

BUDGET REPORT FOR THE YEAR ENDING AUGUST 31, 2015

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

Chinook's Edge School Division No. 73

Legal Name of School Jurisdiction

403-227-7070 (Bus) 403-227-3652 (Fax)

Telephone and Fax Numbers

BOARD CHAIR

Ron Fisher

Name

Signature

SUPERINTENDENT

Kurt Sacher

Name

Signature

SECRETARY TREASURER or TREASURER

Susan Roy, CGA, MBA, CSBO

Name

Signature

**Certified as an accurate summary of the year's budget as approved by the Board
of Trustees at its meeting held on May 28, 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:

Budgeted expenses exceed budgeted revenues by \$2,758,761. This includes net, non-cash amortization of \$3,137,035 that is already fully funded. With capital asset purchases of about \$1.18 million, accumulated operating surplus, capital reserves and unrestricted net assets are expected to decline by \$0.8 million, from \$4.9 million to \$4.1 million. The Division budgets conservatively and actual reserves at the end of August 2015 may exceed \$4.1 million.

Significant Business and Financial Risks:

The Division's primary source of revenue is from the Alberta Government, which means that our viability and sustainability is largely dependent on this funding.

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	\$114,333,359	\$112,902,112	\$115,002,340
Other - Government of Alberta	\$814,850	\$870,495	\$896,565
Federal Government and First Nations	\$206,000	\$412,314	\$357,727
Other Alberta school authorities	\$129,963	\$169,963	\$115,963
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$245,115	\$267,890	\$292,036
Property taxes	\$0	\$0	\$0
Fees	\$2,232,022	\$2,145,694	\$2,457,443
Other sales and services	\$1,325,410	\$1,179,810	\$1,536,793
Investment income	\$165,805	\$163,193	\$173,749
Gifts and donations	\$328,500	\$307,500	\$392,203
Rental of facilities	\$216,952	\$227,484	\$178,031
Fundraising	\$773,900	\$775,700	\$994,672
Gains on disposal of capital assets	\$70,000	\$241,904	\$53,410
Other revenue	\$0	\$39,403	\$70,939
TOTAL REVENUES	\$120,841,876	\$119,703,462	\$122,521,871
EXPENSES			
Instruction	\$96,271,698	\$96,641,889	\$97,339,521
Plant operations & maintenance	\$15,128,987	\$14,666,199	\$14,620,567
Transportation	\$6,841,392	\$6,484,525	\$6,903,593
Administration	\$4,352,567	\$4,348,904	\$4,151,893
External Services	\$1,005,993	\$1,055,172	\$1,530,074
TOTAL EXPENSES	\$123,600,637	\$123,196,689	\$124,545,648
ANNUAL SURPLUS (DEFICIT)	(\$2,758,761)	(\$3,493,227)	(\$2,023,777)

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	\$54,851,406	\$55,414,961	\$55,869,386
Certificated benefits	\$12,040,000	\$12,000,000	\$12,016,359
Non-certificated salaries and wages	\$23,382,286	\$22,901,819	\$23,360,302
Non-certificated benefits	\$5,485,000	\$5,267,700	\$5,252,109
Services, contracts, and supplies	\$19,344,314	\$18,770,283	\$19,418,490
Capital and debt services			
Amortization of capital assets			
supported	\$5,331,000	\$5,851,500	\$5,785,429
unsupported	\$3,137,035	\$2,901,426	\$2,774,044
Interest on capital debt			
supported	\$17,346	\$85,000	\$41,456
unsupported	\$0	\$0	\$0
Other interest and finance charges	\$12,250	\$4,000	\$8,894
Losses on disposal of capital assets	\$0	\$0	\$19,179
Other expense	\$0	\$0	\$0
TOTAL EXPENSES	\$123,600,637	\$123,196,689	\$124,545,648

