

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

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

Legal Name of School Jurisdiction

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

Board of Trustees Responsibility

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

External Auditors

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

Declaration of Management and Board Chair

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

BOARD CHAIR

Joy Bowen-Eyre

Name

"Original Signed"

Signature

SUPERINTENDENT

David Stevenson

Name

"Original Signed"

Signature

SECRETARY-TREASURER OR TREASURER

Brad Grundy

Name

"Original Signed"

Signature

December 1, 2015

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees:

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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



Opinion

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

KPMG LLP

Chartered Professional Accountants

December 1, 2015

Calgary, Canada

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

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

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

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

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

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

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

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

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

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)

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

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

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

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

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

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

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

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

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

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

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

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

Unexpended Deferred Capital Revenue

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

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

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

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

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

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

Note:

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

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

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

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

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

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

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

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

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

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

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

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2015 (in dollars)									
EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs				
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	TOTAL	TOTAL
1 Office of the superintendent	\$ 1,003,000	\$ 284,000	\$ -	\$ 1,287,000	\$ -	\$ -	\$ -	\$ 1,287,000	\$ 1,287,000
2 Educational administration (excluding superintendent)	\$ 400,000	\$ 69,000	\$ -	\$ 469,000	\$ 21,948,000	\$ 4,326,000	\$ -	\$ 26,274,000	\$ 26,743,000
3 Business administration	\$ 5,166,000	\$ 397,000	\$ 120,000	\$ 5,683,000	\$ 3,300,000	\$ 669,000	\$ 1,437,000	\$ 11,089,000	\$ 11,089,000
4 Board governance (Board of Trustees)	\$ 454,000	\$ 951,000	\$ -	\$ 1,405,000	\$ -	\$ -	\$ -	\$ 1,405,000	\$ 1,405,000
5 Information technology	\$ 3,641,000	\$ 204,000	\$ -	\$ 3,845,000	\$ 11,293,000	\$ 264,000	\$ -	\$ 15,402,000	\$ 15,402,000
6 Human resources	\$ 5,705,000	\$ 4,644,000	\$ -	\$ 10,349,000	\$ 3,440,000	\$ 23,000	\$ -	\$ 13,812,000	\$ 13,812,000
7 Central purchasing, communications, marketing	\$ 2,550,000	\$ 123,000	\$ -	\$ 2,673,000	\$ 1,284,000	\$ -	\$ -	\$ 3,957,000	\$ 3,957,000
8 Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Administration - insurance	\$ -	\$ -	\$ 108,000	\$ 108,000	\$ -	\$ -	\$ 4,414,000	\$ 4,522,000	\$ 4,522,000
10 Administration - amortization	\$ -	\$ -	\$ 2,602,000	\$ 2,602,000	\$ -	\$ -	\$ 49,044,000	\$ 51,646,000	\$ 51,646,000
11 Administration - other (admin building, interest)	\$ -	\$ -	\$ 3,937,000	\$ 3,937,000	\$ -	\$ -	\$ 10,980,000	\$ 14,917,000	\$ 14,917,000
12 Other (describe)	\$ 316,000	\$ 386,000	\$ -	\$ 702,000	\$ 28,071,000	\$ 93,786,000	\$ -	\$ 122,559,000	\$ 122,559,000
13 Other (describe)	\$ 486,000	\$ 340,000	\$ -	\$ 826,000	\$ 3,902,000	\$ 13,982,000	\$ -	\$ 18,710,000	\$ 18,710,000
14 Other (describe)	\$ 6,000	\$ 25,000	\$ -	\$ 31,000	\$ 879,594,000	\$ 80,416,000	\$ 63,000	\$ 960,104,000	\$ 960,104,000
TOTAL EXPENSES	\$ 19,727,000	\$ 7,423,000	\$ 6,767,000	\$ 33,917,000	\$ 952,832,000	\$ 193,466,000	\$ 65,938,000	\$ 1,246,153,000	\$ 1,246,153,000

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

1. NATURE OF OPERATIONS

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

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

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

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

(b) Adoption of new accounting standard

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Adoption of new accounting standard (continued)

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

(c) Cash and cash equivalents

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

(d) Accounts receivable

Accounts receivable are shown net of allowance for doubtful accounts.

