STATEMENT OF CHANGE IN NET DEBT
For the Year Ended August 31, 2019 (in dollars)

	2019	2018
<u>Operating surplus (deficit)</u>	\$ (3,478,000)	\$ (2,052,000)
<u>Effect of changes in tangible capital assets</u>		
<u>Acquisition of tangible capital assets</u>	\$ (82,396,000)	\$ (130,371,000)
<u>Amortization of tangible capital assets</u>	\$ 70,419,000	\$ 66,419,000
<u>Net (gain)/loss on disposal of tangible capital assets</u>	\$ (110,000)	\$ 18,000
<u>Net proceeds from disposal of unsupported capital assets</u>	\$ 110,000	\$ -
<u>Write-down carrying value of tangible capital assets</u>	\$ -	\$ -
<u>Transfer of tangible capital assets (from)/to other entities</u>	\$ -	\$ -
<u>Other changes</u>	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ (11,977,000)	\$ (63,934,000)
<u>Acquisition of inventory of supplies</u>	\$ -	\$ -
<u>Consumption of inventory of supplies</u>	\$ -	\$ -
<u>(Increase)/Decrease in prepaid expenses</u>	\$ 2,236,000	\$ (6,001,000)
<u>(Increase)/Decrease in other non-financial assets</u>	\$ -	\$ -
<u>Net remeasurement gains and (losses)</u>	\$ 201,000	\$ (1,214,000)
<u>Other changes</u>	\$ -	\$ -
Decrease (increase) in net debt	\$ (13,018,000)	\$ (73,201,000)
Net debt at beginning of year	\$ (1,110,538,000)	\$ (1,037,337,000)
Net debt at end of year	\$ (1,123,556,000)	\$ (1,110,538,000)

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

School Jurisdiction Code: 3030

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2019 (in dollars)

	2019	2018
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ 3,039,000
Derivatives	\$ -	\$ -
Foreign Currency Translation	\$ 201,000	\$ (57,000)
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ (4,196,000)
Derivatives	\$ -	\$ -
Foreign Currency Translation	\$ -	\$ -
Other Adjustment (Describe)	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ 201,000	\$ (1,214,000)
Accumulated remeasurement gains (losses) at beginning of year	\$ 797,000	\$ 2,011,000
Accumulated remeasurement gains (losses) at end of year	\$ 998,000	\$ 797,000

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

SCHEDULE 1

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2019 (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, 2018	\$ 213,860,000	\$ 797,000	\$ 213,063,000	\$ 158,721,000	\$ 4,165,000	\$ -	\$ 25,977,000	\$ 24,200,000
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2018	\$ 213,860,000	\$ 797,000	\$ 213,063,000	\$ 158,721,000	\$ 4,165,000	\$ -	\$ 25,977,000	\$ 24,200,000
Operating surplus (deficit)	\$ (3,478,000)		\$ (3,478,000)			\$ (3,478,000)		
Board funded tangible capital asset additions				\$ 32,267,000		\$ (23,555,000)	\$ -	\$ (8,712,000)
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	\$ 201,000	\$ 201,000						
Endowment expenses & disbursements	\$ -		\$ -		\$ -	\$ -		
Endowment contributions	\$ -		\$ -		\$ 549,000	\$ (549,000)		
Reinvested endowment income	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus (Describe)	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (70,419,000)		\$ 70,419,000		
Capital revenue recognized	\$ -			\$ 43,476,000		\$ (43,476,000)		
Debt principal repayments (unsupported)	\$ -			\$ 1,944,000		\$ (1,944,000)		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ (4,847,000)	\$ 4,847,000	
Net transfers from operating reserves	\$ -					\$ 7,829,000	\$ (7,829,000)	
Net transfers to capital reserves	\$ -					\$ (5,478,000)		\$ 5,478,000
Net transfers from capital reserves	\$ -					\$ 5,079,000		\$ (5,079,000)
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2019	\$ 210,583,000	\$ 998,000	\$ 209,585,000	\$ 165,989,000	\$ 4,714,000	\$ -	\$ 22,995,000	\$ 15,887,000

SCHEDULE 1

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
 for the Year Ended August 31, 2019 (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, 2018	\$ 35,487,000	\$ 6,271,000	\$ -	\$ 15,884,000	\$ (9,510,000)	\$ 1,069,000	\$ -	\$ -	\$ -	\$ 976,000
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2018	\$ 35,487,000	\$ 6,271,000	\$ -	\$ 15,884,000	\$ (9,510,000)	\$ 1,069,000	\$ -	\$ -	\$ -	\$ 976,000
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ (6,271,000)	\$ -	\$ (396,000)	\$ -	\$ (1,069,000)	\$ -	\$ -	\$ -	\$ (976,000)
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										
Endowment expenses & disbursements										
Endowment contributions										
Reinvested endowment income										
Direct credits to accumulated surplus (Describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Additional capital debt or capital leases										
Net transfers to operating reserves	\$ 3,964,000		\$ -		\$ 883,000		\$ -		\$ -	
Net transfers from operating reserves	\$ (7,175,000)		\$ -		\$ (654,000)		\$ -		\$ -	
Net transfers to capital reserves		\$ 1,381,000		\$ 2,049,000		\$ 1,960,000		\$ -		\$ 88,000
Net transfers from capital reserves		\$ -		\$ (5,079,000)		\$ -		\$ -		\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2019	\$ 32,276,000	\$ 1,381,000	\$ -	\$ 12,458,000	\$ (9,281,000)	\$ 1,960,000	\$ -	\$ -	\$ -	\$ 88,000

SCHEDULE 2

**SCHEDULE OF DEFERRED CONTRIBUTIONS
(EXTERNALLY RESTRICTED CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2019 (in dollars)**

	Other GoA Ministries excluding Infrastructure					Total Other GoA Ministries	Gov't of Canada	Donations and grants from others	Other	Total other sources
	Alberta Education	Alberta Infrastructure	Description 1	Description 2	Description 3					
Deferred Contributions (DC)										
Balance at Aug 31, 2018	\$ 10,442,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 990,000	\$ 27,700,000	\$ 28,690,000
Prior period adjustments - please explain: (Restated)	-	-	-	-	-	-	-	-	(27,641,000)	- 27,641,000
Adjusted ending balance Aug. 31, 2018	\$ 10,442,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 990,000	\$ 59,000	\$ 1,049,000
Received during the year (excluding investment income)	22,390,000	-	-	-	-	-	-	845,000	-	845,000
Transfer (to) grant/donation revenue (excluding investment income)	(27,291,000)	-	-	-	-	-	-	(801,000)	-	801,000
Investment earnings	-	-	-	-	-	-	-	-	-	-
Received during the year	358,000	-	-	-	-	-	-	-	-	-
Transferred to investment income	-	-	-	-	-	-	-	-	-	-
Transferred (to) from UDCC	-	-	-	-	-	-	-	-	-	-
Transferred directly (to) EDCC	-	-	-	-	-	-	-	-	-	-
Transferred (to) from others - please explain:	-	-	-	-	-	-	-	-	-	-
DC Closing balance at Aug 31, 2019	\$ 5,899,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,034,000	\$ 59,000	\$ 1,093,000
Unspent Deferred Capital Contributions (UDCC)										
Balance at Aug 31, 2018	\$ -	\$ 12,974,000	\$ -	\$ -	\$ -	12,974,000.00	\$ -	\$ -	\$ -	\$ -
Prior period adjustments - please explain:	2,873,000	-	-	-	-	-	-	3,175,000	-	3,175,000.00
Adjusted ending balance Aug. 31, 2018	\$ 2,873,000	\$ 12,974,000	\$ -	\$ -	\$ -	\$ 12,974,000	\$ -	\$ 3,175,000	\$ -	\$ 3,175,000.00
Received during the year (excluding investment income)	23,500,000	22,221,000	-	-	-	22,221,000	-	50,000	-	50,000.00
UDCC Receivable	-	6,673,000	-	-	-	6,673,000	-	-	-	-
Transfer (to) grant/donation revenue (excluding investment income)	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-	-
Received during the year	-	-	-	-	-	-	-	-	-	-
Transferred to investment income	-	-	-	-	-	-	-	-	-	-
Proceeds on disposition of supported capital/ Insurance proceeds (and related interest)	-	-	-	-	-	-	-	-	-	-
Transferred from (to) DC	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
Transferred from (to) EDCC	(26,373,000)	(38,596,000)	-	-	-	38,596,000	-	(3,225,000)	-	3,225,000.00
Transferred (to) from others - please explain:	-	-	-	-	-	-	-	-	-	-
UDCC Closing balance at Aug 31, 2019	\$ -	\$ 3,272,000	\$ -	\$ -	\$ -	\$ 3,272,000	\$ -	\$ -	\$ -	\$ -
Expended Deferred Capital Contributions (EDCC)										
Balance at Aug 31, 2018	\$ 24,738,000	\$ 1,112,395,000	\$ -	\$ -	\$ -	1,112,395,000	\$ -	\$ -	\$ -	\$ -
Prior period adjustments - please explain:	-	-	-	-	-	-	-	-	-	-
Adjusted ending balance Aug. 31, 2018	\$ 24,738,000	\$ 1,112,395,000	\$ -	\$ -	\$ -	\$ 1,112,395,000	\$ -	\$ -	\$ -	\$ -
Donated tangible capital assets	-	-	-	-	-	-	-	-	-	-
Alberta Infrastructure managed projects	-	-	-	-	-	-	-	-	-	-
Transferred from DC	-	-	-	-	-	-	-	-	-	-
Transferred from UDCC	26,373,000	38,596,000	-	-	-	38,596,000	-	3,225,000	-	3,225,000.00
Amounts recognized as revenue (Amortization of EDCC)	(1,864,000)	(41,395,000)	-	-	-	41,395,000	-	(217,000)	-	217,000.00
Disposal of supported capital assets	-	-	-	-	-	-	-	-	-	-
Transferred (to) from others - please explain:	-	-	-	-	-	-	-	-	-	-
EDCC Closing balance at Aug 31, 2019	\$ 49,247,000	\$ 1,109,596,000	\$ -	\$ -	\$ -	\$ 1,109,596,000	\$ -	\$ 3,008,000	\$ -	\$ 3,008,000

**SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2019 (in dollars)**

REVENUES	2019							2018
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 49,981,000	\$ 994,512,000	\$ 108,816,000	\$ 42,451,000	\$ 49,901,000	\$ -	\$ 1,245,661,000	\$ 1,227,558,000
(2) Alberta Infrastructure	\$ -	\$ -	\$ 41,608,000	\$ -	\$ -	\$ -	\$ 41,608,000	\$ 37,999,000
(3) Other - Government of Alberta	\$ -	\$ 155,000	\$ 52,000	\$ -	\$ 301,000	\$ 96,000	\$ 604,000	\$ 265,000
(4) Federal Government and First Nations	\$ -	\$ 1,149,000	\$ -	\$ -	\$ 25,000	\$ 1,524,000	\$ 2,698,000	\$ 3,287,000
(5) Other Alberta school authorities	\$ -	\$ 359,000	\$ 19,000	\$ -	\$ -	\$ -	\$ 378,000	\$ 350,000
(6) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(9) Fees	\$ -	\$ 23,930,000	\$ -	\$ 4,921,000	\$ -	\$ 14,776,000	\$ 43,627,000	\$ 38,974,000
(10) Other sales and services	\$ 474,000	\$ 14,560,000	\$ 201,000	\$ -	\$ 135,000	\$ 13,504,000	\$ 28,874,000	\$ 30,340,000
(11) Investment income	\$ -	\$ 929,000	\$ -	\$ -	\$ 2,908,000	\$ -	\$ 3,837,000	\$ 7,180,000
(12) Gifts and donations	\$ -	\$ 9,319,000	\$ 217,000	\$ -	\$ -	\$ -	\$ 9,536,000	\$ 7,957,000
(13) Rental of facilities	\$ -	\$ -	\$ 405,000	\$ -	\$ 429,000	\$ 3,377,000	\$ 4,211,000	\$ 4,878,000
(14) Fundraising	\$ -	\$ 2,524,000	\$ -	\$ -	\$ -	\$ -	\$ 2,524,000	\$ 2,640,000
(15) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000	\$ (18,000)
(16) Other revenue	\$ -	\$ 1,011,000	\$ -	\$ -	\$ -	\$ 36,000	\$ 1,047,000	\$ 1,737,000
(17) TOTAL REVENUES	\$ 50,455,000	\$ 1,048,448,000	\$ 151,428,000	\$ 47,372,000	\$ 53,699,000	\$ 33,313,000	\$ 1,384,715,000	\$ 1,363,147,000
EXPENSES								
(18) Certificated salaries	\$ 24,595,000	\$ 641,801,000	\$ -	\$ -	\$ 1,756,000	\$ 6,913,000	\$ 675,065,000	\$ 662,049,000
(19) Certificated benefits	\$ 2,774,000	\$ 141,259,000	\$ -	\$ -	\$ 209,000	\$ 739,000	\$ 144,981,000	\$ 145,702,000
(20) Non-certificated salaries and wages	\$ 11,976,000	\$ 118,493,000	\$ 48,212,000	\$ 1,924,000	\$ 16,512,000	\$ 13,357,000	\$ 210,474,000	\$ 211,480,000
(21) Non-certificated benefits	\$ 3,099,000	\$ 28,765,000	\$ 11,308,000	\$ 570,000	\$ 3,143,000	\$ 2,671,000	\$ 49,556,000	\$ 51,402,000
(22) SUB - TOTAL	\$ 42,444,000	\$ 930,318,000	\$ 59,520,000	\$ 2,494,000	\$ 21,620,000	\$ 23,680,000	\$ 1,080,076,000	\$ 1,070,633,000
(23) Services, contracts and supplies	\$ 1,910,000	\$ 102,374,000	\$ 51,559,000	\$ 49,108,000	\$ 21,529,000	\$ 5,756,000	\$ 232,236,000	\$ 223,226,000
(24) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 43,476,000	\$ -	\$ -	\$ -	\$ 43,476,000	\$ 38,999,000
(25) Amortization of unsupported tangible capital assets	\$ -	\$ 15,585,000	\$ 6,642,000	\$ -	\$ 4,658,000	\$ 58,000	\$ 26,943,000	\$ 27,420,000
(26) Supported interest on capital debt	\$ -	\$ -	\$ 52,000	\$ -	\$ -	\$ -	\$ 52,000	\$ 128,000
(27) Unsupported interest on capital debt	\$ -	\$ -	\$ 367,000	\$ -	\$ 44,000	\$ -	\$ 411,000	\$ 360,000
(28) Other interest and finance charges	\$ -	\$ 346,000	\$ -	\$ 129,000	\$ 43,000	\$ 345,000	\$ 863,000	\$ 868,000
(29) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) Other expense	\$ -	\$ 16,000	\$ -	\$ 901,000	\$ 160,000	\$ 3,059,000	\$ 4,136,000	\$ 3,565,000
(31) TOTAL EXPENSES	\$ 44,354,000	\$ 1,048,639,000	\$ 161,616,000	\$ 52,632,000	\$ 48,054,000	\$ 32,898,000	\$ 1,388,193,000	\$ 1,365,199,000
(32) OPERATING SURPLUS (DEFICIT)	\$ 6,101,000	\$ (191,000)	\$ (10,188,000)	\$ (5,260,000)	\$ 5,645,000	\$ 415,000	\$ (3,478,000)	\$ (2,052,000)

SCHEDULE 4

School Jurisdiction Code: 3030

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE
for the Year Ended August 31, 2019 (in dollars)

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	Supported Capital & Debt Services	2019 TOTAL Operations and Maintenance	2018 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 31,646,000	\$ 10,571,000	\$ -	\$ 1,167,000	\$ 4,828,000			\$ 48,212,000	\$ 49,988,000
Uncertificated benefits	\$ 7,834,000	\$ 2,331,000	\$ -	\$ 114,000	\$ 1,030,000			\$ 11,309,000	\$ 11,996,000
Sub-total Remuneration	\$ 39,480,000	\$ 12,902,000	\$ -	\$ 1,281,000	\$ 5,858,000			\$ 59,521,000	\$ 61,984,000
Supplies and services	\$ 4,534,000	\$ 5,743,000	\$ 26,000	\$ 13,933,000	\$ 617,000			\$ 24,853,000	\$ 23,670,000
Electricity			\$ 9,833,000					\$ 9,833,000	\$ 9,302,000
Natural gas/heating fuel			\$ 6,376,000					\$ 6,376,000	\$ 5,811,000
Sewer and water			\$ 2,638,000					\$ 2,638,000	\$ 2,519,000
Telecommunications			\$ 313,000					\$ 313,000	\$ 201,000
Insurance					\$ 4,911,000			\$ 4,911,000	\$ 3,967,000
ASAP maintenance & renewal payments							\$ 2,634,000	\$ 2,634,000	\$ 2,766,000
Amortization of tangible capital assets									
Supported							\$ 43,476,000	\$ 43,476,000	\$ 38,999,000
Unsupported						\$ 6,642,000		\$ 6,642,000	\$ 7,595,000
Total Amortization						\$ 6,642,000	\$ 43,476,000	\$ 50,118,000	\$ 46,594,000
Interest on capital debt									
Supported							\$ 52,000	\$ 52,000	\$ 128,000
Unsupported						\$ 367,000		\$ 367,000	\$ 338,000
Lease payments for facilities				\$ -				\$ -	\$ 32,000
Other interest charges						\$ -		\$ -	\$ -
Losses on disposal of capital assets						\$ -		\$ -	\$ -
TOTAL EXPENSES	\$ 44,014,000	\$ 18,645,000	\$ 19,186,000	\$ 15,214,000	\$ 11,386,000	\$ 7,009,000	\$ 46,162,000	\$ 161,616,000	\$ 157,312,000
SQUARE METRES									
School buildings								1,500,514.0	1,485,040.0
Non school buildings								58,767.0	58,767.0

Note:

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

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

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

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

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

Unsupported Amortization & Other Expenses: All expenses related to unsupported capital assets amortization and interest on unsupported capital debt.

