

# Working Together for Student Success

For the year ended August 31, 2018



learning | as unique | as every student



**Calgary Board  
of Education**

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**CALGARY BOARD OF EDUCATION  
STATEMENT OF ADMINISTRATION RESPONSIBILITY  
FOR THE YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017**

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**Statement of administration responsibility**

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

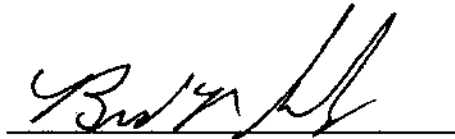
In the context of the responsibilities of the Board, the Calgary Board of Education's Administration is responsible for the preparation, presentation and integrity of the consolidated financial statements and has prepared them in accordance with Canadian Public Sector Accounting Standards. The consolidated financial statements present fairly the financial position of the Calgary Board of Education as at August 31, 2018 and the results of its operations and cash flows for the year then ended.

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

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



DAVID STEVENSON  
CHIEF SUPERINTENDENT OF SCHOOLS



BRAD GRUNDY  
CHIEF FINANCIAL OFFICER,  
AND CORPORATE TREASURER

November 27, 2018



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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the Calgary Board of Education

We have audited the accompanying consolidated financial statements of the Calgary Board of Education, which comprise the consolidated statement of financial position as at August 31, 2018, the consolidated statements of operations, accumulated remeasurement gains and losses, changes in net debt, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, including complete Schedules 1,2,3,5, and 6, Schedule 4 excluding the row under "Square Metres", and Schedule 7 excluding the column "FTE".

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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



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

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

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Calgary Board of Education as at August 31, 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 year then ended in accordance with Canadian public sector accounting standards.



## **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 Metres Square as reported in the specific rows “Square Metres – 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 year ended August 31, 2018.

### *Management’s Responsibility*

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

*Specific Purpose of Subject Matter Information*

The subject matter information has been prepared in accordance with the applicable criteria referred to above.

As a result the subject matter information may not be suitable for another purpose.

*Opinion*

In our opinion, FTE and Metres Square as reported in the specific row "Square Metres – School buildings" in Schedule 4 and column "FTE" in Schedule 7 for the year ended August 31, 2018 have been prepared, in all material respects, in accordance the applicable criteria.

*KPMG LLP*

Chartered Professional Accountants

November 27, 2018  
Calgary, Canada

**CALGARY BOARD OF EDUCATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017  
(in thousands)**

		<u>Budget (Note 19)</u>	<u>Actuals</u>	
		<u>2018</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>	(Sch 3)			
Alberta Education		\$ 1,290,857	\$ 1,265,557	\$ 1,230,285
Other Government of Alberta		328	265	376
Federal Government and First Nations		3,207	3,287	3,169
Other sales and services		22,731	30,340	26,922
Fees revenue	(Note 13)	42,594	38,974	51,782
Investment revenue		3,167	7,180	4,124
Other Alberta school authorities		304	350	663
Gifts and donations		7,634	7,957	9,076
Fundraising		7,200	2,640	7,485
Rentals		5,581	4,878	5,436
(Loss) gain on disposal of tangible capital assets		-	(18)	18
Other revenue		418	1,737	369
<b>Total revenues</b>		<u>\$ 1,384,021</u>	<u>\$ 1,363,147</u>	<u>\$ 1,339,705</u>
<b>Expenses</b>	(Sch 3)			
Instruction: grades 1-12		\$ 1,056,854	\$ 1,024,638	\$ 1,014,823
Instruction: early childhood services		52,623	52,780	51,485
Board and system administration		39,093	47,247	36,925
Transportation		48,200	49,605	52,926
Plant operations and maintenance	(Sch 4)	180,195	157,312	174,651
External services		24,056	33,617	24,030
<b>Total expenses</b>		<u>\$ 1,401,021</u>	<u>\$ 1,365,199</u>	<u>\$ 1,354,840</u>
<b>Annual deficit</b>		<u>\$ (17,000)</u>	<u>\$ (2,052)</u>	<u>\$ (15,135)</u>

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



**CALGARY BOARD OF EDUCATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT AUGUST 31, 2018 AND AUGUST 31, 2017  
(in thousands)**

		<u>2018</u>	<u>2017</u>
<b>Financial assets</b>			
Cash and cash equivalents	(Sch 5 and Note 3)	\$ 141,747	\$ 86,417
Accounts receivable (net after allowances)	(Note 4)	44,623	21,062
Portfolio investments	(Sch 5)	20,517	100,305
<b>Total financial assets</b>		<u>\$ 206,887</u>	<u>\$ 207,784</u>
<b>Liabilities</b>			
Deferred revenue	(Notes 5 and 14)	\$ 1,189,239	\$ 1,115,450
Accounts payable and accrued liabilities	(Note 6)	88,766	89,889
Employee future benefits	(Note 7)	26,732	25,545
Other liabilities - asset retirement obligations	(Note 8)	327	327
Supported debt: debentures	(Note 9)	528	1,369
Unsupported debt: capital leases	(Note 10)	12,833	12,541
<b>Total liabilities</b>		<u>\$ 1,317,425</u>	<u>\$ 1,245,121</u>
<b>Net debt</b>		<u>\$ (1,110,538)</u>	<u>\$ (1,037,337)</u>
<b>Non-financial assets</b>			
Tangible capital assets	(Sch 6)		
Land		\$ 2,711	\$ 2,711
Construction in progress		3,887	58,785
Buildings	1,792,421		
Less: Accumulated amortization	(574,863)	1,217,558	1,098,414
Furniture and equipment	151,210		
Less: Accumulated amortization	(113,640)	37,570	39,247
Vehicles	10,057		
Less: Accumulated amortization	(7,367)	2,690	2,996
Computer software and hardware	167,168		
Less: Accumulated amortization	(123,488)	43,680	42,009
Total tangible capital assets		<u>\$ 1,308,096</u>	<u>\$ 1,244,162</u>
Prepaid expense		16,302	10,301
<b>Total non-financial assets</b>		<u>\$ 1,324,398</u>	<u>\$ 1,254,463</u>
<b>Accumulated surplus</b>		<u>\$ 213,860</u>	<u>\$ 217,126</u>
Accumulated surplus is comprised of:	(Sch 1 and Note 11)		
Accumulated operating surplus		\$ 213,063	\$ 215,115
Accumulated rereasurement gains and losses		797	2,011
		<u>\$ 213,860</u>	<u>\$ 217,126</u>
Contractual obligations and contingent liabilities	(Note 15)		

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

Approved by:

  
Trina Hurdman, Chair of Board of Trustees

November 27, 2018

Date Signed

**CALGARY BOARD OF EDUCATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017  
(in thousands)**

	<u>2018</u>	<u>2017</u>
<b>Cash flows from:</b>		
<b>Operating transactions</b>		
Annual deficit	\$ (2,052)	\$ (15,135)
Add (deduct) items not affecting cash:		
Amortization of tangible capital assets	66,419	57,317
Loss (gain) on disposal of tangible capital assets	18	(18)
Expended deferred capital revenue	(38,999)	(33,140)
Changes in:		
Accounts receivable	(23,561)	31,815
Prepaid expenses	(6,001)	(3,866)
Accounts payable and accrued liabilities	(1,123)	(855)
Deferred operating revenue	6,521	(14,673)
Employee future benefits	187	717
Supported debt: debentures	(841)	(1,567)
<b>Cash flows from operating transactions</b>	<u>\$ 568</u>	<u>\$ 20,595</u>
<b>Capital transactions</b>		
Purchases of tangible capital assets		
Buildings	(105,566)	(165,636)
Equipment	(7,197)	(11,477)
Vehicles	(476)	(204)
Computer equipment	(17,132)	(22,694)
Net proceeds from disposal of tangible capital assets	-	18
Deferred capital revenue UDCR and EDCR	67,268	50,994
Expended deferred capital revenue	38,999	33,140
<b>Cash flows used in capital transactions</b>	<u>\$ (24,104)</u>	<u>\$ (115,859)</u>
<b>Investing transactions</b>		
Purchase of portfolio investments	(74,848)	(18,276)
Disposition of portfolio investments	157,675	13,445
Remeasurement gains reclassified to the statement of operations	(4,196)	53
Foreign currency translation	(57)	(394)
<b>Cash flows from (used in) investing transactions</b>	<u>\$ 78,574</u>	<u>\$ (5,172)</u>
<b>Financing transactions</b>		
Repayment of capital leases	(1,756)	(1,408)
Additional financing capital leases	2,048	3,768
<b>Cash flows from financing transactions</b>	<u>\$ 292</u>	<u>\$ 2,360</u>
Increase (decrease) in cash and cash equivalents	55,330	(98,076)
Cash and cash equivalents, beginning of year	86,417	184,493
Cash and cash equivalents, end of year	<u>\$ 141,747</u>	<u>\$ 86,417</u>

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

**CALGARY BOARD OF EDUCATION  
CONSOLIDATED STATEMENT OF ACCUMULATED REMEASUREMENT GAINS AND LOSSES  
FOR THE YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017  
(in thousands)**

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	<u>2018</u>	<u>2017</u>
<b>Accumulated remeasurement gains, beginning of year</b>	<b>\$ 2,011</b>	<b>\$ 3,728</b>
Unrealized gains (losses) attributable to:		
Portfolio investments	3,039	(1,376)
Foreign currency translation	(57)	(394)
Amounts reclassified to the statement of operations:		
Portfolio investments	(4,196)	53
Net remeasurement change for the year	<u>(1,214)</u>	<u>(1,717)</u>
<b>Accumulated remeasurement gains, end of year</b>	<b>\$ 797</b>	<b>\$ 2,011</b>

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

**CALGARY BOARD OF EDUCATION  
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT  
FOR THE YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017  
(in thousands)**

	Budget (Note 19)	Actuals	
	2018	2018	2017
<b>Annual deficit</b>	<b>\$ (17,000)</b>	<b>\$ (2,052)</b>	<b>\$ (15,135)</b>
Changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (39,197)	\$ (130,371)	\$ (200,011)
Amortization of tangible capital assets	66,436	66,419	57,317
Net carrying value of tangible capital assets disposal	-	18	-
<b>Total changes in tangible capital assets</b>	<b>\$ 27,239</b>	<b>\$ (63,934)</b>	<b>\$ (142,694)</b>
Changes in			
Prepaid expense	-	(6,001)	(3,866)
Net remeasurement gains	-	(1,214)	(1,717)
<b>Changes in net debt</b>	<b>\$ 10,239</b>	<b>\$ (73,201)</b>	<b>\$ (163,412)</b>
<b>Net debt, beginning of year</b>	<b>\$ (1,037,337)</b>	<b>\$ (1,037,337)</b>	<b>\$ (873,925)</b>
<b>Net debt, end of year</b>	<b>\$ (1,027,098)</b>	<b>\$ (1,110,538)</b>	<b>\$ (1,037,337)</b>

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

**CALGARY BOARD OF EDUCATION  
SCHEDULE 1 – ACCUMULATED SURPLUS  
FOR THE YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017  
(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
<b>Balance at August 31, 2017</b>	217,126	2,011	215,115	159,776	3,850	-	19,088	32,401
<b>Prior period adjustments:</b>								
Benefits expense overstated in prior years	-	-	-	-	-	-	-	-
<b>Adjusted Balance, August 31, 2017</b>	217,126	2,011	215,115	159,776	3,850	-	19,088	32,401
Annual surplus	(2,052)	-	(2,052)	-	-	(2,052)	-	-
Board funded tangible capital asset additions	-	-	-	24,603	-	(7,691)	-	(16,912)
Net remeasurement gains (losses) for the year	(1,214)	(1,214)	-	-	-	-	-	-
Endowment contributions	-	-	-	-	315	(315)	-	-
Amortization of tangible capital assets	-	-	-	(66,419)	-	66,419	-	-
Capital revenue recognized	-	-	-	38,999	-	(38,999)	-	-
Debt principal repayments (unsupported)	-	-	-	1,762	-	(1,762)	-	-
Net transfers to operating reserves	-	-	-	-	-	(7,829)	7,829	-
Net transfers from operating reserves	-	-	-	-	-	940	(940)	-
Net transfers to capital reserves	-	-	-	-	-	(8,711)	-	8,711
Net transfers from capital reserves	-	-	-	-	-	-	-	-
<b>Balance at August 31, 2018</b>	<b>213,860</b>	<b>797</b>	<b>213,063</b>	<b>158,721</b>	<b>4,165</b>	<b>-</b>	<b>25,977</b>	<b>24,200</b>

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration <sup>(1)</sup>		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
<b>Balance at August 31, 2017</b>	28,773	10,386	-	16,951	(9,685)	4,935	-	-	-	129
<b>Prior period adjustments:</b>										
Benefits expense overstated in prior years	-	-	-	-	-	-	-	-	-	-
<b>Adjusted Balance, August 31, 2017</b>	28,773	10,386	-	16,951	(9,685)	4,935	-	-	-	129
Annual surplus	-	-	-	-	-	-	-	-	-	-
Board funded tangible capital asset additions	-	(10,386)	-	(1,462)	-	(4,935)	-	-	-	(129)
Net remeasurement gains (losses) for the year	-	-	-	-	-	-	-	-	-	-
Endowment contributions	-	-	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	-	-	-	-	-	-	-	-	-	-
Capital revenue recognized	-	-	-	-	-	-	-	-	-	-
Debt principal repayments (unsupported)	-	-	-	-	-	-	-	-	-	-
Net transfers to operating reserves	7,175	-	-	-	654	-	-	-	-	-
Net transfers from operating reserves	(461)	-	-	-	(479)	-	-	-	-	-
Net transfers to capital reserves	-	6,271	-	395	-	1,069	-	-	-	976
Net transfers from capital reserves	-	-	-	-	-	-	-	-	-	-
<b>Balance at August 31, 2018</b>	<b>35,487</b>	<b>6,271</b>	<b>-</b>	<b>15,884</b>	<b>(9,510)</b>	<b>1,069</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>976</b>

(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 YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017  
(in thousands)**

	Unexpended Deferred Capital Revenue (in thousands)				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects <sup>(A)</sup>	Surplus from Provincially Approved Projects <sup>(B)</sup>	Proceeds on Disposal of Provincially Funded Tangible Capital Assets <sup>(C)</sup>	Unexpended Deferred Capital Revenue from Other Sources <sup>(D)</sup>	
<b>Balance at Aug. 31, 2017</b>	2,049	-	8,376	-	1,072,414
Prior period adjustments	-	-	-	-	-
Adjusted balance, Aug. 31, 2017	2,049	-	8,376	-	1,072,414
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	86,774				
Infrastructure Maintenance & Renewal capital related to school facilities	19,490				
Interest earned on unexpended capital revenue	3	-	-	-	
Expended capital revenue - current year	(96,362)	-	(7,356)	-	103,718
Deduct:					
Capital revenue recognition - Alberta Education					20,508
Capital revenue recognition - Other Government of Alberta					18,491
Capital revenue recognition - Other Revenue					
<b>Balance at Aug. 31, 2018</b>	<b>11,954</b>	<b>-</b>	<b>1,020</b>	<b>-</b>	<b>1,137,133</b>
<b>Balance of Unexpended Deferred Capital Revenue at Aug. 31, 2018 (A) + (B) + (C) + (D)</b>	(A)	(B)	(C)	(D)	<b>12,974</b>

**Deferred Capital Contributions**

- (A) - Represents funding received from the Province of Alberta toward new approved projects ONLY.
- (B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures.
- (C) - Represents proceeds on disposal of provincially funded capital assets to be expended on approved capital projects per 10 (2) (a) of Disposition of Property Regulation 181/2010.
- (D) - Represents capital contributions received from entities OTHER THAN the Province of Alberta restricted for the acquisition of capital assets.

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

**CALGARY BOARD OF EDUCATION  
SCHEDULE 3 – PROGRAM OF OPERATIONS  
FOR THE YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017  
(in thousands)**

	2018							2017
	Instruction: early childhood services	Instruction: grades 1-12	Board and system adminstration	Transportation	Plant operations and maintenance	External services	Total	Total
<b>Revenues</b>								
Alberta Education	52,106	978,904	49,053	42,137	143,357	-	1,265,557	1,230,285
Other Government of Alberta	-	133	-	-	128	4	265	376
Federal Government and First Nations	-	1,123	11	-	-	2,153	3,287	3,169
Other sales and services	463	13,867	780	8	179	15,043	30,340	26,922
Fees revenue	-	20,432	-	4,585	-	13,957	38,974	51,782
Investment revenue	-	714	6,466	-	-	-	7,180	4,124
Other Alberta school authorities	-	316	-	-	34	-	350	663
Gifts and donations	-	7,957	-	-	-	-	7,957	9,076
Fundraising	-	2,640	-	-	-	-	2,640	7,485
Rentals	-	-	444	-	355	4,079	4,878	5,436
(Loss) gain on disposal of assets	-	-	-	-	(18)	-	(18)	18
Other revenue	-	1,704	-	-	19	14	1,737	369
<b>Total revenues</b>	<b>52,569</b>	<b>1,027,790</b>	<b>56,754</b>	<b>46,730</b>	<b>144,054</b>	<b>35,250</b>	<b>1,363,147</b>	1,339,705
<b>Expenses</b>								
Certificated salaries	28,902	625,152	1,130	-	-	6,865	662,049	641,046
Certificated benefits	3,204	141,111	587	-	-	800	145,702	141,283
Non-certificated staff salaries	13,751	115,454	16,305	2,103	49,988	13,879	211,480	208,683
Non-certificated staff benefits	3,374	29,189	3,441	554	11,996	2,848	51,402	53,546
<b>Sub-total</b>	<b>49,231</b>	<b>910,906</b>	<b>21,463</b>	<b>2,657</b>	<b>61,984</b>	<b>24,392</b>	<b>1,070,633</b>	1,044,558
Supplies and services	2,826	99,079	20,885	45,923	48,268	6,245	223,226	244,671
Amorization of supported tangible capital assets	-	-	-	-	38,999	-	38,999	33,140
Amorization of unsupported tangible capital assets	706	14,292	4,827	-	7,595	-	27,420	24,177
Unsupported interest on capital debt	-	-	22	-	338	-	360	337
Supported debt interest	-	-	-	-	128	-	128	273
Other interest and finance charges	17	361	68	151	-	271	868	864
Other expense	-	-	(18)	874	-	2,709	3,565	6,820
<b>Total expenses</b>	<b>52,780</b>	<b>1,024,638</b>	<b>47,247</b>	<b>49,605</b>	<b>157,312</b>	<b>33,617</b>	<b>1,365,199</b>	1,354,840
<b>Operating surplus / (deficit)</b>	<b>(211)</b>	<b>3,152</b>	<b>9,507</b>	<b>(2,875)</b>	<b>(13,258)</b>	<b>1,633</b>	<b>(2,052)</b>	(15,135)

**CALGARY BOARD OF EDUCATION  
SCHEDULE 4 – OPERATIONS AND MAINTENANCE EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017  
(in thousands)**

Expenses	Custodial	Maintenance	Utilities & telecommunications	Expensed IMR, modular unit relocations & lease payments	Facility planning & operations administration	Unsupported amortization & other expenses	Supported capital & debt services	2018 Total operations & maintenance	2017 Total operations & maintenance
Non-certificated staff salaries	31,954	10,951		666	6,417			49,988	51,348
Non-certificated staff benefits	8,163	2,499		329	1,005			11,996	13,203
Supplies and services	4,355	5,727	26	12,934	628			23,670	48,642
Electricity			9,302					9,302	10,221
Natural gas/heating fuel			5,811					5,811	5,680
Sewer and water			2,519					2,519	2,472
Telecommunications			201					201	180
Insurance					3,967			3,967	3,790
ASAP maintenance & renewal payments							2,766	2,766	-
Amorization of tangible capital assets (Supported)							38,999	38,999	33,140
Amorization of tangible capital assets (Unsupported)						7,595		7,595	4,888
Interest on capital debt (Supported)							128	128	273
Interest on capital debt (Unsupported)						338		338	277
Lease payment for facilities				32				32	482
Other interest charges								-	55
<b>Total expenses</b>	<b>44,472</b>	<b>19,177</b>	<b>17,859</b>	<b>13,961</b>	<b>12,017</b>	<b>7,933</b>	<b>41,893</b>	<b>157,312</b>	<b>174,651</b>

**Non financial information**

Square meters								2018	2017
School buildings								1,485,040	1,458,412



**CALGARY BOARD OF EDUCATION  
SCHEDULE 5 – CASH AND PORTFOLIO INVESTMENTS  
AS AT AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017  
(in thousands)**

Cash and cash equivalents	2018			2017
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash	1.75%	\$ 140,872	\$ 140,872	\$ 85,544
Other, including GIC's	1.30%	875	875	873
<b>Total cash and cash equivalents</b>	<b>1.30%</b>	<b>\$ 141,747</b>	<b>\$ 141,747</b>	<b>\$ 86,417</b>

See Note 3 for additional detail.

Portfolio Investments	2018				2017
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits					
Guaranteed investment certificates <sup>(1)</sup>	2.21%	\$ 13,507	\$ 13,507	\$ 13,507	\$ 13,190
Fixed income securities					
Corporate	2.30%	-	-	-	48,767
<b>Total fixed income securities</b>	<b>2.30%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,767</b>
Equities					
Canadian	1.63%	-	-	-	\$ 12,927
Foreign	1.94%	-	-	-	18,881
<b>Total equities</b>	<b>1.81%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>31,808</b>
Restricted investments <sup>(2)</sup>	2.06%	\$ 5,625	\$ 7,010	\$ 7,010	6,540
<b>Total portfolio investments</b>	<b>2.16%</b>	<b>\$ 19,132</b>	<b>\$ 20,517</b>	<b>\$ 20,517</b>	<b>\$ 100,305</b>

(1) Restricted long-term investments are included in the GIC balance and relate to cash collateral requirements on capital leases entered into between the years August 31, 2012 and August 31, 2018 (Note 10)

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

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

	2018	2017
Under 1 year	0.0%	0.0%
1 to 5 years	100.0%	100.0%
6 to 10 years	0.0%	0.0%
	100.0%	100.0%



**CALGARY BOARD OF EDUCATION  
SCHEDULE 7 – REMUNERATION  
FOR THE YEAR ENDED AUGUST 31, 2018**

<b>Board Members:</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Allowances</b>	<b>Performance Bonuses</b>	<b>ERIP's / Other Paid</b>	<b>Other Accrued Unpaid Benefits (1)</b>	<b>Expenses</b>
<b>Chair</b>								
Joy Bowen-Eyre, Chair	0.16	8,567	1,157	23,147			-	179
Trina Hurdman, Chair	0.85	46,750	6,204	3,548			18,750	4,786
<b>Vice Chair</b>								
Trina Hurdman, Vice Chair	0.15	7,615	990	568			-	-
Marilyn Dennis, Vice Chair	0.85	43,279	6,191	3,548			1,731	3,944
<b>Others</b>								
Pamela King	0.16	7,010	1,081	23,147			-	-
Lynn Ferguson	0.16	7,010	1,081	23,147			-	-
Amber Stewart	0.16	7,010	1,081	7,570			-	66
Judy Hehr	0.16	7,010	1,081	7,570			-	66
Julie Hrdlicka	1.00	45,173	6,932	4,116			15,000	3,997
Althea Adams	0.87	39,029	5,981	3,548			1,731	1,471
Lisa Davis	0.87	39,029	5,981	3,548			1,731	593
Richard Hehr	0.87	39,029	3,830	3,548			1,731	3,119
Mike Bradshaw	0.87	39,029	5,981	3,548			1,731	-
<b>Subtotal</b>	<b>7.13</b>	<b>335,540</b>	<b>47,571</b>	<b>110,553</b>			<b>42,405</b>	<b>18,221</b>
David Stevenson, Chief Superintendent	1.00	296,435	33,084	15,058	-	-	508,081	5,957
Brad Grundy, Chief Financial Officer	1.00	240,788	59,927	8,022	-	-	115,717	7,526
Kelly Ann Fenney, Director of Legal Services and Corporate Secretary (2)	1.00	177,443	55,142	-	-	-	19,566	4,135
Deputy Chiefs (2 staff)	1.14	322,348	39,690	9,406	-	185,444	116,954	3,575
Superintendents (4 staff)	3.39	778,980	194,479	27,163	-	-	227,670	7,231
Certificated teachers	6,683.74	661,340,424	144,685,164	-	-	37,028	-	-
Non-certificated - other	3,490.60	210,038,038	49,133,278	-	-	1,432,217	-	-
<b>TOTALS</b>	<b>10,189.00</b>	<b>873,529,996</b>	<b>194,248,335</b>	<b>170,202</b>	<b>-</b>	<b>1,654,689</b>	<b>1,030,393</b>	<b>46,645</b>

(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.

# CALGARY BOARD OF EDUCATION

## SCHEDULE 7 – REMUNERATION

### FOR THE YEAR ENDED AUGUST 31, 2018

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#### Notes for Trustees

<sup>1</sup> **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.

