

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2009**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**CALGARY BOARD OF EDUCATION**

Legal Name of School Jurisdiction

**515 MACLEOD TRAIL SW, CALGARY, ALBERTA T2G 2L9**

Mailing Address

**Tel: (403) 294-8211 Fax: (403) 294-8254**

Telephone and Fax Numbers

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

The financial statements of CALGARY BOARD OF EDUCATION presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles 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 Chairman***

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements prescribed by Alberta Education.

**BOARD CHAIR**

**PATRICIA COCHRANE**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**NAOMI E. JOHNSON**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**DONALD M. DART**

Name

**"ORIGINAL SIGNED FOR DONALD M. DART"**

Signature

**1-Dec-09**

Board-approved Release Date

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## AUDITORS' REPORT TO THE BOARD OF TRUSTEES

We have audited the statement of financial position of the Calgary Board of Education (the "Corporation") as at August 31, 2009 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements, which are presented in the format prescribed by Alberta Education, are the responsibility of the Calgary Board of Education's Administration. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at August 31, 2009 and the results of its operations, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles and the presentation requirements of Alberta Education.

*KPMG LLP*

Chartered Accountants

Calgary, Canada  
November 19, 2009

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2009

(in dollars)

		2009	2008 (Note)
<b>ASSETS</b>			
Current assets			
Cash and temporary investments	(Note 3)	\$154,569,177	\$204,322,457
Accounts receivable (net after allowances)	(Note 5)	\$17,055,887	\$14,426,937
Prepaid expenses	(Note 5)	\$4,074,488	\$4,685,002
Other current assets		\$685,765	\$708,196
<b>Total current assets</b>		<b>\$176,385,317</b>	<b>\$224,142,592</b>
School generated assets	(Note 4)	\$14,634,538	\$15,566,156
Trust assets		\$0	\$0
Long term accounts receivable		\$0	\$0
Long term investments	(Note 3)	\$50,356,077	\$50,582,341
Capital assets (Note 6)			
Land		\$4,808,832	\$4,812,584
Construction in Progress		\$25,844,453	\$33,133,338
Buildings	\$761,324,254		
Less: accumulated amortization	(\$328,691,705)	\$432,632,549	\$368,550,290
Equipment	\$140,159,041		
Less: accumulated amortization	(\$99,041,549)	\$41,117,492	\$44,472,404
Vehicles	\$7,190,794		
Less: accumulated amortization	(\$3,966,899)	\$3,223,895	\$2,349,871
<b>Total capital assets</b>		<b>\$507,627,221</b>	<b>\$453,318,487</b>
<b>TOTAL ASSETS</b>		<b>\$749,003,153</b>	<b>\$743,609,576</b>
<b>LIABILITIES</b>			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities	(Note 7)	\$74,961,945	\$72,102,270
Deferred revenue	(Note 8)	\$43,128,916	\$49,217,431
Deferred capital allocations	(Note 7)	\$31,377,916	\$52,514,828
Current portion of long term debt	(Note 11)	\$5,933,362	\$6,957,866
<b>Total current liabilities</b>		<b>\$155,402,139</b>	<b>\$180,792,395</b>
School generated liabilities		\$14,634,538	\$15,566,156
Trust liabilities		\$0	\$0
Employee future benefit liabilities	(Note 9)	\$21,241,674	\$22,147,937
Long term debt (Note 11)			
Supported: Debentures and other supported debt		\$27,051,711	\$33,541,748
Less: Current portion		(\$5,249,490)	(\$6,490,037)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$5,621,618	\$4,095,326
Mortgages		\$0	\$0
Less: Current portion		(\$683,872)	(\$467,829)
Other long term liabilities	(Note 12)	\$1,725,700	\$1,887,455
Unamortized capital allocations	(Note 10)	\$382,541,539	\$343,753,997
<b>Total long term liabilities</b>		<b>\$446,883,418</b>	<b>\$414,034,753</b>
<b>TOTAL LIABILITIES</b>		<b>\$602,285,557</b>	<b>\$594,827,148</b>
<b>NET ASSETS</b>			
Unrestricted net assets		\$2,961,822	\$2,685,782
Operating Reserves		\$27,572,505	\$35,647,994
Accumulated Operating Surplus (Deficit)		\$30,534,327	\$38,333,776
Investment in capital assets		\$91,637,119	\$70,469,112
Capital Reserves		\$24,546,150	\$39,979,540
Total Capital Funds		\$116,183,269	\$110,448,652
<b>Total net assets</b>		<b>\$146,717,596</b>	<b>\$148,782,428</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$749,003,153</b>	<b>\$743,609,576</b>

**Note:** Please input "(Restated)" in 2008 column heading where comparatives are not taken from the finalized 2007-2008 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2009**  
(in dollars)

	Actual 2009	Budget 2009 (Note)	Actual 2008 (Note)
<b>REVENUES</b>			
Government of Alberta	\$872,094,025	\$876,569,555	\$845,127,588
Federal Government and First Nations	\$2,756,810	\$2,273,204	\$2,565,069
Other Alberta school authorities	\$956,476	\$838,294	\$1,202,891
Out of province authorities	\$514,593	\$477,075	\$492,307
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$7,274,795	\$6,713,187	\$7,131,993
Transportation fees	\$5,463,027	\$5,098,375	\$5,121,728
Other sales and services	\$22,775,858	\$20,249,547	\$22,386,297
Investment income	\$108,434	\$3,291,591	\$5,656,556
Gifts and donations	\$1,068,107	\$829,422	\$1,203,907
Rental of facilities	\$7,655,457	\$7,425,160	\$7,686,025
Net school generated funds	\$7,937,339	\$7,443,794	\$7,528,542
Gains on disposal of capital assets	\$5,139,429	\$0	\$15,472,893
Amortization of capital allocations	\$17,754,155	\$17,753,841	\$16,151,806
Other revenue	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$951,498,505</b>	<b>\$948,963,045</b>	<b>\$937,727,602</b>
<b>EXPENSES</b>			
Certificated salaries (Note 18)	\$496,251,062	\$490,064,181	\$472,759,542
Certificated benefits (Note 18)	\$54,819,442	\$57,464,586	\$56,323,269
Non-certificated salaries and wages (Note 18)	\$154,781,348	\$155,328,158	\$140,864,619
Non-certificated benefits (Note 18)	\$34,442,267	\$37,750,321	\$29,589,408
Services, contracts and supplies	\$169,789,040	\$172,343,457	\$168,562,046
Net school generated funds	\$7,937,339	\$7,443,794	\$7,528,542
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$17,754,155	\$17,753,841	\$16,151,806
Unsupported	\$14,534,332	\$14,040,385	\$10,733,782
Total Amortization of capital assets	\$32,288,487	\$31,794,226	\$26,885,588
Interest on capital debt			
Supported	\$2,971,278	\$2,971,278	\$3,731,530
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$2,971,278	\$2,971,278	\$3,731,530
Other interest and charges	\$283,074	\$438,500	\$198,010
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$953,563,337</b>	<b>\$955,598,501</b>	<b>\$906,442,554</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>(\$2,064,832)</b>	<b>(\$6,635,456)</b>	<b>\$31,285,048</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$2,064,832)</b>	<b>(\$6,635,456)</b>	<b>\$31,285,048</b>

**Note:** Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statements filed with Alberta Education. Budget 2009 comparatives presented are final budget amounts formally approved by the Board.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2009

(in dollars)