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

SCHEDULE 5School Jurisdiction Code: 3030

**SCHEDULE OF CASH, CASH EQUIVALENTS, AND PORTFOLIO INVESTMENTS
for the Year Ended August 31, 2019 (in dollars)**

Cash & Cash Equivalents	2019			2018
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash	2%	\$ 135,660,000	\$ 135,660,000	\$ 140,872,000
Cash equivalents				
Government of Canada, direct and guaranteed	0.00%	-	-	-
Provincial, direct and guaranteed	0.00%	-	-	-
Corporate	0.00%	-	-	-
Other, including GIC's	1.30%	862,000	862,000	875,000
Total cash and cash equivalents	1.30%	\$ 136,522,000	\$ 136,522,000	\$ 141,747,000

See Note 3 for additional detail.

Portfolio Investments	2019			2018	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Interest-bearing securities					
Deposits and short-term securities	2.21%	\$ 13,899,000	\$ 13,899,000	\$ 13,899,000	\$ 13,507,000
Bonds and mortgages	0.00%	-	-	-	-
	2.21%	13,899,000	13,899,000	13,899,000	13,507,000
Equities					
Canadian equities	0.00%	\$ -	\$ -	\$ -	\$ -
Global developed equities	0.00%	-	-	-	-
Emerging markets equities	0.00%	-	-	-	-
Private equities	0.00%	-	-	-	-
Pooled investment funds	2.32%	5,849,000	7,436,000	7,436,000	7,010,000
Total fixed income securities	2.32%	5,849,000	7,436,000	7,436,000	7,010,000
Other					
Other (Specify)	0.00%	\$ -	\$ -	\$ -	\$ -
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Total equities	0.00%	-	-	-	-
Total portfolio investments	2.25%	\$ 19,748,000	\$ 21,335,000	\$ 21,335,000	\$ 20,517,000

See Note 5 for additional detail.

Portfolio investments**Operating**

Cost
Unrealized gains and losses

Endowments

Cost
Unrealized gains and losses
Deferred revenue

Total portfolio investments

	2019	2018
Cost	\$ 13,899,000	\$ 13,507,000
Unrealized gains and losses	-	-
	13,899,000	13,507,000
Cost	\$ 5,519,000	\$ 5,625,000
Unrealized gains and losses	1,917,000	1,385,000
Deferred revenue	-	-
	7,436,000	7,010,000
Total portfolio investments	\$ 21,335,000	\$ 20,517,000

The following represents the maturity structure for portfolio investments based on principal amount:

	2019	2018
Under 1 year	0.0%	0.0%
1 to 5 years	100.0%	100.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	100.0%	100.0%

SCHEDULE 6School Jurisdiction Code: 3030

**SCHEDULE OF TANGIBLE CAPITAL ASSETS
for the Year Ended August 31, 2019 (in dollars)**

Tangible Capital Assets	2019						2018
	Land	Work In Progress*	Buildings**	Equipment	Vehicles	Computer Hardware & Software	Total
Estimated useful life			25-50 Years	5-10 Years	5-10 Years	3-5 Years	
Historical cost							
Beginning of year	\$ 2,711,000	\$ 3,887,000	\$ 1,792,421,000	\$ 151,210,000	\$ 10,057,000	\$ 167,168,000	\$ 2,127,454,000
Prior period adjustments	-	-	-	-	-	-	-
Additions	-	82,396,000	-	-	-	-	82,396,000
Transfers in (out)	-	(71,580,000)	7,240,000	47,934,000	328,000	16,078,000	-
Less disposals including write-offs	-	-	(1,462,000)	(39,000)	-	(2,860,000)	(4,361,000)
Historical cost, August 31, 2019	\$ 2,711,000	\$ 14,703,000	\$ 1,798,199,000	\$ 199,105,000	\$ 10,385,000	\$ 180,386,000	\$ 2,205,489,000
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 574,863,000	\$ 113,640,000	\$ 7,367,000	\$ 123,488,000	\$ 819,358,000
Prior period adjustments	-	-	-	-	-	-	-
Amortization	-	-	44,490,000	9,041,000	655,000	16,233,000	70,419,000
Other additions	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	(1,462,000)	(39,000)	-	(2,860,000)	(4,361,000)
Accumulated amortization, August 31, 2019	\$ -	\$ -	\$ 617,891,000	\$ 122,642,000	\$ 8,022,000	\$ 136,861,000	\$ 819,358,000
Net Book Value at August 31, 2019	\$ 2,711,000	\$ 14,703,000	\$ 1,180,308,000	\$ 76,463,000	\$ 2,363,000	\$ 43,525,000	\$ 1,320,073,000
Net Book Value at August 31, 2018	\$ 2,711,000	\$ 3,887,000	\$ 1,217,558,000	\$ 37,570,000	\$ 2,690,000	\$ 43,680,000	\$ 1,308,096,000

	2019	2018
Total cost of assets under capital lease	\$ 45,135,000	\$ 42,774,000
Total amortization of assets under capital lease	\$ 20,211,000	\$ 17,888,000

Total additions to tangible capitals assets were \$82.4 million in 2018-19 which are largely comprised of:

- \$34.2 million was attributed to board funded capital activities such as school commissioning, technology infrastructure upgrades, technology hardware purchases
- \$23.5 million in IMR capital projects were completed at various schools
- \$20.1 million in Construction and modular funding from Alberta Infrastructure

SCHEDULE 7

School Jurisdiction Code: 3030

**SCHEDULE OF REMUNERATION AND MONETARY INCENTIVES
for the Year Ended August 31, 2019 (in dollars)**

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other Paid	Other Accrued Unpaid Benefits (1)	Expenses
Marilyn Dennis, Chair	0.21	\$11,406	\$1,510	\$852			\$0	\$739
Trina Hurdman, Chair	0.79	\$43,619	\$5,644	\$3,248			\$0	\$4,288
Althea Adams, Vice Chair	0.21	\$10,367	\$1,462	\$852			\$0	\$0
Marilyn Dennis, Vice Chair	0.79	\$39,633	\$5,690	\$3,248			\$3,462	\$3,745
Trina Hurdman	0.21	\$9,381	\$1,416	\$852			\$22,500	\$326
Julie Hrdlicka	1.00	\$45,000	\$7,032	\$4,100			\$18,750	\$4,872
Althea Adams	0.79	\$35,671	\$5,619	\$3,248			\$3,462	\$63
Lisa Davis	1.00	\$45,000	\$7,032	\$4,100			\$3,462	\$940
Richard Hehr	1.00	\$45,000	\$4,500	\$4,100			\$3,462	\$2,225
Mike Bradshaw	1.00	\$45,000	\$7,032	\$4,100			\$3,462	\$1,250
	-	\$0	\$0	\$0			\$0	\$0
	-	\$0	\$0	\$0			\$0	\$0
Subtotal	7.00	\$330,077	\$46,937	\$28,700			\$58,560	\$18,448
Christopher Usih, Chief Superintendent	0.71	\$185,000	\$24,389	\$4,269	\$0	\$0	\$28,099	\$5,554
David Stevenson, Chief Superintendent	0.29	\$90,769	\$8,824	\$4,615	\$0	\$753,925	\$0	\$306
Brad Grundy, Chief Financial Officer, Corporate	1.00	\$239,892	\$33,466	\$8,000	\$0	\$0	\$128,891	\$4,853
Kelly Ann Fenney, General Counsel, Corporate	1.00	\$191,616	\$29,988	\$3,692	\$0	\$0	\$16,693	\$5,093
Superintendents	4.53	\$1,061,688	\$130,580	\$28,850	\$0	\$394,726	\$320,156	\$5,582
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated		\$674,551,487	\$143,758,627	\$0	\$0	\$201,287	\$0	
School based	6,704.58							
Non-School based	131.50							
Non-certificated		\$208,887,721	\$46,906,886	\$0	\$0	\$1,617,338	\$0	
Instructional	2,166.20							
Plant Operations & Maintenance	806.68							
Transportation	43.33							
Other	418.93							
TOTALS	10,285.74	\$885,538,250	\$190,939,697	\$78,126	\$0	\$2,967,276	\$552,399	\$39,836

(1) Other Accrued Unpaid Benefits Include: Please describe Other Accrued Unpaid Benefits

(1) Other Accrued Unpaid Benefits includes untaken vacation pay and supplemental pension expenses

(2) Kelly Ann Fenney's duties are split between Director of Legal Services and Corporate Secretary.

