

BUDGET REPORT FOR THE YEAR ENDING AUGUST 31, 2015

[School Act, Sections 147(2)(b) and 276]

Palliser Regional Division No. 26

Legal Name of School Jurisdiction

Telephone (403)328-4111 Fax (403)380-6890

Telephone and Fax Numbers

BOARD CHAIR

Colleen Deitz

Name

Original Signed

Signature

SUPERINTENDENT

Kevin Gietz

Name

Original Signed

Signature

SECRETARY TREASURER or TREASURER

Dale Backlin

Name

Original Signed

Signature

**Certified as an accurate summary of the year's budget as approved by the Board
of Trustees at its meeting held on**

April 25, 2014

Date

c.c. Alberta Education
c/o Robert Mah, Financial Reporting & Accountability Branch
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5

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Color coded cells:

blue cells: require the input of data/descriptors wherever applicable.
salmon cells: contain referenced juris. information - protected

Grey cells: data not applicable - protected
white cells: within text boxes REQUIRE the input of points and data.

HIGHLIGHTS, PLANS, ASSUMPTIONS AND RISKS SUMMARY- 2014/2015 BUDGET REPORT

The following were presented to the Board and approved as underlying the budget. These key points and assumptions used in development of the budget take into consideration the economic environment of the jurisdiction, focus on anticipated changes from current year, and are realistic and consistent with the three year Education Plan. At a minimum, they disclose key budget assumptions, financial & business risks, and specific strategies explaining how this budget will support the jurisdiction's plans.

Budget Highlights, Plans & Assumptions:

Overall:

The deficit for the 2014-15 school year is budgeted to be \$1,511,139.

Revenues:

Projected enrolments have been used to calculate revenues for the 2014-15 year (consistent with prior year).

Revenue has decreased with the loss of funding for those students enrolled at Glenmore Christian Elementary and Intermediate which will be returning to private status in the 2014-15 year.

Salaries and Benefits:

Certificated staffing is done on a needs-based approach to determine the number of FTE required based on the projected enrolment at each school and attempting to meet class size guidelines.

Average teacher cost is \$95,000 (consistent with the previous year as there is no teacher salary increase included in the budget)

Teacher prep time in high schools has been maintained at 10% with prep time in K to 9 remaining consistent at 7.5%.

With agreements reached with both the ATA and CUPE there has been an allowance in certificated salaries to bring them to the current provincial average only.

Benefit rates anticipated to remain approx. the same as 2013-14 year.

Class size guidelines are budgeted to be met in all grades.

Board approved fees:

The Palliser Board has directed the administration to increase two different board mandated school fees for the first time in over 10 years. These modest fee increases in the textbook rental of \$10/student/year and a \$10 increase in technology fees are anticipated to provide a small amount of additional revenue. The Board also has a plan in place for those families within the division who are not able to pay their school fees due to financial hardship.

Capital Purchases:

3 replacement vehicles have been included in this budget.

New Schools:

No new schools have been included in the budget.

Corporate Treasurer:

A experienced corporate treasurer will be in place commencing the beginning of July 2014. Mr. Wayne Braun brings significant experience in public education finance both at the school division level as well as at the provincial level in Alberta Education finance in previous years.

Significant Business and Financial Risks:

The loss of approximately 650 students due to the society's desire to return Glenmore Christian Academy to private school status is anticipated to provide challenge for balancing the budget. Because a number of GCA teachers chose to remain as part of Palliser Regional Schools (these are for the most part teachers with many years of experience) meant that probationary teachers would lose their positions and these positions would be replaced by higher priced teachers.

The school division has requested mitigation funding from Alberta Education to reduce the impact of the loss of approximately 650 students for 2014/15. At this point, mitigation funding has not been approved for the school division and the Trustees have directed the administration to submit a deficit budget of approximately \$1.5 million to reflect this financial challenge.

