

# BUDGET REPORT FOR THE YEAR ENDING AUGUST 31, 2015

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

Horizon School Division No. 67

Legal Name of School Jurisdiction

403-223-3547 403-223-2999

Telephone and Fax Numbers

## BOARD CHAIR

Marie Logan

Name

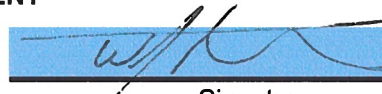


Signature

## SUPERINTENDENT

Wilco Tymensen

Name




Signature

## SECRETARY TREASURER or TREASURER

John Rakai

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 20, 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

E-MAIL: Robert.Mah@gov.ab.ca (780-427-3855)

**TABLE OF CONTENTS**

	Page
<b>BUDGETED STATEMENT OF OPERATIONS</b>	<b>3</b>
<b>BUDGETED ALLOCATION OF EXPENSES (BY OBJECT)</b>	<b>3</b>
<b>PROJECTED STATEMENT OF CHANGES IN ACCUMULATED OPERATING SURPLUS (SUMMARY)</b>	<b>4</b>
<b>PROJECTED STUDENT STATISTICS</b>	<b>5</b>
<b>PROJECTED STAFFING STATISTICS</b>	<b>6</b>

Color coded cells:

	blue cells: require the input of data/descriptors wherever applicable.		Grey cells: data not applicable - protected
	salmon cells: contain referenced juris. information - 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:**

**Funding**

0% increase to Base Instruction and Differential Cost Funding with the exception of:  
 - 2% increase to Class Size funding - Kindergarden to Grade 3 and Tier 2 & Tier 3 CEUs - amounting to \$26,857 increase  
 - 2% increase to Inclusive Education funding - amounting to \$44,033 increase

**Payment Reduction** - Board Governance & System Administration (BG & SA) - amounting to **(\$241,954)decrease**

Maximum BG & SA Expense Limit 2014/15	\$ 2,419,539
10% Reduction	(241,954)
Reduced Expense Limit Threshold	\$ 2,177,585
2014/15 BG & SA Budget	(1,857,491)
BG & SA contributed to instructional support	\$ 320,094

**Enrollment**

ECS decline of 6 students - total of 292  
 Grade 1 to 9 decline of 40 students - total of 2433  
 Grade 10 to 12 decline of 31 students - total of 759

**Salary Adjustments**

Teachers - 0.34% increase to salary grid (adjusted provincial average)  
 Support Staff - 1% increase to salary scales

**Budget Outcome**

Operating Funding Shortfall (deficit)	(\$ 618,961)	to be covered by reserves to balance the budget
Unsupported tangible capital assets amortization	(\$ 407,889)	
<b>Total Reported Shortfall (deficit)</b>	<b>(\$1,026,851)</b>	

Plant Operation & Maintenance (PO&M), Infrastructure Maintenance Renewal (IMR) and all External Service components of budget and grant funding initiatives have balanced budgets

All programs and services to support students maintained.  
 Staffing allocation formulas to support programs and services maintained.

**Significant Business and Financial Risks:**

**Congregated School Sites**

Uncertainty of public school student enrollment in the jurisdiction due to current home school regulation permitting the operation of congregated school sites

**Rural Community Viability**

Declining population in rural areas and effect of same on small rural schools

**Attracting and Retaining Qualified Employees**

Imbalance in the geographical distribution of qualified employee in rural areas hinders the attraction and retention of qualified individuals

**Transportation**

Increasing cost of the price of fuel, in conjunction with the discontinued Fuel Price Contingency funding from the province.

**Buildings, Physical Plant, Maintenance & Repair**

Reduced funding and 0% increases for PO&M and IMR over the past number of years is not allowing jurisdictions to keep pace with rising real costs  
 Budget increases in school PO&M mainly occur in custodial services, utility costs, and insurance. with school boards balancing budgets by cutting school facility maintenance and planning and administration services.