School Jurisdiction Code: <u>3030</u>							
SCHEDULE 8							
UNAUDITED SCHEDULE OF FEES for the Year Ending August 31, 2019 (in dollars)							
	Actual Fees Collected 2017/2018	Budgeted Fee Revenue 2018/2019	(A) Actual Fees Collected 2018/2019	(B) Unexpended September 1, 2018*	(C) Funds Raised to Defray Fees 2018/2019	(D) Expenditures 2018/2019	(A) + (B) + (C) - (D) Unexpended Balance at August 31, 2019*
Transportation Fees	\$4,585,000	\$5,075,000	\$4,920,553	\$0	\$0	\$52,632,191	\$0
Basic Instruction Fees							
Basic instruction supplies	\$273,000	\$0	\$0	\$0	\$0	\$0	\$0
Fees to Enhance Basic Instruction							
Technology user fees	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0
Alternative program fees	\$460,000	\$740,000	\$527,351	\$419,000	\$0	\$647,769	\$298,582
Fees for optional courses	\$2,128,000	\$2,808,000	\$2,439,502	\$265,000	\$0	\$2,224,280	\$480,222
Activity fees	\$12,949,000	\$11,251,000	\$15,550,215	\$0	\$0	\$17,434,053	\$0
Early childhood services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other fees to enhance education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Curricular fees							
Extracurricular fees	\$3,375,000	\$3,000,000	\$3,982,326	\$1,211,000	\$0	\$4,372,191	\$821,135
Non-curricular travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lunch supervision and noon hour activity fees	\$14,718,000	\$13,899,000	\$15,494,281	\$0	\$0	\$15,201,904	\$292,377
Non-curricular goods and services	\$477,000	\$4,401,000	\$712,662	\$0	\$0	\$0	\$712,662
Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL FEES	\$38,974,000	\$41,174,000	\$43,626,890	\$1,895,000	\$0	\$92,512,388	\$2,604,978

*Unexpended balances cannot be less than \$0

Please disclose amounts paid by parents of students that are recorded as "Other sales and services", "Fundraising", or "Other revenue" (rather than fee revenue):	Actual 2019	Actual 2018
Cafeteria sales, hot lunch, milk programs	\$1,564,464	\$1,496,000
Special events, graduation, tickets	\$1,069,502	\$1,349,000
International and out of province student revenue	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$2,832,425	\$2,511,000
Adult education revenue	\$0	\$0
Preschool	\$0	\$0
Child care & before and after school care	\$0	\$0
Lost item replacement fee	\$0	\$0
Foreign Tuition	\$11,391,000	\$11,679,000
Music Instruments, library fees, commissions	\$511,296	\$307,000
Other (Describe)	\$1,521,291	\$0
TOTAL	\$18,889,978	\$17,342,000

SCHEDULE 9

3030

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2019 (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	4,752	667	18,924		
Federally Funded Students	129				
REVENUES					
Alberta Education allocated funding	\$ 6,927,000	\$ 13,191,000	\$ 22,296,000	\$ 82,275,000	\$ -
Other funding allocated by the board to the program	\$ 2,000	\$ -	\$ 9,000	\$ -	\$ -
TOTAL REVENUES	\$ 6,929,000	\$ 13,191,000	\$ 22,305,000	\$ 82,275,000	\$ -
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 7,373,000	\$ 562,000	\$ 30,556,000	\$ 78,885,000	
Instructional non-certificated salaries & benefits	\$ 121,000	\$ 3,883,000	\$ 3,037,000	\$ 47,765,000	
SUB TOTAL	\$ 7,494,000	\$ 4,445,000	\$ 33,593,000	\$ 126,650,000	
Supplies, contracts and services	\$ 118,000	\$ 7,347,000	\$ 8,000	\$ 9,254,000	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ 132,000	\$ 408,000	\$ -	\$ -	
Central Supports - staffing, contracted services	\$ 1,148,000	\$ 1,542,000	\$ 917,000	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 8,892,000	\$ 13,742,000	\$ 34,518,000	\$ 135,904,000	
NET FUNDING SURPLUS (SHORTFALL)	\$ (1,963,000)	\$ (551,000)	\$ (12,213,000)	\$ (53,629,000)	

SCHEDULE 10

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2019 (in dollars)								
EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs			TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	
Office of the superintendent	\$ 1,074,000	\$ 469,000	\$ -	\$ 1,543,000	\$ -	\$ -	\$ -	\$ 1,543,000
Educational administration (excluding superintendent)	\$ 812,000	\$ 4,000	\$ -	\$ 816,000	\$ 418,000	\$ 2,296,000	\$ -	\$ 3,530,000
Business administration	\$ 4,826,000	\$ 1,689,000	\$ -	\$ 6,515,000	\$ 1,819,000	\$ 586,000	\$ -	\$ 8,920,000
Board governance (Board of Trustees)	\$ 422,000	\$ 1,095,000	\$ -	\$ 1,517,000	\$ -	\$ -	\$ -	\$ 1,517,000
Information technology	\$ 3,239,000	\$ 990,000	\$ -	\$ 4,229,000	\$ 43,835	\$ 9,725,000	\$ -	\$ 13,997,835
Human resources	\$ 8,013,000	\$ 557,000	\$ -	\$ 8,570,000	\$ 4,011,000	\$ 2,075,000	\$ -	\$ 14,656,000
Central purchasing, communications, marketing	\$ 2,438,000	\$ 151,000	\$ -	\$ 2,589,000	\$ 100,000	\$ 45,000	\$ -	\$ 2,734,000
Payroll	\$ 547,000	\$ 4,416,000	\$ -	\$ 4,963,000	\$ -	\$ -	\$ -	\$ 4,963,000
Administration - insurance			\$ 410,000	\$ 410,000			\$ 5,691,000	\$ 6,101,000
Administration - amortization			\$ 4,658,000	\$ 4,658,000			\$ 59,865,000	\$ 64,523,000
Administration - other (admin building, interest)			\$ 11,699,000	\$ 11,699,000			\$ 5,186,000	\$ 16,885,000
Facilities	\$ 63,000	\$ 482,000	\$ -	\$ 545,000	\$ 149,000	\$ 89,449,000	\$ -	\$ 90,143,000
Education Matters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 752,000	\$ 752,000
TOTAL EXPENSES	\$ 21,434,000	\$ 9,853,000	\$ 16,767,000	\$ 48,054,000	\$ 6,540,835	\$ 104,176,000	\$ 71,494,000	\$ 230,264,835

		School Jurisdiction Code: 3030	
SCHEDULE 11		Average Estimated # of Students Served Per Meal: 0.00	
UNAUDITED SCHEDULE OF NUTRITION PROGRAM EXPENDITURES			
for the Year Ending August 31, 2019			
*Note: Calgary School District No. 19 o/a Calgary Board of Education did not participate in the Nutrition Program during the year			
		Budget 2019	2019
REVENUES			
Alberta Education - current		\$ 874,000	\$ 873,742
Alberta Education - prior year		\$ -	\$ 3,487
Other Funding		\$ -	\$ -
TOTAL REVENUES		\$ 874,000	\$ 877,229
EXPENSES			
Salaries & Benefits			
Meal Supervisor/Cook/support Worker		\$ 164,388	\$ 168,473
Other (please describe)		\$ -	\$ -
Other (please describe)		\$ -	\$ -
Other (please describe)		\$ -	\$ -
Other (please describe)		\$ -	\$ -
Subtotal: Salaries & Benefits		\$ 164,388	\$ 168,473
Food Supplies	\$2/meal x 55 Students x 183 days	\$ -	\$ -
Small Kitchenware			
Measuring cups & measuring spoons		\$ -	\$ 60
Plates, bowls & cups		\$ -	\$ 490
Utensils		\$ -	\$ 152
Other: Tupperware bins		\$ 4,550	\$ 114
Other (please describe)		\$ -	\$ -
Subtotal: Small Kitchenware		\$ 4,550	\$ 816
Non-Capitalized Assets			
Double Door Coolers		\$ -	\$ 9,879
Refrigerator		\$ 29,870	\$ 2,305
Toaster		\$ -	\$ 4,938
Blenders		\$ -	\$ 4,459
Freezers		\$ -	\$ 7,566
Food Grade Storage Bins		\$ -	\$ 2,140
Carts to move food		\$ -	\$ 303
Garden tower		\$ -	\$ -
Salad bar		\$ -	\$ -
Other: Small kitchenwares (tongs, dishpans, etc.)		\$ -	\$ 2,676
Subtotal: Non-capitalized Assets		\$ 29,870	\$ 34,266
Training (e.g. food safety training, food prep courses, workshops, training materials)		\$ 875	\$ -
Contracted Services (please describe)			
Calgary Meals on Wheels - Food Costs		\$ 475,000	\$ 405,972
Food Delivery		\$ 15,990	\$ 10,930
Vendor Overhead/Revenue		\$ 166,250	\$ 171,425
Subtotal: Contracted Services		\$ 657,240	\$ 588,327
Other Expenses			
Utensils, bowls, gloves & other packaging supplied by CMOW		\$ 7,477	\$ 26,293
Educational Resources		\$ 2,600	\$ 1,332
Recycling and Waste Services		\$ 2,600	\$ 878
Travel & accommodation for Cohort B meetings		\$ 500	\$ -
Other: Disposables (baggies/gloves/etc.)		\$ 3,900	\$ 3,009
Subtotal: Other Expenses		\$ 17,077	\$ 31,512
TOTAL EXPENSES		\$ 874,000	\$ 823,394
ANNUAL SURPLUS/DEFICIT		\$ -	\$ 53,835