Based upon the recommendation of the Palliser Regional Schools auditors, each school that has any accumulated site surplus from a previous year or from previous years has been asked to devise a plan to address reducing its site surplus by focusing appropriate expenditures that will promote a continued focus on student learning, specifically, literacy. The school division continues to have a focus on developing literacy skills across the entire division and at all grade levels and continues to provide coaches to ensure that this happens.

BUDGETED STATEMENT OF OPERATIONS
for the Year Ending August 31

	Approved Budget 2014/2015	Fall Budget Update 2013/2014	Actual 2012/2013
REVENUES			
Alberta Education	\$73,781,239	\$76,140,633	\$77,287,364
Other - Government of Alberta	\$175,643	\$0	\$294,937
Federal Government and First Nations	\$317,348	\$370,000	\$390,709
Other Alberta school authorities	\$0	\$90,000	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees	\$1,266,965	\$1,286,514	\$1,383,832
Other sales and services	\$271,900	\$33,000	\$270,415
Investment income	\$63,000	\$68,400	\$69,067
Gifts and donations	\$90,000	\$13,023	\$184,141
Rental of facilities	\$276,681	\$313,215	\$308,820
Fundraising	\$700,000	\$1,301,529	\$707,805
Gains on disposal of capital assets	\$0	\$0	\$2,244
Other revenue	\$940,549	\$2,030,947	\$1,614,191
TOTAL REVENUES	\$77,883,325	\$81,647,261	\$82,513,525
EXPENSES			
Instruction	\$63,428,901	\$66,549,285	\$66,604,827
Plant operations & maintenance	\$8,917,486	\$8,575,981	\$8,600,541
Transportation	\$3,747,846	\$3,709,052	\$3,627,256
Administration	\$2,823,617	\$2,327,477	\$3,063,843
External Services	\$476,614	\$466,390	\$509,209
TOTAL EXPENSES	\$79,394,464	\$81,628,185	\$82,405,676
ANNUAL SURPLUS (DEFICIT)	(\$1,511,139)	\$19,076	\$107,849

BUDGETED ALLOCATION OF EXPENSES (BY OBJECT)
for the Year Ending August 31

	Approved Budget 2014/2015	Fall Budget Update 2013/2014	Actual 2012/2013
EXPENSES			
Certificated salaries	\$39,210,318	\$40,593,006	\$40,766,805
Certificated benefits	\$9,120,667	\$9,291,243	\$8,965,485
Non-certificated salaries and wages	\$11,977,900	\$12,028,988	\$13,219,512
Non-certificated benefits	\$3,157,892	\$3,150,448	\$3,058,801
Services, contracts, and supplies	\$14,065,761	\$14,739,892	\$14,289,242
Capital and debt services			
Amortization of capital assets			
supported	\$865,000	\$861,274	\$1,151,003
unsupported	\$878,289	\$813,215	\$804,771
Interest on capital debt			
supported	\$117,637	\$149,119	\$150,057
unsupported	\$1,000	\$1,000	\$0
Other interest and finance charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
TOTAL EXPENSES	\$79,394,464	\$81,628,185	\$82,405,676

PROJECTED SCHEDULE OF CHANGES IN ACCUMULATED OPERATING SURPLUS (SUMMARY)
for the Year Ending August 31

