

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2005**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

CALGARY BOARD OF EDUCATION

Legal Name of School Jurisdiction

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Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules CALGARY BOARD OF EDUCATION

(Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

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 budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board 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 have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules 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 Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN	
GORDON DIRKS	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT	
DR. BRENDAN J. CROSKERY	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER	
DONALD M. DART	"ORIGINAL SIGNED"
Name	Signature

29-Nov-05

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, 2005 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, 2005 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

Chartered Accountants

Calgary, Canada
November 8, 2005

STATEMENT OF FINANCIAL POSITION
as at August 31, 2005

(in dollars)

	2005	2004 Restated
ASSETS		
Current assets		
Cash and temporary investments	\$56,302,885	\$64,034,517
Accounts receivable (net after allowances)	\$29,779,704	\$21,445,550
Prepaid expenses	\$2,194,746	\$3,027,678
Other current assets	\$33,184,578	\$22,015,146
Total current assets	\$121,461,913	\$110,522,891
School generated assets	\$11,530,559	\$10,246,729
Trust assets	\$0	\$0
Long term accounts receivable	\$0	\$0
Long term investments	\$24,002,181	\$13,248,713
Capital assets		
Land	\$2,962,279	\$2,962,279
Buildings	\$605,352,949	
Less: accumulated amortization	(\$267,726,111)	\$337,626,838
Equipment	\$96,090,599	
Less: accumulated amortization	(\$60,945,154)	\$35,145,445
Vehicles	\$5,219,529	
Less: accumulated amortization	(\$3,366,804)	\$1,852,724
Total capital assets	\$377,587,286	\$360,019,771
TOTAL ASSETS	\$534,581,939	\$494,038,104
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$58,402,406	\$62,302,860
Deferred revenue	\$22,954,192	\$13,123,739
Deferred capital allocations	\$5,401,765	\$1,992,323
Current portion of all long term debt	\$8,978,662	\$9,095,530
Total current liabilities	\$95,737,025	\$86,514,452
School generated liabilities	\$11,530,559	\$10,246,729
Trust liabilities	\$0	\$0
Employee future benefits liability	\$23,984,012	\$21,274,095
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$58,765,438	\$67,636,911
Less: Current portion of supported debt	(\$8,756,522)	(\$8,871,473)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$2,475,943	\$2,700,000
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	(\$222,140)	(\$224,057)
Unamortized capital allocations	\$273,556,372	\$254,781,234
Total long term liabilities	\$361,333,662	\$347,543,439
TOTAL LIABILITIES	\$457,070,687	\$434,057,891
NET ASSETS		
Unrestricted net assets	\$0	\$25,976
Operating Reserves	\$12,045,240	\$0
Accumulated Operating Surplus (Deficit)	\$12,045,240	\$25,976
Investment in capital assets	\$42,846,468	\$35,814,878
Capital Reserves	\$22,619,544	\$24,139,359
Total Capital Funds	\$65,466,012	\$59,954,237
Total net assets	\$77,511,252	\$59,980,213
TOTAL LIABILITIES AND NET ASSETS	\$534,581,939	\$494,038,104

Note: Input "(Restated)" in 2004 column heading where comparatives are not taken from the finalized 2003-2004 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2005

(in dollars)

	Actual 2005	Budget 2005 Restated	Actual 2004 Restated
REVENUES			
Government of Alberta	\$699,589,657	\$697,875,977	\$655,437,440
Federal Government and/or First Nations	\$1,442,676	\$1,379,784	\$1,534,790
Other Alberta school authorities	\$1,046,166	\$976,603	\$1,249,541
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$1,036,225	\$1,183,520	\$1,047,388
Instruction resource fees	\$7,168,006	\$6,963,165	\$6,931,440
Transportation fees	\$4,557,042	\$4,768,975	\$4,576,884
Other sales and services	\$18,256,323	\$17,115,670	\$18,190,161
Investment income	\$3,161,790	\$2,129,770	\$2,229,322
Gifts and donations	\$838,868	\$776,455	\$34,000
Rentals of facilities	\$6,602,099	\$5,736,123	\$6,205,221
Net school generated funds	\$9,104,084	\$6,952,673	\$6,723,453
Gains on disposal of capital assets	\$39,535	\$39,535	\$3,612,042
Amortization of capital allocations	\$14,186,836	\$14,135,730	\$13,311,745
Total Revenues	\$767,029,307	\$760,033,980	\$721,083,427
EXPENSES			
Certificated salaries	\$395,747,645	\$397,011,761	\$374,657,930
Certificated benefits	\$49,337,970	\$46,986,475	\$46,728,756
Uncertificated salaries and wages	\$120,810,913	\$123,623,796	\$111,720,230
Uncertificated benefits	\$26,468,066	\$27,484,127	\$23,642,808
Services, contracts and supplies	\$120,222,950	\$127,971,575	\$108,450,988
Net school generated funds	\$9,104,084	\$6,952,673	\$6,723,453
Capital and debt services			
Amortization of capital assets			
Supported	\$14,186,836	\$14,135,730	\$13,311,745
Unsupported	\$7,030,746	\$7,187,370	\$6,880,107
Total Amortization of capital assets	\$21,217,582	\$21,323,100	\$20,191,852
Interest on capital debt			
Supported	\$6,445,137	\$6,445,137	\$7,397,643
Unsupported	\$0	\$0	\$12,650
Total Interest on capital debt	\$6,445,137	\$6,445,137	\$7,410,293
Other interest charges	\$143,921	\$219,717	\$80,664
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$749,498,268	\$758,018,361	\$699,606,974
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	\$17,531,039	\$2,015,619	\$21,476,453
Extraordinary Item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$17,531,039	\$2,015,619	\$21,476,453

Note: Input "(Restated)" in Budget 2005 and/or Actuals 2004 column headings where comparatives are not taken from the respective finalized 2004-2005 Budget Report and/or finalized 2003-2004 Audited Financial Statements.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2005

(in dollars)