<sup>2</sup> **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.

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

<sup>6</sup> **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

<sup>1</sup> **Remuneration** includes regular base salaries, administrative allowances, overtime, lump-sum payments, honoraria, deferred salary leave, accruals, and any other direct cash remuneration. This 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.

<sup>2</sup> **Benefits** include the employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement, pensions, senior management registered pension plans, Canada Pension Plan, employment insurance, health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, and long and short term disability plans. Government 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.

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

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

<sup>5</sup> **Early Retirement Incentive Plans (ERIPs)/Other** includes termination benefits such as severance pay, retiring allowances (ERIP's), and other settlement costs due to loss of employment. These are disclosed on a cash basis.

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

<sup>7</sup> **Other Accrued Unpaid Benefits** includes untaken vacation pay and supplemental pension expenses accrued up to August 31, 2018.

**CALGARY BOARD OF EDUCATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017  
(in thousands)**

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**1. NATURE OF OPERATIONS**

The Calgary Board of Education (the “Corporation”), is an independent legal entity with an elected Board of Trustees as stipulated in the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3, and operates as “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**

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

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

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

**(b) Cash and cash equivalents**

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

**(c) Accounts receivable**

Accounts receivable are shown net of allowance for doubtful accounts.

**CALGARY BOARD OF EDUCATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017**  
**(in thousands)**

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

**(d) Portfolio investments**

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

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

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

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

**(e) Deferred revenue**

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per *Public Sector Accounting Standard (PSAS) S3200*. These contributions are recognized by the Corporation once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

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

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

**(f) Pensions and employee future benefits**

Alberta Teachers' Retirement Fund ("ATRF")

The Corporation's certificated employees are required to contribute to the Alberta Teachers' Retirement Fund (ATRF), a multi-employer defined benefits pension plan. ATRF contributions by the Province for current service are reflected as a 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 "Certificated benefits" expense.

**CALGARY BOARD OF EDUCATION  
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FOR THE YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017  
(in thousands)**

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

**(f) Pensions and employee future benefits (continued)**

Local Authorities Pension Plan (“LAPP”)

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

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

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

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

The non-registered SiPP 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>2018</u>	<u>2017</u>
Supplemental Integrated Pension Plan (SiPP)	6	7
Supplementary Executive Retirement Program (SERP)	6	7
Supplementary Retirement Plan (SRP)	<u>23</u>	<u>27</u>
<b>Total</b>	<b><u>35</u></b>	<b><u>41</u></b>

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, 2018. 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.

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

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

**(g) 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.

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.

**(h) Tangible capital assets**

Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.

Construction in progress is a tangible capital asset that is recorded as an acquisition to the applicable asset class at substantial completion.

Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the Corporation to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue.

Buildings that are demolished or destroyed are written-off.

Capital assets which are paid for directly by the Province of Alberta on behalf of the Corporation are recorded by the Corporation at fair market value when title has transferred. A corresponding deferred capital grant is recorded and reflected in revenue over the life of the asset. Maintenance expenses paid directly by the Province of Alberta on behalf of the Corporation related to these assets are expensed and the corresponding grant is recognized as revenue.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful life of the asset in the year following substantial completion. Estimated useful life is as follows:

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

**(i) 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



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

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

**(i) Assets (continued)**

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.

**(j) 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.

**(k) Prepaid expenses**

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

**(l) Operating and capital reserves**

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

**(m) Trust 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.

**(n) Revenue recognition**

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

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

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

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

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

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

**(n) Revenue recognition (continued)**

- 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.

**(o) Expenses**

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

Allocation of costs:

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

**(p) Program reporting**

The Corporation's operations have been segmented as follows:

- **Instruction: grades 1 – 12.** The provision of grades 1-12 instructional services that fall under the basic public education mandate.
- **Instruction: early childhood services.** The delivery of basic public education to ECS (early childhood services) students.
- **Plant operations and maintenance.** The operation and maintenance of all school buildings and maintenance shop facilities.
- **Transportation.** The provision of regular and special education bus services (to/from school), whether contracted or board operated, including transportation facilities.
- **Board and system administration.** The provision of board governance and system-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.

**(q) Financial instruments**

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

*Fair Value*

This category includes derivatives and portfolio investments in equity instruments quoted in an active market. The Corporation has designated its bond portfolio that otherwise would be classified into the amortized cost category at fair value as the Corporation manages and reports performance of it on a fair value basis. 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.

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

**(q) Financial instruments (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, long-term debt and capital lease obligations. They are initially recorded at cost and subsequently measured at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

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

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

**(r) Measurement uncertainty**

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of consolidated financial statements for a period involves the use of estimates and approximations, which have been made using 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.

**(s) Budgetary information**

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 2017. The budget was amended in November 2017 and accepted by the Board of Trustees at that time.

**(t) 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.

**(u) 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).

**(v) 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).

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

**(w) 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 (see note 12).

**(x) 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.

**(y) 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**

	2018		2017	
	Effective Market Yield	Amortized cost	Effective Market Yield	Amortized cost
Bank balances <sup>(1)</sup>	1.75	\$ 142,110		\$ 87,951
Outstanding cheques		(1,238)		(2,407)
Cash equivalents (GIC)	1.30	875	1.30	873
<b>Total cash and equivalents</b>		<b>\$ 141,747</b>		<b>\$ 86,417</b>

<sup>(1)</sup> Includes cash balances restricted for EducationMatters in the amount of \$122 (2017 - \$401).

General operating and other bank indebtedness

The Corporation maintains a line of credit to a maximum of \$25,000 (2017 - \$25,000) with a 3.70% (2017 – 2.95%) 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, 2018, no amount has been drawn against the Corporation’s general operating line of credit (2017 - \$nil).

Supplementary cash flow information

For the year ended August 31, 2018, cash interest paid on debenture debt amounted to \$128 (2017 - \$273) and cash interest earned (both operating and capital) and dividends received on portfolio investments totalled \$2,269 (2017 - \$3,691).

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**4. ACCOUNTS RECEIVABLE**

	2018			2017
	Gross amount	Allowance for doubtful accounts	Net realizable value	Net realizable value
Alberta Infrastructure - Capital	\$ 32,692	\$ -	\$ 32,692	\$ -
Fees	7,156	(5,840)	1,316	1,231
Other	3,008	(158)	2,850	2,360
Municipalities	2,098	-	2,098	1,855
Federal government	1,478	-	1,478	2,231
Alberta Education - Grants	1,158	-	1,158	998
First Nations	1,113	-	1,113	20
Insurance Claims	1,009	-	1,009	376
Alberta Treasury Board and Finance	597	-	597	1,481
Alberta Education - Substitute Teacher	266	-	266	195
Other Alberta school jurisdictions	30	-	30	220
Post-secondary institutions	13	-	13	-
Foundations	3	-	3	-
Alberta Education - Capital	-	-	-	10,095
	<u>\$ 50,621</u>	<u>\$ (5,998)</u>	<u>\$ 44,623</u>	<u>\$ 21,062</u>

**5. DEFERRED REVENUE**

	2018	2017
<b>Unexpended deferred operating revenue</b>		
School Generated Funds (Note 14)	\$ 15,167	\$ 15,259
Infrastructure Maintenance Renewal grants	1,188	1,189
International Student Fees	12,536	9,965
Alberta Education operating grants	9,253	2,335
Other	988	3,863
<b>Total unexpended deferred operating revenue</b>	<u>\$ 39,132</u>	<u>\$ 32,611</u>
Unexpended deferred capital revenue (Schedule 2)	12,974	10,425
Expended deferred capital revenue (Schedule 2)	1,137,133	1,072,414
<b>Total deferred revenue</b>	<u>\$ 1,189,239</u>	<u>\$ 1,115,450</u>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2018	2017
Other trade payables and accrued liabilities	\$ 52,348	\$ 50,423
Salaries and benefit costs	28,222	30,560
Accrued vacation liability	7,582	8,456
Federal Government	474	197
Post-Secondary Institutions	64	18
Alberta Capital Finance Authority (Interest on supported debt)	56	99
Other Alberta school jurisdictions	20	7
Alberta Health Services	-	129
	<u>\$ 88,766</u>	<u>\$ 89,889</u>

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**7. EMPLOYEE FUTURE BENEFITS**

**(a) Employee Future Benefits Schedule**

	<u>2018</u>	<u>2017</u>
Supplemental integrated pension plan	\$ 730	\$ 723
Supplementary retirement plan	255	245
Post retirement and post-employment benefit plans	<u>24,747</u>	<u>24,577</u>
	<u>\$ 25,732</u>	<u>\$ 25,545</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 \$48 (2017 - \$46).

The net pension expense for SERP was \$110 (2017 - \$476). The total liability for the SERP at August 31, 2018 was \$730 (2017 - \$723).

**(c) Supplementary Retirement Plan (SRP)**

The total liability for the SRP at August 31, 2018 was \$255 (2017 - \$245).

**(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, 2018 and 2017:

To date, \$24,747 (2017 - \$24,577) has been accrued in the Corporation's consolidated financial statements as a liability for PRB/PEB.

	<u>2018</u>	<u>2017</u>
Liability for PRB/PEB, beginning of year	\$ 24,577	\$ 24,349
Current service cost	1,218	1,286
Interest cost	1,484	1,244
Benefits payments	(3,577)	(3,339)
Amortization of net actuarial losses	1,045	1,037
Liability for PRB/PEB, end of year	<u>\$ 24,747</u>	<u>\$ 24,577</u>

Plan Funded Status

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

	<u>2018</u>	<u>2017</u>
Accrued benefit obligation, ending balance	\$ 32,441	\$ 33,019
Unamortized net actuarial losses	(7,694)	(8,442)
Liability for PRB/PEB, ending balance	<u>\$ 24,747</u>	<u>\$ 24,577</u>

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**7. EMPLOYEE FUTURE BENEFITS (continued)**

**(d) 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>2018</u>	<u>2017</u>
Current period service cost	\$ 1,218	\$ 1,286
Amortization of net actuarial gains(losses)	1,045	1,037
Benefit expenses	\$ 2,263	\$ 2,323
Benefit interest expenses	1,484	1,244
Total benefit expenses	<u>\$ 3,747</u>	<u>\$ 3,567</u>

The accrued benefit obligations for employee future benefit plans as at August 31, 2018 are based on actuarial valuations for accounting purposes as at August 31, 2018. 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>2018</u>	<u>2017</u>
Discount rate on accrued benefit obligation	4.95%	4.60%
Rate of Compensation increase	3.50%	3.50%
Supplemental health care (SHC) cost trend rate (decreasing by 0.25% per annum to 5.0%)	5.75%	7.00%
Dental cost trend rate	4.50%	4.50%

**(e) Alberta Teachers Retirement Fund (ATRF)**

The current service and past service costs of the ATRF are met by contributions by active members and the Province of Alberta. Under the terms of the *Teachers' Pension Plan Act*, the Corporation does not make pension contributions for certificated staff and does not report on any unfunded liabilities. The service costs for the members are funded and contributed by the Province of Alberta in the amount of \$75,590 (2017 - \$73,005) and are included in these consolidated financial statements as revenue from the Government of Alberta and as certificated benefits expense. At August 31, 2018, the ATRF reported a surplus of \$1,904,968 (2017 - \$1,891,699).

**(f) 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 \$21,428 (2017 - \$21,518) are included in these consolidated financial statements and comprise the Corporation's costs of employer contributions. At December 31, 2017, the LAPP reported a surplus of \$4,835,515 (2016 - (\$637,357)).

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**8. ASSET RETIREMENT OBLIGATIONS**

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 327	\$ 327
Obligations discharged, during the year	-	-
Balance, end of year	<u>\$ 327</u>	<u>\$ 327</u>

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

The Corporation 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 interest rates ranging from 7.38 per cent to 11.75 per cent, and mature at various dates to 2020. Balances at August 31, 2018 are \$528 (2017 - \$1,369) 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>
2019	296	52	348
2020	<u>232</u>	<u>24</u>	<u>256</u>
Total	\$ <u>528</u>	\$ <u>76</u>	\$ <u>604</u>



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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 \$13,507 (2017 - \$13,190) (refer to Schedule 5) to retire the outstanding lease obligation as of August 31, 2018. As of August 31, 2018, capital lease obligations pertaining to the Corporation are as summarized below:

	<u>2018</u>	<u>2017</u>
Finance contracts, secured by certain building components at interest rates ranging from 2.17 per cent - 3.28 per cent per annum, repayable in annual installments of \$596,211 including interest, maturing August 2021 through August 2023.	\$ 2,080	\$ 2,606
Finance contracts, secured by certain building components at interest rates ranging from 1.67 per cent - 3.28 per cent per annum, repayable in annual installments of \$471,651 including interest, maturing August 2021 through August 2023.	5,426	5,407
Finance contracts, secured by certain building components at interest rates ranging from 1.67 per cent - 3.28 per cent per annum, repayable in annual installments of \$730,767 including interest, maturing August 2019 through August 2023.	1,987	2,398
Finance contracts, secured by certain building components at interest rates ranging from 1.67 per cent - 3.28 per cent per annum, repayable in annual installments of \$261,788 including interest, maturing August 2021 through August 2023.	<u>3,340</u>	<u>2,130</u>
	<u>\$ 12,833</u>	<u>\$ 12,541</u>

Minimum lease payments for future years are as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2019	\$ 331	\$ 2,888	\$ 3,219
2020	253	1,789	2,042
2021	208	3,429	3,637
2022	139	3,181	3,320
2023	53	1,546	1,599
Total	<u>\$ 984</u>	<u>\$ 12,833</u>	<u>\$ 13,817</u>

The Corporation entered into finance contracts during the year in the amount of \$2,048 (2017 - \$3,768) secured by certain building components maturing through August 2023.

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**11. ACCUMULATED SURPLUS**

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

**(a) Accumulated remeasurement gains and losses**

Under PSAS, the change in the fair value of investments is recognized in the Statement of Accumulated Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are derecognized. Upon derecognition, the accumulated remeasurement gains or losses associated with the derecognized portfolio investments are reversed and reclassified to the Statement of Operations. For the year ended August 31, 2018, total accumulated surplus from accumulated remeasurement gains was \$797 (2017 - \$2,011).

**(b) Accumulated operating surplus**

i. Restricted surplus from operations

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

Operating funds have been designated by the Board of Trustees for the following purposes:

	<u>2018</u>	<u>2017</u>
School decentralized budgets	\$ 5,123	\$ 2,854
Instructional and service unit initiatives	779	2,677
EducationMatters	<u>1,927</u>	<u>1,918</u>
Total designated operating fund	\$ 7,829	\$ 7,449
Total operating reserves	\$ 28,312	\$ 21,803
<b>Total operating surpluses</b>	<b><u>\$ 36,141</u></b>	<b><u>\$ 29,252</u></b>

ii. Capital reserves

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

	<u>2018</u>	<u>2017</u>
Building reserve	\$ 9,019	\$ 9,019
Other capital reserves	14,383	22,584
Plant, operations and maintenance asset replacement	<u>798</u>	<u>798</u>
<b>Total capital reserves</b>	<b><u>\$ 24,200</u></b>	<b><u>\$ 32,401</u></b>

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, 2018, \$8,711 (2017 - \$16,913) is committed or designated for a specified purpose leaving \$15,489 (2017 - \$15,489) which remains available for new building commitments.

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**11. ACCUMULATED SURPLUS (continued)**

**(b) Accumulated operating surplus (continued)**

iii. *Investments in capital assets*

	<u>2018</u>	<u>2017</u>
Investment in capital assets	<u>\$ 158,721</u>	<u>\$ 159,776</u>

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

iv. *Endowments*

As 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.

	<u>2018</u>	<u>2017</u>
Endowments	<u>\$ 4,165</u>	<u>\$ 3,850</u>

v. *Adjusted accumulated surplus*

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

	<u>2018</u>	<u>2017</u>
Restricted surplus from operations	<u>\$ 36,141</u>	<u>\$ 29,252</u>
Employee future benefits	<u>(10,164)</u>	<u>(10,164)</u>
<b>Unrestricted surplus and operating reserve</b>	<u><b>\$ 25,977</b></u>	<u><b>\$ 19,088</b></u>

	<u>2018</u>	<u>2017</u>
Accumulated surplus	<u>\$ 224,024</u>	<u>\$ 227,291</u>
Employee future benefits	<u>(10,164)</u>	<u>(10,164)</u>
<b>Adjusted accumulated surplus</b>	<u><b>\$ 213,860</b></u>	<u><b>\$ 217,127</b></u>

Adjusted accumulated surplus represents mostly encumbered and capital asset investment balances such as commitments made in the 2017-18 and 2018-19 budget process for capital and operating initiatives as well as our net investment in capital assets.

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**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:

<b>August 31, 2018</b>	Assets (at cost or net realizable value)	Liabilities	Revenues	Expenses
<b>Government of Alberta (GOA):</b>				
<b>Education</b>				
Accounts receivable / Accounts payable	\$ 1,424	\$ -	\$ -	\$ -
Prepaid expenses / Deferred revenue	-	9,253	-	-
Unexpended deferred capital revenue	-	12,974	-	-
Expended deferred capital revenue	-	1,137,133	-	-
Grant revenue & expenses	-	-	1,265,557	-
Other revenue & expenses	1,113	-	2,348	-
<b>Other Alberta school jurisdictions</b>	29	21	845	80
<b>Treasury Board and Finance (Principal)</b>	541	-	-	-
<b>Treasury Board and Finance (Accrued Interest)</b>	56	1,245	128	-
<b>Alberta Health Services</b>	-	-	1	1,089
<b>Post-secondary institutions</b>	13	64	5	712
<b>Other Government of Alberta</b>	-	-	590	389
Alberta Infrastructure	32,692	-	-	-
Alberta Pensions Administration Corporation	-	-	-	40,843
<b>TOTAL 2018</b>	<b>\$ 35,868</b>	<b>\$ 1,160,690</b>	<b>\$ 1,269,474</b>	<b>\$ 43,113</b>
TOTAL 2017	13,923	1,087,801	1,265,567	43,472

**(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.

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**13. FEES REVENUE**

	<u>2018</u>	<u>2017</u>
Transportation fees	\$ 4,585	\$ 8,642
Fees charged for instruction materials and supplies	273	9,870
Noon supervision	13,967	13,884
Other (school generated funds and Chinook)	20,149	19,386
	<u>\$ 38,974</u>	<u>\$ 51,782</u>

**14. SCHOOL GENERATED FUNDS**

	<u>2018</u>	<u>2017</u>
Deferred school generated revenue, beginning of year	\$ 15,259	\$ 16,233
Gross receipts:		
Fees	19,667	18,350
Fundraising	4,778	10,125
Gifts and donations	5,786	6,485
Grants to schools	149	275
Other sales and services	4,830	165
Total gross receipts	<u>\$ 35,210</u>	<u>\$ 35,400</u>
Less:		
Related expenses and uses of funds	\$ 34,018	\$ 30,294
Direct costs including costs of goods sold to raise funds	1,284	6,080
	<u>\$ (92)</u>	<u>\$ (974)</u>
Deferred school generated revenues, end of year (Note 5)	<u>\$ 15,167</u>	<u>\$ 15,259</u>

**CALGARY BOARD OF EDUCATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017  
(in thousands)**

**15. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES**

**(a) Contractual obligations**

	<u>2018</u>	<u>2017</u>
Capital projects	\$ 48,816	\$ 91,784
Office lease	192,388	200,050
Service providers	121,216	118,799
	<u>\$ 362,420</u>	<u>\$ 410,633</u>

Capital projects:

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

Office 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 \$9,668 (2017 - \$10,055) from which sub-lease rental income of \$919 (2017 - \$1,765) is recovered annually.

Service providers:

As at August 31, 2018, the Corporation has the following commitments relating to service and grant contracts:

- The Corporation has revised its service agreement related to certain payroll and human resources administration processes expiring October 14, 2019.
- 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 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>Capital Projects</u>	<u>Office Lease and operating costs</u>	<u>Service Providers</u>	<u>Total</u>
2019	\$ 40,600	\$ 13,782	\$ 67,629	\$ 122,011
2020	8,166	13,845	21,911	43,922
2021	50	13,699	14,734	28,483
2022	-	14,148	12,852	27,000
2023	-	14,091	2,900	16,991
Thereafter	-	122,823	1,190	124,013
<b>Total</b>	<u>\$ 48,816</u>	<u>\$ 192,388</u>	<u>\$ 121,216</u>	<u>\$ 362,420</u>

**(b) Contingent liabilities**

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

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

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**16. TRUST FUNDS UNDER ADMINISTRATION**

	2018	2017
Scholarship trust funds	\$ 191	\$ 14
School staff funds	3	19
	\$ 194	\$ 33

**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, 2018 was \$2,644 (2017 - \$2,596).

**18. 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.

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.

**CALGARY BOARD OF EDUCATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017  
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**18. SEGMENTED INFORMATION (continued)**

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.

**19. 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 2017-18 budget was approved by the Board of Trustees on June 20, 2017 and submitted to Alberta Education on June 20, 2017. In the fall, the budget was updated to reflect actual enrolment numbers and was accepted by the Board of Trustees on November 28, 2017.

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 \$24,603 (2017 - \$35,172) as shown in Schedule 1.



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

**19. BUDGET COMPARATIVES (continued)**

	Original Budget	Budget as presented for comparative purposes	Increase (Decrease)
<b>Revenues</b>			
Alberta Education	\$ 1,274,436	\$ 1,290,857	\$ 16,421
Other Government of Alberta	328	328	-
Federal Government and First Nations	3,207	3,207	-
Other sales and services	20,644	22,731	2,087
Fees revenue	42,594	42,594	-
Investment revenue	3,167	3,167	-
Other Alberta school authorities	304	304	-
Gifts and donations	7,266	7,634	368
Fundraising	7,200	7,200	-
Rentals	5,393	5,581	188
Other revenue	-	418	418
<b>Total revenues</b>	<b>\$ 1,364,537</b>	<b>\$ 1,384,021</b>	<b>\$ 19,482</b>
<b>Expenses</b>			
Instruction: grades 1-12	1,035,385	1,056,854	21,469
Instruction: early childhood services	52,647	52,623	(24)
Board and system administration	37,495	39,093	1,598
Transportation	48,065	48,200	135
Plant operations and maintenance	182,195	180,195	(2,000)
External services	23,751	24,056	305
<b>Total expenses</b>	<b>\$ 1,379,537</b>	<b>\$ 1,401,021</b>	<b>\$ 21,482</b>
<b>Annual deficit</b>	<b>\$ (15,000)</b>	<b>\$ (17,000)</b>	<b>\$ (2,000)</b>
<b>Transfer from operating reserves/designated funds</b>			
Transfer from operating reserves	5,000	7,000	2,000
	<b>\$ 5,000</b>	<b>\$ 7,000</b>	<b>\$ 2,000</b>
<b>Add/(deduct) capital items paid by operating funds</b>			
Capital assets acquired	(22,910)	(39,197)	(16,287)
Board funded amortization	28,150	27,524	(626)
Use of capital designated funds	-	16,913	16,913
Use of capital reserves	4,760	4,760	-
	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>
<b>Cost to be reduced/efficiencies identified</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



# Management's Discussion and Analysis

## For the year ended August 31, 2018

### 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 121,600 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 2017-18 (including the Fall Budget Update) and Consolidated Financial Statements and the accompanying notes for the year ended August 31, 2018. 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 9 in the Budget Report for 2017-18.
- Budget attributed to activities - the funding provided to the CBE and the allocation of resources within the CBE supports the organization's achievement of the expectations and results established by the Board. See pages 10-11 in the Budget Report for 2017-18 for planned resource allocations. This MD&A will outline operating results relative to those priorities and planned activities.

### Staffing and full-time equivalents (FTEs)

In 2017-18, the CBE employed more than 14,000 people, which equates to 10,189 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 85 per cent of the total 10,189 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

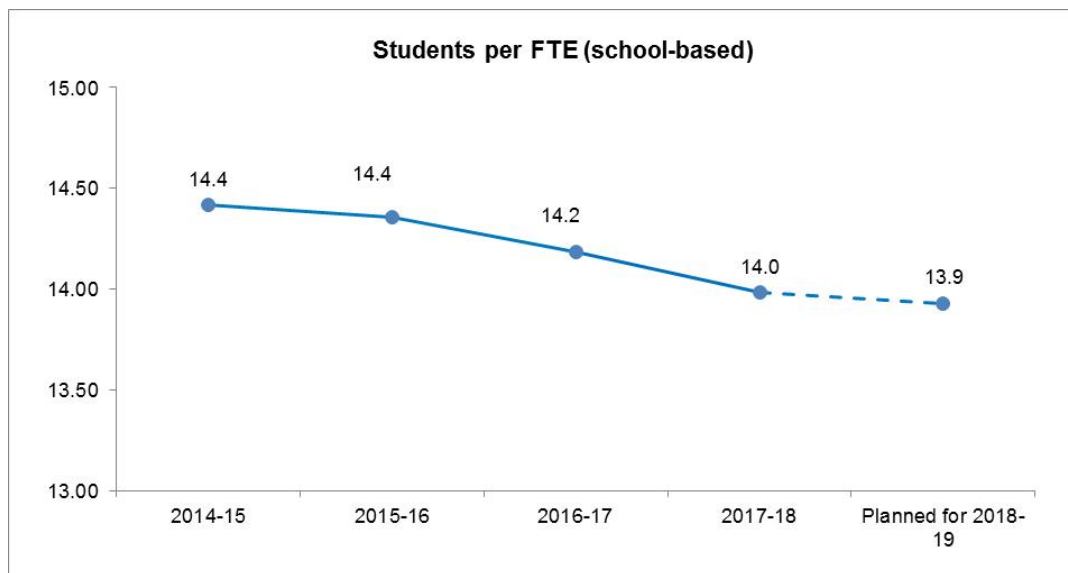
result, the number of school-based FTEs has not always increased at a rate equal to enrolment growth. This puts upward pressure on the ratio of students to school-based staff.