BOARD AND SYSTEM ADMINISTRATION (FOR INFORMATION ONLY - NOT PART OF FINANCIAL STATEMENTS) 2018/2019 EXPENSES UNDER (OVER) MAXIMUM LIMIT	
TOTAL EXPENSES (Net of rental revenue from central administration building)	\$1,387,764,000
Enter Number of Net Enrolled Students (adjusted for adult & underage students):	114,128
Enter Number of Funded (ECS) Children (headcount):	9,029
"C" if Charter School	<input type="text"/>
STEP 1	
Calculation of maximum expense limit percentage for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over	= 3.6%
If "Total Net Enrolled Students" are 2,000 and less	= 5.4%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .00045 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .00045 = 0.675% plus 3.6% = maximum expense limit of 4.275%).	
STEP 2	
A. Calculate maximum expense limit amounts for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$49,959,504
B. Considerations for Charter Schools and Small School Boards:	
If charter schools and small school boards, The amount of Small Board Administration funding (<i>Funding Manual</i> Section 1.13)	\$0
2018/2019 MAXIMUM EXPENSE LIMIT (the greater of A or B above)	\$49,959,504
Actual Board & System Administration from Line 30 of "Schedule of Program Operations" net of rental income (Board & System Administration Column)	\$47,625,000
Amount Overspent	\$0
(Explain reason(s) for over-expenditure if amount overspent in cell "I38" is greater than zero).	

report to Board of Trustees

Fourth Quarter Budget Variance Report for the 2018-19 Budget

Date	November 26, 2019
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	Christopher Usih 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 Person(s)	Ed Sutlic, Director, Corporate Finance Tanya Scanga, Manager, Corporate Planning and Reporting

1 | Recommendation

This report is provided for the information of the Board. No decision is required.

2 | Issue

Operational Expectations OE-5: Financial Planning requires that quarterly variance reports are prepared and explanations provided for variances in excess of 1% and \$500,000. This report serves as the fourth quarter report for the 2018-19 fiscal year.

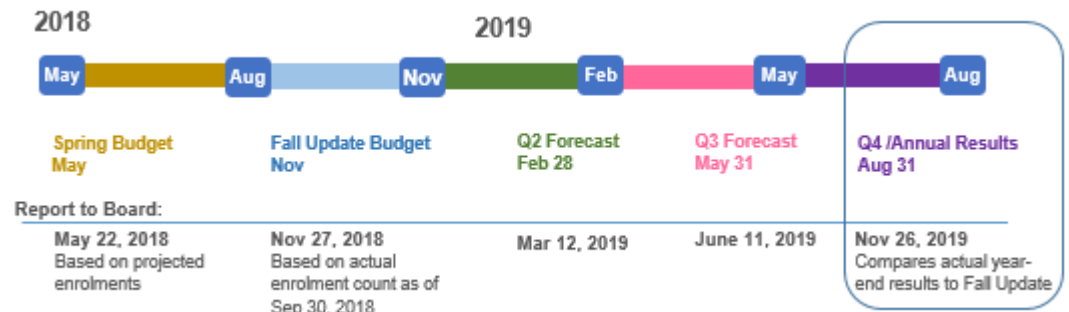


3 | Background

Quarterly and annual reports presented to the Board of Trustees provide updates on the results of operations. These results compare actual results to the 2018-19 Fall Update Budget to meet Operational Expectations OE-5: Financial Planning.

Included in this report is the fourth quarter budget variance report in Attachment I, spending by schools and service units in Attachment II, the use of reserves in Attachment III and capital budget report in Attachment IV.

4 | Analysis



The Fall Update Budget reports budgetary impacts due to changes in actual student enrollment from estimates made during the Spring Budget. Fall Update Budget is the comparator for all subsequent quarterly variance reports based on current year spending trends.

Attachment I summarizes actual results compared with budgeted revenues and expenses, reserve transfers and capital transactions. Explanations are provided for variances above 1% and \$500,000 of reported line items in accordance with Operational Expectations OE-5.

Operating deficit

CBE's deficit for the year is \$3.5 million (0.2% of total Fall Update Budget expenditures), which is a favorable variance of \$2.5 million from the budgeted deficit of \$6.0 million. This variance is comprised of a number of offsetting factors that are outlined in this report.

Overall revenues are lower than budgeted by \$9.2 million primarily due to revised estimates of funding based on the updated enrollment figures.

Expenditures have decreased by \$11.7 million from budget primarily due to actual average employee costs being lower than budget and savings realized as a result of cost containment measures which continue to be exercised.

Refer to "Line Item Analysis" for further details.

Spending by schools and service units is provided in Attachment II with explanations of significant variances from the Fall Update Budget.

Capital activities

CBE's actual board funded capital expenditures are \$34.2 million, which is an increase of \$1.9 million from the budgeted expenditures of \$32.3 million. This increase in capital spend is due to one new capital lease for retrofit project and delays in the Student Information System and computer hardware upgrade project. The 2018-19 fourth quarter capital budget report in Attachment IV highlights significant variances from the Fall Update Budget.

Use of reserves and balancing

The Fall Update Budget included planned draws of \$2.5 million from operating reserves and \$8.7 million from capital reserves, for a total draw of \$11.2 million. CBE's actual results require a draw of \$3.0 million from operating reserves and \$8.3 million from capital reserves for a total draw of up to \$11.3 million from reserves.

The 2018-19 fourth quarter use of reserves (Attachment III) of \$39.0 million represents three percent of total revenues. This is not a significant reserve value considering CBE spends \$7.6 million per instructional day. Current anticipated reserve levels are approximately five days of operations, which is consistent with the Fall Update Budget.

Alberta Education suggests maintaining operating reserves between 3% to 5% of total expenditures. CBE's operating reserve balance of \$23.0 million is below this threshold at 1.7%.

Further details are provided in Attachment III – use of reserves.

Line Item Analysis

The following summarizes individual line item changes in the financial results (see Attachment I for details).

Revenues

	(in \$ millions)	
Actual revenues	1,384.7	
Fall Update Budget revenues	1,393.9	
Variance in revenues	(9.2)	(1)%

Significant contributions to this decrease include:

- Unfavourable variance in *Alberta Education* revenue of \$19.1 million is the net impact of:
 - Unfavourable variance of \$21.9 million, which includes:
 - \$7.9 million due to revised estimates of funding based on the updated enrollment figures.
 - \$4.9 million in Alberta Teachers' Retirement Fund (ATRF) grant reflecting a decrease in the CBE's contribution rate and this is offset with a favourable variance in *certified salaries, wages and benefits*.
 - \$9.1 million due to Infrastructure Maintenance and Renewal (IMR) funding being capitalized rather than being expensed, in compliance with direction from Alberta Education. This is offset by a favourable variance in *Services, contracts and supplies*.

- Offset by a favourable variance of \$2.8 million, which includes:
 - \$1.4 million additional Supernet funding received for infrastructure upgrade and opening of two new schools in the current year.
 - \$1.4 million in provincial instructional grants due to lower than expected claw backs from enrollment verification audits performed by Alberta Education.
- Favourable variance in *Other sales and services* revenue of \$8.5 million as a result of:
 - \$7.8 million in funds raised by schools through sales which are inherently variable and subject to school specific circumstances.
 - \$0.7 million in increased billings to other school boards due to higher enrollment of special needs students from other jurisdictions.
- Favourable variance in *Fees* revenue of \$2.5 million due to:
 - \$1.7 million in fees charged directly by schools such as for optional courses, field trips and extracurricular activities.
 - \$0.8 million due to increased enrollment in noon supervision and transportation programs.
- Favourable variance in *Investment income* of \$1.8 million as a result of revised estimates for interest income from investments.
- Unfavourable variance in *All other* revenue of \$3.1 million due to fundraising activities, gifts and donations which are inherently variable depending on events and school specific circumstances.