	2005	2004
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$17,531,039	\$21,476,453
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$14,186,836)	(\$13,311,745)
Total amortization expense	\$21,217,582	\$20,191,852
Gains on disposal of capital assets	(\$39,535)	(\$3,612,042)
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$8,334,154)	(\$879,326)
Prepays and other current assets	(\$10,336,500)	\$1,309,599
Long term accounts receivable	\$0	\$0
Long term investments	(\$10,753,468)	\$0
Payables and accrued liabilities	(\$3,900,454)	\$12,460,058
Deferred revenue	\$9,830,453	(\$7,057,538)
Employee future benefit expense (recovery)	\$2,709,917	\$5,372,296
Other (describe) Adjustments for change in logn term investments, v	\$12,766,258	\$0
Total sources (uses) of cash from Operations	\$16,504,302	\$35,949,607
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$26,941,336)	(\$30,112,564)
Equipment	(\$11,272,362)	(\$14,340,998)
Vehicles	(\$571,401)	(\$354,599)
Net proceeds from disposal of capital assets	\$39,535	\$3,612,042
Other (describe) Change in long term investments and working capi	(\$12,673,060)	(\$1,101,578)
Total sources (uses) of cash from Investing activities	(\$51,418,624)	(\$42,297,697)
C. FINANCING ACTIVITIES		
Capital allocations	\$27,499,944	\$18,360,185
Issue of long term debt	\$0	\$2,700,000
Repayment of long term debt	(\$9,095,530)	(\$9,637,859)
Add back: supported portion	\$8,871,472	\$9,234,579
Other (describe) Change in working capital components	(\$93,196)	(\$3,233,788)
Total sources (uses) of cash from Financing activities	\$27,182,690	\$17,423,117
Net sources (uses) of cash during year	(\$7,731,632)	\$11,075,027
Cash and temporary investments, net of bank indebtedness, at Aug. 31/04	\$64,034,517	\$52,959,490
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	\$56,302,885	\$64,034,517

Note: 1 Input "(Restated)" in 2004 column heading where not taken from the finalized 2003-2004 Audited Financial Statements.
2 Cash and temporary investments are net of cash obligations.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2005**

School Jurisdiction 3030

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O & M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2004	\$59,980,213	\$35,814,878	\$25,976	\$24,139,359	\$0	\$0	\$0	\$24,139,359	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2004	\$59,980,213	\$35,814,878	\$25,976	\$24,139,359	\$0	\$0	\$0	\$24,139,359	\$0	\$0	\$0	\$0	\$0	\$0
Surplus(def) of revenue over expenses	\$17,531,039		\$17,531,039											
Board funded capital transactions		\$14,062,336	(\$7,034,554)	(\$7,027,782)	\$0	\$0	\$0	(\$7,027,782)	\$0	\$0	\$0	\$0	\$0	\$0
Direct credits to net assets	\$0	\$0												
Amortization of capital assets		(\$21,217,582)	\$21,217,582											
Amortization of capital allocations		\$14,186,836	(\$14,186,836)											
Disposal of unsupported capital assets	\$0	\$0	(\$39,535)	\$39,535		\$0		\$39,535		\$0		\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0
Debt principal payments (unsupported)		\$0	\$0											
Net transfers to operating reserves			(\$16,961,418)	\$16,961,418	\$7,310,217		\$2,416,107		\$3,195,336		\$2,254,663		\$1,785,095	
Net transfers from operating reserves			\$4,916,178	(\$4,916,178)	(\$4,881,178)		\$0		(\$35,000)		\$0		\$0	
Net transfers to capital reserves			(\$9,785,374)	\$9,785,374		\$0		\$9,785,374		\$0		\$0		\$0
Net transfers from capital reserves			\$4,316,942	(\$4,316,942)		\$0		(\$4,316,942)		\$0		\$0		\$0
Balance at August 31, 2005	\$77,511,252	\$42,846,468	\$0	\$34,664,784	\$2,429,039	\$0	\$2,416,107	\$22,619,544	\$3,160,336	\$0	\$2,254,663	\$0	\$1,785,095	\$0

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)
for the Year Ended August 31, 2005
(in dollars)**

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 20	\$1,992,323	\$254,781,234
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2004	\$1,992,323	\$254,781,234
Add:		
Capital allocations from: Infrastructure and Transportation-New/Modernization Projects	\$27,212,324	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$20,580	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$192,040	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$75,000	
Donated capital assets (amortizable, at Fair Market Value)		\$0
Transferred in capital assets (amortizable, at Net Book Value)		\$0
Current Year Debenture Principal Repayment		\$8,871,472
Expended capital allocations - current year	(\$24,090,502)	\$24,090,502
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$14,186,836
Balance at August 31, 2005	\$5,401,765	\$273,556,372

**CALGARY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2005**

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 for income tax purposes to donors.

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. 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 careful 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) (see Note 11 (b)) are not consolidated in these financial statements.

Budget information (unaudited) presented on the Statement of Revenue and Expense and on the related schedules is for information purposes only and represents the original budget submitted to Alberta Education, 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 subsequent amendments.

(b) 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.

(c) 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 determined by the appointed external investment counsel.

Short-term investments consist of amounts to ensure the timely settlement of the Corporation's financial obligations. Investment recommendations are made with a maximum of a one-year view.

Long-term investments consist of amounts anticipated to be available for investment for a period of approximately three to five years, unless significant unforeseen factors occur.

Investments may consist of corporate and government bonds, treasury bills and money market investments. These investments are recorded as of the date of acquisition and are stated at cost plus accrued interest. In addition, long-term investments may also include equities and are recorded at cost. Gains on sales of investments are recognized in the year of disposal. Losses are recognized in the year of disposal or, for long-term investments, when there is an other-than-temporary impairment in the value of an investment. Interest and dividends are included in income on the accrual basis.

(d) Inventories

Inventories consist of maintenance and school supplies and are valued at the lower of average cost and replacement cost, or net realizable value. The inventory is recorded as an expense when items are shipped to schools or departments.

(e) Capital Assets and Capital Revenue

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

Land improvements	25 years
Buildings	40 years
Furniture and equipment	5-10 years

No amortization is provided on construction in progress, as these assets are not ready and available for use. Upon completion and placement 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 Infrastructure and Transportation when approved, based on three-year capital plans. Capital grants for these assets are deferred and reflected in revenue over the lives of the related assets.

(f) 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 or contributed by the Corporation, 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. Payments from individual scholarships are made to the recipients of the scholarships and bursaries in accordance with the various scholarship agreements, and a corresponding amount is transferred to revenue at that time.

