

BUDGET REPORT FOR THE YEAR ENDING AUGUST 31, 2016

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

Palliser Regional Division No. 26

Legal Name of School Jurisdiction

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BOARD CHAIR

Colleen Deitz

Name

Signature

SUPERINTENDENT

Kevin Gietz

Name

Signature

SECRETARY TREASURER or TREASURER

Wayne T. Braun

Name

Signature

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

June 9, 2015

Date

Version: 150630

c.c. Alberta Education
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TABLE OF CONTENTS

	Page
BUDGETED STATEMENT OF OPERATIONS & ALLOCATION OF EXPENSES (BY OBJECT)	3
BUDGETED SCHEDULE OF FEE REVENUE	4
PROJECTED STATEMENT OF CHANGES IN ACCUMULATED OPERATING SURPLUS (SUMMARY)	5 & 6
PROJECTED STUDENT STATISTICS	7
PROJECTED STAFFING STATISTICS	8
UTILIZATION OF ACCUMULATED SURPLUS FROM OPERATIONS (A.S.O.)	9 & 10

Color coded cells:

blue cells: require the input of data/descriptors wherever applicable.
 salmon cells: contain referenced juris. information - protected
 green cells: populated based on information previously submitted

grey cells: data not applicable - protected
 white cells: within text boxes REQUIRE the input of points and data.
 yellow cells: for Alberta Education use only

HIGHLIGHTS, PLANS, ASSUMPTIONS AND RISKS SUMMARY- 2015/2016 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 2015/16 Operating Budget is balanced, with planned expenditures of \$79.83 million.

Revenues

Projected base enrollments and the 2015/16 Funding Manual have been used to budget revenues, consistent with prior years.

Revenues have also been adjusted to reflect specific enrollment s tied to specific funding categories./types.

Expenditures

Salaries and Benefits

Certificated staffing for 2015/16 is consistent with Pallisers staffing model, and reflects a reduction of 14.9 FTE from 2014/15 levels. Salaries have been increased to reflect the 2% provincial framework agreement plus the 1% lump sum.

Average teacher salary cost is increasing from \$95,000 to \$97,507.

Teacher prep time remains consistent with 2014/15 allocations.

Benefit rates have been reduced by 0.25 % to reflect reduced ASEBP rates.

Non-certificated salary increases have been budgeted to match the teacher agreement.

Other

Class size guidelines are budgeted to be met in all grade groups.

Board approved fees remain at 2014/15 levels: Instructional Supplies and Materials at \$59 JH and \$69 at SH, with Technology fees at \$35 per grade 1-12 student. A fee waiver policy is in place for eligible students.

All contractual obligations are being met.

Budgeted Schedule of Fee Revenue

The fee revenues items identified for 2015/16 reflect new reporting and classifications, and reclassify approximately \$494,000 of revenues as fees that in prior years (2014/15 and prior) would have been recorded as 'Sales and Services' revenues instead of fees. The 2013/14 and 2014/15 amounts will also be reclassified when the 2014/15 Audited Financial Statements are approved by the Board and filed with the province.

Capital Purchases

Four (4) replacements buses and two (2) replacement vehicles in the budget as board funded capital asset additions.

Capital Projects

Modernization of Noble Central School will commence in September 2015

IMR plan in place.

Significant Business and Financial Risks:

ECS enrollments are forecast to decline by approximately 10% in 2015/16, grade 1-9 enrollment is forecast to increase by approximately 1.8%, and grade 10-12 enrollment is forecast to decline by a further 0.5%. The ECS decline trend is concerning.

School surplus funds were at \$1.1 million at August 31, 2014 and are forecasted to decline to approximately \$0.7 million by August 31, 2015 with the purchase of much needed resources and equipment.

Capital reserves have declined from \$0.73 million at August 31, 2014 to \$0.28 million by August 31, 2015 through the acquisition and installation of a new SRB software system for Finance, Payroll and Human Resources (one-time expense).

Palliser is currently exploring new opportunities to expand the on-line program, and the possible addition of other interested private schools.

The School Division continues to focus on Literacy, Assessment for Learning and 'Safe and Caring' schools initiatives, and aligns with Palliser's Three Year Education Plan.