## Students per school-based FTEs

While grant rates did not increase for 2017-18, 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 improve slightly 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 (plumbers, electricians, carpenters, etc), and centrally managed school supports including school technology support specialists, psychologists, speech-language pathologists and the range of other supporting professionals.

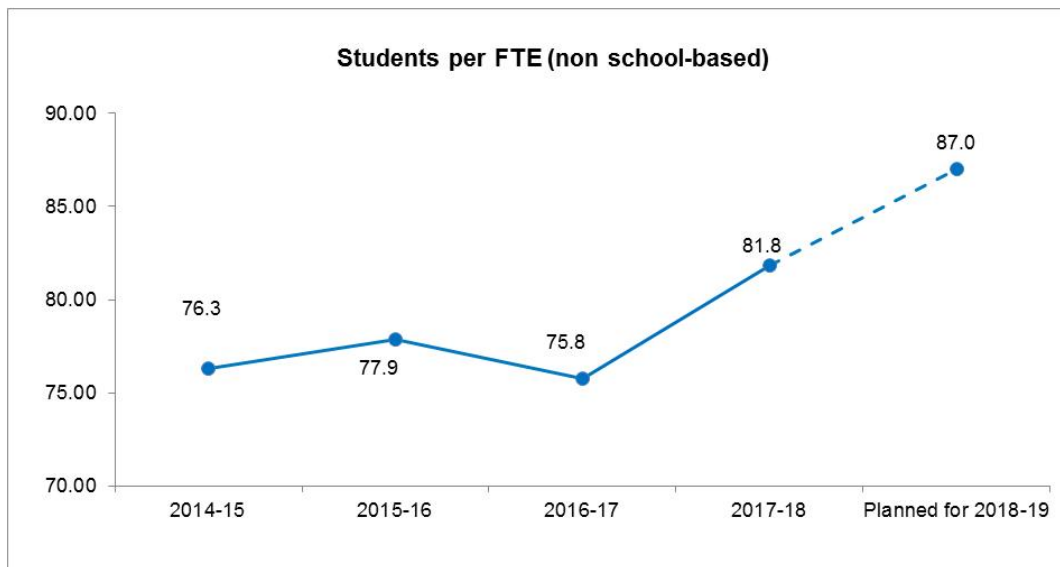
School-based staff are funded through a variety of sources: the Resource Allocation Method (RAM) budget, centrally held school-related budgets, the Regional Collaborative Service Delivery (RCSD) budget and provincial Program Unit Funding (PUF).



## Students per non school-based FTEs

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. For 2017-18, the ratio increased as 86 non school-based positions were reduced across service units and schools to meet budget reduction targets. With the addition of four new schools for 2017-18, this lower number of non school-based FTEs presents ongoing operating challenges across the CBE.



## 2017-18 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 20,656 (20.4 per cent) students. Enrolment for 2017-18 increased to 121,691, up 2,544 (2.1 per cent) from the previous year. To put that in perspective, a large elementary school has a student population of about 600 students; for 2017-18 the CBE grew by the equivalent of approximately four such schools.

### New school construction and student spaces

CBE opened many new doors for students in 2017-18. During the past two years the CBE has opened 23 new schools, modernized and/or replaced 4 schools and will complete 3 projects in the fall of 2018. Information on these projects is available on [the CBE's website](#) and in Attachment III. In all, 3,000 new student spaces opened during the 2017-18 school year. The new schools provide much needed learning

spaces and allows students to attend schools closer to their home communities. However, with continuing enrolment growth, the demand for more new schools persists.

With the increasing number of student spaces, many more students had access to learning opportunities closer to home. The modernization of Lord Beaverbrook High School includes upgrades to programs such as culinary/commercial foods lab, cosmetology lab, auto-body shop, building construction and woodworking shops, computer lab and the addition of heavy duty mechanics learning space. The modernization of James Fowler High School includes the Career and Technology Studies (CTS) wing that includes additions and upgrades to programs such as communication technology, building trades, welding, auto-body and automotive shops as well as the arts-centered learning spaces. Phase two includes the modernization of cosmetology, domestic foods, fashion, robotics and learning space for paced learning program. The space at these schools also accommodated the new configuration of Chinook Learning Services.

New, modernized and replacement school projects are primarily funded by the Government of Alberta. That said, the CBE is investing 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 the CBE schools' continue to meet students' needs today, tomorrow and into the future. Ongoing operating costs increased by \$2.5 million in 2017-18 to operate the four new schools that opened during the year and will increase by another \$2.2 million in 2018-19 for one new school (Joanne Cardinal-Schubert) and one reopening (Glenmeadows). The CBE's total increased annual operating costs due to new schools between 2015 to 2019 school years is approximately \$15.7 million.

## Programs and student supports

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 including, but not limited to, dual credit programming.

Approximately 725 students benefited from extended early learning experiences at 16 full day kindergarten locations across the school district. Alberta Education does not fund full day kindergarten at this time.

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 5,400 students across the system directly benefit from these additional two years of support. With the increasing diversity in the student population, demand for these services and supports continues to grow.

CBE students achieved impressive results on the [2017-18 Provincial Achievement Tests and Diploma Examinations](#). Highlights include:

### Grades 6 and Grade 9 PAT results

- The 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, results exceeded provincial results in all measures at the Acceptable Standard and in English Language Arts, Mathematics, Science and Social Studies for the Standard of Excellence.

- In Grade 9 Mathematics, results remain above the province although we also saw a year-over-year decline similar to the decline of the provincial result.
- Notable achievements:
  - Science 6 and 9\*: Highest result on record for both Acceptable Standard and Standard of Excellence.
  - Social Studies 6: Highest result on record for both Acceptable Standard and Standard of Excellence.
  - Mathematics 6: Highest result since 2012-13 for Standard of Excellence.
  - Social Studies 9\*: Highest result since 2011-12 for Acceptable Standard and Highest result on record for Standard of Excellence.
  - English Language Arts 9: Highest result since 2011-12 for Standard of Excellence.

## Grade 12 diploma examinations

- The CBE results were at or above provincial results in 11 out of 11 Diploma Exam measures at both the Acceptable Standard and the Standard of Excellence.
- Notable Achievements:
  - English Language Arts 30-1: Highest result for Acceptable Standard since 2004-05 and Standard of Excellence since 2007-08.
  - Mathematics 30-1\*: Highest result on record for both Acceptable Standard and Standard of Excellence.
  - Chemistry 30: Highest result on record for both Acceptable Standard and Standard of Excellence.

*\*With the exception of the 2013 flood year.*

## 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. Nearly 8,000 employees participated in that inaugural survey. In the 2017-18 year the results were released around the system. Areas and service units facilitated focused discussions on the survey results with the intent of driving out concrete action plans. The CBE committed to system-wide actions because of the survey and related discussions. In the spring of 2019, the CBE will conduct the next employee engagement survey and then every two years thereafter.

## Bill 1: An Act to Reduce School Fees

For the 2017-18 school year, the Government of Alberta made life more affordable for Alberta families through the March 2, 2017 proclamation of [Bill 1: An Act to Reduce School Fees](#). Through Bill 1 the Government, eliminated fees levied to parents for specific Instructional Supplies and Materials (ISM), as well as reduced or eliminated transportation fees, particularly for those students attending a regular program at their designated school who live beyond 2.4 kilometres. This had significant implications for student transportation as it provided new direction on criteria for determining eligibility for subsidized transportation. This necessitated significant service level changes across the CBE's transportation network. Under the [2017 Alberta budget](#), school boards received additional funding in support of the Bill 1

implementation. The Government allocated \$18.3 million to the CBE to help offset the revenue loss projected because of Bill 1, and to help the CBE maintain current educational programming without increasing other permitted school fees. Bill 1 funding, within the CBE, exclusively supported the provision of transportation services and elimination of the Instructional Supplies and Materials fee. This approached reduced fees for every CBE student.

## Operational review

In April 2018, Alberta Education released a report outlining the results of the operational review requested by the Minister of Education. The review was an opportunity to provide baseline data and provide evidence based observations to strengthen service delivery to students. The government's review did not raise any substantial issues regarding the CBE's programs or operations. Further, the report noted, "CBE's per-student funding and expenses are comparable to the other three metro boards. CBE's spending allocation is also comparable". On the matter of comparability, Alberta Education provided additional guidance on its preferred disclosure methodology for administrative building lease costs. In response to that additional guidance, the CBE reclassified a portion of the Education Centre lease costs from the "instructional programs" expenditure block to the "board and system administration" expenditure block. Notwithstanding this change, a significant number of staff who directly support teaching and learning in the classroom are home-based in the Education Centre. No additional dollars were made available to support teaching and learning because of this reclassification.

The external programs expenditure block received the remainder of the Education Centre lease costs. External programs include, but are not limited to global learning, sub-lease agreements, and the noon-hour supervision program. Allocating lease costs to external programs ensures that those programs fully recover their related costs and do not consume Alberta Education funding provided to support the CBE programs. Further information on the operational review can be found on the [CBE website](#). The CBE leases its administration offices (Education Centre). The operational review noted that this is unique as almost all other school jurisdictions, including the three other metro school boards, own their administrative buildings.

The Administrative buildings lease and operating costs by block (in \$ thousands) include:

	Instruction	Board and system adminstration	Plant operations and maintenance	External services	Total
<u>Actuals 2017-18</u>					
Education Centre	-	10,474	-	2,751	13,225
Dr. Carl Safran School Building	-	440	-	-	440
	-	10,914	-	2,751	13,665
<u>Fall Update 2017-18</u>					
Education Centre	7,606	3,335	202	2,256	13,399
Dr. Carl Safran School Building	101	402	-	-	503
	7,707	3,737	202	2,256	13,902
Increase/(decrease)	(7,707)	7,177	(202)	495	(237)



# Financial highlights and achievements

## Operating highlights

For the 2017-18 school year, the CBE continued to provide high quality, comprehensive, responsive, caring, inclusive public education to students. Over the past two years, 23 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. From inflation, to salary grid movement, to operating new schools, 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 2017-18 deficit of \$2.1 million is \$13.0 million lower than the prior year deficit of \$15.1 million.

Specifically:

Overall revenues increased by \$23.4 million (1.7 per cent) due to:

- An increase in revenue from Alberta Education of \$35.3 million. Funding increased due to:
  - Enrolment growth of \$22.1 million with grant funding rates that were held constant;
  - Bill 1 Fee Replacement Grant of \$18.3 million provided in lieu of charging fees;
  - New Classroom Improvement Fund (CIF) funding of \$13.0 million;
  - Expended deferred capital revenues increased by \$4.9 million due to four new schools that were completed before Aug. 31, 2017 and began incurring amortization costs during the year. These non-cash revenues fully offset the amortization expense for those new schools.
  - Above increases were offset by \$23.0 million change related to Infrastructure Maintenance and Renewal (IMR) funding. Alberta Education directed that at least thirty per cent of IMR funding be applied to capital rather than operating projects. The decrease in revenue offsets an equivalent reduction in supplies and services expenditures. Supplies and services expense is where IMR costs are traditionally charged. The CBE's IMR allocation for 2017-18 was \$38.9 million. That allocation was \$5.3 million higher than the \$33.6 million allocated in 2016-17.
- An increase of \$3.4 million in other sales and services is the result the increase in general sales and services activity at the school level;
- An increase of \$3.0 million from the sale of investments due to the drawdown of operating and capital reserves to support anticipated deficits from operations;
- A decrease of \$12.8 million in fees revenue resulting from Bill 1 and fewer parents incurring fee related services. ISM fees were eliminated for those items included under the Government's working definition for instructional supplies and materials as well as the transportation fees for students who qualify for fee-free or fee-reduced transportation service; and
- A decrease in all other revenues of \$5.5 million. This is the result of the inherent variability of this revenue stream based on activity levels at each school.



Overall expenses by object increased by \$10.4 million (0.8 per cent) due to:

- An increase of \$26.1 million in salaries and benefits. This is the result of the new \$13.0 million CIF that added an incremental 125 FTEs, additional staffing due to increased enrolment, student complexity, collective agreement grid movement and an additional 120 FTEs hired to work in the new schools that opened during the year.
- A decrease of \$21.4 million in supplies and services result from the recording of some IMR projects as assets. This treatment complies with direction from Alberta Education that requires a minimum of thirty per cent of all IMR spending to be capital improvements. The related assets, amortized over time, result in lower supplies and services expenses relative to the prior year.
- An increase of \$5.7 million in other expenses is mainly due to:
  - Higher amortization expense related to the four new schools completed prior to August 31, 2017.
  - Lower uncollectible accounts due to the elimination of ISM fees under Bill 1 and the reduction in student transportation fees.

## Budget to actual highlights

The CBE's Budget Report for the school year commencing in September 2017, developed for, and approved by, the Board of Trustees in May of 2017 expected enrolment to increase by 2,053 for the 2017-18 school year. At the September 30, 2017 student count date, actual enrolment for the year was 491 students higher (2,544 in total) than originally budgeted. As a result, both revenues and expenses increased in the 2017-18 Fall Budget Update. The budget presented for comparative purposes is the 2017-18 Fall Budget Update, which incorporates the actual September 30, 2017 enrolment counts. The Board of Trustees approved the 2017-18 Fall Budget Update on November 28, 2017.

The 2017-18 actual deficit of \$2.1 million is \$14.9 million less than the budgeted deficit of \$17.0 million.

Specifically:

Overall revenues decrease from budget by \$20.9 million (1.5 per cent) due to:

- A decrease in Alberta Education revenues of \$25.3 million due mainly to direction that thirty per cent of IMR funding support capital rather than operating projects. This decrease in revenue offsets an equal reduction in the supplies and services expense line where IMR costs are traditionally expensed. Also contributing to the decrease is the Alberta Teacher's Retirement Fund (ATRF) and lower Alberta Education due to a reduced Local Authorities Pension Plan (LAPP) contribution rate. This decrease in revenue offsets an equivalent reduction in salaries and benefits expense.
- A decrease in fees revenues of \$3.6 million and all other revenues of \$3.6 million. This is mainly the result of inherently variable school-based fund-raising activities.
- An increase of \$7.6 million in other sales and services which again is the result of increased general sales and services activities at the school level; and
- An increase of \$4.0 million in investment income from the sale of investments. Due to projected operational and capital project funding requirements, the CBE converted equity and bond investments into cash.

Overall expenses decrease from budget by \$35.8 million (2.6 per cent) due to:

- A decrease in salaries and benefits of \$18.5 million. This is mainly due to:
  - The actual salaries are lower than the estimated averages used to establish the budget.

- The Alberta Teacher’s retirement fund (ATRF) and Local Authorities Pension Plan (LAPP) reduced funding from what was expected in the Fall Budget Update. This decrease in revenue offsets an equivalent reduction in the salaries and benefits expense lines.
- Lower employer contribution rates for the related pension funds.
- Lower vacation liability than budgeted as staff take vacation in the year it is earned.
- Position vacancies within service units.
- Activities that were still in progress at year-end for which the related budget is carried forward for completion in 2018-19. Examples of this include community engagement and professional leaves.
- A decrease in supplies and services of \$16.8 million is due to the capitalization of a portion of the IMR expenditures as required by Alberta Education. Also contributing to this decrease are cost saving measures implemented by the service units to reduce overall expenditures. For example, negotiated lower information technology licensing costs.

## Capital highlights

The CBE receives funding for capital assets (for example, school buildings, furniture, technology, and modular classrooms) through two main sources. First, Alberta Infrastructure (previously Alberta Education) funds specific new, modernized or replacement schools through targeted grants. Alberta Infrastructure also largely funds modular classroom additions. Second, the CBE funds other capital assets—such as technology, furniture, equipment and vehicles—by setting aside funds from the annual per-student funding received from Alberta Education. This is a permitted, and necessary, use of per-student funding. These projects, called ‘board-funded’ capital projects, support the establishment, maintenance and growth of a dynamic supportive learning environment.

Total additions to tangible capital assets were \$130.4 million for 2017-18:

- New school construction costs were \$103.6 million. Twenty-three new schools as well as four modernizations and/or replacement schools were under construction during the last two years. Of those projects, four new school facilities opened in 2017-18 and another two new schools opened in 2018-19 as well as two modernizations. New schools that reached substantial completion during the year will begin incurring an amortization expense in 2018-19 with offsetting recognition of the related construction grant revenue. Information on these projects is available on the CBE’s website and in Attachment III.
- The remaining \$26.8 million was board-funded capital activities such as technology infrastructure upgrades, school alarm systems, security cameras, technology hardware purchases, and maintenance and support vehicles.

The CBE is grateful for the many new schools the Government of Alberta has committed to fund. Each new school, though, comes with challenges related to the costs of constructing and commissioning these schools. From 2015-16 to 2018-19 the CBE spent \$26.8 million of reserves and operating funds on construction and commissioning activities with more planned for 2019-20 and beyond.

The CBE also faces the ongoing challenge of resourcing the maintenance and renewal work necessary to keep our school facilities relevant in the 21-century learning context. Approximately 134 of the CBE schools were built prior to 1970. That means that the majority of facilities are more than 50 years old and require increasing levels of maintenance, repair and modernization.

As part of the CBE's Three-Year System Student Accommodation Plan, the 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 \$162.2 million in cash, cash equivalents and portfolio investments as at August 31, 2018. 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 related to capital are the funds received from the Province for capital construction that is not yet spent. Lastly, the CBE's cash related to savings is the cash based on unrestricted reserves, surplus, designated funds and capital reserves. CBE reserves are at a modest 3.7% of total annual expenditures.

As at August 31, 2018 the CBE has an accumulated surplus balance of \$213.8 million (2017 - \$217.1 million), reflecting net financial debt of \$1,110.5 million and non-financial assets of \$1,324.4 million. Net debt includes \$1,137.1 million of unearned revenue from Government funding spent on the construction of capital assets (deferred revenue). That revenue is recognized and brought into income over the useful life of the related assets. Fully recognizing deferred revenue as of August 31, 2018 results in net financial assets of \$26.6 million. The \$3.3 million reduction in accumulated surplus reflects the operating deficit of \$2.1 million and an accumulated unrealized investment re-measurement loss of \$1.2 million.

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

## 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):

	Reserve balance Sept 1, 2017	Actual transfers to/ (from) reserves	Reserve balance Aug 31, 2018
(all figures in \$ thousands)			
Total operating reserves	19,087	6,889	<b>25,976</b>
Total capital reserves	32,401	(8,201)	<b>24,200</b>
<b>Total reserves</b>	<b>51,488</b>	<b>(1,312)</b>	<b>50,176</b>

The carry-forward of capital project activity from 2016-17 increased the use of capital reserves in 2017-18. Consequently, there was less funding needed from operating reserves to fund 2017-18 capital projects resulting in an increase in operating reserves of \$6.9 million.

Balances remaining in reserves of \$50.2 million, or 3.7% of total expenditures, are available for use in 2018-19 and future years, subject to Board of Trustees approval. Alberta Education has indicated that available for use reserves of between one and five percent are appropriate. The CBE is well within this range.

## Alberta Education funding per student

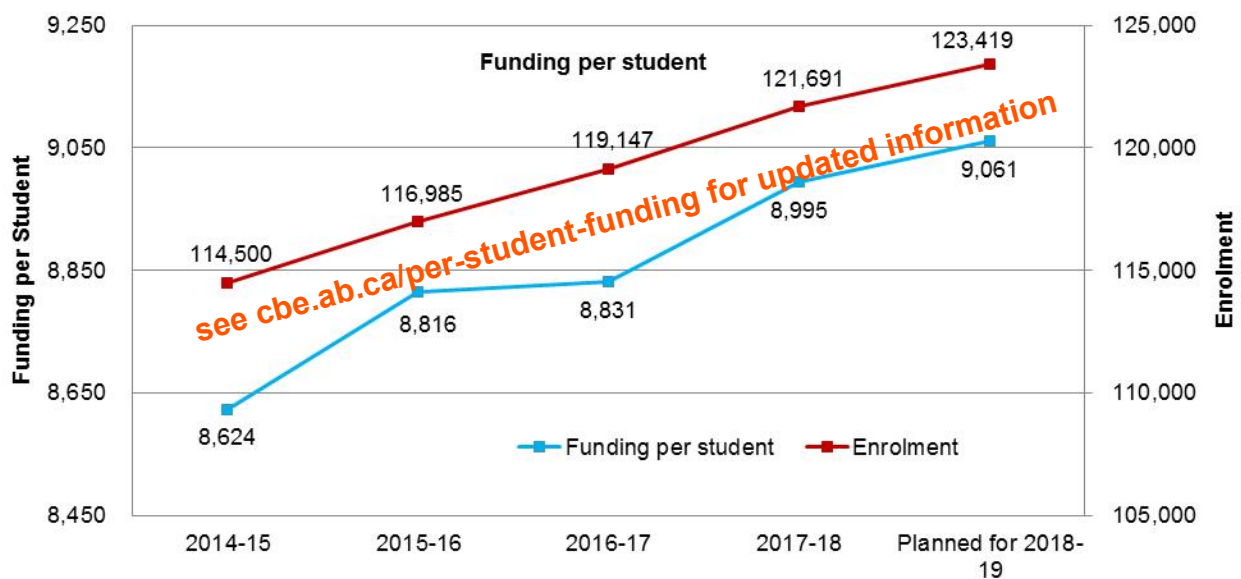
The CBE's enrolment in 2017-18 increased by 2,544 students as of September 30, 2017. Grant funding rates have not increased since 2015-16.

For the years 2017-18 and 2018-19, the CBE received \$13.0 million in new funding for the [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

The CBE received a fee replacement grant in lieu of charging fees under Bill 1 regulations. Those two grants are for specified purposes and not available to fund regular operations.

These two new grants account for the per-student funding growth noted for 2017-18 and 2018-19 years noted below.

The chart below shows funding per student using actual funding received for the years that have ended and the estimate for next year. Funding does not include amounts for IMR, the ATRF, student transportation (including the related fee replacement grant) or expended deferred capital revenues (EDCR), as these grants are targeted and are not available to support teaching and learning in the classroom.



The chart above includes both the CIF and the ISM fee replacement grant for the 2017-18 and 2018-19 years.

# 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. This format includes comparisons with the Fall Budget Update as well as prior year actual results. 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.

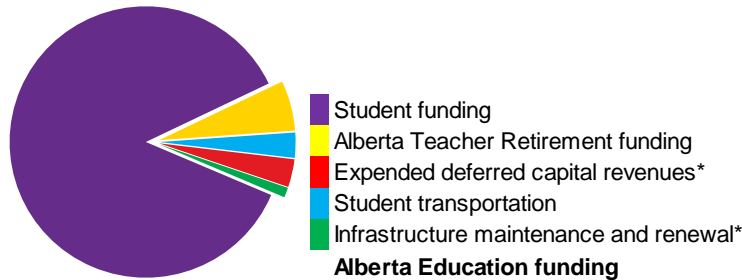
	Fall Budget Update	Actuals	Actuals	Fall Update vs Actual Variance		Actual vs Actual Variance	
	2017-18	2017-18	2016-17	Increase / (Decrease)	%	Increase / (Decrease)	%
	(in \$ thousands)			(in \$ thousands)		(in \$ thousands)	
<b>Revenues</b>							
Alberta Education	1,290,857	<b>1,265,557</b>	1,230,285	(25,300)		35,272	
Other Government of Alberta	328	<b>265</b>	376	(63)		(111)	
Federal Government & First Nations	3,207	<b>3,287</b>	3,169	80		118	
Other sales and services <sup>1</sup>	22,731	<b>30,340</b>	26,922	7,609		3,418	
Fees revenue <sup>1</sup>	42,594	<b>38,974</b>	51,782	(3,620)		(12,808)	
Investment revenue	3,167	<b>7,180</b>	4,124	4,013		3,056	
All other revenue	21,137	<b>17,544</b>	23,047	(3,593)		(5,503)	
	1,384,021	<b>1,363,147</b>	1,339,705	(20,874)	(1.5)	23,442	1.7
<b>Expenses by object</b>							
Salaries and benefits	1,089,093	<b>1,070,633</b>	1,044,558	(18,460)		26,075	
Supplies and services	240,060	<b>223,226</b>	244,671	(16,834)		(21,445)	
Other (interest, amortization and uncollectible accounts)	71,868	<b>71,340</b>	65,611	(528)		5,729	
	1,401,021	<b>1,365,199</b>	1,354,840	(35,822)	(2.6)	10,359	0.8
<b>Annual surplus / (deficit)</b>	(17,000)	<b>(2,052)</b>	(15,135)	14,948		13,083	
<b>Transfers from / (to) operating reserves</b>	7,000	<b>(7,204)</b>	20,721	14,204		27,925	
<b>Add/(deduct) capital items paid by operating funds</b>							
Capital assets acquired	(39,197)	<b>(26,365)</b>	(36,580)	12,832		10,215	
Board funded amortization	27,524	<b>27,420</b>	24,177	(104)		3,243	
Transfers from / (to) capital reserves	21,673	<b>8,201</b>	6,817	(13,472)		1,384	
	10,000	<b>9,256</b>	(5,586)	(744)		14,842	
<b>Net operating surplus / (deficit)</b>	-	<b>-</b>	-	-		-	

<sup>(1)</sup> Actuals 2016-17 have been reclassified for comparative purposes.