The annual amortization of capital assets funded by Alberta Infrastructure and Transportation is charged to expense 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, contributed services are not quantified and recognized in these financial statements.

(g) Proceeds on Disposal of Capital Assets

The proceeds on disposal of capital assets are applied to fund future capital assets. To the extent that these proceeds relate to provincially funded assets, the amount is recorded as unexpended capital grants until a provincially approved capital expenditure is made. To the extent that these proceeds relate to Corporation funded assets, the amount is reflected as income and a corresponding amount is transferred to capital reserves until a Board of Trustee approved capital expenditure is made.

Pursuant to Provincial regulations, the allocation is determined for each asset disposal based upon the relative contribution from the Province of Alberta and the Corporation to fund the original purchase of the disposed asset.

(h) School Generated Funds

These financial statements include funds 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 and extra-curricular activities, the related costs are netted against the amount of recorded school generated funds revenue. Revenue from school generated funds is recognized as the related expenses are incurred.

(i) Pensions

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

During the fiscal year, the Corporation commenced a Supplemental Integrated Pension Plan (SiPP) for certain members of senior administration effective January 1, 2002. The plan provides a supplement to the Local Authorities Pension Plan or 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 actuarially determined using the projected benefit method prorated on service and managements' best estimate of expected salary and benefit escalation, retirement ages of employees and plan investment performance. As at August 31, 2005 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.

(j) Employee Future Benefit Plans

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 supplementary health care 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.

The most recent actuarial valuation of the obligation was performed as at August 31, 2004.

(k) 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. It is administration's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted in Notes #3 and #11, as determined by market comparisons, the fair values of these financial instruments approximate their carrying values.

3. CASH AND CASH EQUIVALENTS, INVESTMENTS AND BANK INDEBTEDNESS

	2005				
	Cash and cash equivalents	Investments at Cost			Market Value
		Short-Term	Long-Term	Total	
<u>Cash and Fixed Income Investments</u>					
Bank balances (1)	\$ 3,038,024	\$ -	\$ -	\$ 3,038,024	\$ 3,038,024
Outstanding cheques	(4,037,133)	-	-	(4,037,133)	(4,037,133)
Money market investments	57,301,995	30,856,778	2,128,930	90,287,703	90,507,659
Canadian bonds	-	-	9,917,244	9,917,244	10,100,736
Foreign bonds	-	1,500,000	-	1,500,000	1,499,550
Supplemental Integrated Pension Plan Assets (see note 9(b))	-	246,870	-	246,870	250,469
Restricted long-term investment (2)	-	-	2,700,000	2,700,000	2,700,000
<u>Equity Investments</u>					
Canadian equities	-	-	5,085,994	5,085,994	6,014,490
U.S. equity pooled funds	-	-	1,931,051	1,931,051	1,910,319
International equity pooled funds	-	-	2,238,962	2,238,962	2,199,096
Total at Cost	<u>\$ 56,302,886</u>	<u>\$ 32,603,648</u>	<u>\$ 24,002,181</u>	<u>\$112,908,715</u>	
Total at Market Value	<u>\$ 56,379,251</u>	<u>\$ 32,746,654</u>	<u>\$ 25,057,305</u>		<u>\$114,183,210</u>

(1) Bank balances includes \$257,134 restricted for capital use.

(2) Restricted long-term investment relates to cash collateral requirements as a result of the capital lease entered into during the year ended August 31, 2004 (see Note 7).

	2004				
	Cash and cash equivalents	Investments at Cost			Market Value
		Short-Term	Long-Term	Total	
<u>Cash and Fixed Income Investments</u>					
Bank balances (1)	\$ 491,271	\$ -	\$ -	\$ 491,271	\$ 491,271
Outstanding cheques	(832,854)	-	-	(832,854)	(832,854)
Money market investments	64,376,100	21,404,982	1,438,214	87,219,296	87,339,789
Canadian bonds	-	-	5,172,967	5,172,967	5,163,372
Restricted long-term investment (2)	-	-	2,700,000	2,700,000	2,700,000
<u>Equity Investments</u>					
Canadian equities	-	-	2,147,747	2,147,747	2,377,353
U.S. equity pooled funds	-	-	900,000	900,000	963,138
International equity pooled funds	-	-	889,785	889,785	987,813
Total at Cost	<u>\$ 64,034,517</u>	<u>\$ 21,404,982</u>	<u>\$ 13,248,713</u>	<u>\$98,688,212</u>	
Total at Market Value	<u>\$ 64,088,249</u>	<u>\$ 21,468,296</u>	<u>\$ 13,633,337</u>		<u>\$ 99,189,882</u>

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, 2005, no amount has been drawn against the Corporation's general operating line of credit.

Yields on current and long-term investments are as follows:

	2005		2004	
	Effective or Market Yield	Cost	Effective or Market Yield	Cost
	<u>Cash Equivalents</u>			
Money Market Investments	2.64%	\$57,302,886	2.18%	\$64,376,100
<u>Short-Term Investments</u>				
Bonds	3.01%	1,500,000	-	-
Money Market Investments	2.73%	30,856,778	2.27%	21,404,982
Non-Registered Mutual Funds (SIPP)	1.84%	246,870	-	-
<u>Long-Term Investments</u>				
Money Market Investments	2.51%	2,128,930	2.09%	1,438,214
Bond maturity				
Within one year	-	-	2.00%	305,035
Two to five years	3.33%	2,916,150	-	-
More than five years	3.66%	7,001,094	4.32%	4,867,932
Canadian equities	1.89%	5,085,994	2.02%	2,147,747
U.S. equity pooled funds	1.35%	1,931,051	1.33%	900,000
International equity pooled funds	2.65%	2,238,962	2.68%	889,785

Additional Cash Flow Information

During the year ended August 31, 2005, cash interest paid on debenture and other debt amounted to \$6,932,314 (2004 - \$7,920,215) and cash interest earned on investments totaled \$2,450,614 (2004 - \$2,045,853).