	2009	2008 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	(\$2,064,832)	\$31,285,048
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$17,754,155)	(\$16,151,806)
Total amortization expense	\$32,288,487	\$26,885,588
Gains on disposal of capital assets	(\$5,139,429)	(\$15,472,893)
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	(\$2,628,950)	(\$3,358,884)
Prepays and other current assets	\$632,945	(\$2,024,865)
Long term accounts receivable	\$0	\$0
Long term investments	\$226,264	(\$4,792,106)
Accounts payable and accrued liabilities	\$2,697,920	\$3,619,895
Deferred revenue	(\$6,088,515)	(\$2,327,239)
Employee future benefit liabilities	(\$906,263)	(\$2,420,283)
Other (describe) Wk capital changes in investing and financing activities	\$3,356,410	\$6,961,346
<b>Total cash flows from Operations</b>	<b>\$4,619,882</b>	<b>\$22,203,801</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	(\$204,645)	(\$1,850,304)
Buildings	(\$73,538,473)	(\$40,425,517)
Equipment	(\$11,949,819)	(\$9,899,655)
Vehicles	(\$1,654,024)	(\$749,681)
Net proceeds from disposal of capital assets	\$5,139,429	\$15,472,894
Other (describe) Long term investments, Wk capital components and unre	(\$2,591,794)	(\$802,946)
<b>Total cash flows from Investing activities</b>	<b>(\$84,799,326)</b>	<b>(\$38,255,209)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$29,200,838	\$73,849,003
Issue of long term debt	\$1,986,767	\$2,143,000
Repayment of long term debt	(\$6,950,512)	(\$8,116,505)
Add back: supported portion	\$6,490,037	\$7,855,171
Other (describe) Changes in working capital components	(\$300,966)	(\$3,822,334)
<b>Total cash flows from financing activities</b>	<b>\$30,426,164</b>	<b>\$71,908,335</b>
<b>Net cash flows from during the year</b>	<b>(\$49,753,280)</b>	<b>\$55,856,927</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/08</b>	<b>\$204,322,457</b>	<b>\$148,465,530</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/09</b>	<b>\$154,569,177</b>	<b>\$204,322,457</b>

**Note:** Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2009**

School Jurisdiction Code: 3030

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES	School & Instruction Related		Operations & Maintenance		Board & System Admin.		Transportation		External Services	
	Cols. 2+3+4+5			Cols. 6+8+10+12+14	Cols. 7+9+11+13+15	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
<b>Balance at August 31, 2008</b>	\$148,782,428	\$70,469,112	\$2,665,782	\$35,647,994	\$39,979,540	\$16,629,701	\$35,373,535	\$5,010,694	\$0	\$11,427,976	\$4,606,005	\$1,923,028	\$0	\$656,595	\$0
Prior period adjustments (describe)															
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Balance, Aug. 31, 2008</b>	\$148,782,428	\$70,469,112	\$2,665,782	\$35,647,994	\$39,979,540	\$16,629,701	\$35,373,535	\$5,010,694	\$0	\$11,427,976	\$4,606,005	\$1,923,028	\$0	\$656,595	\$0
Excess (deficiency) of revenue over expenses	(\$2,064,832)		(\$2,064,832)												
Board funded capital additions		\$34,674,535	(\$34,674,535)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	(\$7,903)	\$7,903		\$0		\$0		\$0		\$0		\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Direct credits to net assets	\$0	\$0													
Amortization of capital assets		(\$32,288,487)	\$32,288,487												
Amortization of capital allocations		\$17,754,155	(\$17,754,155)												
Debt principal repayments (unsupported)		\$460,474	(\$460,474)												
Net transfers to operating reserves			(\$16,147)	\$16,147		\$0		\$0		\$0		\$9,615		\$6,532	
Net transfers from operating reserves			\$8,091,636	(\$8,091,636)		(\$4,331,781)		(\$839,065)		(\$2,651,822)		(\$267,618)		(\$1,350)	
Net transfers to capital reserves			(\$16,245,064)		\$16,245,064				\$171,922		\$0		\$0		\$200,000
Net transfers from capital reserves			\$31,678,454		(\$31,678,454)				\$0		\$0		\$0		\$0
Assumption/transfer of other operations' net assets	\$0	\$575,233	(\$575,233)	\$0	\$0	\$0		\$0		\$0		\$0		\$0	\$0
<b>Balance at August 31, 2009</b>	\$146,717,596	\$91,637,119	\$2,961,822	\$27,572,505	\$24,546,150	\$12,297,920	\$19,568,223	\$4,171,629	\$171,922	\$6,776,154	\$4,606,005	\$1,665,025	\$0	\$661,777	\$200,000

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2009  
(in dollars)

	<b>Deferred Capital Allocations</b>	<b>Unamortized Capital Allocations</b>
<b>Balance at August 31, 2008</b>	\$52,514,828	\$343,753,997
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2008</b>	\$52,514,828	\$343,753,997
<b>Add:</b>		
<b>Restricted capital allocations from:</b>		
Alberta Education including school and modular projects	\$28,861,529	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$339,309	
<b>Other capital grants and donations</b>	\$0	
<b>Net proceeds on disposal of supported capital assets</b>	\$0	
<b>Insurance proceeds (and related interest)</b>	\$0	
<b>Donated capital assets (amortizable, @ fair market value)</b>		\$0
<b>Transferred in capital assets (amortizable, @ net book value)</b>		\$0
<b>Current Year Debenture Principal Repayment</b>		\$6,490,037
<b>Expended capital allocations - current year</b>	(\$50,337,750)	\$50,337,750
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	\$286,090
<b>Capital allocations amortized to revenue</b>		\$17,754,155
<b>Balance at August 31, 2009</b>	<b>\$31,377,916</b>	<b>\$382,541,539</b>

\* Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations are excluded from this Statement, since those contributions are not externally restricted to capital.

**CALGARY BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2009**

**1. ORGANIZATION**

The Calgary Board of Education (the “Corporation”) is an independent legal entity with an elected Board of Trustees as stipulated in the *School Act* (Alberta). 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. In addition, the Corporation demonstrates its commitment to life-long learning by offering continuing education programs for adults.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Presentation**

The financial statements of the Corporation have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). A precise determination of many assets and liabilities is dependent upon future events and involves the use of estimates and approximations, which have been made using professional judgment. Actual results could differ from these estimates or approximations. In administration’s opinion, these financial statements have been prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

The financial operations of EducationMatters (formerly The Calgary Board of Education Foundation) is a not-for-profit foundation which promotes and supports public education in Calgary (see Note 15 (b)) and is a controlled entity whose financial results are not consolidated in these financial statements, as permitted under CICA Handbook Section 4450.14.

Budget information is unaudited and is presented in the Statement of Revenue and Expense and in the related schedules for information purposes only and represents the original budget submitted to Alberta Education in June, 2008, as amended during the fiscal year to reflect identified changes in circumstances relating to operating and program changes. The Board of Trustees approves the original budget and monitors all subsequent changes through quarterly reports of revisions and amendments.

**(b) Changes in accounting policies**

The Corporation has elected to apply the scope provisions of paragraph 3855.07A of the CICA Handbook such that the Corporation will not apply the requirements of Section 3855 to contracts for the purchase or sale of non-financial items and any embedded derivatives within these types of contracts or those embedded derivatives that may exist within lease or insurance contracts. In addition, the Corporation has elected to not adopt “Financial Instruments – Disclosures” and “Financial Instruments – Presentation.” The Corporation does not invest or use derivative financial instruments. Derivatives may be embedded in other financial instruments (the “host”

instrument”) or other contracts (the “host contract”). The Corporation has not identified embedded derivatives in the host contracts.

On September 1, 2008, the Corporation adopted CICA Handbook Sections 3031 “Inventories” and Section 1535 “Capital Disclosures”. Section 3031 requires inventories to be measured at the lower of cost or net realizable value and the reversal of previously recorded write downs to realizable value when the circumstances that caused the write down no longer exist. The new standard did not have a material impact on the Corporation’s financial statements for the year ended August 31, 2009.

Section 1535 of the CICA Handbook requires the Corporation to disclose quantitative and qualitative information regarding its objectives, policies and processes for managing its capital. The adoption of these recommendations only required additional disclosures, which are provided in Note 16.

**(c) Changes in accounting estimate**

Effective September 1, 2008, the Corporation changed its estimate in the useful lives of major system software and furniture and equipment to align with the amortization rates as recommended by Alberta Education’s Program Accounting and Reporting Manual. The changes have been applied prospectively. The change in the basis of amortization has had the effect of increasing amortization expense by \$4,103,280 (\$1,538,617 Provincial supported, \$2,564,663 Corporation supported) for the year ended August 31, 2009. Future periods are impacted but estimating the amount is impracticable and will be incorporated in future budgets commencing September 1, 2009.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents are comprised of cash and short-term investments with original maturity of 90 days or less. Investments in cash equivalents are made in compliance with the *School Act*, *Trustee Act* or other authorization from Alberta Education.