Expenses

(in \$ millions)		
Actual expenses	1,388.2	
Fall Update Budget expenses	1,399.9	
Variance in expenses	(11.7)	(1)%

Significant contributions to this decrease in expenses is primarily related to:

- Unfavourable variance of \$3.1 million in *Certificated salaries, wages and benefits* is the net impact of:
 - Favourable variance of \$8.2 million, which includes:
 - \$1.4 million due to actual average employee costs being lower than budget, including reduced employer contribution rate for the Local Authorities Pension Plan (LAPP).
 - \$0.7 million in administrative allowances due to lower than expected deployment to schools.
 - \$1.2 million due to lower than anticipated costs for Professional Improvement Fellowship (PIF). Some of the PIF expenses are reclassified which results in an unfavourable variance in *Services, contracts and supplies*.
 - \$4.9 million in ATRF expenses reflecting a decrease in the current service cost and offset by a corresponding decrease of provincial funding in *Alberta Education* revenue.
 - Offset by an unfavourable variance of \$11.3 million, which includes:
 - \$5.4 million due to an increase in long-term absences, sick leaves and backfill for absent school staff.
 - \$5.9 million for redeployment decisions at the school level.*

- Favourable variance of \$4.1 million in *Non-certificated salaries, wages and benefits* is the net impact of:
 - Favourable variance of \$9.1 million due to actual average employee costs trending lower than budget, including reduced employer contribution rate for the Local Authorities Pension Plan (LAPP).
 - Offset by an unfavourable variance of \$5.0 million, which includes:
 - \$2.3 million due to increased use of employee health, backfill for absent school staff and other employment costs.
 - \$2.7 million for redeployment decisions at the school level.*

- Favourable variance of \$11.1 million for *Services, contracts and supplies* is mainly the net impact of:
 - Favourable variance of \$22.6 million, which includes:
 - \$1.6 million in utility costs savings due to lower electricity rates.
 - \$1.5 million in savings realized from software licensing contract costs.
 - \$1.8 million in service unit budgets due to cost containment measures, continuing to be exercised.
 - \$8.6 million due to redeployment decisions at the school level.*
 - \$9.1 million in IMR expenditures which have been assessed to be capital in nature and offset by a corresponding decrease in revenues.

 - Offset by an unfavourable of \$11.5 million, which includes:
 - \$6.1 million for transportation costs primarily related to increase in ridership and a higher demand for complex needs transportation services.
 - \$2.0 million related to dental, health and medical service charge that was not included in the Fall Update Budget.
 - \$0.9 million due to delays in repatriation of payroll services and system upgrade costs.
 - \$0.7 million due to reclassification of Professional Improvement Fellowship (PIF) expenses from salaries. This is partially offset by a favourable variance in *Certified salaries, wages and benefits*.
 - \$1.8 million as result of an increase of tax-receipted donations transferred to schools. This is offset by a favourable variance in *All other revenues*.

5 | Conclusion

This report represents information to the Board of Trustees in connection with Operational Expectations OE-5: Financial Planning.

The CBE will continue to practice careful financial decision making and scrutinize operations to identify areas where budget balancing measures may be implemented while minimizing the impact on student learning.

The CBE will maintain focus on our core values of: students come first, learning is our central purpose and public education serves the common good.



CHRISTOPHER USIH
CHIEF SUPERINTENDENT OF SCHOOLS

ATTACHMENTS

Attachment I: 2018-19 fourth quarter budget variance report

Attachment II: 2018-19 fourth quarter spending by schools and service units

Attachment III: 2018-19 fourth quarter use of reserves

Attachment IV: 2018-19 fourth quarter capital budget report

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
Fourth Quarter Budget Variance Report

Description	2018-19 Fall Update Budget ^(A)	Actuals for the year ended Aug 31, 2019	Variance Favourable/ (Unfavourable)	
	(in \$ thousands)			
Revenues				
Alberta Education	1,306,807	1,287,680	(19,126)	(1)%
Other - Government of Alberta	432	812	380	88%
Federal Government and First Nations	2,822	2,698	(124)	(4)%
Other sales and services	20,410	28,873	8,463	41%
Fees	41,159	43,626	2,467	6%
Investment income	1,649	3,479	1,830	111%
All other	20,650	17,546	(3,104)	(15)%
Total revenues	1,393,929	1,384,715	(9,214)	(1)%
Expenses				
Certificated salaries, wages and benefits	816,909	820,046	(3,138)	(0)%
Non-certificated salaries, wages and benefits	264,177	260,029	4,147	2%
Services, contracts and supplies	243,297	232,235	11,062	5%
Amortization	70,366	70,419	(53)	-
Interest	1,384	1,326	58	4%
All other	3,796	4,137	(341)	(9)%
Total expenses	1,399,929	1,388,193	11,736	1%
Annual surplus / (deficit)	(6,000)	(3,478)	2,522	42%
Transfer from operating reserves	2,500	2,983	(483)	(19)%
Transfer to endowment fund	-	(549)	549	(100)%
Net transfer from operating reserves	2,500	2,434	(66)	(3)%
Add/(deduct) capital items paid by operating funds				
Capital assets acquired	(32,347)	(34,212)	(1,865)	(6)%
Board funded amortization	27,136	26,943	(193)	(1)%
Transfer from capital reserves	8,711	8,313	(398)	(5)%
	3,500	1,044	(2,456)	(70)%
Net operating surplus / (deficit)	-	-	-	-

^(A) Approved by the Board of Trustees on November 27, 2018.

Attachment II: 2018-19 fourth quarter spending by schools and service units

	2018-19 FTEs	Salaries and benefits	Supplies and services	Other (interest, amortization and uncollectible accounts)	Actuals 2018-19	Fall Update 2018-19	Increase/ (decrease)
in \$000s							
Schools & Areas	9,521	984,238	85,934	29	1,070,202	1,072,291	(2,089) (a)
Service Unit System Budgets	18	8,047	128,671	68,838	205,556	212,340	(6,784) (b)
Facilities & Environmental Services	208	22,714	9,242	2,928	34,883	35,272	(389)
Learning	190	24,856	4,914	623	30,392	30,293	99
Finance/Technology Services	194	22,798	1,347	3,394	27,539	28,553	(1,014) (c)
Human Resources	110	12,114	804	45	12,962	14,327	(1,365) (c)
Communications	22	2,587	53	-	2,640	2,524	116
Legal	11	1,227	66	24	1,318	1,700	(382)
Chief Supt's Office	5	1,074	109	2	1,184	1,131	53
Board of Trustees	7	422	1,095	-	1,517	1,498	19
Total	10,286	1,080,076	232,235	75,882	1,388,193	1,399,929	(11,736)

Variance explanations include:

- (a) Schools and Areas are lower than budgeted due to actual salary and benefit trending lower than previously budgeted averages, including lower rates for ATRF and LAPP contributions, and savings from position vacancies. These favourable variances are partially offset by additional costs for benefits administration and increase in long-term sick leaves within schools.
- (b) Service Unit System budget is lower primarily due to IMR funding which has been assessed to be capital in nature. This is offset by an increase in transportation costs due to higher demand from complex needs students and additional costs incurred due to delays in repatriation of payroll services.
- (c) Finance/Technology Services and Human Resources expenses are lower than budgeted mainly due to position vacancies.

Attachment III: 2018-19 fourth quarter use of reserves

	Reserve balance Sept 1, 2018	Fall Update planned use of reserves	2018-19 proposed use of reserves	Reserve balance Aug 31, 2019	% of total expenses
(in \$ thousands)					
Operating reserves					
Unrestricted reserves	28,311	(2,500)	(3,959)	24,352	
Restricted reserves	(8,237)	-	33	(8,204)	
Designated operating funds	5,903	-	943	6,846	
Total operating reserves	25,977	(2,500)	(2,983)	22,995	1.7%
Capital reserves					
Building reserve	9,019	-	-	9,019	
Other capital reserves	14,383	(8,711)	(8,313)	6,070	
Plant, operations and maintenance asset replacement	798	-	-	798	
Total capital reserves	24,200	(8,711)	(8,313)	15,887	1.1%
Total reserves	50,177	(11,211)	(11,296)	38,881	2.8%

- (1) Alberta Education suggests maintaining operating reserves between 3% to 5% of total expenditures. While lower than Alberta Educations guidelines, the current balance in operating reserves reflects the significant investments that CBE has made over the last three years in bringing 27 new schools into operation.

Attachment IV: 2018-19 fourth quarter capital budget report

	2018-19 Total Fall Budget	Actuals for the year ended Aug 31, 2019	Variance Favourable/ (Unfavourable)	
	(in \$ thousands)		%	
Capital leases				
Performance contracts	1,484	4,306	(2,823)	(190%) (1)
Non-facility related projects				
Strategic	4,586	1,804	2,782	61% (2)
Enhancement	6,030	3,722	2,308	38% (3)
Maintenance	18,827	23,029	(4,202)	(22%) (4)
Total non-facility related projects	29,443	28,555	888	3%
Capital reserve projects				
New school commissioning	1,422	1,351	70	5%
Total non-facility capital expenditures	32,348	34,212	(1,863)	(6%)
Financed by the following:				
Contribution to operating activities	(3,500)	(1,044)		
Board funded amortization	27,136	26,943		
Transfer from capital reserves	8,711	8,313		
Total board-funded financing	32,347	34,212		

- (1) Performance contracts: One additional retrofit lease for energy performance upgrade.
- (2) Strategic: IT infrastructure projects were deferred with planned modifications for the future.
- (3) Enhancement: Enterprise Portal Lifecycle Upgrade was underway, but not completed by the end of 2018-19 and costs were carried forward to 2019-20. School Enhancements overall projected spend has been scaled down.
- (4) Maintenance: Additional costs incurred due to timing delays in Student Information System and computer hardware upgrade project.