4. OTHER CURRENT ASSETS

	<u>2005</u>	<u>2004</u>
Temporary investments with original maturities greater than 90 days	\$ 32,603,650	\$ 21,404,982
Inventory	<u>580,928</u>	<u>610,163</u>
	<u>\$33,184,578</u>	<u>\$22,015,145</u>

5. DEFERRED REVENUE

	<u>2005</u>	<u>2004</u>
Alberta Education operating grants		
Alberta Initiative for School Improvement	\$ 3,937,356	\$ 3,709,926
Operations & Maintenance support	3,103,736	-
Connecting Communities of Learners	288,184	-
School Curriculum Resources	184,632	-
REACH	178,464	-
Video Conferencing	100,000	-
Other Alberta Education revenue	85,448	71,696
Alberta Infrastructure grants		
Infrastructure Maintenance Program	6,449,403	1,472,380
Other organization and individual revenues	<u>8,626,969</u>	<u>7,869,737</u>
	<u>\$22,954,192</u>	<u>\$13,123,739</u>

6. EMPLOYEE FUTURE BENEFITS LIABILITY

(a) Local Authorities Pension Plan

The majority of the Corporation's uncertificated employees participate in the Local Authorities Pension Plan, a multi-employer pension plan. The Corporation's net pension expense for the year amounts to \$7,250,647 (2004 - \$5,955,348).

(b) Supplemental Integrated Pension Plan

During the 2004/05 school year, the Corporation commenced participation in a Supplemental Integrated Pension Plan for senior administrative staff comprised of both a registered and non-registered portion.

The Corporation's net pension expense for the registered portion for the year was \$79,626. The net pension expense for the non-registered portion was \$246,870 set up as both a liability and an offsetting asset amount for contributed funds held in trust. The Plan is fully funded by separately designated plan assets.

(c) Other Employee Future Benefits

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.

The Corporation measures its accrued benefit obligations for accounting purposes as at August 31 of each year. The most recent actuarial valuation of post-retirement and post-employment benefit plans was as of August 31, 2004. The next required valuation will be as of August 31, 2007.

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, 2004, the date of the most recent actuarial valuation, extrapolated to August 31, 2005) are as follows:

Amortization method	Straight-line
Discount rate	4.85%
Supplementary health care cost escalation	9.5% for 2006, grading by 0.5% per year to an ultimate rate of 5.0%
Dental care cost escalation	4.0% per year
Provincial health care escalation	3.0%

During the 2004/05 fiscal year, the Corporation and Alberta Teachers Association, Local #38 (Calgary Public Teachers) reached a collective agreement for the period September 1, 2003 through August 31, 2007 which included certain amendments to the employees' post retirement benefit plan. The effects of the plan amendments are treated separately as both a negative plan amendment and a curtailment of the plan.

The actuarially determined liability for future employee benefits based on an extrapolation to August 31, 2005 is \$46,681,000 (2004 - \$56,275,000). To date, \$23,737,141 (2004 - \$21,274,095) 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. The unamortized transitional obligation of \$23,776,175 on September 1, 2004 has been reduced by \$16,348,000 to \$7,428,175 to reflect the change in the accrued benefit obligation to teachers, and the remaining amount amortized over the balance of the original average remaining service period, which is 7 years. The total current year expense for employee future benefits amounts to \$5,632,769 (2004 - \$7,897,589), including current service costs of \$1,041,000 (2004 - \$1,984,376). During the year ended August 31, 2005, \$3,169,723 (2004 - \$2,525,293) was paid in respect of post-employment or post-retirement benefits.

7. LONG-TERM DEBT

Long-term debt relates to debentures for the acquisition of school buildings funded directly by Alberta Infrastructure and Transportation and to capital leases, approved by the Minister of Education for internally financed equipment purchases. Debentures are secured by all assets of the Corporation.

Debenture debt on school buildings, in the amount of \$58,765,437 outstanding at August 31, 2005, bears interest at rates ranging from 7.25% to 12.00% with a weighted average rate of 10.21% per annum. Debenture interest expense on school buildings during the year amounted to \$6,445,137 (2004 - \$7,397,643). 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, calculated using discounted cash flow analyses with a discount rate equal to the prevailing market rate of interest for instruments having the same terms and characteristics, is \$83,710,470. This fair value amount is provided for information purposes only. This debt is fully guaranteed by the Province of Alberta and Alberta Finance funds interest and principal payments.

In addition, the Corporation has entered into a capital lease for certain equipment. This obligation bears interest at the Royal Bank of Canada prime rate less 1.6% per annum and expires June 29, 2014.

The following is a summary by fiscal year of principal payments on debenture debt and on capital leases outstanding at August 31, 2005:

<u>Year Ending</u>	<u>Debenture Debt</u>	<u>Capital Leases</u>	<u>Total</u>
2006	\$ 8,756,522	\$ 222,140	8,978,662
2007	8,611,998	227,708	8,839,706
2008	7,855,170	233,417	8,088,587
2009	6,490,037	239,268	6,729,305
2010	5,249,490	245,267	5,494,757
to maturity	21,802,220	1,308,143	23,110,363
Total	58,765,437	2,475,943	61,241,380
Current portion	8,756,522	222,140	8,978,662
Long-term portion	<u>\$ 50,008,915</u>	<u>\$ 2,253,803</u>	<u>\$ 52,262,718</u>

Capital lease interest expense during the year amounted to \$57,079 (2004 - \$9,892).

8. CONTINGENCIES AND COMMITMENTS

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

The Corporation has an undertaking to eliminate its unrestricted operating deficit over a ten-year period ending August 31, 2010 (see note 9).

The Corporation has contractual commitments to complete major capital projects relating to school buildings. As at August 31, 2005, these outstanding contractual obligations amount to \$23,879,081, all of which are expected to be funded by the Province of Alberta.

To the extent the Corporation does not complete certain contractual commitments to develop information technology infrastructure and other capital project initiatives, the Corporation would incur costs of \$850,326.

The Corporation has entered into a fixed price electricity services agreement of a certain price for all of their total annual electrical consumption. This agreement expires on December 31, 2008.

The Corporation has entered into operating lease agreements for office space that expire through August 31, 2009. Future minimum annual lease payments under these leases are as follows:

2006	413,786
2007	425,892
2008	437,997
2009	338,566
	<u>\$ 1,616,241</u>

Rent expense during the year amounted to \$388,293 (2004 - \$170,496).

See also Note 16 regarding subsequent event.