**(e) Investments**

Investments are made in compliance with the *School Act*, *Trustee Act* or other authorization from Alberta Education. As well, in accordance with the Corporation’s administrative regulations, investments are made only in companies that are socially responsible and ethically managed, as recommended by the appointed external investment counsel in consultation with appointed officers of the Corporation.

Held-for-trading assets are measured at fair value each reporting period. Unrealized gains and losses on held-for-trading financial instruments are recognized in earnings. The other categories of financial instruments are measured at amortized cost using the effective interest rate method.

Short-term investments are investments held with a maximum of a one-year view to ensure the timely settlement of the Corporation’s financial obligations. Investments may consist of treasury bills, money market investments, or other highly liquid investments as recommended by the Corporation’s investment advisors.

Long-term investments are investments held for a period of approximately three to five years, unless significant unforeseen factors occur. Long-term investments may include corporate and government bonds and equities, and are recorded at fair value.

**(f) Inventories**

Inventories consist of maintenance and school supplies and are valued at the lower of average cost and replacement cost, or net realizable value. Inventory is expensed when items are shipped to schools or departments.

**(g) Capital Assets and Capital Revenue**

Capital assets are recorded at cost. Amortization is calculated on a straight-line basis at rates which amortize the cost of the capital assets over their estimated useful lives. The amortization rates applied are as follows:

Land improvements	20 years
Buildings	10 - 40 years
Furniture and equipment	4 - 10 years

No amortization is provided on construction in progress, as these assets are not ready and available for use. Once completed and placed into use, these assets are amortized in accordance with the Corporation's accounting policy.

Certain capital assets, including new school construction and major renovations (except administrative buildings and replacement of equipment and vehicles), are funded by Alberta Education when approved, based on three-year capital plans. When received, capital grants for these assets are deferred and reflected in revenue and matched to the amortization expense over the lives of the related assets. Provincially funded Infrastructure Maintenance Renewal (IMR) projects that improve or sustain the operating functionality of building components or land improvements and do not extend the useful life of the underlying asset are expensed.

**(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 tangible long-lived 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 long-lived asset. The Corporation recognizes an ARO only when those assets have been approved by the Board of Trustees for disposition and when the fair value of the liability can be reasonably determined.

The fair value of the estimated ARO is recorded as a long term liability, with a corresponding increase in the carrying value of the asset. In periods subsequent to initial measurement where the passage of time results in liability increases, the amount of this accretion is charged against income. The liability is also adjusted for revisions to previously used estimates.

**(i) Revenue Recognition**

Revenues are recognized when they are earned. Grants received, restricted donations and fees collected, in advance of the provision or use of related services, are deferred.

Unrestricted cash donations are recognized as revenue when they are received. Donations of materials and services, that would otherwise have been purchased, are recorded at fair market value when an estimated fair market value can be reasonably determined.

Funds donated by individuals or organizations for the purpose of establishing scholarships and bursaries are accounted for as deferred revenues. Interest is calculated on each scholarship fund balance and is accrued for the benefit of the recipients of the fund. Individual scholarship payments are made to the recipients of the scholarships and bursaries in accordance with the various scholarship agreements, and a corresponding amount is recognized as revenue at that time.

The amortization of capital assets funded by Alberta Education and Alberta Infrastructure is expensed annually and is offset by a corresponding amount of revenue arising from the recognition in that year of related capital grants.

Each year, volunteers contribute a considerable number of hours which support the delivery of certain programs within schools. Due to the difficulty of determining or otherwise estimating these hours, and the fact that these services are not otherwise purchased, the value of these contributed services is not quantified nor recognized in these financial statements.

**(j) Proceeds on Disposal of Capital Assets**

The proceeds on disposal of capital assets are applied to fund future capital asset expenditures. Pursuant to Provincial regulations, the allocation of proceeds for each asset disposal is based upon the relative contribution from the Province of Alberta and the Corporation to fund the original purchase of the disposed asset. Proceeds relating to provincially funded assets are recorded as deferred capital allocations until a provincially approved capital expenditure is made. Proceeds relating to Corporation funded assets are reflected as income and a corresponding amount is transferred to capital reserves until a capital expenditure to be financed from capital reserves is approved by the Board of Trustees.

**(k) School Generated Funds**

These financial statements include amounts arising from certain school and student activities which are controlled and administered locally by each school but for which the Corporation is accountable. When schools undertake fundraising for extra-curricular activities, the related costs are netted against the amount of related school generated funds revenue.

**(l) Pensions**

The Corporation's certificated employees are required to contribute to the Alberta Teachers' Retirement Fund, a multi-employer pension plan. This defined benefit pension plan is the responsibility of the Province of Alberta and these employee members. Accordingly, no disclosure has been made in these financial statements relating to the effects of participation in the pension plan by the Corporation's certificated employees.

The Corporation and its uncertificated employees participate in the Local Authorities Pension Plan, a multi-employer pension plan. Pension costs included in these financial statements comprise the cost of employer contributions for current service of participating employees during the year.

The Corporation has established a Supplemental Integrated Pension Plan (SiPP) for certain members of senior administration comprised of both a registered and non-registered portion. The plan provides a supplement to the Local Authorities Pension Plan or Alberta Teachers' Retirement Fund (as appropriate) to provide an annual retirement benefit of 2% of total earnings.

The cost of this SiPP is sponsored by the Corporation and is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected salary and benefit escalation, retirement ages of employees and plan investment performance. As at August 31, 2009 plan assets held in trust are invested in a mix of cash, bonds, Canadian and international equities. Plan assets are valued at cost, which approximates market value and the plan is fully funded by separately designated plan assets. Changes to the actuarially determined obligation are recognized and expensed as of the applicable date to ensure the plan is fully funded. Actuarial valuations of the plan occur annually at August 31<sup>st</sup>.

**(m) Employee Future Benefit Plans**

The Corporation has a number of defined benefit plans providing post-employment and post-retirement benefits for supplementary health care, dental care, life insurance and retiring allowances. These plans are not funded by separately designated plan assets.

For employee future benefit plans other than pension plans, the Corporation accrues its obligations, and expenses the related costs, in accordance with the terms of various collective agreements and other contracts of employment. The cost of employee future benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of salary escalation, retirement ages of employees, and expected provincial and supplementary health care costs and dental care costs. The actuarially determined benefit obligation from the initial application of this policy is being amortized over the average remaining service period of employees active at September 1, 2000, the beginning of the fiscal year in which this policy was implemented. The balance of any unrecognized net plan experience, including changes in actuarial basis, in excess of 10% of the greater of the actuarial benefit obligation and the market value of plan assets is amortized over the average remaining service lifetime of the active members as of the applicable date. When changes to employee future benefit plans are negotiated, the related financial impacts are recognized when an agreement has been reached by the Corporation and the applicable group of employees. Effective January 1, 2011, employees will pay 100% of the post-retirement benefit premium costs.

The Corporation measures its accrued benefit obligations under these plans for accounting purposes as at August 31<sup>st</sup> of each year. The most recent actuarial valuation of post-retirement and post-employment benefit plans was as of August 31, 2009. The next required valuation will be as of August 31, 2012.

**(n) Financial Instruments**

The Corporation's financial instruments consist of cash and cash equivalents, cash held by schools, short-term investments, accounts receivable, long-term investments, outstanding cheques, bank indebtedness, accounts payable and accrued liabilities, and long-term liabilities. Unless otherwise stated in Notes 3 and 11, which are determined by market comparisons, the fair values of these financial instruments approximate their carrying values.

There are no financial assets on the balance sheet designated as available-for-sale or held-to-maturity. Cash and cash equivalents and investments are classified as held for trading. All other financial assets are classified as loans or receivables and are accounted for on an amortized cost basis. All financial liabilities are classified as other financial liabilities and are accounted for on an amortized cost basis.