# Year-over-year review

## Revenue

### Alberta Education funding



Actuals		Increase/Decrease	
2017-18	2016-17	(in \$ thousands)	%
(in \$ thousands)		(in \$ thousands)	
<b>1,094,901</b>	1,052,184	42,717	4.1%
<b>75,590</b>	73,004	2,586	3.5%
<b>37,999</b>	33,140	4,859	14.7%
<b>42,137</b>	34,050	8,087	23.8%
<b>14,930</b>	37,907	(22,977)	(60.6%)
<b>1,265,557</b>	<b>1,230,285</b>	<b>35,271</b>	<b>2.9%</b>

\*Infrastructure, maintenance and renewal for 2017-18 includes \$1.0 million related to EDCR.

The CBE received \$1,265.6 million or 93 per cent of total revenue from Alberta Education. Of those funds, \$1,095.0 million were provided for instruction and to support student learning. The CBE decides how best to use these funds in support of teaching and learning.

The remaining \$170.7 million, or 13 per cent of total Alberta Education funding, has specified uses such as ATRF (\$76.0 million), student transportation which includes the related fee replacement grant (\$42.1 million) and IMR (\$14.9 million).

The \$42.7 million increase in student funding is the result of increased enrolment and CIF. All funding rates remained consistent with 2015-16.

The ATRF is a flow-through transaction whereby funds received are designated for payment to the ATRF. ATRF revenue has increased due to changes in the amount allocated to the CBE which is based on increases in certificated staffing.

EDCR increased \$4.9 million due to the four new schools that were completed before August 31, 2017 and began incurring amortization costs during the year. EDCR fully offsets this amortization expense.

## Non-Alberta Education revenue

	Actuals		Increase/ (Decrease)	
	2017-18	2016-17	(in \$ thousands)	%
	(in \$ thousands)		(in \$ thousands)	%
Other Government of Alberta	265	376	(111)	(29.4%)
Federal Government & First Nations	3,287	3,169	118	3.7%
Other sales and services <sup>1</sup>	30,340	26,922	3,418	12.7%
Fees revenue <sup>1</sup>	38,974	51,782	(12,808)	(24.7%)
Investment revenue	7,180	4,124	3,056	74.1%
Other Alberta school authorities	350	663	(313)	(47.2%)
Gifts and donations	7,957	9,076	(1,119)	(12.3%)
Fundraising	2,640	7,485	(4,845)	(64.7%)
Rentals	4,878	5,436	(558)	(10.3%)
Gain/ (loss) on disposal of assets	(18)	18	(36)	(198.0%)
Other revenue	1,737	369	1,368	370.9%
<b>Non-Alberta Education revenue</b>	<b>97,590</b>	<b>109,420</b>	<b>11,830</b>	<b>10.8%</b>

<sup>1</sup> Actuals for 2016-17 have been reclassified for comparative purposes.

Other revenue of \$97.6 million, or 7.0 per cent of total revenue, was received from the sources listed above. Primary reasons for changes include:

- Other sales and services, gifts and donations, fundraising and other revenue are mainly generated in schools and are inherently variable depending on the activity of each school.
- Fees revenue decreased from the prior year by \$12.8 million. This is due to ISM and transportation fees which have been reduced or eliminated under Bill 1. The fees revenue in Attachment I will provide more detail for the amounts and types of certain fees charged by the CBE.
- Investment revenue has increase from the prior year by \$3.1 million due to the sale of investments. Administration projected operational and capital project funding requirements and deemed it prudent to convert equity and bond investments into cash.
- Other revenue has increase from the prior year by \$1.4 million due to higher external funding received for Learning programs such as Campus Calgary/Open Minds and the Dual credit off campus program. The corresponding expenses fully offset the revenues.



## Fees revenue

### Fee regulations

In June 2017, the Provincial Government passed two new regulations that guides fee levying by school jurisdictions: [School Fees and Costs Regulation](#) and [School Transportation Regulation](#). These were in effect for the 2017-18 school year.

Under the School Fees and Costs Regulation, school boards may no longer charge fees to cover the costs of textbooks, workbooks or photocopying, printing or paper supplies. As a result, ISM fees have been eliminated for the 2017-18 year. Other highlights of the regulation include the following restrictions for school boards:

- A fee may not be charged that is not set out in the reviewed fee schedule.
- A fee may not be charged for an amount that exceeds the amount set out in the reviewed fee schedule.
- A fee may not exceed the amount the board estimates to be the projected cost of providing the subject matter of the charge.
- A fee may not be charged that is not clearly expressed in the reviewed fee schedule to connect to specific goods or a specific service or learning experience that is calculated to benefit students.

Under the School Transportation Regulation, school boards are directed to eliminate or reduce transportation fees for students who live 2.4 km or more away from their designated regular program school. Students requiring complex transportation needs or attending a special setting will also be exempt from transportation fees.

The CBE has developed three new or modified Administrative Regulations effective September 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. No one at the CBE wishes to impose fees. Fees are, however, an unfortunate reality and reflect the desire of the community for enhancements to the public education funded by Alberta Education. The CBE calculates fees on a cost recovery basis. Fees are charged to cover the gap between the cost of programs and services and the funding provided to the CBE by the Provincial Government. In many cases, no specific provincial funding is provided.

Fees are set in the spring prior to the school year and are estimated at a level to cover the cost of providing those services. No overhead allocations are charged to fee based programs. Said another way, no fee money is used to support other activities within the CBE. Fees are used exclusively for the purpose for which it was collected. Any surplus resulting from system programs is added to a related reserve to moderate year-over-year changes in fees.

There are no known changes to school boards' ability to charge other fees; however, the new School Fees Regulation will provide the Minister with the authority to continue to regulate these fees.



In keeping with our values, the CBE is continuing its comprehensive waiver process to ensure that no student is denied access to an education due to the inability to pay some or all fees. Learning is, and remains, our central purpose.

## Fee revenue summary

The following fees were centrally set and managed:

	Budget 2018-19	Actuals 2017-18	Actuals 2016-17
Transportation	\$350	<b>\$335</b>	\$335
Noon Supervision (four day - five day)	\$265 - \$295	<b>\$ 255 - \$285</b>	\$ 255 - \$285
ISM: Kindergarten	\$0	<b>\$0</b>	\$15
ISM: Grades 1 - 6	\$0	<b>\$0</b>	\$30
ISM: Grades 7 - 9	\$0	<b>\$0</b>	\$137
ISM: Grades 10 -12	\$0	<b>\$0</b>	\$152

Fees revenue reported in the tables presented are the fees charged to parents in the year, including fees that are waived or deemed uncollectible. Fees revenues are comprised of the following components:

	Fall Budget Update 2017-18	Actuals 2017-18	Actuals 2016-17	Budget to Actual Increase / (Decrease)	Actual to Actual Increase / (Decrease)
(in \$ thousands)					
Transportation	5,930	<b>4,585</b>	8,642	(1,345)	(4,057)
Instructional supplies and materials <sup>2</sup>	-	<b>273</b>	9,870	273	(9,597)
Noon supervision	13,965	<b>13,967</b>	13,884	2	83
School based fees <sup>1</sup>	22,700	<b>20,149</b>	19,386	(2,551)	763
<b>Total fees</b>	<b>42,595</b>	<b>38,974</b>	<b>51,782</b>	<b>(3,621)</b>	<b>(12,808)</b>

<sup>(1)</sup> School based fees are those charged directly by schools such as for optional courses, field trips and extracurricular activities. These are subject to school-based decision making, with parent, teacher and student input.

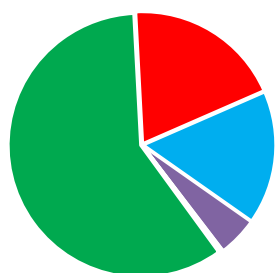
<sup>(2)</sup> Instructional supplies and materials fees reflected above include fees charged centrally. The 2017-18 balance reflects Chinook Learning Service's approved summer school registration fees. These were approved to be charged for the 2017-18 only. For 2018-19 onwards, these are no longer charged under Bill 1.

The CBE's objectives for fee waivers is that no student is denied access to public education due to an inability to pay a fee. For those who can pay but choose not to, the CBE has collection processes in place to preserve the fairness and equity of the fee system.

Additional fee reporting is also included in the Audited Financial Statements that discloses the nature of fees for the year. See Attachment I for further details on fees and variance explanations related to transportation and noon supervision programs.

## Expenses

In 2017-18, with student enrolment increasing by 2.1 per cent, the CBE's objective was to generally maintain student to school-based staffing ratios as well as fund the \$2.5 million incremental cost of operating the new schools that opened in the year. New schools require administrative staff such as principals, office staff and library staff as well as additional insurance and utility costs. Expenses increased by \$10.4 million, or 0.8 per cent.



Expenses by type
Certificated salaries and benefits
Non-certificated salaries and benefits
Supply and services
Amortization expense
Interest and finance charges
Other (uncollectible accounts and waivers)

Actuals		Increase/ (Decrease)	
2017-18	2016-17	(in \$ thousands)	%
(in \$ thousands)			
<b>807,751</b>	782,329	25,422	3.2%
<b>262,882</b>	262,229	653	0.2%
<b>223,226</b>	244,671	(21,445)	(8.8%)
<b>66,419</b>	57,317	9,102	15.9%
<b>1,356</b>	1,474	(118)	(8.0%)
<b>3,565</b>	6,820	(3,255)	(47.7%)
<b>1,365,199</b>	1,354,840	10,359	0.8%

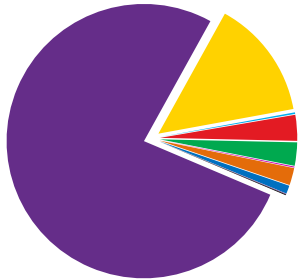
The primary reasons for changes include:

- Certificated salaries and benefits increase is the result of the \$13.0 million new CIF, additional staffing due to increased enrolment, student complexity, collective agreement grid movement and additional staff hired to work in the new schools that opened during the year.
- Supplies and services spending decreased largely as a result of some IMR projects being set up as assets. This in compliance with direction from Alberta Education that requires thirty per cent of all IMR spending to be for capital improvements. The related assets will be amortized over time and has resulted in lower supplies and services expense relative to the prior year.
- Amortization expense increased mainly due to the four new schools completed prior to August 31, 2017 and amortized in 2017-18. The amortization of some IMR projects has also increased amortization expense relative to the prior year.
- Other (uncollectible accounts) decrease is due to the elimination of ISM fees under Bill 1 and reduction in fees for transportation. With fewer fees, there has been a reduction of uncollectible accounts and waivers.

## 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.



	Schools & Areas	Service Unit Corporate Accounts	Communications and Engagement Services	Learning (including Chinook Learning Services)	Facilities and Environmental Services	Legal Services	Finance and Technology Services	Human Resources	Chief Supt's Office	Board of Trustees	Total
<u>2017-18 Fall Budget FTEs by:</u>											
Staff (incl ATA, Staff Assn, CUPE, trades)	9,363	17	10	227	173	1	140	46	1	-	9,978
Exempt staff	7	-	11	23	55	10	54	42	2	-	204
Superintendent	-	-	1	1	1	1	1	-	2	-	7
	<b>9,370</b>	<b>17</b>	<b>22</b>	<b>251</b>	<b>229</b>	<b>12</b>	<b>195</b>	<b>88</b>	<b>5</b>	<b>-</b>	<b>10,189</b>
<u>2017-18 Actuals (in \$ thousands):</u>											
Salaries and benefits	961,992	8,111	2,544	34,921	25,379	1,634	22,871	11,780	944	457	1,070,633
Supplies and services	84,491	120,540	39	5,898	9,013	60	860	1,362	84	879	223,226
Other (interest, amortization and uncollectible accounts)	14	63,475	-	736	3,089	28	3,951	45	2	-	71,340
	<b>1,046,497</b>	<b>192,126</b>	<b>2,583</b>	<b>41,555</b>	<b>37,481</b>	<b>1,722</b>	<b>27,682</b>	<b>13,187</b>	<b>1,030</b>	<b>1,336</b>	<b>1,365,199</b>
<u>In comparison to:</u>											
2017-18 Fall Budget (in \$ thousands):	<b>1,055,677</b>	<b>212,876</b>	<b>2,694</b>	<b>44,102</b>	<b>38,014</b>	<b>1,897</b>	<b>30,920</b>	<b>12,388</b>	<b>1,156</b>	<b>1,296</b>	<b>1,401,021</b>
Increase/ (decrease)	(9,180)	(20,750)	(111)	(2,547)	(533)	(175)	(3,238)	799	(126)	40	(35,822)
2016-17 Actuals (in \$ thousands):	<b>1,022,115</b>	<b>206,588</b>	<b>2,478</b>	<b>40,657</b>	<b>39,111</b>	<b>1,881</b>	<b>27,253</b>	<b>11,911</b>	<b>1,408</b>	<b>1,438</b>	<b>1,354,840</b>
Increase/ (decrease)	24,382	(14,462)	105	898	(1,630)	(159)	429	1,276	(378)	(102)	10,359

## Expenses by operating unit (continued)

### Significant changes budget versus actuals

- Schools & Areas are lower by \$9.2 million than budget mainly due to actual salary and benefit rates trending lower than the averages used when preparing the Fall Budget Update. Some examples are lower post-employment benefits, ATRF, LAPP and lower vacation liability than budgeted. Also contributing to this decrease are position vacancies within custodial staff and Area Offices. Lastly, school generated funds activities were lower than anticipated.
- Corporate accounts are lower by \$20.8 million than budgeted mainly due to IMR expenditures which have been assessed to be capital in nature and offset by IMR revenue.
- Corporate accounts represent the CBE expenditures which are made on behalf of the entire organization are grouped together for presentation as 'Corporate'. While certain service units may have accountability for the oversight of these budgets, they are not the cost of operating a specific service unit and are therefore presented separately. Examples include Professional Improvement Fund (ATA and non-ATA) leave costs, staff secondments for union activities, legal fees, amortization of facilities, utilities, student transportation, interest expense and bank charges.
- Learning and Finance and Technology Services are lower to budget by \$2.5 million and \$3.2 million, respectively. This is due to vacant positions and cost saving measures such as negotiating lower information technology licensing costs implemented by the service units to conserve budget monies.

### Significant changes year-over-year

- Schools & Areas increase of \$24.4 million is the result of the \$13.0 million CIF, additional staffing due to increased enrolment, student complexity, collective agreement grid movement and additional staff hired to work in the new schools that opened during the year.
- Corporate accounts are lower by \$14.5 million which is a result of lower maintenance and repairs as a result of IMR funding being capitalized rather than expensed. Lower transportation charges due to reduced number of riders compared to 2016-17 also contribute to this decrease. These decreases are offset by higher amortization expense due to new schools completed prior to August 31, 2017 and being amortized in 2017-18.
- Facilities and Environmental Services are lower by \$1.6 million due to a reduction in staff positions from the prior year.
- Human Resources are higher by \$1.3 million due to transition expenses to repatriate Human Resource Application Management Services from the incumbent provider to execute the CBE's strategic initiative and steward the CBE's resources pillar of the Three-Year Education Plan.

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

## Outlook for 2018-19

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 provincial budget announced in March 2018 made it possible to prepare a budget that supports the stability the CBE needs to educate over 123,500 students in 2018-19, continue to operate the 23 new schools which have opened in the past two years, and plan for the modernization and opening of several more in 2018-19 and beyond. Consistent with prior years, the Province of Alberta is facing a challenging economic environment. The CBE will continue to review all programs and operations and make changes where necessary in order to maximize efficiency and resources. The CBE continues to achieve great results for students by making operating decisions that are consistent with the CBE's values. The favourable financial results in 2017-18 demonstrate the CBE's prudent financial management.

The CBE will operate in compliance with the new School Fees and Costs Regulation and the School Transportation Regulation. The School Fees and Costs Regulation restricts the charging of fees for textbooks, workbooks or photocopying, printing or paper supplies. The regulation further restricts the charging of fees that are not set out in the fee schedule that has undergone Ministerial review and approval (where required). The School Transportation Regulation restricts the charging of fees to students who live beyond 2.4 km from their regular program designated school. In order to meet the requirements of these regulations, the CBE has made adjustments to transportation service levels and reported to the Minister all possible fees that could be charged to the CBE families during the year (which have been approved).

The 2018-19 Budget Report was prepared with guidance from the CBE's Results, Three Year Education Plan, Governance Policies and Alberta Budget 2018 (the Alberta Government's Fiscal plan for 2018).

Grant funding will continue to assume no changes to funding rates and be based on enrolment. Funding will also reflect a reduction related to a decrease in the non-certificated pension plan contribution rate. From inflation, to salary grid movement, to operating 23 new schools, the CBE is challenged to cover all costs within the available resources. Service level decisions are the responsibility of school boards. In addition, reserves have steadily declined over the past four years and are 65 per cent lower than 2015 levels, limiting the ability to rely on reserves to bridge gaps in funding. Consequently, the CBE continues to prioritize programs and services for K-12 students to balance the budget. In 2018-19, both school and service unit budgets were reduced in order to balance the budget and moderate the use of reserves. School budgets were increased by 2.7 per cent (4.4 per cent is required to maintain current levels of service). Service unit budgets were reduced by between 3 to 10 per cent of discretionary budgets to maximize school-based allocations. Operating reserves of \$2.5 million are planned to be approved to support service transition and planned board-funded capital activities are planned to be reduced by approximately \$3.5 million.

See [Budget Report for 2018-19](#) for an outline of priorities and the CBE learning strategy.

## Compliance

For the year ended Aug. 31, 2018, 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

### Fees

#### Transportation fees

	Fall Budget Update 2017-18	Actuals 2017-18	Actuals 2016-17	Budget to Actual Increase / (Decrease)	Actual to Actual Increase / (Decrease)
(in \$ thousands)					
Government grants and other	42,270	<b>42,145</b>	34,050	(125)	8,095
<b>Available funding</b>	42,270	<b>42,145</b>	34,050	(125)	8,095
Busing aides	1,415	<b>1,415</b>	1,370	-	45
Central administration	1,387	<b>1,242</b>	1,312	(145)	(70)
<b>Salaries and benefits</b>	2,802	<b>2,657</b>	2,682	(145)	(25)
Transportation services	43,752	<b>45,225</b>	48,159	1,473	(2,933)
Other supplies and services	638	<b>849</b>	452	211	397
<b>Contracts and services</b>	44,390	<b>46,074</b>	48,610	1,684	(2,536)
<b>Waivers</b>	771	<b>689</b>	1,288	(82)	(599)
<b>Uncollectible accounts</b>	237	<b>185</b>	348	(52)	(163)
	1,008	<b>874</b>	1,636	(134)	(762)
Funding gap	(5,930)	<b>(7,460)</b>	(18,878)	(1,530)	11,418
Fees	5,930	<b>4,585</b>	8,642	(1,345)	(4,058)
Net (deficit) / surplus	-	<b>(2,875)</b>	(10,236)	(2,875)	7,360

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 34,500 students were transported in the 2017-18 year; 22,500 students were on yellow school buses, while 12,000 used Calgary Transit. This is a decrease of 3,500 compared to the 2016-17 year, in which 38,000 students were transported; 26,000 students were on yellow school buses, and 12,000 used Calgary Transit.

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.

Transportation fees waiver decreased year-over-year by \$0.6 million. This is due to Bill 1, a reduction in fees for transportation and an increase in riders eligible for fee reduced or free transportation.

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

- Carbon levy impacts
- Fuel increased 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

	Fall Budget Update 2017-18	<b>Actuals 2017-18</b>	Actuals 2016-17	Budget to Actual Increase / (Decrease)	Actual to Actual Increase / (Decrease)
(in \$ thousands)					
School-based staff	10,350	<b>10,497</b>	10,686	147	(189)
Central administration	577	<b>481</b>	498	(96)	(17)
<b>Salaries and benefits</b>	10,927	<b>10,979</b>	11,184	51	(206)
<b>Contracts and services</b>	245	<b>353</b>	87	108	266
<b>Waivers</b>	1,816	<b>1,871</b>	1,938	55	(67)
<b>Uncollectible accounts</b>	978	<b>839</b>	971	(139)	(132)
	2,793	<b>2,710</b>	2,909	(84)	(199)
Funding gap	13,965	<b>14,041</b>	14,180	76	(139)
Fees	13,965	<b>13,967</b>	13,884	(2)	83
Net (deficit) / surplus	-	<b>(74)</b>	(296)	74	222

The 2017-18 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 2017-18 results show that the fee revenues did not cover all costs of providing the service; therefore, the deficit was covered using global budget dollars.

In 2017-18, the average number of students attending the noon supervision program was 53,500 or 95 per cent of the total eligible population. This was an increase of 1,301 students, or 2.4 per cent over the 2016-17 average student count of 52,199.

## Instructional supplies and materials (ISM) fees

Under Bill 1, school boards are no longer able to charge a fee for instructional supplies or materials such as textbooks, workbooks, printing and paper costs.

In 2017-18, ISM fees were no longer charged and a Provincial Government grant was received in lieu of that fee revenue. Schools received a budget allocation for the purchase of instructional supplies and materials in lieu of fee collection.

## Attachment II

### Service unit year over year changes

#### Schools and Areas

	2017-18 Actuals		2016-17 Actuals		Increase / (Decrease)	
	FTE	(in \$ thousands)	FTE	(in \$ thousands)	FTE	(in \$ thousands)
<b>Expenses</b>						
Certificated permanent salaries and benefits	6,573	757,614	6,333	734,134	240	23,480
Certificated temporary salaries and benefits	-	24,967	-	24,932	-	35
Non-certificated permanent salaries and benefits	2,797	171,087	2,753	170,129	44	958
Non-certificated temporary salaries and benefits	-	8,324	-	8,082	-	242
Dues and fees	-	978	-	701	-	277
Rental equipment and facilities	-	681	-	773	-	(92)
Maintenance and repairs	-	1,985	-	1,909	-	76
Insurance	-	44	-	34	-	10
Professional services	-	10,437	-	10,891	-	(454)
Utilities	-	424	-	400	-	24
Transportation charges	-	2,315	-	2,484	-	(169)
Travel and subsistence	-	360	-	1,005	-	(645)
Other supplies	-	58,891	-	59,433	-	(542)
Minor equipment	-	7,205	-	5,578	-	1,627
Textbooks and materials	-	1,171	-	1,556	-	(385)
Amortization expenses	-	4	-	4	-	-
Interest and finance charges	-	10	-	70	-	(60)
<b>Total expenses</b>	<b>9,370</b>	<b>1,046,497</b>	<b>9,086</b>	<b>1,022,115</b>	<b>284</b>	<b>24,382</b>

	2017-18 Actuals		2016-17 Actuals		Percentage of Total	
	FTE	(in \$ thousands)	FTE	(in \$ thousands)	2017-18	2016-17
Schools <sup>1</sup>	8,701	997,457	8,398	972,865	95%	95%
Areas	51	7,071	60	6,229	1%	1%
Facility Operations	618	41,969	628	43,021	4%	4%
<b>Total expenses</b>	<b>9,370</b>	<b>1,046,497</b>	<b>9,086</b>	<b>1,022,115</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup>Includes direct funding provided by the Resource Allocation Method (RAM) and school generated funds. In addition are instructional supports that are administered on behalf of schools for complex needs students and funds used to manage various staffing accommodations. Payments for employee future benefits to the ATRF are also reflected on this line item.

Students come first and learning is our central purpose. The CBE schools live by these words each and every day, and Area offices support them in making it happen. The 2017-18 Provincial Achievement Test and Diploma Exam results show that students continue to achieve high standards, and in 2017-18 achieved record results. This is a strong validation of the CBE's commitment to students and their learning.

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.