9. NET ASSETS

The components of the Corporation's net assets of \$77,511,252 as at August 31, 2005 are described below:

(a) Unrestricted Net Assets

Under Alberta Education requirements, operating reserves may only be created or increased when a school board has an accumulated operating surplus. Alberta Education excludes school generated funds from this determination. However, where certain instructional initiatives are planned or in progress, and consistent with prior years, the Corporation has designated or reserved operating funds for specific purposes. These fund designations will be honoured in accordance with legislation or a Board of Trustees motion.

These funds are identified below as "restricted net assets – operating" in the amounts of \$4,601,333 in the current year and \$16,961,418 on a cumulative basis. In accordance with the requirements of Alberta Education, however, for financial statement purposes, the Statement of Changes in Net Assets reflects transfers of these funds from operating reserves to unrestricted net assets.

As at August 31, 2005, the Corporation has an accumulated operating surplus of \$12,045,240 (2004 – an accumulated operating surplus of \$25,976) comprised of the following:

	<u>2005</u>	<u>2004</u>
Unrestricted operating deficit	\$ (4,916,178)	\$ (12,334,109)
Restricted net assets - operating	<u>16,961,418</u>	<u>12,360,085</u>
	<u>\$ 12,045,240</u>	<u>\$ 25,976</u>

(i) Unrestricted Operating Deficit

Unrestricted operating surplus or, if negative, deficit represents the aggregation of successive years' annual unrestricted excesses and deficiencies of revenues over expenses. As at August 31, 2005, the Corporation's annual operating surplus is \$7,417,932 (2004 - \$4,216,376) and, as at August 31, 2005, the Corporation has an unrestricted accumulated operating deficit of \$4,916,178 (2004 - \$12,334,109).

In 1999, senior administration prepared a plan, approved by the Minister of Education, to eliminate its unrestricted accumulated operating deficit over a ten-year period, ending August 31, 2010. The minimum provision amount required per year is \$2,600,000. Since the Minister of Education approved the plan in 1999, the Corporation is ahead of its deficit reduction objective as at August 31, 2005 by \$8,067,823.

(ii) Restricted Net Assets – Operating

Restricted net assets – operating consists of designated funds and operating reserves, which are established through Provincial regulation or by Board of Trustees' approval. These restricted funds are set aside by the Board to provide funding for specific programs or to stabilize annual fee rates established to offset the cost of programs and services.

Restricted net assets – operating comprises the following:

	<u>2005</u>	<u>2004</u>
<u>Designated Funds</u>		
School decentralized budgets	\$ 6,559,655	\$ 3,842,961
Instructional programs	<u>785,562</u>	<u>1,854,121</u>
Total designated funds	7,345,217	5,697,082
<u>Operating Reserves</u>		
Transportation Fee Stabilization Reserve	\$ 2,254,663	\$ 3,314,603
Continuing Education Fee Stabilization Reserve	1,184,479	1,335,411
Music Loan Pool Reserve	600,616	478,020
Utility Expense Stabilization Reserve	2,416,107	1,534,969
Administrative Systems Renewal Reserve	<u>3,160,336</u>	<u>-</u>
Total operating reserves	<u>9,616,201</u>	<u>6,663,003</u>
Total restricted net assets - operating	<u>\$ 16,961,418</u>	<u>\$ 12,360,085</u>

As at August 31, 2005, the Board of Trustees has approved the use of \$1,635,000 of the Transportation Reserve and \$2,500,000 of the Administrative Systems Renewal Reserve in the 2005/06 operating budget.

(b) Capital Reserves and Designated Capital Funds

The Corporation's capital reserves, established by Board of Trustees' motion and in accordance with Provincial regulation, are funded from proceeds on disposals of capital assets, provision from operating funds or from lease revenues. In addition, capital funds have been designated by the Board of Trustees to permit the completion of capital projects that are budgeted but not yet complete. To date, the following capital reserves have been established:

	<u>2005</u>	<u>2004</u>
Unspent proceeds on disposal of capital assets	\$ 10,980,111	\$ 15,280,290
Capital reserve for school program modernization	2,500,000	-
Capital reserve for leased school buildings	2,000,000	1,961,623
Funds committed for approved capital projects	7,139,432	6,897,446
	<u>\$ 22,619,543</u>	<u>\$ 24,139,359</u>

These reserves are to be applied to finance future capital expenditures in accordance with the specific requirements of each of these reserve funds. Funds may be designated by the Board of Trustees from time to time to permit the completion of budgeted capital projects. As at August 31, 2005, the Board of Trustees has approved the use of \$16,462,379 of these funds for future capital transactions leaving \$6,157,164 uncommitted for future capital projects. These funds are committed as capital projects are approved.

(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 capital equipment and technology infrastructure to support the general operating activities of the Corporation.

10. OTHER ALBERTA EDUCATION REVENUES (Schedule A)

Other Alberta Education revenues are comprised of the following:

	<u>2005</u>	<u>2004</u>
Textbooks-Classroom Resources funding	\$ 2,067,368	\$ -
Connecting Communities of Learners	567,216	-
Alberta Education Commissioning funding	-	9,142,392
Resources for Classroom funding	-	2,224,917
Grants for Piitoayis school	-	356,107
Charter School relocation funding	-	(605,278)
Staff secondments, contracts and other	488,623	393,851
	<u>\$ 3,123,207</u>	<u>\$ 11,511,989</u>

11. RELATED PARTIES

(a) Province of Alberta

The Corporation is economically dependent upon the Government of the Province of Alberta since the viability of its on-going operations depends on contributions from Alberta Education and other provincial ministries. Transactions between the Corporation and the Province of Alberta and related balances are disclosed in the Statement of Revenue and Expense, Balance Sheet and in the notes to the financial statements.