Transaction costs and related cash flow impacts are included in the fair value assessment of each financial asset. Transaction costs that are directly attributable to the acquisition of other financial liabilities are not considered significant and are expensed when incurred.

The Corporation has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, liquidity risk and price risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices. The Corporation does not use derivative financial instruments to alter the effects of these risks. It is administration's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**(o) Future Accounting Standards**

Recent amendments to CICA Handbook Section 4400, Financial Statement Presentation by Not-for-Profit Organizations, will modify the requirements with respect to various elements of financial statement presentation. The new standards apply to financial statements relating to fiscal years beginning on or after January 1, 2009 and the Corporation's August 31, 2010 year end. The Corporation is evaluating the impact of the amendments on its financial statements.

The CICA Accounting Standards Board (AcSB) has confirmed that 'the changeover' date from Canadian GAAP to International Financial Reporting Standards (IFRS) will be effective January 1, 2011. Alberta Education has stated that, at this time, IFRS is not applicable for school boards in Alberta and that the changeover is not expected to affect the Corporation.

### 3. CASH AND CASH EQUIVALENTS, INVESTMENTS AND BANK INDEBTEDNESS

<b>2009</b>					
	Investments at Fair Value				
	Cash and cash equivalents	Short-Term	Long-Term	Total	Cost
<b><u>Cash and Fixed Income Investments</u></b>					
Bank balances	\$ 2,636,129	\$ -	\$ -	\$ 2,636,129	\$ 2,636,129
Outstanding cheques	(1,038,924)	-	-	(1,038,924)	(1,038,924)
Money market investments	-	152,375,363	6,492,113	158,867,476	158,867,090
Supplemental Integrated Pension Plan Assets (see note 9(b))	-	596,609	-	596,609	690,712
<b>Fixed Income</b>					
Government of Canada	-	-	16,751,554	16,751,554	16,576,159
Provincial	-	-	573,555	573,555	570,664
Municipal	-	-	204,594	204,594	201,135
Corporate	-	-	1,398,825	1,398,825	1,434,405
Restricted long-term investment (1)	-	-	5,709,830	5,709,830	5,709,830
<b><u>Equity Investments</u></b>					
Canadian equities	-	-	6,974,261	6,974,261	6,312,387
U.S. equity funds	-	-	5,517,281	5,517,281	6,539,507
International equity funds	-	-	6,734,064	6,734,064	7,855,191
Total at Fair Value	<u>\$ 1,597,205</u>	<u>\$ 152,971,972</u>	<u>\$ 50,356,077</u>	<u>\$ 204,925,254</u>	
Total at Cost	<u>\$ 1,597,205</u>	<u>\$ 153,066,075</u>	<u>\$ 51,691,004</u>		<u>\$ 206,354,285</u>

(1) Restricted long-term investment relates to cash collateral requirements as a result of capital leases entered into between the years ended August 31, 2004 and August 31, 2009 (see Note 11).

<b>2008</b>					
	Investments at Fair Value				
	Cash and cash equivalents	Short-Term	Long-Term	Total	Cost
<b><u>Cash and Fixed Income Investments</u></b>					
Bank balances	\$ 2,964,528	\$ -	\$ -	\$ 2,964,528	\$ 2,964,528
Outstanding cheques	(2,868,132)	-	-	(2,868,132)	(2,868,132)
Money market investments	172,680,820	31,072,507	14,970,293	218,723,620	218,079,147
Supplemental Integrated Pension Plan Assets (see note 9(b))	-	472,734	-	472,734	519,068
<b>Fixed Income</b>					
Government of Canada	-	-	7,460,173	7,460,173	7,321,759
Provincial	-	-	1,672,744	1,672,744	1,730,609
Municipal	-	-	201,360	201,360	201,135
Corporate	-	-	2,129,216	2,129,216	2,249,540
Restricted long-term investment (1)	-	-	4,143,835	4,143,835	4,143,835
<b><u>Equity Investments</u></b>					
Canadian equities	-	-	8,530,811	8,530,811	6,579,584
U.S. equity funds	-	-	5,291,727	5,291,727	5,473,225
International equity funds	-	-	6,182,181	6,182,181	6,549,453
Total at Fair Value	<u>\$ 172,777,216</u>	<u>\$ 31,545,241</u>	<u>\$ 50,582,340</u>	<u>\$ 254,904,798</u>	
Total at Cost	<u>\$ 172,306,552</u>	<u>\$ 31,446,166</u>	<u>\$ 49,191,033</u>		<u>\$ 252,943,751</u>

(1) Restricted long-term investment relates to cash collateral requirements as a result of capital leases entered into between the years ended August 31, 2004 and August 31, 2008 (see Note 11).

## General Operating and Other Bank Indebtedness

The Corporation maintains lines of credit that have been negotiated with its bankers for general operating purposes. As at August 31, 2009, no amount has been drawn against the Corporation's general operating line of credit.

Yields on current and long-term investments reflect the cash value of all dividends, interest or other payments received or receivable on active investment instruments. These yields do not include any realized or unrealized capital gains of the underlying market values of the instruments. At August 31, 2009 the yields on these investments were as follows:

	<u>2009</u>		<u>2008</u>	
	Effective or Fair Value Yield	Fair Value	Effective or Fair Value Yield	Fair Value
<u>Cash Equivalents</u>				
Money Market Investments	0.29%	\$ 100,522,027	2.68%	\$172,680,820
<u>Short-Term Investments</u>				
Money Market Investments	0.29%	51,853,336	3.38%	31,072,507
Non-Registered Mutual Funds (SiPP)	3.48%	596,609	1.28%	472,734
<u>Long-Term Investments</u>				
Money Market Investments	0.21%	6,492,113	2.40%	14,970,293
Bond type				
Govt of Canada	2.21%	16,751,554	3.33%	7,460,173
Provincial	3.39%	573,555	3.21%	1,671,744
Municipal	3.89%	204,595	4.23%	201,360
Corporate	4.02%	1,398,825	4.57%	2,129,216
Canadian equities	3.01%	6,974,261	2.99%	8,530,811
U.S. equity pooled funds	1.92%	5,517,281	1.67%	5,291,727
International equity pooled funds	3.55%	6,734,064	3.64%	6,182,181

## Additional Cash Flow Information

During the year ended August 31, 2009, cash interest paid on school building debenture debt and other debt amounted to \$3,357,452 (2008 - \$4,179,769) and cash interest earned (operating and capital) and dividends received on investments totaled \$4,237,588 (2008 - \$8,593,396).

#### 4. CASH HELD BY SCHOOLS

Changes in cash held by schools are as follows:

	<u>2009</u>	<u>2008</u>
Sources of net school generated funds:		
Fundraising activities	\$ 11,238,272	\$ 11,587,864
Non-instructional fees and charges	16,812,528	15,668,978
Donations and grants to schools	7,174,278	7,304,432
Other income	149,628	409,991
Total additions to school generated funds	<u>\$ 35,374,706</u>	<u>\$ 34,971,265</u>
Application of school generated funds:		
Fundraising activities	(14,389,257)	(12,415,490)
Fees/charges (non-Instructional) – related expenses	(13,259,030)	(12,563,605)
Donations and grants to schools – related expenses	(668,938)	(792,097)
Other – related expenses: bank charges	(51,760)	(71,601)
Extra-curricular activities	(5,028,375)	(4,748,395)
Field trips	(1,421,240)	(1,284,490)
Equipment	(1,487,724)	(1,495,657)
Total application of school generated funds	<u>\$ (36,306,324)</u>	<u>\$ (33,371,335)</u>
Net source (use) of school generated funds for the year	(931,618)	1,599,930
Cash balance, beginning of year	15,566,156	13,966,226
Cash balance, end of year	<u>\$ 14,634,538</u>	<u>\$ 15,566,156</u>