The CBE schools' are organized into seven Areas, each of which is led by a director. 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. Area directors oversees an average of 35 schools and budget of approximately \$1.1 million.

Significant variances from 2016-17 to highlight include:

- Certificated salaries and benefits increase is the result of the \$13.0 million new CIF, additional staffing due to increased enrolment, student complexity, collective agreement grid movement and additional staff hired to work in the new schools that opened during the year.
- Spending in other expense categories will fluctuate relative to enrolment and is also dependent on programming changes which are evidenced by changes to school generated revenue. This programming varies each year depending on community needs.
- The increase of 284 FTEs pertains to:
  - 159 FTE relating to enrolment growth and new schools that opened in the year
  - 125 FTE relating to new CIF

## Service Unit Corporate Accounts

	2017-18 Actuals		2016-17 Actuals		Increase / (Decrease)	
	FTE	(in \$ thousands)	FTE	(in \$ thousands)	FTE	(in \$ thousands)
<b>Expenses</b>						
Certificated permanent salaries and benefits	-	3,730	29	3,488	(29)	242
Certificated temporary salaries and benefits	-	1,184	-	919	-	265
Non-certificated permanent salaries and benefits	17	2,417	24	1,392	(7)	1,025
Non-certificated temporary salaries and benefits	-	780	-	1,129	-	(349)
Dues and fees	-	1,700	-	1,219	-	481
Rental equipment and facilities	-	10,434	-	10,006	-	428
Maintenance and repairs	-	19,381	-	42,426	-	(23,045)
Insurance	-	4,672	-	4,707	-	(35)
Professional services	-	11,802	-	10,929	-	873
Utilities	-	23,934	-	23,648	-	286
Transportation charges	-	45,225	-	48,159	-	(2,934)
Travel and subsistence	-	40	-	6	-	34
Other supplies	-	3,350	-	462	-	2,888
Minor equipment	-	2	-	241	-	(239)
Amortization expenses	-	58,457	-	49,787	-	8,670
Interest and finance charges	-	1,297	-	1,273	-	24
Other (uncollectible accounts)	-	3,721	-	6,797	-	(3,076)
<b>Total expenses</b>	<b>17</b>	<b>192,126</b>	<b>53</b>	<b>206,588</b>	<b>(36)</b>	<b>(14,462)</b>

The CBE expenditures which are made on behalf of the entire organization are grouped together for presentation as 'Corporate'. While certain service units may have accountability for the oversight of these budgets, they are not the cost of operating a specific service unit and are therefore presented separately. Examples include Professional Improvement Fund (ATA and non-ATA) leave costs, staff secondments for union activities, legal fees, amortization of facilities, utilities, student transportation, interest expense and bank charges. In some years, these accounts may also include system provisions for severance accruals or retroactive payroll costs due to union settlements.

Significant changes from 2016-17 to highlight include:

- Maintenance and repairs decreased as a result of IMR funding being capitalized rather than expensed.
- Transportation charges decreased due to lower number of riders compared to 2016-17. A total of 34,500 students were transported in the 2017-18 year. This is a decrease of 3,500 compared to the 2016-17 year, in which 38,000 students were transported. The CBE has adjusted routes to reflect needs of students.
- Other supplies increased due to school related bulk purchases of iPads, laptops which have been expensed in 2017-18.
- Amortization expense increased due to new schools completed prior to August 31, 2017 and being amortized in 2017-18.
- Other (uncollectible accounts) decreased due to the elimination of ISM fees under Bill 1 and reduction in the number of students paying fees for transportation.

## Corporate Accounts by Service Unit

	Communications & Engagement Services	Facilities & Environmental Services	Finance and Technology Services	General Counsel	Human Resources	Learning	Education Matters	Total
	(in \$ thousands)							
<b>Expenses</b>								
Certificated permanent salaries and benefits	-	187	466	-	2,834	243	-	3,730
Certificated temporary salaries and benefits	-	-	-	-	1,150	34	-	1,184
Non-certificated permanent salaries and benefits	-	(735)	527	-	2,073	-	552	2,417
Non-certificated temporary salaries and benefits	18	743	8	-	-	11	-	780
Dues and fees	5	-	21	-	1,674	-	-	1,700
Rental equipment and facilities	-	10,434	-	-	-	-	-	10,434
Maintenance and repairs	-	15,354	4,027	-	-	-	-	19,381
Insurance	-	-	4,672	-	-	-	-	4,672
Professional services	37	3,679	1,684	654	5,637	85	26	11,802
Utilities	-	19,919	4,015	-	-	-	-	23,934
Transportation charges	-	45,225	-	-	-	-	-	45,225
Travel and subsistence	2	36	-	-	2	-	-	40
Other supplies	13	339	1,515	-	1,646	8	(171)	3,350
Minor equipment	-	-	2	-	-	-	-	2
Amortization expenses	-	40,988	16,436	-	-	1,033	-	58,457
Interest and finance charges	-	-	1,297	-	-	-	-	1,297
Other (uncollectible accounts)	-	-	3,721	-	-	-	-	3,721
<b>Total expenses</b>	<b>75</b>	<b>136,169</b>	<b>38,391</b>	<b>654</b>	<b>15,016</b>	<b>1,414</b>	<b>407</b>	<b>192,126</b>

Communications and Engagement Services include costs related to community engagement.

Facilities & Environmental Services include utilities costs for the system, amortization for school buildings and student transportation (charter costs, taxis, Handi-bus). Also included are the maintenance and repair costs associated with IMR targeted revenues. FES is responsible for maintenance projects such as the replacement of roofs, windows, siding and building mechanical systems that fail or exceed their life expectancy. The majority of the facilities are more than 50 years old. While the safety of students and staff is always ensured, the immediate maintenance needs of the CBE schools is estimated by the Government of Alberta to be \$170 million and growing each year.

Finance/Technology Services include provisions for technology licenses, subscriptions and fees, amortization for board-funded assets, post-employment benefits expense, ATRF for service unit staff, bank charges, waived and uncollectible fees, internal audit and insurance.

General Counsel includes the cost of external legal counsel fees.

Human Resources includes the cost of the outsourced Human Resource system service provider, provision to advance leadership practice, Professional Improvement Fellowship (PIF) (in accordance with the ATA Collective Agreement), secondments and staff development funds.

Learning include provisions for programs supporting suicide prevention and therapeutic intervention, the budget for Calgary Police Services school resource officers, and amortization for learning information systems.

In accordance with Public Sector Accounting Standards, EducationMatters is consolidated for the CBE's financial reporting purposes.

## Learning (excluding Chinook Learning Services)

	2017-18 Actuals		2016-17 Actuals		Increase / (Decrease)	
	FTE	(in \$ thousands)	FTE	(in \$ thousands)	FTE	(in \$ thousands)
<b>Expenses</b>						
Certificated permanent salaries and benefits	78	9,764	72	9,511	6	253
Certificated temporary salaries and benefits	-	2,474	-	462	-	2,012
Non-certificated permanent salaries and benefits	102	11,458	101	12,083	1	(625)
Non-certificated temporary salaries and benefits	-	325	-	297	-	28
Dues and fees	-	65	-	80	-	(15)
Maintenance and repairs	-	30	-	24	-	6
Insurance	-	3	-	4	-	(1)
Professional services	-	1,005	-	1,192	-	(187)
Utilities	-	16	-	17	-	(1)
Transportation charges	-	26	-	17	-	10
Travel and subsistence	-	225	-	251	-	(26)
Other supplies	-	1,874	-	1,686	-	189
Minor equipment	-	545	-	466	-	79
Textbooks and materials	-	18	-	19	-	(1)
Amortization expenses	-	686	-	962	-	(276)
Interest and finance charges	-	1	-	3	-	(2)
<b>Total expenses</b>	<b>180</b>	<b>28,515</b>	<b>173</b>	<b>27,074</b>	<b>7</b>	<b>1,441</b>

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 and the implementation of the new Student Information System.

Learning 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.

In 2017-18 Learning supported:

- Implementation of a comprehensive mathematics strategy by maintaining specialists with mathematics expertise to provide professional learning opportunities to build capacity to support diverse learners.
- Focuses on literacy by developing resources to continue to build shared understandings of literacy and provide professional learning opportunities to build capacity to support diverse learners.

Significant changes in Learning from 2016-17 to highlight include:

- Certificated temporary salaries and benefits increased due to one-time funding provided in 2017-18 to support student success in mathematics. This was funded through a draw on the fiscal stability reserve.
- Non-certificated permanent salaries and benefits decreased due to a higher number of vacant positions compared to the prior year.



## Chinook Learning Services

	2017-18 Actuals		2016-17 Actuals		Increase / (Decrease)	
	FTE	(in \$ thousands)	FTE	(in \$ thousands)	FTE	(in \$ thousands)
<b>Expenses</b>						
Certificated permanent salaries and benefits	17	2,146	18	1,738	(1)	408
Certificated temporary salaries and benefits	-	3,253	-	3,748	-	(495)
Non-certificated permanent salaries and benefits	54	3,440	53	3,630	1	(190)
Non-certificated temporary salaries and benefits	-	2,061	-	2,085	-	(24)
Dues and fees	-	7	-	-	-	7
Rental equipment and facilities	-	28	-	33	-	(5)
Maintenance and repairs	-	4	-	5	-	(1)
Professional services	-	337	-	403	-	(66)
Utilities	-	42	-	52	-	(10)
Travel and subsistence	-	14	-	13	-	1
Other supplies	-	1,441	-	1,320	-	121
Minor equipment	-	61	-	235	-	(174)
Textbooks and materials	-	157	-	259	-	(102)
Interest and finance charges	-	49	-	62	-	(13)
<b>Total expenses</b>	<b>71</b>	<b>13,040</b>	<b>71</b>	<b>13,583</b>	<b>-</b>	<b>(543)</b>

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

In 2017-18, 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.

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

Starting in the 2018-19 school year, Chinook Learning Services will be moving out of its current locations and changing the scope of programs offered to students. Further information on the Chinook Learning Services Transition can be found [here](#).

Significant changes from 2016-17 include:

- Certificated salaries and benefits increased with a focus on hiring continuous teachers to support diverse student population and build professional capital aligned with the Three-Year Education Plan. This reduced the need for casual teachers and therefore decreases of temporary salaries and benefits compared to prior year.
- Non-certificated permanent salaries and benefits decreased due to higher number of vacant positions compared to the prior year.

- Minor equipment decrease is the result of one-time funding in 2016-17 from the Federal Government for equipment for the Language Instruction for Newcomers to Canada (LINC) program.

## Facilities and Environmental Services

	2017-18 Actuals		2016-17 Actuals		Increase / (Decrease)	
	FTE	(in \$ thousands)	FTE	(in \$ thousands)	FTE	(in \$ thousands)
<b>Expenses</b>						
Certificated permanent salaries and benefits	3	285	4	514	(1)	(229)
Non-certificated permanent salaries and benefits	226	23,524	258	25,229	(32)	(1,705)
Non-certificated temporary salaries and benefits	-	1,570	-	1,635	-	(65)
Dues and fees	-	70	-	276	-	(206)
Rental equipment and facilities	-	(2)	-	-	-	(2)
Maintenance and repairs	-	7,219	-	6,378	-	841
Professional services	-	1,074	-	1,151	-	(77)
Utilities	-	154	-	144	-	10
Travel and subsistence	-	125	-	162	-	(37)
Other supplies	-	358	-	371	-	(13)
Minor equipment	-	15	-	26	-	(11)
Amortization expenses	-	3,089	-	3,225	-	(136)
<b>Total expenses</b>	<b>229</b>	<b>37,481</b>	<b>262</b>	<b>39,111</b>	<b>(33)</b>	<b>(1,630)</b>

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

The supports and services provided by FES include planning for student accommodation and transportation; design, construction, renovation, maintenance and day-to-day operations of school and the CBE facilities; internal deliveries; environmental initiatives; and emergency, safety and security services. FES will enhance its focus upon maintaining existing schools by availing of Alberta Infrastructure to manage new school construction and modernizations on its behalf.

FES works closely with students, parents and communities to plan student accommodation and is accountable for the transportation of 34,500 students daily.

To help accommodate students, FES works closely with the Government of Alberta and the City of Calgary to manage and complete major capital projects.

FES manages public use rental access of the CBE property and provides for the leasing, disposition and management of surplus space and facilities.

FES is also accountable for emergency, safety and security services. Student safety is ensured through scheduled Career and Technology equipment safety inspections and third party annual facility inspections.

Significant variances from 2016-17 to highlight include:

- The decrease in permanent salaries and benefits is due to a reduction in positions over a range of departments within FES.
- Maintenance and repair costs have increased to reflect the additional cost pressures expected from the addition of new school properties in the CBE.
- Dues and fees have decreased due to a reduction in resources allocated for professional development.

## Legal Services

	2017-18 Actuals		2016-17 Actuals		Increase / (Decrease)	
	FTE	(in \$ thousands)	FTE	(in \$ thousands)	FTE	(in \$ thousands)
<b>Expenses</b>						
Certificated permanent salaries and benefits	1	112	1	165	-	(53)
Non-certificated permanent salaries and benefits	11	1,522	13	1,598	(2)	(76)
Non-certificated temporary salaries and benefits	-	-	-	3	-	(3)
Dues and fees	-	10	-	17	-	(7)
Professional services	-	15	-	30	-	(15)
Utilities	-	4	-	3	-	1
Travel and subsistence	-	4	-	6	-	(2)
Other supplies	-	15	-	17	-	(2)
Minor equipment	-	-	-	16	-	(16)
Textbooks and materials	-	12	-	11	-	1
Amortization expenses	-	28	-	15	-	13
<b>Total expenses</b>	<b>12</b>	<b>1,722</b>	<b>14</b>	<b>1,881</b>	<b>(2)</b>	<b>(159)</b>

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.

Significant variances from 2016-17 to highlight include:

- The overall decreases are due to elimination of two positions and increased focus on cost savings by the service unit.

## Communications and Engagement Services

	2017-18 Actuals		2016-17 Actuals		Increase / (Decrease)	
	FTE	(in \$ thousands)	FTE	(in \$ thousands)	FTE	(in \$ thousands)
<b>Expenses</b>						
Certificated permanent salaries and benefits	-	-	-	11	-	(11)
Non-certificated permanent salaries and benefits	22	2,443	22	2,400	-	43
Non-certificated temporary salaries and benefits	-	101	-	-	-	101
Dues and fees	-	1	-	13	-	(12)
Maintenance and repairs	-	-	-	1	-	(1)
Professional services	-	7	-	20	-	(13)
Utilities	-	10	-	10	-	-
Travel and subsistence	-	2	-	-	-	2
Other supplies	-	10	-	16	-	(6)
Minor equipment	-	9	-	7	-	2
<b>Total expenses</b>	<b>22</b>	<b>2,583</b>	<b>22</b>	<b>2,478</b>	<b>-</b>	<b>105</b>

Communications 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 SchoolMessenger, 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.

In 2016-17, the department introduced a new, system-wide approach to public engagement called the Dialogue Framework. Since then there have been a number of significant system-led engagements. In 2017-18, large scale initiatives included the Area 6 and 7 impacted schools engagement, program changes at various schools, and the planning for a long-term strategy for NW and North central French Immersion Programs. Significant support was also provided for the Chinook Learning Services transition.

## Finance and Technology Services

	2017-18 Actuals		2016-17 Actuals		Increase / (Decrease)	
	FTE	(in \$ thousands)	FTE	(in \$ thousands)	FTE	(in \$ thousands)
<b>Expenses</b>						
Certificated permanent salaries and benefits	1	128	1	127	-	1
Non-certificated permanent salaries and benefits	194	22,323	194	22,460	-	(137)
Non-certificated temporary salaries and benefits	-	420	-	388	-	32
Dues and fees	-	184	-	206	-	(22)
Maintenance and repairs	-	1	-	2	-	(1)
Professional services	-	288	-	263	-	25
Utilities	-	48	-	44	-	4
Travel and subsistence	-	41	-	41	-	-
Other supplies	-	125	-	113	-	13
Minor equipment	-	173	-	218	-	(45)
Amortization expenses	-	4,106	-	3,301	-	805
Interest and finance charges	-	-	-	66	-	(66)
Other (uncollectible accounts)	-	(155)	-	24	-	(179)
<b>Total expenses</b>	<b>195</b>	<b>27,683</b>	<b>195</b>	<b>27,253</b>	<b>-</b>	<b>430</b>

Finance/Technology Services is made up of three integrated teams. The Financial Services group provides financial support and services to ensure resources are available to create a personalized learning environment for students including:

- Preparing the annual budget and related reports.
- Monitoring and reporting on financial performance through the year.
- Supporting sound financial practices in schools and across the CBE.
- Providing financial administration of 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.

Significant variances from 2016-17 to highlight include:

- Amortization expense increased due to the completion of financial systems and technology infrastructure capital projects.

## Human Resources

	2017-18 Actuals		2016-17 Actuals		Increase / (Decrease)	
	FTE	(in \$ thousands)	FTE	(in \$ thousands)	FTE	(in \$ thousands)
<b>Expenses</b>						
Certificated permanent salaries and benefits	11	1,383	12	1,543	(1)	(160)
Certificated temporary salaries and benefits	-	67	-	43	-	24
Non-certificated permanent salaries and benefits	77	10,077	77	8,644	-	1,433
Non-certificated temporary salaries and benefits	-	253	-	326	-	(73)
Dues and fees	-	30	-	56	-	(26)
Rental equipment and facilities	-	5	-	-	-	5
Maintenance and repairs	-	1	-	-	-	1
Professional services	-	904	-	918	-	(14)
Utilities	-	21	-	19	-	2
Travel and subsistence	-	51	-	78	-	(27)
Other supplies	-	294	-	123	-	171
Minor equipment	-	29	-	70	-	(41)
Textbooks and materials	-	27	-	71	-	(44)
Amortization expenses	-	45	-	20	-	25
<b>Total expenses</b>	<b>88</b>	<b>13,187</b>	<b>89</b>	<b>11,911</b>	<b>(1)</b>	<b>1,276</b>

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

In 2017-18, 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.

Significant variances from 2016-17 to highlight include:

- Overall increases are due to transition expenses to repatriate HR Application Management Services from the incumbent provider to execute the CBE's strategic initiative and steward the CBE's resources pillar of the Three-Year Education Plan. The CBE will be building professional capacity to own the payroll services and Employee Contact Center in 2017-18.



## Chief Superintendent's Office

	2017-18 Actuals		2016-17 Actuals		Increase / (Decrease)	
	FTE	(in \$ thousands)	FTE	(in \$ thousands)	FTE	(in \$ thousands)
<b>Expenses</b>						
Certificated permanent salaries and benefits	2	646	2	984	-	(338)
Certificated temporary salaries and benefits	-	-	-	8	-	(8)
Non-certificated permanent salaries and benefits	3	299	3	299	-	-
Dues and fees	-	7	-	7	-	-
Rental equipment and facilities	-	68	-	95	-	(27)
Utilities	-	3	-	3	-	-
Travel and subsistence	-	-	-	2	-	(2)
Other supplies	-	5	-	9	-	(4)
Amortization expenses	-	2	-	1	-	1
<b>Total expenses</b>	<b>5</b>	<b>1,030</b>	<b>5</b>	<b>1,408</b>	<b>-</b>	<b>(378)</b>

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.

Significant variances from 2016-17 to highlight include:

- Salaries and benefits expense decreased due to a Board of Trustees mandated retroactive adjustment for the supplemental pension plan in 2016-17.

## Board of Trustees

	2017-18 Actuals		2016-17 Actuals		Increase / (Decrease)	
	FTE	(in \$ thousands)	FTE	(in \$ thousands)	FTE	(in \$ thousands)
<b>Expenses</b>						
Non-certificated permanent salaries and benefits	-	457	-	420	-	37
Dues and fees	-	245	-	243	-	2
Professional services	-	607	-	748	-	(141)
Utilities	-	1	-	2	-	(1)
Travel and subsistence	-	17	-	22	-	(5)
Other supplies	-	9	-	3	-	6
<b>Total expenses</b>	-	<b>1,336</b>	-	<b>1,438</b>	-	<b>(102)</b>

The Board of Trustees represent, lead and serve Calgaryans 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.

Significant variances from 2016-17 to highlight include:

- Professional services decrease is due to the Board of Trustees election which took place in October 2017, prior year. The same expense is not reflected in 2017-18.

# 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
<b>Schools that opened in 2016-17</b>		
Christine Meikle	Replacement school	Opened January 2017
Elbow Park School	Replacement school (flood)	Opened February 2017
Kenneth D. Taylor School ES	New school	Opened September 2016
Peter Lougheed School MS	New school	Opened September 2016
Copperfield School ES	New school	Opened September 2016
New Brighton School ES	New school	Opened September 2016
William D. Pratt School MS	New school	Opened September 2016
Buffalo Rubbing Stone ES	New school	Opened September 2016
Auburn Bay ES	New school	Opened September 2016
Nelson Mandela High School	New school	Opened September 2016
Eric Harvie ES	New school	Opened January 2017
McKenzie Highlands School MS	New school	Opened March 2017
Dr. Martha Cohen School MS	New school	Opened March 2017
West Ridge School MS	New school	Opened January 2017
Dr. George Stanley School MS	New school	Opened January 2017
Hugh A. Bennett School ES	New school	Opened December 2016
Dr. Roberta Bondar School ES	New school	Opened January 2017
Bowness HS	Modernization	Opened September 2016
Jack James HS	Modernization	Opened September 2016
Niitsitapi Learning Centre	Modernization, new school community	Opened January 2017
<b>Schools that opened in 2017-18</b>		
Manmeet Singh Bhullar School ES	New school	Opened August 2017
Marshall Springs MS	New school	Opened September 2017
Ron Southern School ES	New school	Opened November 2017
Griffith Woods School K-9	New school	Opened April 2018
<b>Schools that are opening in 2018-19</b>		
Glenmeadows School	Reopening	September 2018
Joane Cardinal-Schubert High School	New school	September 2018
Lord Beaverbrook High School	Modernization	September 2018

James Fowler High School	Modernization	September 2018
<b>Schools that are opening in 2019-20 and beyond</b>		
Forest Lawn High School	Modernization	Projected Fall 2019
Coventry Hills/Country Hills Village Second Elementary	New school	Projected Sep. 2020
Cranston Second Elementary School	New school	Projected Sep. 2020
Evergreen Second Elementary School	New school	Projected Sep. 2020
Skyview Ranch Elementary/Middle School Project (announced spring 2018)	New school	TBD
Mahogany Elementary School (announced spring 2018)	New school	TBD
New Calgary High School Coventry Hills (announced spring 2018)	New school (design only)	TBD
Auburn Bay Middle School (announced spring 2018)	New school (design only)	TBD

# Attachment IV

## Reserves

	Reserve balance Sept 1, 2017	Fall Update planned transfers from reserves	Actual transfers to/ (from) reserves	Reserve balance Aug 31, 2018
(in \$ thousands)				
<b>Operating reserves</b>				
Unrestricted reserves	21,803	(7,000)	6,508	<b>28,311</b>
Restricted reserves	(8,246)	-	9	<b>(8,237)</b>
Designated operating funds	5,530	-	372	<b>5,902</b>
Total operating reserves	19,087	(7,000)	6,889	<b>25,976</b>
<b>Capital reserves</b>				
Building reserve	9,019	(2,200)	-	<b>9,019</b>
Other capital reserves	22,584	(19,473)	(8,201)	<b>14,383</b>
Plant, operations and maintenance asset replacement	798	-	-	<b>798</b>
Total capital reserves	32,401	(21,673)	(8,201)	<b>24,200</b>
<b>Total reserves</b>	51,488	(28,673)	(1,312)	<b>50,176</b>

The 2017-18 planned budget anticipated the transfer of \$7.0 million from operating reserves. See section 'Reserves Highlights' for details on changes. Operating results improved for 2017-18, consequently \$6.5 million in operating reserves were no longer required. This makes more resources available to fund activities in 2018-19.

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% of the total annual operating budget. This is a modest amount for an organization the size of the CBE. Alberta Education guidance suggest reserve balances up to 5 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 2017-18 planned on using \$21.7 million from capital reserves. This included activities such as new school commissioning, the construction of a gymnasium at Nelson Mandela High School, Career and Technology Studies/Foundations and Fine and Performing Arts equipment upgrades and implementation of the replacement Student Information System (PowerSchool). Some projects, such as PowerSchool had timing delays, with work continuing in 2018-19 and requested carry forwards of \$8.7M. The Wireless project utilized IMR funding which reduced the project's capital funding needs and the Edge Switch project achieved cost savings by bundling purchases with other IT projects. As a result, the actual draw on capital reserves was \$8.2 million, which frees up resources for projects continuing into 2018-19.