BUDGETED STATEMENT OF OPERATIONS
for the Year Ending August 31

	Approved Budget 2015/2016	Fall Budget Update 2014/2015	Actual 2013/2014
REVENUES			
Alberta Education	\$75,243,832	\$75,327,801	\$79,923,428
Other - Government of Alberta	\$367,000	\$444,502	\$490,044
Federal Government and First Nations	\$397,000	\$381,150	\$332,347
Other Alberta school authorities	\$175,000	\$175,000	\$180,439
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees	\$1,617,541	\$1,155,809	\$1,295,159
Other sales and services	\$1,070,900	\$1,359,748	\$1,971,480
Investment income	\$60,000	\$63,000	\$71,295
Gifts and donations	\$90,000	\$90,000	\$95,649
Rental of facilities	\$310,130	\$269,815	\$329,766
Fundraising	\$500,000	\$700,000	\$1,103,003
Gains on disposal of capital assets	\$0	\$0	\$16,992
Other revenue	\$0	\$0	\$728,969
TOTAL REVENUES	\$79,831,403	\$79,966,825	\$86,538,571
EXPENSES			
Instruction - Early Childhood Services	\$3,303,000	\$3,502,000	\$3,761,500
Instruction - Grades 1-12	\$60,093,103	\$60,289,435	\$63,673,134
Plant operations & maintenance	\$9,410,900	\$10,243,773	\$8,812,275
Transportation	\$3,668,000	\$3,829,342	\$3,825,252
Administration	\$2,873,700	\$2,953,375	\$3,174,341
External Services	\$482,700	\$750,000	\$804,067
TOTAL EXPENSES	\$79,831,403	\$81,567,925	\$84,050,569
ANNUAL SURPLUS (DEFICIT)	\$0	(\$1,601,100)	\$2,488,002

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

	Approved Budget 2015/2016	Fall Budget Update 2014/2015	Actual 2013/2014
EXPENSES			
Certificated salaries	\$39,096,455	\$38,993,073	\$41,242,518
Certificated benefits	\$9,620,906	\$9,542,683	\$9,591,122
Non-certificated salaries and wages	\$12,351,136	\$12,702,291	\$12,737,807
Non-certificated benefits	\$3,316,396	\$3,334,590	\$2,935,711
Services, contracts, and supplies	\$13,318,515	\$14,892,047	\$15,027,744
Capital and debt services			
Amortization of capital assets			
supported	\$1,442,700	\$1,595,000	\$1,358,375
unsupported	\$614,295	\$419,664	\$1,037,606
Interest on capital debt			
supported	\$70,000	\$87,577	\$117,637
unsupported	\$0	\$0	\$0
Other interest and finance charges	\$1,000	\$1,000	\$2,049
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
TOTAL EXPENSES	\$79,831,403	\$81,567,925	\$84,050,569

BUDGETED SCHEDULE OF FEE REVENUE
for the Year Ending August 31

	Approved Budget 2015/2016	Fall Budget Update 2014/2015	Actual 2013/2014
FEES			
Transportation fees	\$32,000	\$0	\$1,000
Basic instruction supplies, text book rental, material fees	\$162,779	\$165,420	\$153,890
Technology user fees	\$188,498	\$187,266	\$150,757
Alternative program fees	\$0	\$0	\$0
Fees for optional courses	\$172,164	\$190,123	\$167,305
Fees for students from other boards	\$0	\$0	\$0
Tuition fees (international & out of province)	\$60,500	\$38,000	\$19,000
Kindergarten & preschool	\$101,600	\$0	\$0
Extracurricular fees	\$600,000	\$575,000	\$803,207
Field trips	\$120,000	\$0	\$0
Lunch supervision fees	\$0	\$0	\$0
Other (describe)* After school program	\$180,000	\$0	\$0
Other (describe)	\$0	\$0	\$0
Other (describe)	\$0	\$0	\$0
Other (describe)	\$0	\$0	\$0
Other (describe)	\$0	\$0	\$0
TOTAL FEES	\$1,617,541	\$1,155,809	\$1,295,159

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

Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):	Approved Budget 2015/2016
Optional non-study programs	\$0
Optional extracurricular participation	\$0
Student travel	\$0
Sales or rentals of other supplies/services	\$60,000
Other (describe)	\$0
Other (describe)	\$0
Other (describe)	\$0
Other (describe)	\$0
Other (describe)	\$0
TOTAL	\$60,000