#### 5. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

	<u>2009</u>	<u>2008</u>
Alberta Education operating grants	\$ 223,284	\$ 157,550
Government of Alberta capital grants	5,192,952	5,564,250
Debenture interest grants	1,618,088	2,004,262
School jurisdictions and other governments	1,859,251	2,225,598
Other accounts receivable	8,162,312	4,475,277
Prepaid expenses	4,074,488	4,685,002
	<u>\$ 21,130,375</u>	<u>\$ 19,111,939</u>

## 6. CAPITAL ASSETS

	<b>2009</b>		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 4,808,832	\$ -	\$ 4,808,832
Land improvements	9,399,476	8,398,987	1,000,489
Buildings	751,924,778	320,292,718	431,632,060
Furniture and equipment	147,349,836	103,008,449	44,341,387
	<u>913,482,922</u>	<u>431,700,154</u>	<u>481,782,768</u>
Construction in progress	25,844,453	-	25,844,453
	<u>\$ 939,327,375</u>	<u>\$ 431,700,154</u>	<u>\$ 507,627,221</u>
	<b>2008</b>		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 4,812,584	\$ -	\$ 4,812,584
Land improvements	9,207,698	8,283,121	924,577
Buildings	672,537,079	304,881,436	367,655,643
Furniture and equipment	135,985,617	89,193,273	46,792,344
	<u>822,542,978</u>	<u>402,357,830</u>	<u>420,185,148</u>
Construction in progress	33,133,338	-	33,133,338
	<u>\$ 855,676,316</u>	<u>\$ 402,357,830</u>	<u>\$ 453,318,486</u>

Included in the cost of furniture and equipment are assets under a capital lease in the amount of \$2,700,000 (2008 – \$2,700,000). Included in the cost of buildings are assets under a capital lease in the amount of \$4,130,000 (2008 – \$2,143,000). Accumulated amortization is \$1,444,866 (2008 – \$960,566) on these assets.

The Corporation has recorded an asset retirement obligation for the estimated costs of removing and disposing of asbestos in those schools and other buildings approved by the Board for disposition. At August 31, 2009, the Corporation, through use of engineering estimates, has valued the asset retirement obligation amount for those assets at \$1,725,700 (2008 – \$1,887,000), which is reflected in the cost of the buildings asset cost above.

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2009</u>	<u>2008</u>
Salaries and benefits	\$ 37,484,174	\$ 35,809,965
Debenture interest	1,618,088	2,004,262
Federal government	691,144	902,257
Contractor payables	10,501,563	7,250,823
Deferred capital allocations (1)	31,377,916	52,514,828
Other accounts payable	13,992,084	16,208,978
Other accrued liabilities	10,674,892	9,925,985
	<u>\$ 106,339,861</u>	<u>\$ 124,617,098</u>

(1) Government of Alberta capital grants not yet expended at August 31<sup>st</sup>.

## 8. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2008	ADD: 2007/2008 Restricted Funds Received/ Receivable	DEDUCT: 2007/2008 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2007/2008 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2009
<b>Alberta Education Restricted Operational Funding:</b>	\$0	\$0	\$0	\$0	\$0
Alberta Initiative for School Improvement	\$11,544,834	\$13,505,577	(\$19,968,799)	\$0	\$5,081,612
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal (IMR)	\$16,406,684	\$16,306,526	(\$18,596,122)	\$0	\$14,117,088
Institutional Education Programs	\$0	\$0	\$0	\$0	\$0
Portable/Modular Unit Relocation	\$0	\$0	\$0	\$0	\$0
Regional Consortium	\$0	\$0	\$0	\$0	\$0
Regional Educational Consulting Services	\$47,164	\$3,273,324	(\$3,090,186)	\$0	\$230,302
Small Class Size Initiative	\$0	\$0	\$0	\$0	\$0
Student Health Initiative (School Authorities)	\$470,563	\$2,558,184	(\$2,725,569)	\$0	\$303,178
SuperNet Service	\$0	\$0	\$0	\$0	\$0
Classroom resources One time grant	\$3,163,768	\$0	(\$302,850)	\$0	\$2,860,918
Classroom technology One time grant	\$1,461,040	\$0	(\$600,000)	\$0	\$861,040
Technology infrastructure One time grant	\$4,606,074	\$0	\$0	\$0	\$4,606,074
Innovative Classroom Technology Funding	\$0	\$3,409,994	(\$1,385,835)	\$0	\$2,024,159
Other Alberta Education deferred revenue	\$885,008	\$2,241,269	(\$954,628)	\$0	\$2,171,649
<b>Other Government of Alberta Restricted Funding:</b>	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
<b>Other Deferred Revenue:</b>	\$0	\$0	\$0	\$0	\$0
Scholarships	\$288,707	\$6,975	(\$21,812)	\$0	\$273,870
Funds from other Organizations	\$1,933,123	\$123,370	(\$282,507)	\$0	\$1,773,986
IMR interest earned	\$1,827,707	\$538,605	(\$258,689)	\$0	\$2,107,623
Student Fees	\$6,582,759	\$6,717,417	(\$6,582,759)	\$0	\$6,717,417
<b>Total</b>	<b>\$49,217,431</b>	<b>\$48,681,241</b>	<b>(\$54,769,756)</b>	<b>\$0</b>	<b>\$43,128,916</b>

## 9. PENSIONS/EMPLOYEE FUTURE BENEFITS

### (a) Local Authorities Pension Plan (LAPP)

The Corporation's net pension expense for the year amounts to \$11,486,584 (2008 - \$8,892,669).

### (b) Supplemental Integrated Pension Plan (SiPP)

The Corporation provides a Supplemental Integrated Pension Plan (the "Plan") for certain

executive employees of the Corporation, based on approved terms and conditions of the Plan. The Corporation's net pension expense for the registered portion for the year was \$12,222 (2008 – net expense of \$17,500). The net pension expense for the non-registered portion was \$69,845 (2008 - \$169,268). The total liability for the SiPP at August 31, 2009 is \$346,500 (2008 - \$645,401).

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

The Corporation provides a Supplementary Retirement Plan for certain senior employees of the Corporation, based on approved terms and conditions of the plan. The plan provides for an annual contribution of 10% of the employee's salary which is above the LAPP or ATRF pensionable earnings cap.

The total liability for the SRP at August 31, 2009 is \$137,173 (2008 - \$108,535).

**(d) Other Employee Future Benefits**

The significant actuarial assumptions adopted in measuring the Corporation's employee future benefit obligation (based on a weighted average assumption of the various plans as of August 31, 2009) are as follows:

Amortization method	Straight-line
Discount rate	5.1%
Supplementary health care cost escalation	8.0% declining by 0.5% per year to an ultimate rate of 5.0% per year
Dental care cost escalation	4.0% per year
Provincial health care cost escalation	Not applicable

During the year ended August 31, 2009, the Corporation identified certain post-retirement benefits for specific exempt employee groups that had not been included in previous valuations. This plan clarification is fully reflected in these actuarial amounts. The actuarially determined liability for future employee benefits at August 31, 2009 is \$32,418,000 (2008 - \$34,021,000). To date, \$20,758,000 (2008 - \$21,394,000) has been accrued in these financial statements. The initial transitional obligation of \$35,664,263 at September 1, 2000 is being amortized over the expected average remaining service period of the employee group, which was estimated to be 12 years, of which 3 years remain. The unamortized transitional obligation of \$2,745,000 on September 1, 2008 has been reduced by \$687,000 to \$2,058,000 to reflect the change in the accrued benefit obligation to employee groups, and the annual amortization of the remaining initial transitional obligation.

The total current year expense for employee future benefits amounts to \$3,610,000 (2008 - \$3,428,000), including current service costs of \$628,000 (2008 - \$632,000). During the year ended August 31, 2009, \$4,246,000 (2008 - \$6,126,087) was paid in respect of post-employment or post-retirement benefits.