(b) EducationMatters

EducationMatters (formerly The Calgary Board of Education Foundation), (the "Foundation") was established by a trust indenture. The Corporation's Board of Trustees appoints the Governors of the Foundation, however 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 is as follows:

	<u>2005</u>	<u>2004</u>
Total assets	\$ 1,172,000	\$ 742,000
Total liabilities	4,000	-
Net assets	<u>\$ 1,168,000</u>	<u>\$ 742,000</u>
Fund balances held by the Foundation:		
Flow through funds	\$ 318,000	\$ 214,000
Endowment funds	436,000	187,000
Operating funds	414,000	341,000
	<u>\$ 1,168,000</u>	<u>\$ 742,000</u>
Revenues (1)	\$ 1,358,000	\$ 1,225,000
Expenses (2)	650,000	679,000
Excess of revenues over expenses	<u>\$ 708,000</u>	<u>\$ 546,000</u>

(1) Revenues include financial support from the Corporation of \$200,000 (2004 - \$nil).

(2) Charitable disbursements and expenses paid to the Corporation amount to \$16,000 (2004 - \$25,000).

(c) 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.

12. COMPARATIVE FIGURES

Certain 2004 amounts have been reclassified where necessary to conform to the current year's presentation.

13. SUBSEQUENT EVENT

On October 14, 2005, the CBE signed a 10 year, \$65,832,000 agreement with TELUS Sourcing Solutions (TSS) for the delivery of a number of the district's human resource (HR) services. The CBE is the first K-12 school district in the country to take this innovative approach to the management of its HR technology services.

SCHEDULE A to the AFS

School Jurisdiction Code 3030

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2004-2005

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education Revenues Alberta Infrastructure and Transportation	\$648,056,392	\$570,284,653	\$24,028,359	\$23,735,676	\$26,767,500	\$3,240,204
(2) Infrastructure Maintenance Program & Portable Relocations support	\$6,576,539	\$0	\$6,576,539			
(3) Regular Operations & Maintenance support	\$37,984,932		\$37,984,932			
(4) Other support	\$158,429	\$0	\$158,429			
(5) Total Alberta Infrastructure and Transportation Revenues	\$44,719,900	\$0	\$44,719,900			
(6) Alberta Finance	\$6,445,137		\$6,445,137			\$0
(7) Other - Government of Alberta	\$368,228	\$92,092	\$72,173	\$0	\$75,893	\$128,070
(8) Federal Government and/or First Nations	\$1,442,676	\$740,877	\$46,937	\$0	\$44,735	\$610,127
(9) Other Alberta school authorities	\$1,046,166	\$845,276	\$141,842	\$54,048	\$0	\$5,000
(10) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(11) Alberta municipalities (excl. supplementary requisitions)	\$1,036,225	\$10,602	\$591,861	\$0	\$0	\$433,762
(12) Instruction resource fees	\$7,168,006	\$7,168,006				
(13) Transportation fees	\$4,557,042			\$4,557,042		
(14) Other sales and services	\$18,256,323	\$10,082,939	\$507,196	\$5,412	\$316,070	\$7,344,706
(15) Investment income	\$3,161,790	\$0	\$0	\$0	\$0	\$3,161,790
(16) Gifts and donations	\$838,868	\$804,868	\$0	\$0		\$34,000
(17) Rentals of facilities	\$6,602,099	\$0	\$4,137,632	\$0	\$37,405	\$2,427,062
(18) Net school generated funds	\$9,104,084	\$9,104,084			\$0	
(19) Gains on disposal of capital assets	\$39,535	\$0	\$39,535	\$0	\$0	\$0
(20) Amortization of capital allocations	\$14,186,836	\$0	\$14,186,836	\$0		\$0
(21) TOTAL REVENUES	\$767,029,307	\$599,133,397	\$94,917,408	\$28,352,178	\$27,241,603	\$17,384,721
EXPENSES						
(22) Certificated salaries	\$395,747,645	\$391,903,597			\$1,728,683	\$2,115,365
(23) Certificated benefits	\$49,337,970	\$48,586,434			\$428,080	\$323,456
(24) Uncertificated salaries and wages	\$120,810,913	\$69,230,861	\$31,232,694	\$865,405	\$14,915,650	\$4,566,303
(25) Uncertificated benefits	\$26,468,066	\$14,672,906	\$7,672,191	\$184,499	\$3,086,014	\$852,456
(26) SUB - TOTAL	\$592,364,594	\$524,393,798	\$38,904,885	\$1,049,904	\$20,158,427	\$7,857,580
(27) Services, contracts & supplies	\$120,222,950	\$49,631,986	\$33,563,213	\$28,401,658	\$4,953,819	\$3,672,274
(28) Cost recoveries & charges to programs	\$0	\$0	\$0	\$0	\$0	\$0
(29) Net school generated funds	\$9,104,084	\$9,104,084				
Capital and debt services						
Amortization of capital assets						
(30) Supported	\$14,186,836	\$0	\$14,186,836	\$0	\$0	\$0
(31) Unsupported	\$7,030,746	\$4,500,999	\$801,505	\$0	\$1,728,242	\$0
(32) Total Amortization	\$21,217,582	\$4,500,999	\$14,988,341	\$0	\$1,728,242	\$0
Interest on capital debt						
(33) Supported	\$6,445,137	\$0	\$6,445,137	\$0	\$0	\$0
(34) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(35) Other interest charges	\$143,921	\$0	\$77,224	\$0	(\$20,893)	\$87,590
(36) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(37) TOTAL EXPENSES	\$749,498,268	\$587,630,867	\$93,978,800	\$29,451,562	\$26,819,595	\$11,617,444
(38) SURPLUS (DEFICIT) BEFORE EXTRAORDINARY ITEM	\$17,531,039	\$11,502,530	\$938,608	(\$1,099,384)	\$422,008	\$5,767,277

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUES 2004-2005

	TOTAL
Base Funding	
Early Childhood Services (ECS)	\$15,232,147
Base Instruction (Gr 1-12)	\$456,409,463
Outreach Programs	\$208,040
Home Education	\$204,098
Differential Cost Funding *	\$108,891,378
Other Provincial Support	
Institutional Programs	\$2,681,402
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	\$2,672,988
Learning Resources Credit	\$635,091
Federal French Funding	\$788,703
Provincial Priority Targeted Funding	
Class Size Initiative	\$18,667,598
Student Health Initiative (SHI)	\$2,417,104
Alberta Initiative for School Improvement (AIS)	\$11,600,815
High Speed Networking	\$495,998
Children and Youth with Complex Needs	\$0
Other Alberta Education Revenues (describe): O&M, Resources for Schools, Video Conferencing, secondments, misc. contracts	\$27,151,567
Total Alberta Education Revenues	\$648,056,392

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for students with severe disabilities, English as a second language students, Francisation and support services for immigrant students, aboriginal students, gifted & talented early childhood services children and those with mild or moderate or severe disabilities, the percentage of the student population experiencing low socio-economic status, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and cost differences among school jurisdictions for purchasing goods and services.