**BUDGETED STATEMENT OF OPERATIONS**  
for the Year Ending August 31

	Approved Budget 2014/2015	Fall Budget Update 2013/2014	Actual 2012/2013
<b>REVENUES</b>			
Alberta Education	\$41,865,709	\$43,210,154	\$43,339,311
Other - Government of Alberta	\$0	\$0	\$384,425
Federal Government and First Nations	\$0	\$0	\$0
Other Alberta school authorities	\$33,000	\$33,000	\$19,487
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees	\$1,500,845	\$1,039,784	\$1,479,869
Other sales and services	\$895,000	\$938,134	\$1,116,804
Investment income	\$193,140	\$180,000	\$217,000
Gifts and donations	\$250,000	\$300,000	\$300,966
Rental of facilities	\$13,475	\$13,475	\$13,150
Fundraising	\$250,000	\$500,000	\$254,515
Gains on disposal of capital assets	\$0	\$0	\$10,529
Other revenue	\$4,000	\$4,000	\$16,241
<b>TOTAL REVENUES</b>	<b>\$45,005,169</b>	<b>\$46,218,547</b>	<b>\$47,152,297</b>
<b>EXPENSES</b>			
Instruction	\$34,925,256	\$35,253,456	\$33,825,789
Plant operations & maintenance	\$5,604,248	\$5,819,183	\$6,232,268
Transportation	\$2,995,450	\$3,356,500	\$3,368,574
Administration	\$1,947,616	\$1,905,056	\$1,729,237
External Services	\$559,449	\$481,466	\$877,970
<b>TOTAL EXPENSES</b>	<b>\$46,032,019</b>	<b>\$46,815,661</b>	<b>\$46,033,838</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(\$1,026,850)</b>	<b>(\$597,114)</b>	<b>\$1,118,459</b>

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

	Approved Budget 2014/2015	Fall Budget Update 2013/2014	Actual 2012/2013
<b>EXPENSES</b>			
Certificated salaries	\$19,750,412	\$19,666,955	\$19,196,472
Certificated benefits	\$4,353,859	\$4,705,060	\$4,067,552
Non-certificated salaries and wages	\$6,924,128	\$6,632,448	\$7,294,258
Non-certificated benefits	\$1,526,306	\$1,555,657	\$1,398,979
Services, contracts, and supplies	\$11,730,287	\$12,523,811	\$12,409,596
<b>Capital and debt services</b>			
Amortization of capital assets			
supported	\$1,339,138	\$1,374,045	\$1,337,915
unsupported	\$407,889	\$351,100	\$318,800
Interest on capital debt			
supported	\$0	\$6,585	\$10,266
unsupported	\$0	\$0	\$0
Other interest and finance charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
<b>TOTAL EXPENSES</b>	<b>\$46,032,019</b>	<b>\$46,815,661</b>	<b>\$46,033,838</b>

**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
<b>Actual balances per AFS at August 31, 2013</b>	\$14,497,662	\$4,720,250	\$0	\$9,777,412	\$2,798,561	\$6,978,831	\$0
<b>2013/2014 Estimated impact to AOS for:</b>							
Estimated surplus/(deficit)	\$154,216			\$154,216	\$154,216		
Estimated Board funded capital asset additions		\$370,000		(\$370,000)	(\$370,000)	\$0	\$0
Estimated Disposal of unsupported tangible capital assets	\$0	(\$5,000)		\$5,000	\$5,000		\$0
Estimated amortization of capital assets (expense)		(\$1,733,538)		\$1,733,538	\$1,733,538		
Estimated capital revenue recognized - Alberta Education		\$1,283,708		(\$1,283,708)	(\$1,283,708)		
Estimated capital revenue recognized - Other GOA		\$0		\$0	\$0		
Estimated capital revenue recognized - Other sources		\$53,566		(\$53,566)	(\$53,566)		
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	(\$10,000)	\$10,000	\$0
<b>Estimated Balances for August 31, 2014</b>	\$14,651,878	\$4,688,986	\$0	\$9,962,892	\$2,974,061	\$6,988,831	\$0
<b>2014/2015 Budget projections for:</b>							
Budgeted surplus/(deficit)	(\$1,026,850)			(\$1,026,850)	(\$1,026,850)		
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
Budgeted Amortization of capital assets (expense)		(\$1,747,027)		\$1,747,027	\$1,747,027		
Budgeted capital revenue recognized - Alberta Education		\$1,285,572		(\$1,285,572)	(\$1,285,572)		
Budgeted capital revenue recognized - Other GOA		\$0		\$0	\$0		
Budgeted capital revenue recognized - Other sources		\$53,566		(\$53,566)	(\$53,566)		
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)	(\$20,000)			(\$20,000)	(\$10,000)	(\$10,000)	\$0
<b>Projected Balances for August 31, 2015</b>	\$13,605,028	\$4,381,097	\$0	\$9,223,931	\$2,245,100	\$6,978,831	\$0
<b>ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS SUMMARY- 2014/2015 BUDGET REPORT</b>							
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.							
<b>Reason for Changes in Unrestricted Surplus; Investment in Tangible Capital Assets; Endowments; Operating Reserves; and Capital Reserves</b>							
<b>2013/2014</b>							
Projected surplus in 2013/2014 provides slight increase in Unrestricted Surplus (US).							
Projected equipment renewal (photocopiers, vehicles, etc.).							
No Endowments.							
Operating reserves reflects transfer of funds into Division Office Equipment renewal fund.							