## 10. UNAMORTIZED CAPITAL ALLOCATIONS

Changes in deferred capital grants are as follows:

	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ 343,753,997	\$ 321,090,011
Debenture principal repaid by Alberta Finance	6,490,037	7,855,171
Capital assets funded by Alberta Infrastructure and Transportation and Alberta Education	50,051,660	30,960,621
Capital allocations amortized to revenue	<u>(17,754,155)</u>	<u>(16,151,806)</u>
Balance, end of year	<u>\$ 382,541,539</u>	<u>\$ 343,753,997</u>

## 11. LONG-TERM LIABILITIES

Long-term liabilities relate to debentures for the acquisition of school buildings funded directly by Alberta Education (pre 1995) and to capital leases, approved by the Minister of Education for internally financed equipment purchases. Debentures and capital leases are secured by all assets of the Corporation.

Debenture debt on school buildings of \$27,051,711 is outstanding at August 31, 2009 and bears interest at rates ranging from 7.375% to 12.00% with a weighted average rate of 8.01% per annum. Debenture interest expense on school buildings during the year amounted to \$3,357,452 (2008 - \$3,731,530). Debentures were issued for periods of 15, 20 or 25 years in those years prior to 1995 when the Corporation had local taxing authority. Fair value of this debt is \$31,337,781 (2008 - \$38,782,039) which is calculated using a discount rate of 5.10%, that reflects the average yield on high quality long term corporate bonds at August 31, 2009. This fair value amount is provided for information purposes only. This debt is fully guaranteed by the Province of Alberta and Alberta Finance funds these interest and principal payments.

In addition, the Corporation previously entered into a capital lease for certain equipment in the amount of \$1,688,649. This obligation bears interest at the Royal Bank of Canada prime rate less 1.6% per annum and expires September 29, 2014. The Corporation also previously entered into a capital lease for certain building components in the amount of \$1,945,070. This obligation bears interest at the Royal Bank of Canada based on the 5 Year Bond All In Rate (4.16%) on the RBC Capital Markets Daily Sheet Rate. During 2008/09 the Corporation entered into another capital lease for certain building components in the amount of \$1,986,767. This obligation bears interest at the Royal Bank of Canada based on the 5 Year Bond All In Rate (2.160%) on the RBC Capital Markets Daily Rate Sheet. The Corporation has restricted a portion of its long term investments in an amount equal to the outstanding principle on capital leases (see Note 3). Capital lease interest expense during the year amounted to \$146,353 (2008 - \$73,213).

The following is a summary by fiscal year of principal payments on debenture debt and on capital leases outstanding at August 31, 2009:

Year Ending	Debenture	Capital		
	Debt	Leases	2009	2008
2010	\$ 5,249,490	\$ 683,872	\$ 5,933,362	\$ 6,957,866
2011	4,480,173	691,424	5,171,597	5,733,214
2012	3,857,345	715,675	4,573,020	4,980,369
2013	3,245,796	740,817	3,986,613	4,374,613
2014	2,793,147	721,426	3,514,573	3,780,758
to maturity	<u>7,425,758</u>	<u>2,068,404</u>	<u>9,494,162</u>	<u>11,810,254</u>
Total	\$ 27,051,709	\$ 5,621,618	\$ 32,673,327	\$ 37,637,074
Current portion	<u>5,249,490</u>	<u>683,872</u>	<u>5,933,362</u>	<u>6,957,866</u>
Long-term portion	<u>\$ 21,802,219</u>	<u>\$ 4,937,746</u>	<u>\$ 26,739,965</u>	<u>\$ 30,679,208</u>

## 12. ASSET RETIREMENT OBLIGATION

The Corporation has estimated an asset retirement obligation of \$1,725,700 as at August 31, 2009 (2008 - \$1,887,455) for building assets that have been approved for disposition by the Board which may occur between 2009 and 2011. An interest rate of 5.35% is applicable to discount expected cash flows, for calculation of the initial obligation and a rate of 5.10% is applicable for accretion of the obligation.

The following table summarizes the changes in the asset retirement obligations:

	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ 1,887,455	\$ 1,287,455
Obligations incurred	-	600,000
Obligations discharged	<u>(161,755)</u>	<u>-</u>
Balance, end of year	<u>\$ 1,725,700</u>	<u>\$ 1,887,455</u>

## 13. CONTINGENCIES AND COMMITMENTS

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 are not expected to be significant to the overall financial position of the Corporation.

The Corporation has contractual commitments to complete major capital projects relating to school buildings and administrative sites. As at August 31, 2009, these outstanding contractual obligations amount to \$47,322,738 (2008 - \$29,723,082), with \$28,321,123 to be funded by the Province of Alberta and \$19,001,615 by the Corporation.

- (a) To the extent the Corporation terminates certain contractual commitments for convenience under certain service and development management agreements, the Corporation would incur costs, depending on the date of termination, of between \$3,500,000 and \$13,400,000.

The Corporation has entered into operating lease agreements for office space that expire through August 31, 2011. Future minimum annual lease payments under these leases, including provisions for renewals, are as follows:

2010	\$ 202,988
2011	188,063
	<u>\$ 391,051</u>

Lease expense during the year amounted to \$754,556 (2008 - \$830,244).

- (b) The Corporation has entered into a 20 year lease agreement for a replacement Education Centre to house its administrative and operational departments. with payments commencing approximately March 1, 2011. Future estimated minimum annual lease and operating payments under this commitment are:

2010	-
2011	\$ 5,594,000
2012	11,328,000
2013	11,611,500
2014	11,902,000
2015	12,199,500
2016	12,504,500
Thereafter	<u>220,654,500</u>
Total payments	<u>\$ 285,794,000</u>

- (c) The Corporation has entered into a service agreement related to certain payroll and human resources administration processes expiring October 16, 2015. Future minimum annual payments under this commitment are:

2010	\$ 7,878,613
2011	8,863,474
2012	9,573,106
2013	9,994,161
2014	10,344,004
2015	10,696,934
2016	<u>1,342,650</u>
Total payments	<u>\$ 58,692,941</u>

- (d) Effective September 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 10 years (expiring August 31, 2016) and the Corporation may renew the agreement for 2 additional periods of 5 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.

- (e) Effective December 31, 2008, the Corporation entered into a 1 year fixed price natural gas supply agreement for a majority of its total annual natural gas consumption. This agreement was to expire on December 31, 2009, but was renewed for 1 additional year and will expire December 31, 2010.
- (f) Effective July 31, 2007, the Corporation entered into a fixed price electricity supply agreement for all of its electricity consumption from January 1, 2009 to December 31, 2012. This agreement has been extended by two additional years and will expire December 31, 2014.
- (g) Effective July 1, 2007, the Corporation entered into a Committed Retainer Legal Services Agreement of a certain price, which will expire June 30, 2012.

#### 14. NET ASSETS

The components of the Corporation's net assets of \$146,717,595 as at August 31, 2009 are described below:

##### (a) Accumulated Operating Surplus

As at August 31, 2009, the Corporation has an accumulated operating surplus of \$30,534,327 (2008 - \$38,333,775) comprised of the following:

##### (i) Unrestricted Operating Surplus

Unrestricted operating surplus represents the aggregation of successive years' annual operating surpluses.

In the year ended August 31, 2009, the Corporation's annual operating surplus is \$276,040 (2008 - \$1,859,103) and, as at August 31, 2009, the Corporation has an unrestricted accumulated operating surplus of \$2,961,822 (2008 - \$2,685,782).

##### (ii) Designated Operating Funds and Operating Reserves

Where certain instructional initiatives are planned or in progress, and consistent with prior years, the Corporation has designated or restricted operating funds for specific purposes. Also, 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>2009</u>	<u>2008</u>
School decentralized budgets	\$ 3,750,308	\$ 7,702,371
Instructional and service unit initiatives	<u>2,892,204</u>	<u>3,766,553</u>
	<u>\$ 6,642,512</u>	<u>\$ 11,468,924</u>

Operating reserves have been established by the Board of Trustees for the following purposes:

	<u>2009</u>	<u>2008</u>
Transportation Fee Stabilization	\$ 1,665,025	\$ 1,923,028
Continuing Education Fee Stabilization	1,312,969	1,306,437
Unrealized Investment Gains/Losses	-	1,316,575
Utility Expense Stabilization	4,558,694	4,810,694
Snow Removal Budget Stabilization	200,000	200,000
Administrative Systems Renewal	5,322,336	5,322,336
General Instruction	3,000,000	3,000,000
Fiscal Stability	3,870,969	5,300,000
System Transformation	1,000,000	1,000,000
	<u>\$ 20,929,993</u>	<u>\$ 24,179,070</u>

As at August 31, 2009, the Board of Trustees has approved the use of \$1,911,000 of the Utility Stabilization Fee Reserve, \$1,358,000 of the General Instruction Reserve, \$1,038,000 of the Administrative Systems Renewal Reserve and \$612,000 of the Transportation Fee Stabilization Reserve in the 2009/10 operating budget.