# 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 2017-18 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"> <li>▪ Ensure school facilities meet all regulatory requirements, particularly as they pertain to</li> <li>▪ Providing a safe and healthy learning environment;</li> <li>▪ Preserve and improve the quality of the learning environment by: <ul style="list-style-type: none"> <li>▪ Replacing building components that have failed,</li> <li>▪ Prolonging the life of the facility through planned, proactive replacement of major components; and</li> <li>▪ Upgrading of the educational areas to meet program requirements;</li> </ul> </li> <li>▪ Meet the facility requirements of students with special needs; and</li> <li>▪ Replace or upgrade building components to improve energy conservation and efficiency and to achieve costs savings as a result.</li> </ul>
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, 2018

Row Labels	Number of Suppliers	% of Suppliers	Total Amount	Sum of Total Amount
1. Third Parties with total invoices amount greater than \$250,000	152	4%	704,590,518	94.93%
2. Third Parties with total invoices amount between \$200,000 and \$250,000	20	0%	4,452,033	0.60%
3. Third Parties with total invoices amount between \$100,000 and \$200,000	94	2%	13,269,230	1.79%
4. Third Parties with total invoices amount between \$50,000 and \$100,000	98	2%	6,835,511	0.92%
5. Third Parties with total invoices amount less than \$50,000	3,799	91%	13,106,919	1.77%
<b>Grand Total</b>	<b>4,163</b>	<b>100%</b>	<b>742,254,212</b>	<b>100.00%</b>

\* disclosure made on a cash basis

## Summary of third party invoices with total payments value >\$250,000\*

For the year ending August 31, 2018

Category	Amount of Vendors	Total Invoices Amount	% of Total Amount
SALARIES & BENEFITS	14	423,437,672	60.1%
CONSTRUCTION, MAINTENANCE & REPAIR	50	103,867,036	14.7%
TRANSPORTATION	6	51,572,045	7.3%
TANGIBLE CAPITAL ASSETS	21	28,186,409	4.0%
UTILITIES	7	26,481,983	3.8%
SUPPLIES (SUPP)	20	15,800,502	2.2%
PROFESSIONAL & TECHNICAL SERVICES (P&T)	8	13,076,413	1.9%
P-CARD TRANSACTIONS	1	12,984,059	1.8%
RENTAL EQUIPMENT & FACILITY	3	12,318,421	1.7%
MINOR EQUIPMENT <\$5000	11	7,780,366	1.1%
INSURANCE	3	5,116,890	0.7%
DUES & FEES (D&F)	5	2,026,978	0.3%
FLOW THROUGH FROM AB ED	1	906,797	0.1%
DONATIONS	1	693,699	0.1%
POSTAGE	1	341,250	0.0%
<b>Grand Total</b>	<b>152</b>	<b>704,590,518</b>	<b>100%</b>

## Details of third party invoices with total payments value >\$250,000\*

For the year ending August 31, 2018

Category	Total Invoices Amount	% of Total Amount
<b>SALARIES &amp; BENEFITS</b>	<b>423,437,671.54</b>	<b>60.1%</b>
RECEIVER GENERAL FOR CANADA	221,477,113	
BOARD OF ADMINISTRATORS	79,718,403	
SUN LIFE ASSURANCE COMPANY OF CANADA	48,353,812	
ALBERTA PENSIONS ADMINISTRATION CORP.	39,860,737	
ASEBP - ALBERTA SCHOOL EMPLOYEE BENEFIT PLAN	14,636,591	
ALBERTA TEACHERS ASSOCIATION	11,597,671	
WORKERS' COMPENSATION BOARD	2,185,072	
CBE STAFF ASSOCIATION	2,111,594	
ALBERTA BLUE CROSS	936,474	
CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL 40	664,353	
LONDON LIFE INSURANCE CO.	658,469	
MANULIFE	502,650	
GOVERNMENT OF ALBERTA	388,764	
LONDON LIFE/CAPITAL ESTATE PLANNING CORP.	345,969	
<b>CONSTRUCTION, MAINTENANCE &amp; REPAIR</b>	<b>103,867,035.61</b>	<b>14.7%</b>
GRAHAM CONSTRUCTION & ENGINEERING LP	24,487,637	
ELLISDON CONSTRUCTION SERVICES INC.	11,120,892	
CLARK BUILDERS	10,654,855	
TRIBUILD CONTRACTING (CALGARY) LTD.	10,051,853	
MAPLE REINDERS INC.	9,159,626	
DLA PIPER (CANADA) LLP	3,709,791	
LEAR CONSTRUCTION MANAGEMENT LTD.	3,115,314	
UPA CONSTRUCTION GROUP (AB) LTD.	2,681,009	
RUSSPET CONSTRUCTION LTD.	2,188,538	
ALBERTA FIRE & FLOOD LTD.	1,985,322	
CHANDOS CONSTRUCTION LTD.	1,914,748	
WESTERN WEATHER PROTECTOR LTD.	1,280,493	
MJS MECHANICAL LTD.	1,244,597	
TROTTER & MORTON BLDG TECH. INC	1,147,408	
GIBBS GAGE ARCHITECTS	1,009,770	
GOLDEN TRIANGLE CONSTRUCTION MANAGEMENT INC.	1,003,095	
BMP MECHANICAL LTD.	1,002,574	
CARBON CONSTRUCTORS INC.	940,169	
ROCKY CROSS CONSTRUCTION (NORTH) LTD.	900,440	
CONCEPT ELECTRIC LTD.	856,554	
BIG COUNTRY PLASTERING LTD.	793,013	
RIDDELL KURCZABA ARCHITECTURE ENGINEERING INTERIOR DESIGN LTD.	745,111	
STATE GROUP INC. (THE)	738,638	
NOSE CREEK ELECTRICAL SERVICES	662,674	
DEVITT & FORAND CONTRACTORS INC.	658,483	
COBRA CORPORATE MANAGEMENT INC.	649,937	
WEST SOURCE ENTERPRISES INC.	582,628	
WSP PROJECTS INC.	512,667	
SCE ELECTRIC WESTERN CANADA LTD.	501,954	
PARK N PLAY DESIGN COMPANY LTD.	477,191	
DONE RITE JANITORIAL SALES & SERVICE	466,039	
ECOSYSTEM ENERGY SERVICES	448,104	
KIDNATION PLAYGROUNDS LTD.	440,747	
PARKS FOUNDATION CALGARY	430,494	
OFFICE SOLUTIONS (ALBERTA) INC.	426,467	
QUALIMECH COMMERCIAL SERVICES LTD.	424,678	
FOOTHILLS DECORATING LTD.	405,475	
RYDON CONSTRUCTION INC.	370,486	
AINSWORTH INC.	363,011	
GREAT NORTHERN PLUMBING INC.	356,130	
BOW RIVER ROAD WORK CONTRACTING LTD.	340,389	
WOLSELEY CANADA INC.	337,627	
ALL SYSTEMS COMMUNICATIONS CONTRACTING INC.	328,761	
EMM DECORATING & GRAFFITI REMOVAL LTD.	315,273	
WILCO CONTRACTORS SOUTHWEST INC.	313,059	
TAFF ARCHITECTURE LTD.	275,450	
AZTEC RENOVATIONS AND REFIT INC.	265,011	
D. OWEN CONSTRUCTION LTD.	264,909	
FREEZE MAXWELL ROOFING (CALGARY) LTD.	263,953	
MCGREGOR & THOMPSON HARDWARE LTD.	253,992	
<b>TRANSPORTATION</b>	<b>51,572,045.38</b>	<b>7.3%</b>
SOUTHLAND TRANSPORTATION LTD.	37,761,696	
1323179 ALBERTA LTD. dba FOUR SEASONS TRANSPORTATION	6,860,021	

C F & R SERVICES INC.	4,623,344	
DREAMS TRANSPORTATION LTD.	1,470,942	
IMPERIAL OIL LTD.	437,303	
CHECKER CABS LTD.	418,739	
<b>TANGIBLE CAPITAL ASSETS</b>	<b>28,186,408.65</b>	<b>4.0%</b>
APPLE CANADA INC.	6,656,885	
PC CORP INC.	4,616,701	
S.I. SYSTEMS PARTNERSHIP	2,955,118	
AVI-SPL CANADA LTD.	2,691,628	
POWERSCHOOL GROUP LLC	2,198,302	
CDI SPACES	1,329,512	
OXYGEN PRODUCTS CALGARY LTD.	1,106,168	
HBI - HERITAGE BUSINESS INTERIORS	1,040,556	
DBI SYSTEMS INTEGRATION INC	739,139	
BELL CANADA	681,928	
WILLIAM MORRIS OFFICE SOLUTIONS INC.	599,800	
ONX ENTERPRISE SOLUTIONS LTD.	567,311	
SCHOOLHOUSE PRODUCTS INC.	488,988	
TELUS	399,822	
KMS TOOLS AND EQUIPMENT LTD.	377,642	
SOLARIS ELECTRIC INC.	376,594	
INSYNC SYSTEMS INC.	300,230	
CRESTVIEW ELECTRIC LTD.	282,509	
EDUCAN INSTITUTIONAL FURNITURE LTD.	264,633	
SHAW GMC CHEVROLET BUICK LIMITED PARTNERSHIP	260,533	
CHARTER TELECOM, INC.	252,410	
<b>UTILITIES</b>	<b>26,481,982.80</b>	<b>3.8%</b>
ENMAX ENERGY CORPORATION	10,979,124	
DIRECT ENERGY BUSINESS SERVICES	5,996,425	
AXIA SUPERNET LTD.	3,885,878	
CITY OF CALGARY	3,612,250	
TELUS COMMUNICATIONS INC.	917,191	
WASTE MANAGEMENT OF CANADA CORP.	596,880	
BELL MOBILITY INC.	494,235	
<b>SUPPLIES (SUPP)</b>	<b>15,800,501.70</b>	<b>2.2%</b>
GRAND & TOY	3,221,422	
ORACLE CANADA ULC	2,335,809	
SWISH MAINTENANCE LIMITED	2,215,147	
SPICERS CANADA ULC	1,019,467	
SUPREME OFFICE PRODUCTS LTD	826,207	
UNITED LIBRARY SERVICES INC.	686,365	
CLEAN AIR SERVICES INC.	678,667	
SYSCO CALGARY, A DIVISION OF SYSCO CANADA INC.	627,448	
DATA GROUP OF COMPANIES	529,056	
SPECTRUM EDUCATIONAL SUPPLIES LIMITED	458,775	
WEST UNIFIED COMMUNICATIONS SERVICES CANADA, INC. - WEST EDUCATION DIVISION	407,084	
SKYLINE ATHLETICS INC.	396,431	
SPORTFACTOR INC.	384,948	
WEST CANADIAN DIGITAL IMAGING INC.	383,251	
NELSON EDUCATION LTD.	299,456	
PEARSON EDUCATION CANADA	274,810	
TOPLINE PRINTING INC.	271,639	
SIRSI DYNIX	266,214	
BOREAL SCIENCE	264,186	
C.C. CRAIG CO. LTD.	254,120	
<b>PROFESSIONAL &amp; TECHNICAL SERVICES (P&amp;T)</b>	<b>13,076,413.16</b>	<b>1.9%</b>
HULL SERVICES	3,911,049	
TELUS SOURCING SOLUTIONS PARTNERSHIP	3,173,069	
WOOD'S HOMES	2,563,088	
SOCIETY FOR TREATMENT OF AUTISM	1,283,581	
ALBERTA HEALTH SERVICES	1,089,469	
DLA PIPER (CANADA) LLP	508,126	
IRON MOUNTAIN CANADA	276,281	
GALILEO EDUCATIONAL NETWORK	271,750	
<b>RENTAL EQUIPMENT &amp; FACILITY</b>	<b>12,318,420.94</b>	<b>1.7%</b>
BENTALL KENNEDY (CANADA) LP	11,525,698	
IMPERIAL PARKING CANADA CORP.	504,330	
GENESIS CENTRE, THE	288,393	
<b>P-CARD TRANSACTIONS</b>	<b>12,984,058.89</b>	<b>1.8%</b>
BANK OF MONTREAL	12,984,059	
<b>MINOR EQUIPMENT &lt;\$5000</b>	<b>7,780,366.20</b>	<b>1.1%</b>
LASERNETWORKS INC.	2,728,287	
ST. JOHN'S MUSIC LTD.	999,847	
D2L CORPORATION	927,649	

LONG & MCQUADE LTD.	529,426	
MATRIX VIDEO COMMUNICATIONS CORP.	479,848	
DELL CANADA INC.	396,994	
SHARP'S AUDIO-VISUAL LTD.	389,892	
SOFTWARE4SCHOOLS.CA	351,650	
HEWLETT PACKARD ENTERPRISE CANADA CO.	347,206	
PCM CANADA	338,423	
CRESTWAY SYSTEMS LTD.	291,144	
<b>INSURANCE</b>	<b>5,116,889.68</b>	<b>0.7%</b>
MARSH CANADA LIMITED	3,297,989	
URBAN SCHOOLS INSURANCE CONSORTIUM	1,128,505	
INGLE INTERNATIONAL	690,396	
<b>DUES &amp; FEES (D&amp;F)</b>	<b>2,026,977.70</b>	<b>0.3%</b>
UNIVERSITY OF CALGARY	610,843	
INTERNATIONAL BACCALAUREATE ORGANIZATION	533,935	
CALGARY SENIOR HIGH SCHOOL ATHLETIC ASSOCIATION	335,550	
CHILD SAFE CANADA	288,383	
ALBERTA SCHOOL BOARDS ASSOCIATION	258,266	
<b>DONATIONS</b>	<b>693,699.05</b>	<b>0.1%</b>
EducationMatters	693,699	
<b>FLOW THROUGH FROM AB ED</b>	<b>906,796.85</b>	<b>0.1%</b>
TSUU T'INA BOARD OF EDUCATION	906,797	
<b>POSTAGE</b>	<b>341,250.00</b>	<b>0.0%</b>
POSTAGE BY PHONE/PITNEYWORKS PREPAID	341,250	
<b>Grand Total</b>	<b>704,590,518</b>	



**Financial Statements**  
**December 31, 2017**



**Collins Barrow Calgary LLP**  
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 Canada  
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 F: (403.298.5814)  
 Email: calgary@collinsbarrow.com  
 www.collinsbarrow.com

## Independent Auditors' Report

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

We have audited the accompanying financial statements of EducationMatters, Calgary's Public Education Trust, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of EducationMatters, Calgary's Public Education Trust as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Collins Barrow Calgary LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Calgary, Canada  
March 8, 2018

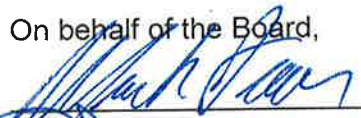



**EducationMatters, Calgary's Public Education Trust**  
**Statement of Financial Position**  
**December 31, 2017**

	2017	2016
<b>Assets</b>		
Current assets		
Cash and cash equivalents (notes 3 and 7)	\$ 1,978,053	\$ 1,589,768
Goods and Services Tax recoverable	<u>1,103</u>	<u>-</u>
	1,979,156	1,589,768
Investments (notes 4 and 7)	5,467,580	5,059,520
Property and equipment (note 5)	<u>19,329</u>	<u>29,053</u>
	<u>\$ 7,466,065</u>	<u>\$ 6,678,341</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 34,960	\$ 35,896
Deferred operating contributions (note 6)	<u>441,000</u>	<u>441,000</u>
	<u>475,960</u>	<u>476,896</u>
<b>Funds</b>		
Operating funds	774,693	728,963
Flow-through funds	957,130	638,999
Endowment funds (note 7)	<u>5,258,282</u>	<u>4,833,483</u>
	<u>6,990,105</u>	<u>6,201,445</u>
	<u>\$ 7,466,065</u>	<u>\$ 6,678,341</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, 2017**

	<b>2017</b>				<b>2016</b>
	<b>Operating Funds</b>	<b>Flow- Through Funds</b>	<b>Endowment Funds</b>	<b>Total</b>	
Revenue					
Contributions	\$ 700,901	\$ 1,622,926	\$ 184,492	\$ 2,508,319	\$ 2,322,313
Interfund fees	112,130	(41,595)	(70,535)	-	-
Gains on investments (note 4)	33,835	-	405,826	439,661	110,429
Interest and dividend revenue	<u>16,411</u>	<u>-</u>	<u>98,998</u>	<u>115,409</u>	<u>111,595</u>
	<u>863,277</u>	<u>1,581,331</u>	<u>618,781</u>	<u>3,063,389</u>	<u>2,544,337</u>
Expenditures					
Grants (notes 6 and 10)	-	1,271,208	199,982	1,471,190	2,000,438
Salaries and benefits (note 10)	527,398	-	-	527,398	504,448
Communications (note 10)	14,341	-	-	14,341	2,037
Fund development (note 10)	22,680	-	-	22,680	13,760
Office	30,709	-	-	30,709	37,706
Investment fees	42,037	-	-	42,037	39,902
Professional fees	24,306	-	-	24,306	26,782
Special events	26,346	-	-	26,346	3,090
Computer applications and support	67,005	-	-	67,005	46,842
Rent	38,993	-	-	38,993	38,993
Amortization	<u>9,724</u>	<u>-</u>	<u>-</u>	<u>9,724</u>	<u>9,101</u>
	<u>803,539</u>	<u>1,271,208</u>	<u>199,982</u>	<u>2,274,729</u>	<u>2,723,099</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 59,738</u>	<u>\$ 310,123</u>	<u>\$ 418,799</u>	<u>\$ 788,660</u>	<u>\$ (178,762)</u>

See accompanying notes to the financial statements

**EducationMatters, Calgary's Public Education Trust**  
**Statement of Changes in Fund Balances**  
**Year Ended December 31, 2017**

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	Operating Funds	Flow- Through Funds	Endowment Funds	Total
Fund balances, December 31, 2015	\$ 774,197	\$ 941,345	\$ 4,664,665	\$ 6,380,207
Excess (deficiency) of revenue over expenditures	65,452	(412,346)	168,132	(178,762)
Interfund transfers	<u>(110,686)</u>	<u>110,000</u>	<u>686</u>	<u>-</u>
Fund balances, December 31, 2016	728,963	638,999	4,833,483	6,201,445
Excess 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	<u>\$ 774,693</u>	<u>\$ 957,130</u>	<u>\$ 5,258,282</u>	<u>\$ 6,990,105</u>

See accompanying notes to the financial statements

**EducationMatters, Calgary's Public Education Trust**  
**Statement of Cash Flows**  
**Year Ended December 31, 2017**

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	2017	2016
Cash provided by (used in):		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 788,660	\$ (178,762)
Adjusting items:		
Amortization	9,724	9,101
Gain on investments	<u>(439,661)</u>	<u>(110,429)</u>
	<u>358,723</u>	<u>(280,090)</u>
Changes in non-cash items		
Goods and Services Tax recoverable	(1,103)	655
Accounts payable and accrued liabilities	(936)	8,050
Deferred operating contributions	<u>-</u>	<u>1,000</u>
	<u>(2,039)</u>	<u>9,705</u>
Cash provided by (used in) operating activities	<u>356,684</u>	<u>(270,385)</u>
Investing activities		
Purchase of equipment	-	(6,522)
Purchase of investments	(172,294)	(567,641)
Disposal of investments	<u>203,895</u>	<u>152,676</u>
Cash provided by (used in) investing activities	<u>31,601</u>	<u>(421,487)</u>
Cash inflow (outflow)	388,285	(691,872)
Cash and cash equivalents, beginning of year	<u>1,589,768</u>	<u>2,281,640</u>
Cash and cash equivalents, end of year	<u>\$ 1,978,053</u>	<u>\$ 1,589,768</u>
Cash and cash equivalents is comprised of:		
Cash	\$ 159,944	\$ 199,567
Treasury bills (note 3)	<u>1,818,109</u>	<u>1,390,201</u>
	<u>\$ 1,978,053</u>	<u>\$ 1,589,768</u>

See accompanying notes to the financial statements

# EducationMatters, Calgary's Public Education Trust

## Notes to Financial Statements

### December 31, 2017

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#### 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, 2017**

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***Operating funds***

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 funds***

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

***Endowment funds***

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

(c) Cash and cash equivalents

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

(d) 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, 2017**

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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. 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, 2017**

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(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 \$1,818,109 (2016 - \$1,390,201) 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 1.05% (2016 - 0.44%).

4. Investments

	<b>2017</b>	<b>2016</b>
Pooled Funds - Endowment Fund	\$ 5,052,891	\$ 4,683,178
Pooled Funds - Operating Fund	<u>414,689</u>	<u>376,342</u>
	<u>\$ 5,467,580</u>	<u>\$ 5,059,520</u>

Investments are comprised of \$5,467,580 (2016 - \$5,059,520) 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, 2017 or 2016.

Gain on investments of \$439,661 (2016 - \$110,429) includes unrealized gains of \$392,876 (2016 - \$81,286).

5. Property and equipment

			<u>Net Book Value</u>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2017</b>	<b>2016</b>
Computer equipment	\$ 144,874	\$ 126,680	\$ 18,194	\$ 26,933
Office equipment	<u>25,850</u>	<u>24,715</u>	<u>1,135</u>	<u>2,120</u>
	<u>\$ 170,724</u>	<u>\$ 151,395</u>	<u>\$ 19,329</u>	<u>\$ 29,053</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 (2016 - \$660,000) from the CBE. Contributions in the amount of \$441,000 were deferred to 2018 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, 2017**

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The Trust rented office space and purchased services of \$38,993 (2016 - \$38,993) and \$6,990 (2016 - \$7,678), respectively, from the CBE.

Grants awarded to CBE schools by the Trust are distributed to recipients by way of the CBE. In 2017, this amount was \$944,941 (2016 - \$1,516,879).

7. Endowment funds

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

	<b>2017</b>	<b>2016</b>
Cash and cash equivalents	\$ 205,391	\$ 150,305
Investments	<u>5,052,891</u>	<u>4,683,178</u>
	<u>\$ 5,258,282</u>	<u>\$ 4,833,483</u>

8. Commitments

The Trust's office lease with the CBE was renewed in July 2017 for an additional one-year term to August 31, 2018 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, 2017**

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## 10. Additional information on fund development

## (a) Expenses incurred to raise funds

	<b>2017</b>	<b>2016</b>
Fundraising event	\$ 26,346	\$ -
Fund development expenses	22,680	13,760
Fund development salaries and benefits	<u>148,714</u>	<u>136,121</u>
	<u>\$ 197,740</u>	<u>\$ 149,881</u>

(b) Funds raised during 2017 were \$1,807,418 (2016 - \$1,662,313).

## (c) Summary of disbursements

	<b>2017</b>	<b>2016</b>
Grants	\$ 996,911	\$ 1,565,529
Scholarships	<u>474,279</u>	<u>434,909</u>
	<u>\$ 1,471,190</u>	<u>\$ 2,000,438</u>

In 2017 there were two disbursements of contributions greater than 10% of the gross contributions received in 2017. 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, 2017, contributions in the amount of \$315,248 (2016 - \$405,311) 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, 2017, contributions in the amount of \$217,695 (2016 - \$198,132) were disbursed under this project.

**EducationMatters, Calgary's Public Education Trust**  
**Notes to Financial Statements**  
**December 31, 2017**

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(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:

	<b>2017</b>	<b>2016</b>
Grant disbursements	\$ 1,471,190	\$ 2,000,438
Communication expenses	14,341	2,037
Fund development expenses, excluding events	171,394	149,881
Events	26,346	-
Program expenses	581,734	561,642
Amortization expense	<u>9,724</u>	<u>9,101</u>
	<u>\$ 2,274,729</u>	<u>\$ 2,723,099</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.



Calgary Board  
of Education

## Canada's International Education Strategy

International student programs (ISP) are a key part of both a Canada wide strategy supported by Global Affairs Canada and Alberta Education's International Strategy. International students have a significant social and economic impact on the province of Alberta.

The CBE has the largest ISP in the province and is one of 133 school districts in Canada actively recruiting around the globe. There are many benefits to welcoming international students into our schools, including the opportunity to expand our local students' knowledge base of the world.

In 2019, as part of the Programme for International Student Assessment (PISA) assessments, the OECD will be measuring the cross-cultural competence of students. When CBE students have the opportunity to take part in international opportunities and when they can study beside students from other parts of the world, they develop critical skills and understandings that are necessary to be globally competent. <http://www.oecd.org/pisa/aboutpisa/Global-competency-for-an-inclusive-world.pdf>

## Who are International Students?

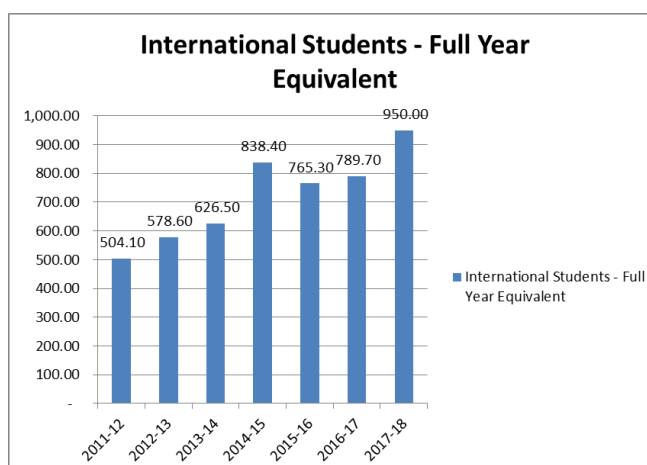
International students are first and foremost CBE students with three distinct differences:

- They pay international student fees which include all costs associated with studying in Alberta (no funding is provided by the province). See fees here [http://www.cbeinternational.ca/apply\\_fees.htm](http://www.cbeinternational.ca/apply_fees.htm).
- They are defined by Immigration, Refugees and Citizenship Canada (IRCC) as students and have permits which enable them to study.
- They most often live with custodians who are not their parents.