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	ACCUMULATED OPERATING SURPLUS (2+3+4+7)	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	ACCUMULATED SURPLUS FROM OPERATIONS (5+6)	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
						OPERATING RESERVES	CAPITAL RESERVES
Actual balances per AFS at August 31, 2013	\$6,935,061	\$4,755,850	\$85,520	\$2,093,691	\$1,057,742	\$1,035,949	\$0
2013/2014 Estimated impact to AOS for:							
Estimated surplus(deficit)	\$5,847			\$5,847	\$5,847		
Estimated Board funded capital asset additions		\$300,000		(\$300,000)	(\$300,000)	\$0	\$0
Estimated Disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0		\$0
Estimated amortization of capital assets (expense)		(\$1,770,675)		\$1,770,675	\$1,770,675		
Estimated capital revenue recognized - Alberta Education		\$861,274		(\$861,274)	(\$861,274)		
Estimated capital revenue recognized - Other GOA		\$0		\$0	\$0		
Estimated capital revenue recognized - Other sources		\$0		\$0	\$0		
Estimated changes in Endowments	\$0		\$0	\$0	\$0		
Estimated Unsupported debt principal repayment		\$0		\$0	\$0		
Estimated reserve transfers (net)				\$0	\$0	\$0	\$0
Estimated Assumptions/Transfers of Operations (Explain)	\$0	\$0		\$0	\$0	\$0	\$0
Estimated Balances for August 31, 2014	\$6,940,908	\$4,146,449	\$85,520	\$2,708,939	\$1,672,990	\$1,035,949	\$0
2014/2015 Budget projections for:							
Budgeted surplus(deficit)	(\$1,511,139)			(\$1,511,139)	(\$1,511,139)		
Projected Board funded capital asset additions		\$100,000		(\$100,000)	(\$100,000)	\$0	\$0
Budgeted Disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0		\$0
Budgeted Amortization of capital assets (expense)		(\$1,743,289)		\$1,743,289	\$1,743,289		
Budgeted capital revenue recognized - Alberta Education		\$865,000		(\$865,000)	(\$865,000)		
Budgeted capital revenue recognized - Other GOA		\$0		\$0	\$0		
Budgeted capital revenue recognized - Other sources		\$0		\$0	\$0		
Budgeted changes in Endowments	\$0		\$0	\$0	\$0		
Budgeted Unsupported debt principal repayment		\$0		\$0	\$0		
Projected reserve transfers (net)				\$0	\$0	\$0	\$0
Projected Assumptions/Transfers of Operations (Explain)	\$0	\$0		\$0	\$0	\$0	\$0
Projected Balances for August 31, 2015	\$5,429,769	\$3,368,160	\$85,520	\$1,976,089	\$940,140	\$1,035,949	\$0

ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS SUMMARY- 2014/2015 BUDGET REPORT

The following explains the anticipated changes to Unrestricted Surplus, Investment in Tangible Capital Assets, Endowments, Operating Reserves and Capital Reserves for 2013/2014 and 2014/2015 and breaks down the planned additions to unsupported capital. Additional space is provided in the next tab.

**Reason for Changes in Unrestricted Surplus; Investment in Tangible Capital Assets; Endowments; Operating Reserves; and Capital Reserves
2013/2014**

Actual balances per AFS at Aug 31, 2013 have been adjusted as follows as per R. Mah due to reclass error on Audited Financial Statements
 - Investment in tangible capital assets AFS amount of \$3,595,629 reclass total should be \$4,755,850
 - Unrestricted surplus AFS amount of \$2,217,963 reclass total should be \$1,057,742

1. Purchase of 3 School Buses for 2013-14 school year. A capital budget of \$300,000 is included. Palliser is replacing the older fleet of buses with new school buses.

**ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS
for the Year Ending August 31**

The following explains the anticipated changes to Unrestricted Surplus, Investment in Tangible Capital Assets, Endowments, Operating Reserves and Capital Reserves for 2013/2014 and 2014/2015 and breaks down the planned additions to unsupported capital.

Reason for Changes in Unrestricted Surplus; Investment in Tangible Capital Assets; Endowments; Operating and Capital Reserves 2014/2015

The 2014-15 Budget for Palliser Regional Division No. 26 includes the following capital expenditures:

1. Purchase of 3 replacement vehicles. A capital budget of \$100,000 is included. Palliser is replacing old fleet vehicles with new vehicles.