**(b) Capital Reserves and Designated Capital Funds**

The Corporation's capital reserves and designated capital funds are established by Board of Trustees' resolution and in accordance with Provincial regulation, 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>2009</u>	<u>2008</u>
Land, Buildings and Equipment	\$11,800,926	\$25,152,613
School Program Modernization	2,270,771	2,270,771
Leased School Buildings	2,000,000	2,000,000
Primary Data Centre	-	2,500,000
Chinook Learning Services Relocation	1,400,000	1,000,000
Funds designated for approved capital projects	7,074,453	7,056,156
	<u>\$24,546,150</u>	<u>\$39,979,540</u>

These reserves and designated funds are to be applied to finance future capital expenditures in accordance with the specific requirements of each Board resolution. Funds may be committed from these reserves or designated amounts by the Board of Trustees from time to time to permit the completion of approved capital projects. As at August 31, 2009, the Board of Trustees has approved the use of \$9,664,870 of these funds for current capital projects leaving \$14,881,280 uncommitted for future capital projects.

**(c) Investment in Capital Assets**

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. As of August 31, 2009, the Corporation has \$91,637,119 invested in capital assets (2008 - \$70,469,112).

## 15. 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 other school jurisdictions in Alberta.

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

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
<b>2008/09</b>				
<b>Government of Alberta:</b>				
Education	\$ 5,416,237	\$ 33,676,044	\$ 869,122,747	\$ 3,505,290
Finance	1,618,088	28,669,798	2,971,278	-
Human Resources/Employment	-	-	236,143	-
Other Government of Alberta departments	-	-	278,560	-
<b>Other:</b>				
Health authorities	-	-	-	899,040
Post-secondary institutions	58,088	-	177,273	-
Other Alberta school jurisdictions	1,063,299	-	6,348,460	169,410
Other related parties	-	669,733	-	11,486,584
<b>TOTAL 2008/09</b>	<b>\$ 8,155,712</b>	<b>\$63,015,575</b>	<b>\$ 879,134,461</b>	<b>\$ 16,060,324</b>
<b>TOTAL 2007/08</b>	<b>\$ 8,632,393</b>	<b>\$76,268,816</b>	<b>\$ 853,194,339</b>	<b>\$ 13,336,328</b>

### (b) EducationMatters

EducationMatters (formerly The Calgary Board of Education Foundation), (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 Corporation's Trustees cannot hold a majority of the Governor positions. The Foundation promotes activities that support public education for the benefit of Calgary's students.

The Foundation is not consolidated in these financial statements. The resources held by the Foundation are not necessarily limited for use by the Corporation. Selected financial information for the Foundation for the 12 months ended August 31<sup>st</sup> as follows:

	<u>2009</u>	<u>2008</u>
Total assets	\$ 2,533,000	\$ 2,256,000
Total liabilities	7,000	3,000
Net assets	<u>\$ 2,526,000</u>	<u>\$ 2,253,000</u>
Fund balances held by the Foundation:		
Flow through funds	\$ 622,000	\$ 325,000
Endowment funds	1,262,000	1,281,000
Operating funds	642,000	647,000
	<u>\$ 2,526,000</u>	<u>\$ 2,253,000</u>
Revenues (1)	\$ 1,777,000	\$ 1,517,000
Expenses (2)	902,000	1,321,000
Excess of revenues over expenses	<u>\$ 875,000</u>	<u>\$ 196,000</u>

(1) Revenues include financial support from the Corporation of \$750,000 (2008 - \$750,000).

(2) Charitable disbursements and expenses paid to the Corporation amount to \$16,282 (2008 - \$13,798).

### (c) The Urban Schools Insurance Consortium

The Corporation is, under agreement, a member of The Urban Schools Insurance Consortium (USIC), which facilitates the placement of property and liability insurance coverage for thirteen school jurisdictions throughout the Province of Alberta. Amounts are paid by the members to the consortium to pay insurance for premiums on policy renewals and to self-insure a portion of each member's risk exposure. The Corporation's share of the accumulated and unencumbered consortium funds as at August 31, 2009 was \$2,634,132 (2008 - \$2,286,902). This amount has not been recognized in the Corporation's financial statements, as accumulated consortium funds are payable only upon membership termination or wrap up of the consortium.

### (d) Other fundraising groups and associations

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.

## 16. MANAGEMENT OF CAPITAL

Effective September 1, 2008, the Corporation implemented new capital disclosure requirements per Section 1535 of the CICA Handbook. The Corporation's objectives for managing capital are in the short term to safeguard the Corporation's financial ability to continue to deliver education and in the long term to plan and build sufficient financial and physical capacity to meet future needs for the Corporation's education programs and services.

The Corporation defines its capital as the amounts included in net assets. The Corporation's objective when managing its capital is to safeguard the ability to continue as a going concern so that it can continue to provide an array of educational services to its student population.

In order to facilitate the management of its capital requirements, the Corporation prepares annual capital and operating budgets that are updated as necessary, depending on various factors, including the market valuation of the investments and general industry conditions. The annual budgets are approved by the Board of Trustees.

The majority of the Corporation's operating funds are from Alberta Education which are generally paid every month. As a result, significantly less working capital is required. The Corporation monitors its working capital and cash flow forecasts.

A portion of capital is restricted in that the Corporation is required to receive approval from the Minister of Education for draws against any amount in which the Provincial Department of Education has an interest. In addition, the Corporation has restricted a portion of its capital against certain capital projects and specific lease payment obligations. The Corporation has internal control processes primarily through its Administrative Regulations, to ensure that the restrictions are met prior to the utilization of these resources and has been in compliance with these restrictions throughout the year.

The Corporation sets the amount of internally restricted funds in proportion to risk, manages the net asset structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

## 17. COMPARATIVE FIGURES

Certain 2008 amounts have been reclassified where necessary to conform to the current year's presentation.

## 18. REMUNERATION AND MONETARY INCENTIVES

Board Members:	FTE	Remuneration	Benefits	Approved Allowances	Performance Bonuses	ERIP's / Other	Expenses <sup>4</sup>
Chair							
Pat Cochrane	1.0	\$56,645	\$6,585	\$3,600			\$4,514
Other members:							
Carol Bazinet	1.0	\$51,448	\$6,604	\$3,600			\$4,826
Gordon Dirks	1.0	\$46,251	\$6,581	\$3,600			\$1,648
Pamela King	1.0	\$46,251	\$6,593	\$3,600			\$4,626
Lynn Ferguson	1.0	\$46,251	\$6,581	\$3,600			\$6,627
George Lane	1.0	\$46,251	\$4,547	\$3,600			\$8,565
Karen Kryczka	1.0	\$46,251	\$4,547	\$3,600			\$3,745
							\$5,967
<b>Subtotal</b>	<b>7.0</b>	<b>\$339,348</b>	<b>\$42,038</b>	<b>\$25,200</b>		<b>\$0</b>	<b>\$40,518</b>
Brendan J . Croskery <sup>1</sup>	0.4	\$91,373	\$25,740	\$7,692	\$50,000	\$342,871	\$4,935
Beverley Hubert <sup>1</sup>	0.6	\$133,992	\$3,391	\$9,115		\$251,381	\$7,684
Naomi Johnson <sup>1</sup>	0.01	\$2,031	\$257	\$115			
Don M. Dart	1.0	\$204,208	\$53,459	\$7,000	\$27,560	\$0	\$3,044
Certificated Teachers <sup>2</sup>	6,093.6	\$495,353,079	\$54,773,132	\$0	\$26,334	\$0	
Non-certificated - Other	3,293.0	\$154,185,078	\$34,314,570	\$0	\$25,152	\$0	
<b>TOTALS</b>		<b>\$650,309,109</b>	<b>\$89,212,587</b>	<b>\$49,122</b>	<b>\$129,046</b>	<b>\$594,252</b>	

Note 1: The benefit costs for the above named certificated Superintendents do not reflect the Alberta Teachers' Retirement Fund (ATRF) contribution made by Alberta Education on behalf of the CBE in the amount of \$23,967 for 2008/09 (\$22,903 for 2007/08).