International students have the same rights, responsibilities and obligations as all other students. They are motivated for academic, cultural and social reasons to attend CBE schools. They see the benefits of developing English language skills as well as cross-cultural competencies that are gained through the experience of living abroad.

## Our International Student Population

Our international student population has grown steadily since the CBE program started in 2002. In the 2017-2018 school year, 950 international students from 47 countries studied in 94 schools..



## CBE International Student Program

In November 2002, the Board of Trustees approved the startup of an ISP to centralize all of the CBE's international services and programs and expand the scope of the program. CBE's international services and programs office:

- develops and maintains a strong reputation for the CBE worldwide.
- develops and executes a robust recruitment strategy through a variety of means.
- processes the admission, placement and support for all international students in their CBE schools.
- provides opportunities and experiences for students and staff to gain cross-cultural experiences and understandings.
- builds international partnerships that enhance the knowledge and intercultural competencies of both students and staff.
- promotes the CBE [International Certificate](#).

### Recruitment Strategy

Building and maintaining an ISP requires a well-articulated short and long term strategy. This is a highly competitive field and the CBE is competing with 133 Canadian school districts and several other English speaking countries including the US, Britain, New Zealand and Australia for international students. Our recruitment strategy includes:

- high-quality programming combined with specialized support services for students who are studying away from home.
- an efficient intake process for agents and parents that recognizes the complexities and legalities of international admissions.
- a sophisticated communication strategy to attract international students and ensure they have accurate information in making their decisions that includes a strong web and social media presence.
- participating in international recruitment events that enable us to have a face-to-face presence with potential students and agents.

Recruitment travel is a crucial part of an international student program. Meeting face-to-face with agents, parents and students around the world is a critical component to the success of all international student programs and is a key to the CBE's success in this highly competitive market. Costs for this essential part of an ISP are fully covered by the profits generated through the program.

This work is part of the for-profit component of the CBE. The revenue generated through the ISP far exceeds the costs of delivering it. In 2017-18, a significant portion of the \$11.7 million collected in fees was allocated directly to schools to provide instruction for these students. Additionally, international students contributed a net \$3.1 million to the CBE's bottom line after covering all costs.

	Actuals		Budget
	2016-17	2017-18	2018-19
Foreign student tuition revenue	\$ 10,343	\$ 11,680	\$ 11,400
Expenses			
Allocations to schools via the RAM	6,136	7,208	7,182
Management, recruitment and operation of ISP	1,619	1,344	1,420
	<u>7,755</u>	<u>8,552</u>	<u>8,602</u>
Surplus contributed to the CBE global budget	\$ 2,587	\$ 3,128	\$ 2,798

**Urban Schools Insurance Consortium  
Management Financial Statements  
For the eight months ended August 31, 2018**

**Contents:**

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

**Prepared by:**

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

As at August 31	2018	2017
<b>Assets</b>		
Cash and cash equivalents	\$ 2,188,659	\$ 1,574,094
Marketable securities	14,513,638	15,592,828
Accrued investment income	107,528	57,999
Claims recoverable	7,261	-
Deferred premium taxes	21,333	19,929
<b>Total Assets</b>	<b>\$ 16,838,419</b>	<b>\$ 17,244,850</b>
<b>Liabilities</b>		
Claims payable	\$ -	\$ 87,365
Accounts payable and accrued expenses	72,087	69,283
Deferred revenue	83,355	75,321
Unearned premiums	533,333	531,247
Provision for unpaid claims and loss adjustment expenses	8,162,170	8,631,349
<b>Total Liabilities</b>	<b>8,850,945</b>	<b>9,394,565</b>
<b>Subscribers' Surplus</b>		
Subscribers' contributions	481,391	481,391
Retained Earnings	7,506,083	7,368,894
<b>Total Subscribers' Surplus</b>	<b>7,987,474</b>	<b>7,850,285</b>
<b>Total Liabilities and Subscribers' Surplus</b>	<b>\$ 16,838,419</b>	<b>\$ 17,244,850</b>

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

For the eight months ended August 31	Actual 2018	Budget 2018	Variance Favourable / (Unfavourable)	Actual 2017
<b>Income</b>				
Gross premiums written	\$ -	\$ -	\$ -	\$ -
Change in unearned premium reserve	2,133,334	2,133,334	-	2,124,988
Premiums earned	2,133,334	2,133,334	-	2,124,988
Other insurance income	333,420	301,334	32,086	301,284
Investment income	168,848	120,000	48,848	184,618
Realized gains (losses) on investments	163,902	-	163,902	(59,092)
Unrealized gains (losses) on investments	(487,118)	-	(487,118)	22,247
<b>Total income</b>	<b>2,312,386</b>	<b>2,554,668</b>	<b>(242,282)</b>	<b>2,574,045</b>
<b>Expenses</b>				
Losses paid	2,741,370	-	-	3,835,187
Change in outstanding loss reserves	414,285	-	-	(2,372,846)
Change in incurred but not reported reserves	(3,155,655)	-	-	363,219
Losses incurred	-	1,665,678	1,665,678	1,825,560
Premium taxes	85,334	85,334	-	78,396
General and administrative expenses	389,240	397,635	8,395	378,589
<b>Total expenses</b>	<b>474,574</b>	<b>2,148,647</b>	<b>1,674,073</b>	<b>2,282,545</b>
<b>Total comprehensive income</b>	<b>\$ 1,837,812</b>	<b>\$ 406,021</b>	<b>\$ 1,431,791</b>	<b>\$ 291,500</b>



**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, 2017	\$ 7,077,394	\$ 481,391	\$ 7,558,785
Total comprehensive income	291,500	-	291,500
<b>As at August 31, 2017</b>	<b>\$ 7,368,894</b>	<b>\$ 481,391</b>	<b>\$ 7,850,285</b>
As at January 1, 2018	\$ 5,668,271	\$ 481,391	\$ 6,149,662
Total comprehensive income	1,837,812	-	1,837,812
<b>As at August 31, 2018</b>	<b>\$ 7,506,083</b>	<b>\$ 481,391</b>	<b>\$ 7,987,474</b>

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

For the eight months ended August 31	2018	2017
<b>Operating Activities</b>		
Total comprehensive income	\$ 1,837,812	\$ 291,500
Items not involving cash:		
Net investment income	154,368	(147,773)
Change in non-cash operating accounts:		
Insurance balances receivable	180,263	51,872
Claims recoverable	(7,261)	-
Prepaid expenses	-	32,052
Commissions receivable	500,130	452,990
Deferred premium taxes	85,333	86,320
Accounts payable and accrued expenses	(199,377)	(190,652)
Deferred revenue	(333,420)	(302,171)
Claims payable	-	87,365
Premium tax payable	(128,000)	(127,499)
Unearned premiums	(2,133,334)	(2,124,988)
Provision for unpaid claims and loss adjustment expenses	(2,741,375)	(2,009,628)
	(2,784,861)	(3,900,612)
<b>Investing Activities</b>		
Investment income received	190,632	192,015
Investment management fees	(6,188)	(16,432)
Purchases of marketable securities	(15,774,052)	(7,951,318)
Proceeds from sales of marketable securities	16,879,402	7,791,195
	1,289,794	15,460
Decrease in cash and cash equivalents	(1,495,067)	(3,885,152)
Cash and cash equivalents, opening	3,683,726	5,459,246
<b>Cash and cash equivalents, ending</b>	<b>\$ 2,188,659</b>	<b>\$ 1,574,094</b>

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

as at August 31, 2018

<b>Member</b>	<b>Percentage Share at Dec/17</b>	<b>Share of Equity at 31/12/17 (Note)</b>	<b>New Equity Balance</b>	<b>Share at August 31, 2018</b>
Calgary Board of Education	32.4597%	1,996,160	2,644,279	33.1053%
Calgary Roman Catholic	12.5917%	774,349	998,098	12.4958%
Edmonton Public Schools	24.8849%	1,530,336	1,990,181	24.9163%
Fort McMurray S.D. No. 2833	1.9295%	118,657	177,053	2.2166%
Grande Prairie S.D. No. 2357	2.2054%	135,622	197,321	2.4704%
Grande Prairie Roman Catholic	1.1732%	72,149	99,795	1.2494%
Holy Spirit Roman Catholic	1.6462%	101,233	133,346	1.6694%
Lethbridge S.D. No. 51	2.7498%	169,104	215,091	2.6929%
Medicine Hat S.D. No. 76	2.4637%	151,509	186,813	2.3388%
Medicine Hat Catholic	1.2595%	77,455	93,628	1.1722%
Red Deer S.D. No. 104	3.0716%	188,893	248,078	3.1058%
Red Deer Catholic	2.1639%	133,074	165,061	2.0665%
Rocky View Schools (RVS)	9.2144%	566,652	670,180	8.3904%
St. Albert P.S.D. No. 5565	2.1866%	134,469	168,550	2.1102%
<b>TOTAL</b>	<b>100.0000%</b>	<b>6,149,662</b>	<b>7,987,474</b>	<b>100.0000%</b>

## **APPENDIX C: PROGRAM REPORTING**

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### **Section C.1 FUNDING FRAMEWORK PRINCIPLES**

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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**

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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**

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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 DEFINITIONS**

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### **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 1<sup>st</sup>) 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, 2018**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

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

Legal Name of School Jurisdiction

**1221 8 Street SW Calgary AB T2R 0L4**

Mailing Address

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

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**

David Stevenson  
Name

  
Signature

**SECRETARY-TREASURER OR TREASURER**

Bradley Grundy  
Name

  
Signature

November 27, 2018

**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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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the Calgary Board of Education

We have audited the accompanying consolidated financial statements of the Calgary Board of Education, which comprise the consolidated statement of financial position as at August 31, 2018, the consolidated statements of operations, changes in net debt, accumulated remeasurement gains and losses, and cash flows for the year then ended, which are presented in the format prescribed by Alberta Education, and notes, comprising a summary of significant accounting policies and other explanatory information, including complete Schedules 1,2,3,5, and 6, Schedule 4 excluding the row under "Square Metres", and Schedule 7 excluding the column "FTE".

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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



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

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

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Calgary Board of Education as at August 31, 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 year then ended in accordance with Canadian public sector accounting standards and the presentation requirements of Alberta Education.



## **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 Metres Square as reported in the specific rows “Square Metres – 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 year ended August 31, 2018.

### *Management’s Responsibility*

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

*Specific Purpose of Subject Matter Information*

The subject matter information has been prepared in accordance with the applicable criteria referred to above.

As a result the subject matter information may not be suitable for another purpose.

*Opinion*

In our opinion, FTE and Metres Square as reported in the specific row "Square Metres – School buildings" in Schedule 4 and column "FTE" in Schedule 7 for the year ended August 31, 2018 have been prepared, in all material respects, in accordance the applicable criteria.

*KPMG LLP*

Chartered Professional Accountants

November 27, 2018  
Calgary, Canada

**STATEMENT OF FINANCIAL POSITION**  
As at August 31, 2018 (in dollars)

		2018	2017
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	(Schedule 5; Note 3)	\$ 141,747,000	\$ 86,417,000
Accounts receivable (net after allowances)	(Note 4)	\$ 44,623,000	\$ 21,062,000
Portfolio investments	(Schedule 5)	\$ 20,517,000	\$ 100,305,000
Other financial assets		\$ -	\$ -
<b>Total financial assets</b>		\$ 206,887,000	\$ 207,784,000
<b>LIABILITIES</b>			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 88,766,000	\$ 89,889,000
Deferred revenue	(Notes 5 and 14)	\$ 1,189,239,000	\$ 1,115,450,000
Employee future benefits liabilities	(Note 7)	\$ 25,732,000	\$ 25,545,000
Liability for contaminated sites		\$ -	\$ -
Other liabilities	(Note 8)	\$ 327,000	\$ 327,000
Debt			
Supported: Debentures and other supported debt	(Note 9)	\$ 528,000	\$ 1,369,000
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases	(Note 10)	\$ 12,833,000	\$ 12,541,000
<b>Total liabilities</b>		\$ 1,317,425,000	\$ 1,245,121,000
<b>Net debt</b>		\$ (1,110,538,000)	\$ (1,037,337,000)
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	(Schedule 6)		
Land		\$ 2,711,000	\$ 2,711,000
Construction in progress		\$ 3,887,000	\$ 58,785,000
Buildings		\$ 1,792,421,000	
Less: Accumulated amortization		\$ (574,863,000)	\$ 1,217,558,000
Equipment		\$ 151,210,000	
Less: Accumulated amortization		\$ (113,640,000)	\$ 37,570,000
Vehicles		\$ 10,057,000	
Less: Accumulated amortization		\$ (7,367,000)	\$ 2,690,000
Computer Equipment		\$ 167,168,000	
Less: Accumulated amortization		\$ (123,488,000)	\$ 43,680,000
<b>Total tangible capital assets</b>		\$ 1,308,096,000	\$ 1,244,162,000
Prepaid expenses		\$ 16,302,000	\$ 10,301,000
Other non-financial assets			\$ -
<b>Total non-financial assets</b>		\$ 1,324,398,000	\$ 1,254,463,000
<b>Accumulated surplus</b>	(Schedule 1; Note 11)	\$ 213,860,000	\$ 217,126,000
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 213,063,000	\$ 215,115,000
Accumulated rereasurement gains (losses)		\$ 797,000	\$ 2,011,000
		\$ 213,860,000	\$ 217,126,000
<b>Contractual rights</b>	(Note 15)		
<b>Contingent assets</b>			
<b>Contractual obligations</b>			
<b>Contingent liabilities</b>	(Note 15)		

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

**STATEMENT OF OPERATIONS**  
For the Year Ended August 31, 2018 (in dollars)

	Budget 2018	Actual 2018	Actual 2017
<b>REVENUES</b>			
Alberta Education	\$ 1,274,436,000	\$ 1,265,557,000	\$ 1,230,285,000
Other - Government of Alberta	\$ 328,000	\$ 265,000	\$ 376,000
Federal Government and First Nations	\$ 3,207,000	\$ 3,287,000	\$ 3,169,000
Other Alberta school authorities	\$ 303,000	\$ 350,000	\$ 663,000
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ 38,094,000	\$ 38,974,000	\$ 51,782,000
Other sales and services	\$ 25,144,000	\$ 30,340,000	\$ 26,922,000
Investment income	\$ 3,167,000	\$ 7,180,000	\$ 4,124,000
Gifts and donations	\$ 7,266,000	\$ 7,957,000	\$ 9,076,000
Rental of facilities	\$ 5,393,000	\$ 4,878,000	\$ 5,436,000
Fundraising	\$ 7,200,000	\$ 2,640,000	\$ 7,485,000
Gains on disposal of capital assets	\$ -	\$ (18,000)	\$ 18,000
Other revenue	\$ -	\$ 1,737,000	\$ 369,000
<b>Total revenues</b>	\$ 1,364,538,000	\$ 1,363,147,000	\$ 1,339,705,000
<b>EXPENSES</b>			
Instruction - ECS	\$ 57,353,000	\$ 52,780,000	\$ 51,485,000
Instruction - Grades 1 - 12	\$ 1,030,679,000	\$ 1,024,638,000	\$ 1,014,823,000
Plant operations and maintenance (Schedule 4)	\$ 182,195,000	\$ 157,312,000	\$ 174,651,000
Transportation	\$ 48,065,000	\$ 49,605,000	\$ 52,926,000
Board & system administration	\$ 37,495,000	\$ 47,247,000	\$ 36,925,000
External services	\$ 23,751,000	\$ 33,617,000	\$ 24,030,000
<b>Total expenses</b>	\$ 1,379,538,000	\$ 1,365,199,000	\$ 1,354,840,000
<b>Operating surplus (deficit)</b>	\$ (15,000,000)	\$ (2,052,000)	\$ (15,135,000)

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



**STATEMENT OF CASH FLOWS**  
For the Year Ended August 31, 2018 (in dollars)

	2018	2017
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	\$ (2,052,000)	\$ (15,135,000)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 66,419,000	\$ 57,317,000
Gains on disposal of tangible capital assets	\$ 18,000	\$ (18,000)
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (38,999,000)	\$ (33,140,000)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (23,561,000)	\$ 31,815,000
Prepays	\$ (6,001,000)	\$ (3,866,000)
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ (1,123,000)	\$ (855,000)
Deferred revenue (excluding EDCR)	\$ 112,788,000	\$ 69,461,000
Employee future benefit liabilities	\$ 187,000	\$ 717,000
Supported debt: debentures	\$ (841,000)	\$ (1,567,000)
<b>Total cash flows from operating transactions</b>	<b>\$ 106,835,000</b>	<b>\$ 104,729,000</b>
<b>B. CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (105,566,000)	\$ (165,636,000)
Equipment	\$ (7,197,000)	\$ (11,477,000)
Vehicles	\$ (476,000)	\$ (204,000)
Computer equipment	\$ (17,132,000)	\$ (22,694,000)
Net proceeds from disposal of unsupported capital assets	\$ -	\$ 18,000
Other - Rounding		\$ -
<b>Total cash flows from capital transactions</b>	<b>\$ (130,371,000)</b>	<b>\$ (199,993,000)</b>
<b>C. INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	\$ (74,848,000)	\$ (18,276,000)
Dispositions of portfolio investments	\$ 157,675,000	\$ 13,445,000
Remeasurement (gains) losses reclassified to the statement of operations	\$ (4,196,000)	\$ 53,000
Other - Foreign Exchange Loss	\$ (57,000)	\$ (394,000)
Other (Describe)	\$ -	\$ -
<b>Total cash flows from investing transactions</b>	<b>\$ 78,574,000</b>	<b>\$ (5,172,000)</b>
<b>D. FINANCING TRANSACTIONS</b>		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (841,000)	\$ (1,567,000)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ 2,048,000	\$ (1,408,000)
Repayment of capital leases	\$ (1,756,000)	\$ 3,768,000
Other (describe)		\$ -
Supported debt: debentures	\$ 841,000	\$ 1,567,000
<b>Total cash flows from financing transactions</b>	<b>\$ 292,000</b>	<b>\$ 2,360,000</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>\$ 55,330,000</b>	<b>\$ (98,076,000)</b>
<b>Cash and cash equivalents, at beginning of year</b>	<b>\$ 86,417,000</b>	<b>\$ 184,493,000</b>
<b>Cash and cash equivalents, at end of year</b>	<b>\$ 141,747,000</b>	<b>\$ 86,417,000</b>

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

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)**  
**For the Year Ended August 31, 2018 (in dollars)**

	Budget 2018	2018	2017
Operating surplus (deficit)	\$ (15,000,000)	\$ (2,052,000)	\$ (15,135,000)
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (19,618,000)	\$ (130,371,000)	\$ (200,011,000)
Amortization of tangible capital assets	\$ 67,339,000	\$ 66,419,000	\$ 57,317,000
Net carrying value of tangible capital assets disposed of	\$ -	\$ 18,000	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ (3,292,000)	\$ -	
<b>Total effect of changes in tangible capital assets</b>	\$ 44,429,000	\$ (63,934,000)	\$ (142,694,000)
Changes in:			
Prepaid expenses	\$ -	\$ (6,001,000)	\$ (3,866,000)
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ (1,214,000)	\$ (1,717,000)
Endowments	\$ -	\$ -	\$ -
<b>Increase (decrease) in net financial assets (net debt)</b>	\$ 29,429,000	\$ (73,201,000)	\$ (163,412,000)
<b>Net financial assets (net debt) at beginning of year</b>	\$ (1,037,337,000)	\$ (1,037,337,000)	\$ (873,925,000)
<b>Net financial assets (net debt) at end of year</b>	\$ (1,007,908,000)	\$ (1,110,538,000)	\$ (1,037,337,000)

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

**STATEMENT OF REMEASUREMENT GAINS AND LOSSES**

For the Year Ended August 31, 2018 (in dollars)

	2018	2017
<b>Accumulated remeasurement gains (losses) at beginning of year</b>	\$ 2,011,000	\$ 3,728,000
Prior Period Adjustment 1 (Describe)	\$ -	\$ -
Prior Period Adjustment 2 (Describe)	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ 3,039,000	\$ (1,376,000)
Foreign Currency Translation	\$ (57,000)	\$ (394,000)
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ (4,196,000)	\$ 53,000
Other	\$ -	\$ -
<b>Net remeasurement gains (losses) for the year</b>	\$ (1,214,000)	\$ (1,717,000)
<b>Accumulated remeasurement gains (losses) at end of year</b>	\$ 797,000	\$ 2,011,000

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, 2018 (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
<b>Balance at August 31, 2017</b>	\$ 217,126,000	\$ 2,011,000	\$ 215,115,000	\$ 159,776,000	\$ 3,850,000	\$ -	\$ 19,088,000	\$ 32,401,000
<b>Prior period adjustments:</b>								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2017</b>	\$ 217,126,000	\$ 2,011,000	\$ 215,115,000	\$ 159,776,000	\$ 3,850,000	\$ -	\$ 19,088,000	\$ 32,401,000
Operating surplus (deficit)	\$ (2,052,000)		\$ (2,052,000)			\$ (2,052,000)		
Board funded tangible capital asset additions				\$ 24,603,000		\$ (7,691,000)	\$ -	\$ (16,912,000)
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	\$ (1,214,000)	\$ (1,214,000)						
Endowment expenses & disbursements	\$ -		\$ -		\$ -	\$ -		
Endowment contributions	\$ -		\$ -		\$ 315,000	\$ (315,000)		
Reinvested endowment income	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus (Describe)	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (66,419,000)		\$ 66,419,000		
Capital revenue recognized	\$ -			\$ 38,999,000		\$ (38,999,000)		
Debt principal repayments (unsupported)	\$ -			\$ 1,762,000		\$ (1,762,000)		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ (7,829,000)	\$ 7,829,000	
Net transfers from operating reserves	\$ -					\$ 940,000	\$ (940,000)	
Net transfers to capital reserves	\$ -					\$ (8,711,000)		\$ 8,711,000
Net transfers from capital reserves	\$ -					\$ -		\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2018</b>	\$ 213,860,000	\$ 797,000	\$ 213,063,000	\$ 158,721,000	\$ 4,165,000	\$ -	\$ 25,977,000	\$ 24,200,000

**SCHEDULE 1**

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS  
for the Year Ended August 31, 2018 (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
<b>Balance at August 31, 2017</b>	\$ 28,773,000	\$ 10,386,000	\$ -	\$ 16,951,000	\$ (9,685,000)	\$ 4,935,000	\$ -	\$ -	\$ -	\$ 129,000
<b>Prior period adjustments:</b>										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2017</b>	\$ 28,773,000	\$ 10,386,000	\$ -	\$ 16,951,000	\$ (9,685,000)	\$ 4,935,000	\$ -	\$ -	\$ -	\$ 129,000
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ (10,386,000)	\$ -	\$ (1,462,000)	\$ -	\$ (4,935,000)	\$ -	\$ -	\$ -	\$ (129,000)
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	\$ 7,175,000		\$ -		\$ 654,000		\$ -		\$ -	
Net transfers from operating reserves	\$ (461,000)		\$ -		\$ (479,000)		\$ -		\$ -	
Net transfers to capital reserves		\$ 6,271,000		\$ 395,000		\$ 1,069,000		\$ -		\$ 976,000
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2018</b>	\$ 35,487,000	\$ 6,271,000	\$ -	\$ 15,884,000	\$ (9,510,000)	\$ 1,069,000	\$ -	\$ -	\$ -	\$ 976,000

## SCHEDULE 2

**SCHEDULE OF CAPITAL REVENUE**  
**(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)**  
for the Year Ended August 31, 2018 (in dollars)

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects <sup>(A)</sup>	Surplus from Provincially Approved Projects <sup>(B)</sup>	Proceeds on Disposal of Provincially Funded Tangible Capital Assets <sup>(C)</sup>	Unexpended Deferred Capital Revenue from Other Sources <sup>(D)</sup>	
<b>Balance at August 31, 2017</b>	\$ 2,049,000	\$ -	\$ 8,376,000	\$ -	\$ 1,072,414,000
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2017	\$ 2,049,000	\$ -	\$ 8,376,000	\$ -	\$ 1,072,414,000
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education capital funding (excl. IMR)	\$ 86,774,000				
Alberta Infrastructure school building & modular projects	\$ -				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ 19,490,000				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education capital funding (excl. IMR)	\$ -				
Alberta Infrastructure school building & modular projects	\$ -				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ 3,000	\$ -	\$ -	\$ -	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:					
Alberta Infrastructure managed projects					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (96,362,000)	\$ -	\$ (7,356,000)	\$ -	\$ 103,718,000
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Supported tangible capital dispositions					\$ -
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 20,508,000
Capital revenue recognized - Other Government of Alberta					\$ 18,491,000
Capital revenue recognized - Other revenue					\$ -
<b>Balance at August 31, 2018</b>	\$ 11,954,000	\$ -	\$ 1,020,000	\$ -	\$ 1,137,133,000
	(A)	(B)	(C)	(D)	
<b>Balance of Unexpended Deferred Capital Revenue at August 31, 2018 (A) + (B) + (C) + (D)</b>				\$ 12,974,000	

**Unexpended Deferred Capital Revenue**

(A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only. Please specify department if funds received from a source other than Alberta Education.