**Planned Changes to Board Funded Tangible Capital Assets
2013/2014**

2014/2015

Other Information:

**PROJECTED STUDENT STATISTICS
FULL TIME EQUIVALENT (FTE) ENROLLED STUDENTS**

	Budgeted 2014/2015 (Note 2)	Actual 2013/2014	Actual 2012/2013	Notes
GRADES 1 TO 12				
Eligible Funded Students:				
Grades 1 to 9	4,994	5,520	5,179	Head count
Grades 10 to 12	1,186	1,249	1,235	Note 3
Total	6,180	6,769	6,414	Grades 1-12 students eligible for base instruction funding from Alberta Education.
Other Students:				
Total	40	45	52	Note 4
Total Net Enrolled Students	6,220	6,814	6,466	
Home Ed and Blended Program Students	5	11	17	Note 5
Total Enrolled Students, Grades 1-12	6,225	6,825	6,483	
Of the Eligible Funded Students:				
Severely Disabled Students served	220	224	211	Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s).
EARLY CHILDHOOD SERVICES (ECS)				
Eligible Funded Children	582	653	433	ECS children eligible for ECS base instruction funding from Alberta Education.
Other children	-	-	-	ECS children not eligible for ECS base instruction funding from Alberta Education.
Total Enrolled Children - ECS	582	653	433	
Program Hours	480	480	480	Minimum: 475 Hours
FTE Ratio	0.505	0.505	0.505	Actual hours divided by 950
FTE's Enrolled, ECS	294	330	219	
Of the Eligible Funded Children:				
Severely Disabled Children served	112	113	109	Total eligible funded severely disabled children FTEs, including Code 40 children in program units.
NOTES:				
1) Enrolment is to be completed WHEREVER APPLICABLE and are 'as at September 30th' for each year.				
2) Budgeted enrolment is to be based on best information available at time of the 2014/2015 budget report preparation.				
3) The # of FTE grade 10-12 students is determined by taking the total # of students' credits / 35; where 35 CEU's = 1 FTE.				
4) Other Grade 1-12 students that are not eligible for base instruction funding from Alberta Education include First Nations students living on reserves for which tuition fee payments are made from Band or INAC (Code 330), students younger than 5 1/2 or older than 20, and out-of-province and foreign students.				
5) Because they are funded separately, Home Education students are not included with total net enrolled students. In the blended program, funding per student is pro-rated on the percentage of the student's program which is taken at school and at home; home education students are assigned a weighting of 0.25 FTE for base funding.				

**PROJECTED STAFFING STATISTICS
FULL TIME EQUIVALENT (FTE) PERSONNEL**

	Budgeted 2014/2015	Actual 2013/2014	Actual 2012/2013	Notes
<u>CERTIFICATED STAFF</u>				
School Based	399.0	434.2	427.3	Teacher certification required for performing functions at the school level.
Non-School Based	12.8	12.8	11.0	Teacher certification required for performing functions at the system/central office level.
Total Certificated Staff FTE	411.8	447.0	438.3	FTE for personnel possessing a valid Alberta teaching certificate or equivalency.
Certificated Staffing Change due to:				
Enrolment Change	3.6	8.7	-	If negative change impact, the small class size initiative is to include any/all teachers retained.
Other Factors	(38.8)	-	23.4	Descriptor (required): Loss of 38.8 @ GCA due to return to private status
Total Change	(35.2)	8.7	23.4	Year-over-year change in Certificated FTE
Breakdown, where total change is Negative:				
Continuous contracts terminated	(19.0)	-	-	FTEs
Non-permanent contracts not being renewed	(16.2)	-	-	FTEs
Other (retirement, attrition, etc.)		-	-	Descriptor (required):
Total Negative Change in Certificated FTEs	(35.2)	-	-	Breakdown required where year-over-year total change in Certificated FTE is 'negative' only.
<u>NON-CERTIFICATED STAFF</u>				
Instructional	200.8	201.0	277.2	Personnel providing instruction support for schools under 'Instruction' program areas.
Non-Instructional	129.7	137.0	106.0	Personnel in Transportation, Board & System Admin., O&M and External service areas.
Total Non-Certificated Staff FTE	330.5	338.0	383.2	FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.
Non-Certificated Staffing Change due to:				
Enrolment Change	-	-	-	FTEs
Other Factors	7.5	45.2	9.0	Descriptor (required): Loss of GCA due to return to private status
Total Change	7.5	45.2	9.0	Year-over-year change in Non-Certificated FTE