SCHEDULE C the AFS
ECS to Grade 12 INSTRUCTION PROGRAMS Expense Details - 2004-2005

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies ¹	Learning Resources	Cost Recoveries & Transfers	Other Expenses ²	TOTAL EXPENSES
School Administration & All Instruction Support	\$44,090,770	\$39,646,210	\$16,684,977		\$0	\$0	\$100,421,957
Mild & Moderate Disabilities/Gifted & Talented(ECS-12)	\$27,769,415	\$9,593,128	\$504,718		\$0		\$37,867,261
ECS Program Unit (PUF)	\$369,658	\$1,874,795	\$256,146		\$0		\$2,500,599
Severe Disabilities (Gr 1-12)	\$18,556,105	\$18,484,132	\$4,201,020		\$0		\$41,241,257
English as a Second Language	\$11,496,352	\$3,031,786	\$140,124		\$0		\$14,668,262
French Language Program & Francisation (all jurisdictions)	\$342,308	\$41,368	\$638,197		\$0		\$1,021,873
First Nations, Metis and Inuit Education(ECS - Gr 12)	\$395,031	\$585,827	\$118,961		\$0		\$1,099,819
Home Education	\$170,018	\$27,891	\$119,814		\$0		\$317,723
Institutional Programs	\$1,858,501	\$321,998	\$583,542		\$0		\$2,764,041
Alberta Initiative for School Improvement	\$7,820,836	\$605,156	\$2,867,272	\$321,107	\$0		\$11,614,371
Student Health Initiative	\$322,922	\$1,181,835	\$922,949		\$0		\$2,427,706
High Speed Networking			\$495,998		\$0		\$495,998
Class Size	\$18,412,966	\$0	\$0	\$0	\$0		\$18,412,966
Children and Youth with Complex Needs(ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses(ECS - Gr 12)	\$308,885,148	\$8,509,643	\$11,133,319	\$10,643,841	\$0	\$13,605,083	\$352,777,034
TOTAL EXPENSES	\$440,490,030	\$83,903,769	\$38,667,037	\$10,964,948	\$0	\$13,605,083	\$587,630,867

FULL-TIME-EQUIVALENCIES(Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	366.3	224.3
ECS Program Unit (PUF)	2.4	37.4
Severe Disabilities (Gr 1-12)	243.5	423.5

Note 1 Excludes Learning Resources.

Note 2 Includes Net School Generated Funds, Amortization, Interest, and Losses on Disposal of Instruction Program Capital Assets.

**SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMIT FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION - 2004-2005**

TOTAL EXPENSES		\$749,498,268
STEP 1		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	4.00%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
<p>The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE. EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%. Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.</p>		
STEP 2		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		\$29,979,931
Considerations for Charter Schools and Small School Boards:		
If Charter School , enter \$56,100	\$0	\$0
If School Board , please enter your 04-05 Gr 1- 12 funded enrolment	0	
	\$0	\$0
MAXIMUM EXPENSE LIMIT		\$29,979,931
STEP 3		
Compare maximum expense limit amounts calculated in Step 2 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$26,819,595
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$3,195,336
LESS: transfers from Restricted - Operating (Board/System Administration)		-\$35,000
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$29,979,931
MAXIMUM EXPENSE LIMIT		\$29,979,931
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		\$0

**SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2004-2005**

Unexpended SGF - Opening Balance August 31, 2004 (Note 1)			\$10,246,729
Source of Net School Generated Funds:			
	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$10,839,872	\$17,222,405	(\$6,382,533)
Student fees (Non-Instructional) (Note 2)	\$12,626,944		\$12,626,944
Donations and grants to schools	\$3,962,696		\$3,962,696
Other (describe):	\$180,807	\$0	\$180,807
Net Additions to SGF	\$27,610,319	\$17,222,405	\$10,387,914
Net SGF Available for Discretionary Spending			\$20,634,643
Application of Net School Generated Funds:			
Extra-curricular activities			\$6,769,155
School beautification			\$0
Field Trips			\$1,102,319
Equipment			\$1,232,610
Family literacy and other community resources			\$0
Other (describe):			\$0
Net SGF Expended for Discretionary Purposes (Note 3)			\$9,104,084
Unexpended SGF - Closing Balance August 31, 2005 (Note 4)			\$11,530,559
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the <i>School Act</i>, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)</p>			
Note 1	Input "(Restated)" beside Balance at August 31, 2004 where not taken from the finalized 2003-2004 Audited Financial Statements.		
Note 2	Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.		
Note 3	Net SGF Expended for Discretionary Purposes is recorded as revenue and expense in the Statement of Revenues & Expenses.		
Note 4	Unexpended SGF is carried forward to the Statement of Financial Position.		

**SCHEDULE F to the AFS
Operations and Maintenance Program Expenses - 2004-2005**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed Mod./I.M.P. & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$19,829,184	\$6,623,065	\$0	\$912,947	\$3,867,498	\$31,232,694		\$31,232,694
Uncertificated benefits	\$4,901,005	\$1,718,767	\$0	\$208,109	\$844,310	\$7,672,191		\$7,672,191
Sub-total Remuneration	\$24,730,189	\$8,341,832	\$0	\$1,121,056	\$4,711,808	\$38,904,885		\$38,904,885
Contracted Services	\$633,705	\$3,950,867	\$411,945	\$4,668,674	\$572,093	\$10,237,284		\$10,237,284
Supplies	\$1,552,874	\$3,417,716	\$0	\$786,810	\$226,807	\$5,984,207		\$5,984,207
Electricity			\$8,295,180			\$8,295,180		\$8,295,180
Natural Gas/Heating Fuel			\$7,043,242			\$7,043,242		\$7,043,242
Sewer and Water			\$932,349			\$932,349		\$932,349
Telecommunications			\$86,550			\$86,550		\$86,550
Insurance					\$984,401	\$984,401		\$984,401
Amortization of capital assets								
Supported							\$14,186,836	\$14,186,836
Unsupported						\$801,505		\$801,505
Total Amortization						\$801,505	\$14,186,836	\$14,988,341
Interest on capital debt								
Supported							\$6,445,137	\$6,445,137
Unsupported				\$0		\$0		\$0
Other interest charges						\$77,224		\$77,224
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$26,916,768	\$15,710,415	\$16,769,266	\$6,576,540	\$6,495,109	\$73,346,827	\$20,631,973	\$93,978,800
SQUARE METRES								
School Buildings								1,202,750.5
Non School Buildings								25,992.1
UNCERTIFICATED FTE'S (Board/Contract)	556.1	122.5						