**report to
Board of Trustees**

EducationMatters Financial Statements as at September 30, 2019

Date	November 26, 2019
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	Trish Minor Corporate Secretary
Purpose	Information
Originator	Monica Bryan, Director, Finance and Administration, EducationMatters
Governance Policy Reference	Governance Culture GC-3: Board Job Description

1 | Recommendation

- The financial report for EducationMatters is provided for Board information.

2 | Background

The Board of Trustees has requested quarterly reporting from EducationMatters. The attached report is provided in response to this request.

Appendix I: Education Matters Financial Statements as at August 31, 2019



To the Calgary Board of Education Trustees

EducationMatters is pleased to share its September 30, 2019 unaudited internal financial report (the “Report”) with you.

During the report period, EducationMatters provided almost \$140,000 in enhancement grants to more than eight recipients including schools and departments. Examples of the initiatives funded include:

- Design the Shift: ConocoPhillips Innovation Incubator program;
- Discovering Choices Graduation Support;
- Dual Credit and Exploratory programs;
- Food Supports for Schools;
- Niitsitapi Learning Centre Onsite Clinic;
- Young Masters program

In October, EducationMatters provided almost \$312,000 in enhancement grants to more than nine recipients including schools and departments. Examples of the initiatives funded include:

- Dual Credit and Exploratory programs;
- Dual Credit Pre-Employment programs;
- Nickle School Legacy Plaque and Exterior Signage;
- Niitsitapi Learning Centre Dance program and Outdoor Play Equipment;
- Sensory Supports project

In addition to the distributed grants, EducationMatters distributed 266 student award payments totalling \$450,000, which help students experience success in their further educational pursuits.

EducationMatters’ management (“Management”) has prepared the Report to the Trustees based on its internal reports and accounting records. While Management has used its best estimates in preparing the Report, please be advised that the Report has not been audited or reviewed nor have notes to the statements been prepared. Other readers may require additional information in order to rely on the Report for their own purposes.

The Report contains the following special purpose financial statements and other information:

- Unaudited Statement of Financial Position as at September 30, 2019 and audited December 31, 2018
- Unaudited Statement of Operations for the period ended September 30, 2019 and audited comparative for the year ended December 31, 2018
- Unaudited Operating Budget Comparison to September 30, 2019
- Statement of EducationMatters Funds Established as at September 30, 2019
- Statement of Grants Awarded for the year to date September 30, 2019
- A discussion of some of the amounts and transactions summarized in the statements

Respectfully submitted,

Monica Bryan - Director, Finance & Administration, EducationMatters

Marilyn Field - Executive Director, EducationMatters

Steve Aubin - Treasurer, Board of Governors, EducationMatters

EducationMatters
Statement of Financial Position

As at September 30, 2019

\$'000

(unaudited)

	As At Sept 30/19	As At Dec 31/18
ASSETS	<u>(unaudited)</u>	<u>(audited)</u>
Cash and cash equivalents	446	223
Investments	7,328	7,252
Accounts receivable	-	2
Prepaid expenses	-	-
Capital assets	6	10
Total assets	<u>7,780</u>	<u>7,487</u>
LIABILITIES		
Accounts payable	97	36
Deferred Contributions	1	441
Total liabilities	<u>98</u>	<u>477</u>
FUND BALANCES		
Endowment funds	5,970	5,396
Flow through funds	910	836
Operating funds	802	778
Total fund balances	<u>7,682</u>	<u>7,010</u>
Total liabilities and fund balances	<u>7,780</u>	<u>7,487</u>

EducationMatters
Statement of Operations
Year to Date to September 30 2019
\$'000

(unaudited)

(audited)

	<u>Endowment</u>	<u>Flow-Thru</u>	<u>Operating</u>	<u>Total</u>	<u>Dec 31/18</u>
	\$	\$	\$	\$	\$
REVENUES					
Contributions	100	548	23	671	1,618
CBE grants			440	440	660
Gains/losses on investments	647		70	717	45
Interest & fees			61	61	77
Total revenue	747	548	594	1,889	2,400
 GRANTS					
Grants issued	112	474		586	1,517
 EXPENSES					
Salaries & benefits			418	418	541
Consulting & professional fees			34	34	44
Administrative expenses	61		114	175	265
Advertising & communications			4	4	12
Total expenses	61		570	631	862
 FUND BALANCES					
Change during the period	574	74	24	672	21
Beginning balance	5,396	836	778	7,010	6,989
Balance, end of period	5,970	910	802	7,682	7,010

Total contributions since inception (\$'000):

2019 YTD	671
2018	1,618
2017	1,847
2016	1,662
2015	1,266
2014	1,903
2013	1,244
2012	2,279
2011	1,288
2010	862
2009	733
2008	1,197
2007	641
2006	865
2005	786
2004	612
2003	356
	19,830

EducationMatters
Operating Budget Comparison
Year-to-Date September 30, 2019
\$'000

	2019 BUDGET	30 Sept Actual <small>(unaudited)</small>
	\$	\$
Operating Expenses by function:		
Salaries and Employee Benefits	573	419
Events	25	1
Fund Development & Communications	53	12
Organizational Administration	215	138
Total Expenses	866	570

**EducationMatters
Funds Established
as at September 30, 2019**

	Fund Balance \$
Flow Thru Funds (Grants):	
Calgary Flames Ambassadors Supports for Kids with the Gift of Dyslexia Fund	10
Civil Society & Citizenship Flow Thru Fund	127
Cornerstone Flow Thru Fund, Enhancing Education for Economically Disadvantaged Students	521
Fuel for School Program Flow Thru Fund	5,464
Integro Legacy Fund	141,464
Louise Dean School Fund	950
Mawer Investment Management Literacy Flow Thru Fund	5,745
Public Education Enhancement Flow Thru Fund (Designated)	100,675
Public Education Enhancement Flow Thru Fund	16,970
Schools Helping Schools Flow Through Fund	1,568
Willow Park School Program Enhancement Fund	33
Total Flow Through Funds (Grants)	\$273,527

**Fund
Balance**
\$

Endowment Funds (Grants):

Athletics Endowment Fund, Helping Students in Need	47,705
Bob Bannerman Memorial Fund	15,372
Beverley Hubert Global Citizenship Fund	23,587
Beyond Your Backyard Opportunities Fund	10,937
Career Pathways Field of Interest Endowment Fund	83,660
Christine M. Fielding Memorial Endowment Fund	64,420
Civil Society & Citizenship Education Endowment Fund	23,391
ConocoPhillips World Schools Debate Development Endowment Fund	51,311
Cornerstone Endowment Fund, Enhancing Education for Economically Disadvantaged	80,265
Creagh Family Fund	32,523
Dr. Brendan Croskery Aboriginal Culture Fund	41,847
EducationMatters Admin Endowment Fund	47,573
Enhancing Education for Students with Special Needs Endowment Fund	37,199
Enhancing ESL Education Endowment Fund	56,359
Future Leaders Endowment Fund	45,010
Georgie C Higgins Junior High Memorial School Fund	16,254
Georgie C Higgins Investment Fund for Lester B Pearson High School	17,007
Governors' Endowment Fund	10,208
Jason and Jane Louie Memorial Fund	8,551
Kaiti Perras Love of Dance Memorial Fund	127,498
Lehew-Wyman Family Endowment Fund	60,038
M.P. Hess Fund	10,565
Margaret and Bill Whelan Endowment Fund	74,847
Mary Nelson Memorial Fund	66,366
Mawer Investment Management Literacy Fund	56,821
McGill University Faculty of Agricultural and Environmental Sciences Fund	7,398
Public Education Enhancement Endowment Fund	338,260
Public Education Enhancement Endowment Fund (Designated)	42
Schools Helping Schools Fund	44,776
Southland Transportation Career Pathways Endowment Fund	7,964
Sunnyside School Endowment Fund	29,015
Supports for Students Born with Fetal Alcohol Spectrum Disorder Fund	38,443
TEAM Leadership Lord Beaverbrook HS Endowment Fund	7,291
Terry Wright Endowment Fund	8,077
Tiberious Publishing Program Fund	15,589
Tyler Zeer Endowment Fund	35,034
William Reid School Endowment Fund	21,770
Youth Mentorship Endowment Fund	10,255