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

(C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved capital assets per 10(2)(a) of Disposition of Property Reg. 181/2010.

(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

**SCHEDULE OF PROGRAM OPERATIONS**  
for the Year Ended August 31, 2018 (in dollars)

REVENUES	2018							2017
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 52,106,000	\$ 978,904,000	\$ 143,357,000	\$ 42,137,000	\$ 49,053,000	\$ -	\$ 1,265,557,000	\$ 1,230,285,000
(2) Other - Government of Alberta	\$ -	\$ 133,000	\$ 128,000	\$ -	\$ -	\$ 4,000	\$ 265,000	\$ 376,000
(3) Federal Government and First Nations	\$ -	\$ 1,123,000	\$ -	\$ -	\$ 11,000	\$ 2,153,000	\$ 3,287,000	\$ 3,169,000
(4) Other Alberta school authorities	\$ -	\$ 316,000	\$ 34,000	\$ -	\$ -	\$ -	\$ 350,000	\$ 663,000
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ -	\$ 20,432,000		\$ 4,585,000		\$ 13,957,000	\$ 38,974,000	\$ 51,782,000
(9) Other sales and services	\$ 463,000	\$ 13,867,000	\$ 179,000	\$ 8,000	\$ 780,000	\$ 15,043,000	\$ 30,340,000	\$ 26,922,000
(10) Investment income	\$ -	\$ 714,000	\$ -	\$ -	\$ 6,466,000	\$ -	\$ 7,180,000	\$ 4,124,000
(11) Gifts and donations	\$ -	\$ 7,957,000	\$ -	\$ -	\$ -	\$ -	\$ 7,957,000	\$ 9,076,000
(12) Rental of facilities	\$ -	\$ -	\$ 355,000	\$ -	\$ 444,000	\$ 4,079,000	\$ 4,878,000	\$ 5,436,000
(13) Fundraising	\$ -	\$ 2,640,000	\$ -	\$ -	\$ -	\$ -	\$ 2,640,000	\$ 7,485,000
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ (18,000)	\$ -	\$ -	\$ -	\$ (18,000)	\$ 18,000
(15) Other revenue	\$ -	\$ 1,704,000	\$ 19,000	\$ -	\$ -	\$ 14,000	\$ 1,737,000	\$ 369,000
(16) <b>TOTAL REVENUES</b>	\$ 52,569,000	\$ 1,027,790,000	\$ 144,054,000	\$ 46,730,000	\$ 56,754,000	\$ 35,250,000	\$ 1,363,147,000	\$ 1,339,705,000
<b>EXPENSES</b>								
(17) Certificated salaries	\$ 28,902,000	\$ 625,152,000			\$ 1,130,000	\$ 6,865,000	\$ 662,049,000	\$ 641,046,000
(18) Certificated benefits	\$ 3,204,000	\$ 141,111,000			\$ 587,000	\$ 800,000	\$ 145,702,000	\$ 141,283,000
(19) Non-certificated salaries and wages	\$ 13,751,000	\$ 115,454,000	\$ 49,988,000	\$ 2,103,000	\$ 16,305,000	\$ 13,879,000	\$ 211,480,000	\$ 208,683,000
(20) Non-certificated benefits	\$ 3,374,000	\$ 29,189,000	\$ 11,996,000	\$ 554,000	\$ 3,441,000	\$ 2,848,000	\$ 51,402,000	\$ 53,546,000
(21) SUB - TOTAL	\$ 49,231,000	\$ 910,906,000	\$ 61,984,000	\$ 2,657,000	\$ 21,463,000	\$ 24,392,000	\$ 1,070,633,000	\$ 1,044,558,000
(22) Services, contracts and supplies	\$ 2,826,000	\$ 99,079,000	\$ 48,268,000	\$ 45,923,000	\$ 20,885,000	\$ 6,245,000	\$ 223,226,000	\$ 244,671,000
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 38,999,000	\$ -	\$ -	\$ -	\$ 38,999,000	\$ 33,140,000
(24) Amortization of unsupported tangible capital assets	\$ 706,000	\$ 14,292,000	\$ 7,595,000	\$ -	\$ 4,827,000	\$ -	\$ 27,420,000	\$ 24,177,000
(25) Supported interest on capital debt	\$ -	\$ -	\$ 128,000	\$ -	\$ -	\$ -	\$ 128,000	\$ 273,000
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ 338,000	\$ -	\$ 22,000	\$ -	\$ 360,000	\$ 337,000
(27) Other interest and finance charges	\$ 17,000	\$ 361,000	\$ -	\$ 151,000	\$ 68,000	\$ 271,000	\$ 868,000	\$ 864,000
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ 874,000	\$ (18,000)	\$ 2,709,000	\$ 3,565,000	\$ 6,820,000
(30) <b>TOTAL EXPENSES</b>	\$ 52,780,000	\$ 1,024,638,000	\$ 157,312,000	\$ 49,605,000	\$ 47,247,000	\$ 33,617,000	\$ 1,365,199,000	\$ 1,354,840,000
(31) <b>OPERATING SURPLUS (DEFICIT)</b>	\$ (211,000)	\$ 3,152,000	\$ (13,258,000)	\$ (2,875,000)	\$ 9,507,000	\$ 1,633,000	\$ (2,052,000)	\$ (15,135,000)

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES  
for the Year Ended August 31, 2018 (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	2018 TOTAL Operations and Maintenance	2017 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 31,954,000	\$ 10,951,000	\$ -	\$ 666,000	\$ 6,417,000			\$ 49,988,000	\$ 51,348,000
Uncertificated benefits	\$ 8,163,000	\$ 2,499,000	\$ -	\$ 329,000	\$ 1,005,000			\$ 11,996,000	\$ 13,203,000
Sub-total Remuneration	\$ 40,117,000	\$ 13,450,000	\$ -	\$ 995,000	\$ 7,422,000			\$ 61,984,000	\$ 64,551,000
Supplies and services	\$ 4,355,000	\$ 5,727,000	\$ 26,000	\$ 12,934,000	\$ 628,000			\$ 23,670,000	\$ 48,642,000
Electricity			\$ 9,302,000					\$ 9,302,000	\$ 10,221,000
Natural gas/heating fuel			\$ 5,811,000					\$ 5,811,000	\$ 5,680,000
Sewer and water			\$ 2,519,000					\$ 2,519,000	\$ 2,472,000
Telecommunications			\$ 201,000					\$ 201,000	\$ 180,000
Insurance					\$ 3,967,000			\$ 3,967,000	\$ 3,790,000
ASAP maintenance & renewal payments							\$ 2,766,000	\$ 2,766,000	\$ -
Amortization of tangible capital assets									
Supported							\$ 38,999,000	\$ 38,999,000	\$ 33,140,000
Unsupported						\$ 7,595,000		\$ 7,595,000	\$ 4,888,000
Total Amortization						\$ 7,595,000	\$ 38,999,000	\$ 46,594,000	\$ 38,028,000
Interest on capital debt									
Supported							\$ 128,000	\$ 128,000	\$ 273,000
Unsupported						\$ 338,000		\$ 338,000	\$ 277,000
Lease payments for facilities				\$ 32,000				\$ 32,000	\$ 482,000
Other interest charges						\$ -		\$ -	\$ 55,000
Losses on disposal of capital assets						\$ -		\$ -	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 44,472,000</b>	<b>\$ 19,177,000</b>	<b>\$ 17,859,000</b>	<b>\$ 13,961,000</b>	<b>\$ 12,017,000</b>	<b>\$ 7,933,000</b>	<b>\$ 41,893,000</b>	<b>\$ 157,312,000</b>	<b>\$ 174,651,000</b>
<b>SQUARE METRES</b>									
School buildings								1,485,040.0	1,458,511.3
Non school buildings								58,767.2	58,767.2

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 OF CASH, CASH EQUIVALENTS, AND PORTFOLIO INVESTMENTS  
for the Year Ended August 31, 2018 (in dollars)**

**Cash & Cash Equivalents**

	2018			2017
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash	2%	\$ 140,872,000	\$ 140,872,000	\$ 85,544,000
Cash equivalents				
Government of Canada, direct and guaranteed	0.00%	-	-	-
Provincial, direct and guaranteed	0.00%	-	-	-
Corporate	0.00%	-	-	-
Municipal	0.00%	-	-	-
Pooled investment funds	0.00%	-	-	-
Other, including GIC's	1.30%	875,000	875,000	873,000
Total cash and cash equivalents	0.01%	\$ 141,747,000	\$ 141,747,000	\$ 86,417,000

See Note 3 for additional detail.

**Portfolio Investments**

	2018			2017	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -	\$ -	\$ -	\$ -
Guaranteed investment certificates	2.21%	13,507,000	13,507,000	13,507,000	13,190,000
Fixed income securities					
Government of Canada, direct and guaranteed	0.00%	\$ -	\$ -	\$ -	\$ -
Provincial, direct and guaranteed	0.00%	-	-	-	-
Municipal	0.00%	-	-	-	-
Corporate	0.00%	-	-	-	48,767,000
Pooled investment funds	0.00%	-	-	-	-
Total fixed income securities	0.00%	-	-	-	48,767,000
Equities					
Canadian	0.00%	\$ -	\$ -	\$ -	\$ 12,927,000
Foreign	0.00%	-	-	-	18,881,000
Total equities	0.00%	-	-	-	31,808,000
Supplemental integrated pension plan assets	0.00%	\$ -	\$ -	\$ -	\$ -
Restricted investments	2.06%	5,625,000	7,010,000	7,010,000	6,540,000
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Total portfolio investments	2.16%	\$ 19,132,000	\$ 20,517,000	\$ 20,517,000	\$ 100,305,000

See Note 5 for additional detail.

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

	2018	2017
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 6**

School Jurisdiction Code: 3030

**SCHEDULE OF CAPITAL ASSETS  
for the Year Ended August 31, 2018 (in dollars)**

Tangible Capital Assets	2018						2017
	Land	Construction In Progress*	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total
Estimated useful life			25-50 Years	5-10 Years	5-10 Years	3-5 Years	
<b>Historical cost</b>							
Beginning of year	\$ 2,711,000	\$ 58,785,000	\$ 1,631,957,000	\$ 152,118,000	\$ 10,073,000	\$ 167,156,000	\$ 2,022,800,000
Prior period adjustments	-	-	-	-	-	-	-
Additions	-	105,566,000	-	7,197,000	476,000	17,132,000	130,371,000
Transfers in (out)	-	(160,464,000)	160,464,000	-	-	-	-
Less disposals including write-offs	-	-	-	(8,105,000)	(492,000)	(17,120,000)	(25,717,000)
Historical cost, August 31, 2018	\$ 2,711,000	\$ 3,887,000	\$ 1,792,421,000	\$ 151,210,000	\$ 10,057,000	\$ 167,168,000	\$ 2,127,454,000
<b>Accumulated amortization</b>							
Beginning of year	\$ -	\$ -	\$ 533,543,000	\$ 112,871,000	\$ 7,077,000	\$ 125,147,000	\$ 778,638,000
Prior period adjustments	-	-	-	-	-	-	-
Amortization	-	-	41,320,000	8,874,000	764,000	15,461,000	66,419,000
Other additions	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	(8,105,000)	(474,000)	(17,120,000)	(25,699,000)
Accumulated amortization, August 31, 2018	\$ -	\$ -	\$ 574,863,000	\$ 113,640,000	\$ 7,367,000	\$ 123,488,000	\$ 819,358,000
<b>Net Book Value at August 31, 2018</b>	\$ 2,711,000	\$ 3,887,000	\$ 1,217,558,000	\$ 37,570,000	\$ 2,690,000	\$ 43,680,000	\$ 1,308,096,000
<b>Net Book Value at August 31, 2017</b>	\$ 2,711,000	\$ 58,785,000	\$ 1,098,414,000	\$ 39,247,000	\$ 2,996,000	\$ 42,009,000	\$ 1,244,162,000

	2018	2017
Total cost of assets under capital lease	\$ 42,774,000	\$ 40,727,000
Total amortization of assets under capital lease	\$ 17,888,000	\$ 15,332,000

Construction in Progress consists of 5 schools (1 new school, 1 replacement and 3 modernizations), expected to be open in fall/winter 2018. An additional \$1,815,165 in construction-in-progress is not included in this figure as this amount represents four (4) additional schools that are managed and controlled by Alberta Infrastructure. Once the schools are complete, the school division will report these schools in its tangible capital assets.

**SCHEDULE 7**

School Jurisdiction Code: 3030

**SCHEDULE OF REMUNERATION AND MONETARY INCENTIVES  
for the Year Ended August 31, 2018 (in dollars)**

<b>Board Members:</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Allowances</b>	<b>Performance Bonuses</b>	<b>ERIP's / Other Paid</b>	<b>Other Accrued Unpaid Benefits (1)</b>	<b>Expenses</b>
Joy Bowen-Eyre, Chair	0.16	\$8,567	\$1,157	\$23,147			\$0	\$179
Trina Hurdman, Chair	0.85	\$46,750	\$6,204	\$3,548			\$18,750	\$4,786
Trina Hurdman, Vice chair	0.15	\$7,615	\$990	\$568			\$0	\$0
Marilyn Dennis, Vice Chair	0.85	\$43,279	\$6,191	\$3,548			\$1,731	\$3,944
Pamela King	0.16	\$7,010	\$1,081	\$23,147			\$0	\$0
Lynn Ferguson	0.16	\$7,010	\$1,081	\$23,147			\$0	\$0
Amber Stewart	0.16	\$7,010	\$1,081	\$7,570			\$0	\$66
Judy Hehr	0.16	\$7,010	\$1,081	\$7,570			\$0	\$66
Julie Hrdicka	1.00	\$45,173	\$6,932	\$4,116			\$15,000	\$3,997
Althea Adams	0.87	\$39,029	\$5,981	\$3,548			\$1,731	\$1,471
Lisa Davis	0.87	\$39,029	\$5,981	\$3,548			\$1,731	\$593
Richard Hehr	0.87	\$39,029	\$3,830	\$3,548			\$1,731	\$3,119
Mike Bradshaw	0.87	\$39,029	\$5,981	\$3,548			\$1,731	\$0
<b>Subtotal</b>	<b>7.13</b>	<b>\$335,540</b>	<b>\$47,571</b>	<b>\$110,553</b>			<b>\$42,405</b>	<b>\$18,221</b>
David Stevenson, Chief Superintendent	1.00	\$296,435	\$33,084	\$15,058	\$0	\$0	\$508,081	\$5,957
Brad Grundy, CFO	1.00	\$240,788	\$59,927	\$8,022	\$0	\$0	\$115,717	\$7,526
Kelly Ann Fenney, Director of Legal Services (2)	1.00	\$177,443	\$55,142	\$0	\$0	\$0	\$19,566	\$4,135
Deputy Chiefs (2 staff)	1.14	\$322,348	\$39,690	\$9,406	\$0	\$185,444	\$116,954	\$3,575
Superintendents (4 staff)	3.39	\$778,980	\$194,479	\$27,163	\$0	\$0	\$227,670	\$7,231
Certificated		\$661,340,424	\$144,685,164	\$0	\$0	\$37,028	\$0	
School based	6,539.71							
Non-School based	144.03							
Non-certificated		\$210,038,038	\$49,133,278	\$0	\$0	\$1,432,217	\$0	
Instructional	2,203.25							
Plant Operations & Maintenance	827.25							
Transportation	43.50							
Other	416.60							
<b>TOTALS</b>	<b>10,189.00</b>	<b>\$873,529,996</b>	<b>\$194,248,335</b>	<b>\$170,202</b>	<b>\$0</b>	<b>\$1,654,689</b>	<b>\$1,030,393</b>	<b>\$46,645</b>

(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.

**SCHEDULE 8**

**UNAUDITED SCHEDULE OF FEES**  
for the Year Ending August 31, 2018 (in dollars)

	Actual Fees Collected 2016/2017	Budgeted Fee Revenue 2017/2018	(A) Actual Fees Collected 2017/2018	(B) Unexpended September 1, 2017*	(C) Funds Raised to Defray Fees 2017/2018	(D) Expenditures 2017/2018	(A) + (B) + (C) - (D) Unexpended Balance at August 31, 2018*
<b>Transportation Fees</b>	\$8,642,000	\$5,930,000	\$4,585,000	\$0	\$0	\$7,460,000	\$0
<b>Basic Instruction Fees</b>							
Basic instruction supplies	\$9,870,000	\$0	\$273,000	\$0	\$0	\$273,000	\$0
<b>Fees to Enhance Basic Instruction</b>							
Technology user fees	\$2,000	\$3,000	\$9,000	\$0	\$0	\$9,000	\$0
Alternative program fees	\$605,000	\$757,000	\$460,000	\$247,000	\$0	\$288,000	\$419,000
Fees for optional courses	\$2,297,000	\$2,868,000	\$2,128,000	\$938,000	\$0	\$2,801,000	\$265,000
Activity fees	\$13,158,000	\$11,504,000	\$12,949,000	\$5,373,000	\$0	\$18,989,000	\$0
Early childhood services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other fees to enhance education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Non-Curricular fees</b>							
Extracurricular fees	\$3,312,000	\$3,067,000	\$3,375,000	\$1,352,000	\$0	\$3,516,000	\$1,211,000
Non-curricular travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lunch supervision and noon hour activity fees	\$13,896,000	\$13,965,000	\$14,718,000	\$0	\$0	\$14,718,000	\$0
Non-curricular goods and services	\$0	\$0	\$477,000	\$0	\$0	\$477,000	\$0
Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL FEES</b>	\$51,782,000	\$38,094,000	\$38,974,000	\$7,910,000	\$0	\$48,531,000	\$1,895,000

\*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 2018	Actual 2017
Cafeteria sales, hot lunch, milk programs	\$1,496,000	\$0
Special events, graduation, tickets	\$1,349,000	\$0
International and out of province student revenue	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$2,511,000	\$0
Adult education revenue	\$0	\$3,197,000
Preschool	\$0	\$0
Child care & before and after school care	\$0	\$0
Lost item replacement fee	\$0	\$0
Foreign Tuition	\$11,679,000	\$10,343,000
Music Instruments, library fees, commissions	\$307,000	\$310,000
Other (Describe)	\$0	\$0
<b>TOTAL</b>	\$17,342,000	\$13,850,000

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2018 (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	4,722	695	20,132		
Federally Funded Students	116				
<b>REVENUES</b>					
Alberta Education allocated funding	\$ 5,456,000	\$ 14,067,000	\$ 23,728,000	\$ 79,930,000	\$ -
Other funding allocated by the board to the program	\$ 35,000	\$ -		\$ -	\$ -
<b>TOTAL REVENUES</b>	\$ 5,491,000	\$ 14,067,000	\$ 23,728,000	\$ 79,930,000	\$ -
<b>EXPENSES (Not allocated from BASE, Transportation, or other funding)</b>					
Instructional certificated salaries & benefits	\$ 6,794,000	\$ 1,153,000	\$ 28,771,000	\$ -	
Instructional non-certificated salaries & benefits	\$ 104,000	\$ 3,824,000	\$ 3,369,000	\$ -	
<b>SUB TOTAL</b>	\$ 6,898,000	\$ 4,977,000	\$ 32,140,000	\$ -	
Supplies, contracts and services	\$ 150,000	\$ 7,522,000	\$ 50,000	\$ -	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ 129,000	\$ 406,000		\$ -	
Other - Central Supports (staffing, contracted services)	\$ 1,150,000	\$ 1,392,000	\$ 899,000	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ 1,021,577,000	
<b>TOTAL EXPENSES</b>	\$ 8,327,000	\$ 14,297,000	\$ 33,089,000	\$ 1,021,577,000	
<b>NET FUNDING SURPLUS (SHORTFALL)</b>	\$ (2,836,000)	\$ (230,000)	\$ (9,361,000)	\$ (941,647,000)	

**SCHEDULE 10**

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2018 (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	\$ 944,000	\$ 27,000	\$ -	\$ 971,000	-	\$ 57,000	-	\$ 1,028,000
Educational administration (excluding superintendent)	\$ 635,000	\$ 6,000	\$ -	\$ 641,000	\$ 31,308,000	\$ 4,954,000		\$ 36,903,000
Business administration	\$ 5,897,000	\$ 909,000	\$ -	\$ 6,806,000	\$ 3,167,000	\$ 1,451,000	\$ 3,584,000	\$ 15,008,000
Board governance (Board of Trustees)	\$ 457,000	\$ 879,000	\$ -	\$ 1,336,000	-	-		\$ 1,336,000
Information technology	\$ 3,532,000	\$ 821,000	\$ -	\$ 4,353,000	\$ 11,499,000	\$ 9,440,000		\$ 25,292,000
Human resources	\$ 6,792,000	\$ 1,360,000	\$ -	\$ 8,152,000	\$ 9,072,000	\$ 3,242,000		\$ 20,466,000
Central purchasing, communications, marketing	\$ 2,372,000	\$ 42,000	\$ -	\$ 2,414,000	\$ 1,457,000	\$ 68,000		\$ 3,939,000
Payroll	\$ 651,000	\$ 5,198,000	\$ -	\$ 5,849,000	-	-		\$ 5,849,000
Administration - insurance			\$ 377,000	\$ 377,000			\$ 4,916,000	\$ 5,293,000
Administration - amortization			\$ 4,827,000	\$ 4,827,000			\$ 61,592,000	\$ 66,419,000
Administration - other (admin building, interest)			\$ 10,996,000	\$ 10,996,000			\$ 4,079,000	\$ 15,075,000
Other - Facilities	\$ 9,000	\$ 516,000		\$ 525,000	\$ 64,622,000	\$ 92,648,000	\$ -	\$ 157,795,000
Other - Schools and Areas	\$ -	\$ -	\$ -	\$ -	\$ 927,303,000	\$ 83,086,000	\$ -	\$1,010,389,000
Other - Education Matters	\$ -	\$ -		\$ -	\$ -	\$ -	\$ 407,000	\$ 407,000
<b>TOTAL EXPENSES</b>	\$ 21,289,000	\$ 9,758,000	\$ 16,200,000	\$ 47,247,000	\$1,048,428,000	\$ 194,946,000	\$ 74,578,000	\$1,365,199,000

School Jurisdiction Code: **3030**

**SCHEDULE 11**

Average Estimated # of Students Served Per Meal: **450.00**

**UNAUDITED SCHEDULE OF NUTRITION PROGRAM EXPENDITURES  
for the Year Ending August 31, 2018**

		Budget 2018	2018
<b>REVENUES</b>			
Alberta Education - current		\$ 250,000	\$ 250,000
Alberta Education - prior year		\$ 10,816	\$ 10,816
Other Funding		\$ -	\$ -
<b>TOTAL REVENUES</b>		\$ 260,816	\$ 260,816
<b>EXPENSES</b>			
Salaries & Benefits	FTE		
Project Coordinator		\$ -	\$ -
Cook		\$ -	\$ -
Other - Breakfast Supervisor	0.90	\$ 47,988	\$ 41,336
Other (please describe)		\$ -	\$ -
Other (please describe)		\$ -	\$ -
Food Supplies		\$ -	\$ 303
Office Supplies		\$ -	\$ -
Small Kitchenwares (e.g. toaster, measuring cups/spoons, bowls, cutting boards)		\$ 280	\$ -
<b>Non-Capitalized Assets</b>			
Microwave		\$ -	\$ -
Refrigerator		\$ -	\$ 31,058
Stove		\$ -	\$ -
Tables		\$ -	\$ -
Other - Sink		\$ -	\$ 435
Other (please describe)		\$ -	\$ -
Other (please describe)		\$ -	\$ -
Training (e.g. workshops, training materials)		\$ 525	\$ 13
Contracted Services (please describe)		\$ 194,790	\$ 180,074
<b>Other Expenses</b>			
Kitchen Aprons		\$ 150	\$ -
Food Delivery		\$ 300	\$ -
Other - Disposables (gloves, baggies, etc.)		\$ 280	\$ 3,667
Other - Recycling		\$ 400	\$ 443
<b>TOTAL EXPENSES</b>		\$ 244,713	\$ 257,329
<b>ANNUAL SURPLUS/DEFICIT</b>		\$ 16,103	\$ 3,487