Notes:

- Custodial:** All expenses related to activities undertaken to keep the school environment clean and safe.
- Maintenance:** All expenses associated with the repair, replacement 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.
- Utilities & Telecommunications:** All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
- Expensed Block Mod/I.M.P. & Portable Relocations:** All expenses associated with non-capital activities related to Block Modernization, Infrastructure Maintenance Programs (AKA Building Quality Restoration Program) and 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 and contractors, administration of capital projects (including new schools, I.M.P., block modernization and portable relocations), 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.

**SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2004-2005
(SECTION 148.1 OF THE SCHOOL ACT)**

	FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:								
Name Gordon Dirks	1.0	\$21,891	\$1,006	\$0			\$22,897	\$10,609
Name	0.0	\$0	\$0	\$0			\$0	\$0
Other Board Members:								
Name Carol Bazinet	1.0	\$17,906	\$541	\$0			\$18,447	\$8,307
Name Nancy Close	1.0	\$19,898	\$911	\$0			\$20,809	\$9,178
Name Patricia Cochrane	1.0	\$17,906	\$816	\$0			\$18,722	\$8,218
Name Kyle Fawcett	0.8	\$15,219	\$688	\$0			\$15,907	\$7,694
Name Lynn Ferguson	0.8	\$15,219	\$688	\$0			\$15,907	\$7,540
Name George Lane	0.8	\$15,219	\$0	\$0			\$15,219	\$6,859
Name Lynn Nishimura	0.2	\$7,438	\$161	\$0			\$7,599	\$1,643
Name Carole Oliver	0.2	\$5,118	\$100	\$0			\$5,218	\$1,238
Name David Pickersgill	0.2	\$7,032	\$141	\$0			\$7,173	\$1,441
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Subtotal	7.0	\$142,846	\$5,052	\$0			\$147,898	\$62,727
Superintendent	1.0	\$194,965	\$10,155	\$10,000	\$0	\$0	\$215,120	\$3,469
Superintendent	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer	1.0	\$163,068	\$19,743	\$5,000	\$0	\$0	\$187,811	\$6,793
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	5,703.8	\$395,459,322	\$49,327,815	\$0	\$0	\$83,358	\$444,870,495	
Uncertificated Salaries & Wages	2,948.2	\$119,740,118	\$26,443,271	\$45,883	\$0	\$718,998	\$146,948,270	
TOTALS		\$515,700,319	\$75,806,036	\$60,883	\$0	\$802,356	\$592,369,594	

Note: Please refer to completion information on page 15.

SCHEDULE G1 to the AFS
DISCLOSURE OF SALARIES AND BENEFITS (SECTION 148.1 OF THE SCHOOL ACT)
COMPLETION INFORMATION

(1)	Salary and benefits consist of and agree with the amounts properly recorded in the school jurisdiction's payroll records and related object codes for salaries, wages and benefits.
(2)	Remuneration includes regular base salaries, certificated school-based employee allowances outlined in collective agreements, overtime, honoraria, deferred salary leave accruals, lump sum payments EXCEPTING TERMINATION BENEFITS (See #10A below), any other direct cash remuneration EXCEPTING PERFORMANCE PAY (See #10 below).
(3)	Certificated salaries include the aggregate of all payments for certificated staff regardless of the length, nature or definition of the employment agreement. The number of full time equivalent (FTE) staff should be measured as at September 30.
(4)	Uncertificated salaries and wages should be measured in terms of the number of FTE staff employed as at September 30.
(5)	Salary and benefits information should be the aggregate amount covering the same fiscal period as the audited financial statements.
(6)	Salary must include deferred salary accruals.
(7)	Salary includes only payments for services subject to an employer-employee relationship.
(8)	Benefits include the employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pensions, Canada pension plan (CPP), employment insurance (EI), health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans.
(9)	Allowances include all monies paid to an employee as miscellaneous negotiated allowances. This category will include car or travel allowances, isolation allowances, relocation expenses, sabbaticals, special leave with pay, financial and retirement planning services, and club memberships. CERTIFICATED SCHOOL-BASED EMPLOYEE ALLOWANCES , as outlined in collective agreements, are included in Remuneration - NOT Allowances.
(10)	Performance Bonuses include those monies paid to employees of the school authority that are tied to the achievement of some specified goal or objective.
(10A)	Other includes termination benefits ((severance pay, retiring allowances (ERIP's), sick leave and other settlement costs due to loss of employment).
(11)	Expenses will include the reimbursements of travel, subsistence, moving costs, conference fees, etc., paid by the employee or on his/her behalf in performing the responsibilities of employment.
(12)	The superintendent's position disclosure is in terms of one individual who is the Chief Executive Officer. Benefits for the superintendent do not include Alberta Learning contributions to the Teachers Retirement Fund pension plan.
(13)	The secretary-treasurer's position disclosure is in terms of one individual who is the Chief Financial Officer. If the board has not appointed one person to act as secretary-treasurer, then the disclosure is in terms of separate individuals appointed to the Board Treasurer and Board Secretary positions. Benefits for the secretary-treasurer include the Local Authorities Pension Plan contributions.
(13)	A position should include salary, benefits and allowances earned and expenses accrued by an individual who officially acted in a position while it was vacant or was appointed to the position. If a position was vacant and no one acted in the position, the position should not be disclosed.
(14)	Benefits and allowances need not include an amount for automobile, housing or other benefits for which a value cannot be reasonably estimated.
(15)	If a position is occupied by more than one individual during a year, each of those individual's specific expenses and salary, benefits and allowances earned by each of the individuals in the position need be disclosed separately.