(e) Portfolio investments

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

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

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

Detailed information regarding portfolio investments is disclosed in Note 5.

(f) Deferred revenue

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Deferred revenue (continued)

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

(g) Pensions and employee future benefits

Alberta Teachers' Retirement Fund ("ATRF")

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

Local Authorities Pension Plan ("LAPP")

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

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

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

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

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

Supplementary Retirement Plan ("SRP")

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

Post-Retirement and Post-Employment Benefits Plans

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Asset Retirement Obligation

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

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

(i) Tangible capital assets

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

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

(j) Capital leases

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Prepaid expenses

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

(l) Operating and capital reserves

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

(m) Trust fund

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

(n) Revenue recognition

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Expenses

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

Allocation of costs:

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

(p) Program reporting

The Corporation's operations have been segmented as follows:

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

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

(q) Financial instruments

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

Fair Value

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

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

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

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Financial instruments (continued)

Cost / Amortized Cost

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

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

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

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

(r) Measurement uncertainty

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

(s) Budgetary information

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

(t) Future accounting standards

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

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

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

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3. CASH AND CASH EQUIVALENTS

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

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

General Operating and Other Bank Indebtedness

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

Supplementary Cash Flow Information

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

4. ACCOUNTS RECEIVABLE

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

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5. PORTFOLIO INVESTMENTS

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

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

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

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5. PORTFOLIO INVESTMENTS (continued)

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

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

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

6. DEFERRED REVENUE

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

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

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

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8. EMPLOYEE FUTURE BENEFITS

(a) Alberta Teachers Retirement Fund (ATRF)

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

(b) Local Authorities Pension Plan (LAPP)

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

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

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

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

(d) Supplementary Retirement Plan (SRP)

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

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

Changes in Projected Benefits Obligation

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

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

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

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8. EMPLOYEE FUTURE BENEFITS (continued)

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

Plan Funded Status

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

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

Components of Net Periodic Post - Retirement Benefit Cost

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

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

Assumptions

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

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

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9. ASSET RETIREMENT OBLIGATION

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

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

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

10. DEBENTURES AND OTHER SUPPORTED DEBT

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

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

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11. CAPITAL LEASES

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

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

Minimum lease payments for future years are as follows:

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

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12. TANGIBLE CAPITAL ASSETS

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

Disposals and write downs

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

Assets under capital lease

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

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

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13. ACCUMULATED SURPLUS

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

(a) Accumulated remeasurement gains / losses

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

(b) Accumulated surplus / deficit from operations

i. Restricted surplus from operations:

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

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

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13. ACCUMULATED SURPLUS (continued)

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

i. Restricted surplus from operations (continued)

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

ii. Capital reserves

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

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

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

iii. Investments in capital assets

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

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

iv. Endowments

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

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

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13. ACCUMULATED SURPLUS (continued)

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

v. *Adjusted accumulated surplus / deficit*

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

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

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

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14. RELATED PARTIES

(a) Province of Alberta and economic dependence

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

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

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

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

(b) Other

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

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15. FEES

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

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

16. SCHOOL GENERATED FUNDS

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

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17. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

(a) Contractual obligations

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

(1) Capital Projects:

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

(2) Office Lease:

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

(3) Service Providers:

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

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

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

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

(b) Contingent assets and liabilities

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

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

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18. REMUNERATION (not rounded and in actual dollars)

(a) Trustee remuneration

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

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

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

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

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

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

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

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

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

(b) Employee remuneration

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

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

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

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

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

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

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

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

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

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

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

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

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19. TRUST FUNDS UNDER ADMINISTRATION

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

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

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

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

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

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21. SEGMENT INFORMATION

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

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

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

(ii) Plant, operations and maintenance

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

(iii) Transportation

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

(iv) Administration

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

(v) External services

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

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

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

22. BUDGET COMPARATIVES

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

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

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

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

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22.BUDGET COMPARATIVES (continued)

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

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

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23.RECLASSIFICATIONS

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