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, 2014	\$9,423,549	\$4,115,157	\$86,006	\$4,492,386	\$3,007,732	\$1,484,654	\$730,000
2014/2015 Estimated impact to AOS for:							
Prior period adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated surplus(deficit)	(\$2,154,000)			(\$2,154,000)	(\$2,154,000)		
Estimated Board funded capital asset additions		\$820,000		(\$370,000)	(\$370,000)	\$0	(\$450,000)
Estimated Disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0		
Estimated amortization of capital assets (expense)		(\$2,015,000)		\$2,015,000	\$2,015,000		
Estimated capital revenue recognized - Alberta Education		\$1,595,000		(\$1,595,000)	(\$1,595,000)		
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	\$700,000	(\$700,000)	\$0
Estimated Assumptions/Transfers of Operations (Explain)	\$0	\$0	\$0	\$0	(\$1,400,000)	\$1,400,000	\$0
Estimated Balances for August 31, 2015	\$7,269,549	\$4,515,157	\$86,006	\$2,388,386	\$203,732	\$2,184,654	\$280,000
2015/2016 Budget projections for:							
Budgeted surplus(deficit)	\$0			\$0	\$0		
Projected Board funded capital asset additions		\$440,000		(\$440,000)	(\$440,000)	\$0	\$0
Budgeted Disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0		\$0
Budgeted Amortization of capital assets (expense)		(\$2,056,995)		\$2,056,995	\$2,056,995		
Budgeted capital revenue recognized - Alberta Education		\$1,442,700		(\$1,442,700)	(\$1,442,700)		
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	(\$175,000)	\$175,000	\$0
Projected Assumptions/Transfers of Operations (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Projected Balances for August 31, 2016	\$7,269,549	\$4,340,862	\$86,006	\$2,562,681	\$203,027	\$2,359,654	\$280,000

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

The following explains the anticipated changes to each component of the Accumulated Operating Surplus for 2014/2015 and provides detail on planned additions to unsupported capital. Additional space is provided on Page 6. The anticipated use of Unrestricted Surplus and Operating Reserves for 2015/2016 should be explained on Page 9 and detailed on 10 by cost object and program.

Reason for expected changes in Investment in Tangible Capital Assets and Endowments as well as intended uses of Operating and Capital Reserves:
2014/2015 (Additional space provided on the next page)

Reasons for changes in Investment in Tangible Capital Assets (i.e. supported tangible capital asset acquisitions or material dispositions):

Purchased three new replacement buses, two admin vehicles, one maintenance van and new finance, payroll and human resources software (SRB), for a total of \$820,000 (funded by \$450,000 from capital reserves, and \$370,000 from UNA).

In addition, the Board is intending to transfer approx. \$1,400,000 from UNA to a restricted operating reserve (titled Fiscal Stability Reserve), at year end.

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

The following explains the anticipated changes to each component of AOS for 2014/2015 and 2015/2016 and provides detail on the planned additions to unsupported capital. The anticipated use of Unrestricted Surplus and Operating Reserves should be explained on Page 9 and detailed on Page 10.

Reason for expected changes in Investment in Tangible Capital Assets and Endowments as well as the intended uses of the balances remaining for Unrestricted Surplus, Operating Reserves and Capital Reserves as at August 31, 2016.

2014/2015

Reasons for changes in Investment in Tangible Capital Assets (i.e. supported tangible capital asset acquisitions or material dispositions):

Purchase of three new replacement buses for a total of \$275,000.

Purchase of two new replacement administration vehicles and a new replacement maintenance van for a total of \$95,000.

New financial, payroll and human resources software for a total of \$450,000.

Total capital asset additions of \$820,000, of which \$450,000 is covered from capital reserves and \$370,000 from UNA.

Other information related to changes in AOS for the 2014/2015 budget year:

Schools purchased additional resources of \$400,000 funded by a draw on their operating reserves.

PO and M provided \$300,000 in additional facility supports planned in 2013/14, and funded by a planned draw on POM reserves and expensed in 2014/15.

Total extra expense of \$554,000 as part of the \$2,154,000 budget shortfall (\$1,600,000 planned in fall budget update) in 2014/15.

\$1,400,000 planned board approved transfer from UNA to operating reserves to create a fiscal stability operating reserve.

2015/2016

Reasons for changes in Investment in Tangible Capital Assets (i.e. supported tangible capital asset acquisitions or material dispositions):

Planned purchase of four new replacement buses for a total cost of \$375,000.

Planned purchase of one replacement administration vehicle and one maintenance van for a total of \$65,000.

Total board funded capital acquisitions of \$440,000.

Planned Uses for remaining Unrestricted Surplus, Operating Reserves, and Capital Reserves (including time frame) after August 31, 2016:

\$280,000 of capital reserves to be used for future board funded acquisitions such as buses, equipment, modulars, etc.

\$120,000 POM operating reserves to purchase classroom desks and snow removal contingency.

\$665,000 School operating reserves to purchase planned additional classroom materials, equipment, and literacy materials over the next three years.

\$1,575,000 (\$1,400,000 contributed from 2014/15 and \$175,000 contributed from 2015/16) Corporate Fiscal Stability operating reserve to cushion future unplanned enrollment and provincial funding challenges.

\$203,000 in UNA as a contingency fund to cover unplanned required expenditures.