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	\$19,557,997	\$13,856,191	\$90,567	\$5,411,239	\$1,225,201	\$4,186,038	\$200,000
2013/2014 Estimated impact to AOS for:							
Estimated surplus(deficit)	(\$3,752,464)			(\$3,752,464)	(\$3,752,464)		
Estimated Board funded capital asset additions		\$650,000		\$0	\$0	\$0	(\$650,000)
Estimated Disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0		\$0
Estimated amortization of capital assets (expense)		(\$8,755,926)		\$8,755,926	\$8,755,926		
Estimated capital revenue recognized - Alberta Education		\$5,051,500		(\$5,051,500)	(\$5,051,500)		
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)				(\$725,000)	\$48,038	(\$773,038)	\$725,000
Estimated Assumptions/Transfers of Operations (Explain)	\$0	\$0		\$0	\$0	\$0	\$0
Estimated Balances for August 31, 2014	\$15,805,533	\$10,801,765	\$90,567	\$4,638,201	\$1,225,201	\$3,413,000	\$275,000
2014/2015 Budget projections for:							
Budgeted surplus(deficit)	(\$2,758,761)			(\$2,758,761)	(\$2,758,761)		
Projected Board funded capital asset additions		\$1,180,000		\$0	\$0	\$0	(\$1,180,000)
Budgeted Disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0		\$0
Budgeted Amortization of capital assets (expense)		(\$8,468,035)		\$8,468,035	\$8,468,035		
Budgeted capital revenue recognized - Alberta Education		\$231,000		(\$231,000)	(\$231,000)		
Budgeted capital revenue recognized - Other GOA		\$5,100,000		(\$5,100,000)	(\$5,100,000)		
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)				(\$1,255,000)	(\$378,274)	(\$876,726)	\$1,255,000
Projected Assumptions/Transfers of Operations (Explain)	\$0	\$0		\$0	\$0	\$0	\$0
Projected Balances for August 31, 2015	\$13,046,772	\$8,844,730	\$90,567	\$3,761,475	\$1,225,201	\$2,536,274	\$350,000

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

Chinook's Edge plans to use reserves to balance the operating budgets in our schools.

**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 Division will proceed with a four-year technology renewal plan starting in 2014/2015. \$700,000 will be set aside for technology renewal in each of the four years. Year one will see the Division replace technology for administration, teachers, and office staff (\$600,000). Year two will see the replacement of classroom technology including laptops, tablets, and specific CTS machines, as well as an upgrade to CESD wireless (\$1,400,000). The third year will support schools in upgrading classroom projectors (\$800,000). The allocation in the fourth year will finish funding the technology purchased in the first three years of the plan.

Changes to Board Funded Tangible Capital Assets

2013/2014

Due to funding reductions in 2013/2014 the Division has significantly reduced capital spending.

**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	7,301	7,177	7,097	Head count
Grades 10 to 12	2,618	2,546	2,678	Note 3
Total	9,919	9,723	9,775	Grades 1-12 students eligible for base instruction funding from Alberta Education.
Other Students:				
Total	121	216	37	Note 4
Total Net Enrolled Students	10,040	9,939	9,812	
Home Ed and Blended Program Students	1	1	1	Note 5
Total Enrolled Students, Grades 1-12	10,041	9,940	9,813	
Of the Eligible Funded Students:				
Severely Disabled Students served	345	341	333	Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s).
EARLY CHILDHOOD SERVICES (ECS)				
Eligible Funded Children	935	928	943	ECS children eligible for ECS base instruction funding from Alberta Education.
Other children	17	2	9	ECS children not eligible for ECS base instruction funding from Alberta Education.
Total Enrolled Children - ECS	952	930	952	
Program Hours	475	475	475	Minimum: 475 Hours
FTE Ratio	0.500	0.500	0.500	Actual hours divided by 950
FTE's Enrolled, ECS	476	465	476	
Of the Eligible Funded Children:				
Severely Disabled Children served	100	98	95	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	557.4	563.0	574.5	Teacher certification required for performing functions at the school level.
Non-School Based	14.9	16.6	18.7	Teacher certification required for performing functions at the system/central office level.
Total Certificated Staff FTE	572.3	579.6	593.2	FTE for personnel possessing a valid Alberta teaching certificate or equivalency.
Certificated Staffing Change due to:				
Enrolment Change	-	-	(0.4)	If negative change impact, the small class size initiative is to include any/all teachers retained.
Other Factors	(7.3)	(13.6)	-	Descriptor (required): Funding Reductions, Reserves declining
Total Change	(7.3)	(13.6)	(0.4)	Year-over-year change in Certificated FTE
Breakdown, where total change is Negative:				
Continuous contracts terminated	-	-	-	FTEs
Non-permanent contracts not being renewed	-	-	-	FTEs
Other (retirement, attrition, etc.)	(7.3)	(13.6)	(0.4)	Descriptor (required): Funding Reductions, Reserves declining
Total Negative Change in Certificated FTEs	(7.3)	(13.6)	(0.4)	Breakdown required where year-over-year total change in Certificated FTE is 'negative' only.
<u>NON-CERTIFICATED STAFF</u>				
Instructional	384.0	375.0	365.0	Personnel providing instruction support for schools under 'Instruction' program areas.
Non-Instructional	215.0	210.0	215.0	Personnel in Transportation, Board & System Admin., O&M and External service areas.
Total Non-Certificated Staff FTE	599.0	585.0	580.0	FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.
Non-Certificated Staffing Change due to:				
Enrolment Change	-	-	-	FTEs
Other Factors	14.0	5.0	22.0	Descriptor (required): To meet support needs in each school & dept
Total Change	14.0	5.0	22.0	Year-over-year change in Non-Certificated FTE