Note 2: The benefit costs for the certificated teaching staff do not reflect the Alberta Teachers' Retirement Fund contribution made by Alberta Education on behalf of the CBE.

Note 3: Expenses include the reimbursement of travel, subsistence, and other approved expenses on his/her behalf in performing the responsibilities of the named position.

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**  
**[School Act, Section 276]**

**CALGARY BOARD OF EDUCATION**

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Legal Name of School Jurisdiction

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**515 MACLEOD TRAIL SE, CALGARY, ALBERTA T2G 2L9**

Mailing Address

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**TEL: (403) 294-8211 Fax: (403) 294-8254**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions. These schedules were submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**DONALD M. DART**

Name

**"ORIGINAL SIGNED FOR DONALD M. DART"**

Signature

**1-Dec-09**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: [Cindy.Wang@gov.ab.ca](mailto:Cindy.Wang@gov.ab.ca)  
PHONE: (780) 644-5672 FAX: (780) 422-6996

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**SCHEDULE A**

School Jurisdiction Code: 3030

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2008-2009**

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$25,951,166	\$677,540,974	\$97,904,846	\$29,870,666	\$34,764,909	\$3,090,186	\$869,122,747
(2) Other - Government of Alberta	\$0	\$0	\$2,971,277	\$0	\$0	\$0	\$2,971,277
(3) Federal Government and First Nations	\$30,774	\$1,458,430	\$12,000	\$0	\$1,596	\$1,254,010	\$2,756,810
(4) Other Alberta school authorities	\$0	\$635,793	\$232,175	\$8,165	\$80,343	\$0	\$956,476
(5) Out of province authorities	\$0	\$278,450	\$0	\$0	\$41,193	\$194,950	\$514,593
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Instruction resource fees	\$99,389	\$7,175,405					\$7,274,794
(8) Transportation fees-ECS				\$315,810			\$315,810
(9) Transportation fees-Grades 1-12				\$5,147,217			\$5,147,217
(10) Other sales and services	\$1,613	\$13,200,703	\$1,576,751	\$5,100	\$646,549	\$7,345,142	\$22,775,858
(11) Investment income	\$0	\$0	\$350,000	\$0	\$0	(\$241,566)	\$108,434
(12) Gifts and donations	\$0	\$1,032,108	\$0	\$0	\$0	\$36,000	\$1,068,108
(13) Rental of facilities	\$0	\$0	\$5,180,794	\$0	\$50,013	\$2,424,649	\$7,655,456
(14) Net school generated funds	\$0	\$7,937,339	\$0	\$0	\$0	\$0	\$7,937,339
(15) Gains on disposal of capital assets	\$0	\$0	\$5,139,429	\$0	\$0	\$0	\$5,139,429
(16) Amortization of capital allocations	\$0	\$0	\$17,754,155	\$0	\$0	\$0	\$17,754,155
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$26,082,942	\$709,259,202	\$131,121,427	\$35,346,958	\$35,584,603	\$14,103,371	\$951,498,503
<b>EXPENSES</b>							
(19) Certificated salaries	\$17,103,378	\$474,006,070			\$2,618,371	\$2,523,242	\$496,251,061
(20) Certificated benefits	\$2,054,182	\$52,250,700			\$203,045	\$311,517	\$54,819,444
(21) Non-certificated salaries and wages	\$4,999,169	\$87,021,255	\$39,711,285	\$1,309,074	\$16,497,289	\$5,243,275	\$154,781,347
(22) Non-certificated benefits	\$1,187,767	\$19,908,020	\$8,983,979	\$295,618	\$3,059,024	\$1,007,859	\$34,442,267
(23) SUB - TOTAL	\$25,344,496	\$633,186,045	\$48,695,264	\$1,604,692	\$22,377,729	\$9,085,893	\$740,294,119
(24) Services, contracts and supplies	\$1,009,786	\$62,695,895	\$55,870,985	\$33,985,673	\$15,618,462	\$3,579,515	\$172,760,316
(25) Net school generated funds	\$0	\$7,937,339					\$7,937,339
(26) Amortization of capital assets	\$0	\$11,110,906	\$19,566,414	\$24,211	\$1,583,341	\$3,616	\$32,288,488
(27) Interest and charges	\$0	\$54,837	\$146,353	\$0	\$8,799	\$73,086	\$283,075
(28) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$26,354,282	\$714,985,022	\$124,279,016	\$35,614,576	\$39,588,331	\$12,742,110	\$953,563,337
(31) OVER EXPENSES BEFORE EXTRAORDINARY ITEM	(\$271,340)	(\$5,725,820)	\$6,842,411	(\$267,618)	(\$4,003,728)	\$1,361,261	(\$2,064,834)

**SCHEDULE B  
SCHOOL GENERATED FUNDS (SGF) - 2008-2009**

<b>Unexpended SGF - Opening Balance August 31, 2008</b> (Note 1)			\$15,566,156
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$11,238,272	\$14,389,257	(\$3,150,985)
Student fees (Non-Instructional) (Note 1)	\$16,812,528	\$13,259,030	\$3,553,498
Donations and grants to schools	\$7,174,278	\$668,938	\$6,505,340
Other (describe):	\$149,628	\$51,760	\$97,868
<b>Net Additions to SGF</b>	\$35,374,706	\$28,368,985	\$7,005,721
<b>Net SGF Available</b>			\$22,571,877
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$5,028,375
Field Trips			\$1,421,240
Other (describe):			\$1,487,724
<b>Total Uses of Net SGF</b> (Note 2)			\$7,937,339
<b>Unexpended SGF - Closing Balance August 31, 2009</b> (Note 3)			\$14,634,538

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school.

**Notes:**

- 1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for
- 2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.
- 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.

**SCHEDULE C  
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2008-2009**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$23,332,848	\$8,907,718	\$501,892	\$1,574,504	\$5,695,928		\$40,012,890		\$40,012,890
Uncertificated benefits	\$5,466,931	\$1,774,781	\$89,417	\$313,263	\$1,196,280		\$8,840,672		\$8,840,672
Sub-total Remuneration	\$28,799,779	\$10,682,499	\$591,309	\$1,887,767	\$6,892,208		\$48,853,562		\$48,853,562
Supplies and services	\$4,102,025	\$8,600,611	\$1,210,697	\$16,627,835	\$1,869,093		\$32,410,261		\$32,410,261
Electricity			\$10,322,246				\$10,322,246		\$10,322,246
Natural Gas/Heating Fuel			\$7,626,019				\$7,626,019		\$7,626,019
Sewer and Water			\$1,060,425				\$1,060,425		\$1,060,425
Telecommunications			\$92,164				\$92,164		\$92,164
Insurance					\$1,388,593		\$1,388,593		\$1,388,593
Amortization of capital assets									
Supported								\$17,754,155	\$17,754,155
Unsupported						\$1,762,610	\$1,762,610		\$1,762,610
Total Amortization						\$1,762,610	\$1,762,610	\$17,754,155	\$19,516,765
Interest on capital debt									
Supported								\$0	\$0
Unsupported									
Other interest charges				\$146,353			\$146,353		\$146,353
Losses on disposal of capital assets							\$0		\$0
TOTAL EXPENSES	\$32,901,804	\$19,283,110	\$20,902,860	\$18,661,955	\$10,149,894	\$1,762,610	\$103,662,233	\$17,754,155	\$121,416,388
<b>SQUARE METRES</b>									
School Buildings									1,242,547.7
Non School Buildings									15,890.0

**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 Relocations:** All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.

**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.