Other Information related to changes in AOS for the budgeted 2015/2016 budget year:

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

	Budgeted 2015/2016 (Note 2)	Actual 2014/2015	Actual 2013/2014	Notes
GRADES 1 TO 12				
Eligible Funded Students:				
Grades 1 to 9	5,039	4,951	5,520	Head count
Grades 10 to 12	1,194	1,200	1,249	Note 3
Total	6,233	6,151	6,769	Grades 1-12 students eligible for base instruction funding from Alberta Education.
Percentage Change	1.3%	-9.1%		
Other Students:				
Total	53	51	45	Note 4
Total Net Enrolled Students	6,286	6,202	6,814	
Home Ed and Blended Program Students	11	18	11	Note 5
Total Enrolled Students, Grades 1-12	6,297	6,220	6,825	
Percentage Change	1.2%	-8.9%		
Of the Eligible Funded Students:				
Severely Disabled Students served	238	236	224	Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s).

EARLY CHILDHOOD SERVICES (ECS)

Eligible Funded Children	548	608	653	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	548	608	653	
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	277	307	330	
Percentage Change	-9.9%	-6.9%		
Of the Eligible Funded Children:				
Severely Disabled Children served	102	114	113	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 2015/2016	Actual 2014/2015	Fall Budget 2014/2015	Actual 2013/2014	Notes
CERTIFICATED STAFF					
School Based	383.1	398.7	400.3	434.2	Teacher certification required for performing functions at the school level.
Non-School Based	13.7	13.0	12.9	12.8	Teacher certification required for performing functions at the system/central office level.
Total Certificated Staff FTE	396.8	411.7	413.2	447.0	FTE for personnel possessing a valid Alberta teaching certificate or equivalency.
Explanation required where change unrelated to enrolment	-3.6%	-7.9%	-7.6%		
Percentage change from Fall Budget	-4.0%				
Is an average standard cost used to derive certificated salaries?	yes				
If an average standard cost is used, please disclose rate:	\$ 109,782				
Explanation of Changes:					
NON-CERTIFICATED STAFF					
Instructional	181.0	201.0	189.2	201.0	Personnel providing instruction support for schools under 'Instruction' program areas.
Plant Operations & Maintenance	33.8	34.8	34.8	34.8	Personnel providing support to maintain school facilities
Transportation	61.2	62.2	61.2	61.2	Personnel providing direct support to the transportation of students to and from school
Other Non-Instructional	42.7	43.7	43.7	41.0	Personnel in Board & System Admin. and External service areas.
Total Non-Certificated Staff FTE	318.7	341.7	328.9	338.0	FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.
Percentage Change	-6.7%	1.1%	-2.7%		
Percentage change from Fall Budget	-3.1%				
Explanation of Changes:					
Additional Information					
Are non-certificated staff subject to a collective agreement? Some are					
Please provide terms of contract for 2015/16 and future years for non-certificated staff subject to a collective agreement along with the number of qualifying staff FTE's.					
Custodians are covered by the CUPE Agreement, with the same 2% increase for 2015/16.					

**UTILIZATION OF ACCUMULATED SURPLUS FROM OPERATIONS
for the Year Ending August 31**

Where boards anticipate a decline in Accumulated Surplus In Operations on Page 5 (AOS) during the 2015/16 school year, please identify the justification for the use of these reserves. Document each cost on Page 10 (ASO Use), "Detailed Breakdown for the Budgeted Utilization of Accumulated Surplus from Operations for the Year Ended August 31, 2016."

DETAILED BREAKDOWN FOR THE BUDGETED UTILIZATION OF ACCUMULATED SURPLUS FROM OPERATIONS
for the Year Ending August 31, 2016

					Expected Cost
	Explanation	Recurring? ¹	Capital? ²	Program ³	Object ⁴
1					\$0
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
9					\$0
10					\$0
11					\$0
12					\$0
13					\$0
14					\$0
15					\$0
16					\$0
17					\$0
18					\$0
19					\$0
20					\$0
21					\$0
22					\$0
23					\$0
24					\$0
25					\$0
Use Of A.S.O. for Budget Year 2015/2016					\$0
Unexplained Reduction of A.S.O. (Cannot be more than \$10,000)					#VALUE!
1. Use drop-down menu: If expense is recurring, indicate how the project will be funded in the future.					#VALUE!
2. Use drop-down menu: Capital items should be funded through capital reserves, if available.					
3. Use drop-down menu: If expenditure represents an "Operating" expense, indicate to which Program this item was included on the Budgeted Statement of Operations.					
4. Use drop-down menu: If expenditure represents an "Operating" expense, indicate to which Expenditure Object this item was included on the Budgeted Allocation of Expenses (by Object).					