Total Endowment Funds (grant availability capped @ 4.5% per annum) \$1,673,228

**EducationMatters
Funds Established
as at September 30, 2019**

	Fund Balance \$
Flow Thru Funds (Student Awards)	
Aberhart Alumni Scholarship Flow Thru Fund	1,500
Aboriginal Students Award Fund	3,986
Big Brothers Big Sisters Society of Calgary and Area Award Fund	1,000
Calgary Bridge Foundation for Youth Student Awards Fund	2,500
Calgary Entrepreneur Organization (CEO)	625
CBE Staff Association Scholarship Fund	2,000
City of Calgary Degree Granting Scholarship Fund	22,100
City of Calgary Post Secondary Scholarships	23,803
ConocoPhillips Canada Awards	6,195
David James Anderson Memorial Award Fund	176
EducationMatters Scholarship Flow Thru Fund	90,455
EllisDon Student Award Fund	6,634
ENMAX Scholarship Fund	39,469
Everett and Mitchell Code Scholarship	5,566
Fogolar Furlan di Calgary Italian Award	17,215
Forest Lawn Resiliency Scholarship Fund	4,080
Future Leaders Flow Thru Scholarship Fund	958
Green & Gold Flow Thru Scholarship Fund	4,310
Haworth & Heritage Bus Interiors Architecture/Interior Design Scholarship Fund	4,157
Henry Wise Wood Warriors Legacy Flow Thru Fund	281
Henry Wise Wood Class of 1970 Scholarship Fund	95
Hopewell Scholarship Fund	3,009
Integro Legacy Scholarship Fund	9,455
Ivy & Len Freeston Student Award Flow Thru Fund	72
Jim Hoepfner Award	20
Job's Daughters International Scholarship	1,269
Kermet Archibald & Jacoba Van Den Brink Memorial Scholarship at the Cgy Found	99,073
Lauber Student Award	6,740
Laurie Sommerville Scholarship Award Fund	25,538
Louise Dean High School Awards	8,668
The Marguerite Patricia P. Bannister Scholarship Fund at the Calgary Foundation	195,772
Maureen Langston Memorial Fund	4,900
Nickolas Paswisty Memorial Bursary	2,171
Pay It Forward Fund	6,585
Queen Elizabeth Deaf and Hard of Hearing Scholarship and Program Enhancement Fund	14,176
R.M. (Mac) Dobson Creative Writing Scholarship	872
Richard Dunn Music Scholarship Fund	2,035
Southland Transportation Scholarship Flow Thru Fund	10,561
Tenaris Merit Awards	3,000
Thorner/Johnston/DiMarzo Family Bursary	7,500
Tom Inkster Memorial Scholarship Fund	424
Verna Hart Toole Legacy Award Fund	435
Total Flow Thru Funds (Student Awards)	\$639,380

	Fund Balance \$
Endowment Funds (Student Awards):	
Aaron, Harben Vocal Music Prize Fund	13,434
Aaron Family Scholarship Fund	14,584
Aberhart Alumni Scholarship Fund	84,160
Accomplished Angels Student Award Fund	1,048,950
Ann Strand Memorial Awards Fund	8,624
Anthony Ward Memorial Fund	4,331
Archie McKillop Student Award Endowment Fund	105,176
Arrata Family Award for New Canadians	47,554
Avis Hibbard Bursary	1,366
Benjamin (Ben) Albert Legacy Fund	296,654
Bennett Jones Scholarship Fund	10,781
Big Brothers Big Sisters Society of Calgary and Area Award Fund	18,944
Bob Clarke Memorial Scholarship	2,443
Bruce Leidl Composition Award Fund	14,403
Carolyn Baxter Memorial Award Fund	9,698
CNIB Memorial Scholarship Fund	4,544
Claire Poppit Award	6,989
Colonel Walker Community School 1950 to 1965 Alumni Award	15,472
David E. Mitchell Award	57,724
David James Anderson Memorial Award Fund	14,453
Doris Donald Memorial Bursary in Fine Arts	845
Douglas Norton Scholarship	2,560
Dr. Gordon Higgins Student Award Fund	29,158
Drs. Harry & Martha Cohen Prize Fund	10,640
Dustin Peers Memorial Visual Arts Award	224,334
Edith Berger Memorial Scholarship Fund	24,007
EducationMatters Endowed Scholarship Fund	2,894
E.F. Coste Scholarship	4,419
E. George Brigden Memorial Scholarship	4,150
Emily Sharpe Memorial Scholarship Fund	362,606
Emmalee Cherweniuk Award Fund	14,461
Ena Paul Memorial Award	4,394
Everett and Mitchell Code Scholarship	13,324
F. Margaret Milligan Scholarship	112
Frank L. Woodman Scholarship	2,267
Frank Whipple Memorial Bursary	7,001
Future Leaders Scholarship Endowment Fund	28,811
Gary Weimann Award for Community Service	24,690
George Morley Memorial Scholarship	11,490
Green & Gold Endowment Scholarship Fund	193,246
Hal Winlaw Health & Nutrition Legacy Award Fund	23,429
Haworth & Heritage Business Interiors Architecture/Interior Design Scholarship Fund	35,382
H.D. Cartwright Memorial Award	11,773
Henry Wise Wood Warriors Legacy Endowment Scholarship Fund	59,239
Hugh Robertson Science Award Fund	25,148
Ivy & Len Freeston Student Award Endowment Fund	19,588
James Fowler School Award Fund	16,749
Jennifer Ellen Shepherd Memorial Award Endowment Fund	83,634
Jennifer Eyton Memorial Trust Fund	3,061
Joan Ethier Women in Science Scholarship	420,188
Joanne Mugford Memorial Art Award	8,504
Job's Daughters International Scholarship	5,476

	Fund Balance
	\$
Endowment Funds (Student Awards) cont'd:	
John Bancroft Memorial Award	14,246
Keith Carswell Memorial Scholarship	9,923
Keith Yu Memorial Scholarship Fund	31,678
Laine McLeod Memorial Scholarship	6,963
Langevin School Bursary	27,982
Lana Hanson Memorial Scholarship Fund	5,846
Lawrence Parker Memorial Scholarship	8,877
Marjorie Taylor Memorial Scholarship Fund	69,982
Marnie Whitehead Memorial Scholarship	2,076
Marofke Family Aberhart Music Scholarship	61,063
Mary Belkin Memorial Scholarship Fund	30,565
Maurice A Spring (Vocational) Scholarship	2,879
MW & JR Tebo Memorial Journalism Fund	20,128
Pamela Jane Hardy Memorial Award Fund	60,563
Queen Elizabeth Deaf and Hard of Hearing Scholarship and Program Enhancement Fund	79,546
Richard D. Tingle Student Award Fund	35,812
Rick Theriault Outstanding Athletic Contribution Award Fund	21,606
Ross Glen Scholarship Fund	48,477
Ruth Ursula Leipziger Scholarship Fund	33,195
Shawn Whitney Memorial Award Fund	15,462
Sir Winston Churchill Enterprise & Innovation Scholarship	7,746
Southland Transportation Scholarship Endowment Fund	8,099
Steven Irving Memorial Music Scholarship	39,357
Susy Devlin Memorial Award Fund	33,215
Teens Against Drunk Drivers (TADD) Scholarship	6,623
Thomas Moore Memorial Bursary Fund	18,303
Thomas Walter Morrish Memorial Scholarship	9,190
Trades Related Career Pathways Student Award	87,478
Viscount Bennett Band Parents Association Award Fund	12,687
William Keir MacGougan Memorial Bursary	30,026
Total Endowment Funds (scholarship availability capped @ 4.5% per annum)	\$4,297,457

EducationMatters
Statement of Grants & Scholarships Awarded
Year-to-Date September 30, 2019

	\$
CBE - Design the Shift: ConocoPhillips Innovation Incubator	50,000
CBE - Dual Credit and Exploratory Programs	14,250
CBE - Fuel for School Program	10,826
Cecil Swanson School - Young Masters Program	405
Discovering Choices Outreach (Downtown) - Graduation 2018/2019	10,000
Forest Lawn High School - East Side Dance Festival	1,000
Keeler School - Young Masters Program	416
Niitsitapi Learning Centre - Onsite Clinic for Indigenous Children & their Families	41,519
Patrick Airlie School - Young Masters Program	405
Thomas B. Riley School - Program Fees for Students	3,114
Valley View School - Young Masters Program	404
West Ridge School - Sport Court	5,776
West View School - Forklift Training	184
Total 2019 YTD Program Grants	\$ 138,299
Total 2019 YTD Scholarships	\$ 450,269
Total 2019 YTD Grants & Scholarships	\$ 588,568
Total Grants since Inception	\$10,550,000
Total Scholarships since Inception	\$ 3,849,000

EducationMatters
Discussion of Financial Position and Results of Operations

Statement of Financial Position

As a result of CBE and EducationMatters having different fiscal years, a portion of our operating grant contributions are deferred each year end to reflect the fiscal year for which we have received operating funds.

In September, 2018 we deferred \$440,000 of CBE operating contributions received in 2018 that relate to our fiscal year 2019. This amount is reflected in the financial statements at September 30, 2019, as provided in this report.

Capital assets consist primarily of office equipment.

Statement of Operations

Fundraising initiatives for 2019 are proceeding as planned and anticipated.

In accordance with best practices for not-for-profit or charitable organizations, donations are recognized only when they are received and not accrued as promises receivable.

Operating Budget Comparison

Expenditures reported include only cash expenses for budget comparison purposes.

Funds Established and Grants Awarded

Our report on Funds Established and their balances to September 30, 2019 reflect both realized and unrealized gains on funds. For the long term, EducationMatters expects steady growth of its investments.

Grants and scholarships at over \$1,000,000 issued year-to-date (October 31, 2019), continue to provide a significant contribution, supporting Calgary Board of Education students.