**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**

Shortfall in funding in 2014-2015 projected at (\$1,026,850) reduces Unrestricted Surplus significantly.

**Planned Changes to Board Funded Tangible Capital Assets**

**2013/2014**

Projected equipment renewal (photocopiers, vehicles, etc.).

**2014/2015**

Operating reserves reflects transfer of funds into Division Office Equipment renewal fund.

**Other Information:**

No Endowments.

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

	Budgeted 2014/2015 (Note 2)	Actual 2013/2014	Actual 2012/2013	Notes
<b>GRADES 1 TO 12</b>				
<b>Eligible Funded Students:</b>				
Grades 1 to 9	2,433	2,477	2,435	Head count
Grades 10 to 12	759	788	770	Note 3
<b>Total</b>	<b>3,192</b>	<b>3,265</b>	<b>3,205</b>	Grades 1-12 students eligible for base instruction funding from Alberta Education.
<b>Other Students:</b>				
<b>Total</b>	<b>20</b>	<b>55</b>	<b>82</b>	Note 4
<b>Total Net Enrolled Students</b>	<b>3,212</b>	<b>3,320</b>	<b>3,287</b>	
<b>Home Ed and Blended Program Students</b>	<b>-</b>	<b>-</b>	<b>2</b>	Note 5
<b>Total Enrolled Students, Grades 1-12</b>	<b>3,212</b>	<b>3,320</b>	<b>3,289</b>	
<b>Of the Eligible Funded Students:</b>				
<b>Severely Disabled Students served</b>	<b>60</b>	<b>62</b>	<b>64</b>	Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s).
<b>EARLY CHILDHOOD SERVICES (ECS)</b>				
<b>Eligible Funded Children</b>	<b>292</b>	<b>309</b>	<b>281</b>	ECS children eligible for ECS base instruction funding from Alberta Education.
<b>Other children</b>	<b>3</b>	<b>5</b>	<b>10</b>	ECS children not eligible for ECS base instruction funding from Alberta Education.
<b>Total Enrolled Children - ECS</b>	<b>295</b>	<b>314</b>	<b>291</b>	
<b>Program Hours</b>	<b>475</b>	<b>480</b>	<b>480</b>	Minimum: 475 Hours
<b>FTE Ratio</b>	<b>0.500</b>	<b>0.505</b>	<b>0.505</b>	Actual hours divided by 950
<b>FTE's Enrolled, ECS</b>	<b>148</b>	<b>159</b>	<b>147</b>	
<b>Of the Eligible Funded Children:</b>				
<b>Severely Disabled Children served</b>	<b>27</b>	<b>37</b>	<b>41</b>	Total eligible funded severely disabled children FTEs, including Code 40 children in program units.
<b>NOTES:</b>				
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
<b>CERTIFICATED STAFF</b>				
School Based	208.5	205.6	201.4	Teacher certification required for performing functions at the school level.
Non-School Based	6.8	6.8	5.8	Teacher certification required for performing functions at the system/central office level.
<b>Total Certificated Staff FTE</b>	<b>215.3</b>	<b>212.4</b>	<b>207.2</b>	FTE for personnel possessing a valid Alberta teaching certificate or equivalency.
<b>Certificated Staffing Change due to:</b>				
Enrolment Change	-	-	(4.3)	If negative change impact, the small class size initiative is to include any/all teachers retained.
Other Factors	2.9	1.0	(1.0)	Descriptor (required): Deficit being covered by reserves - no reductions required.
<b>Total Change</b>	<b>2.9</b>	<b>1.0</b>	<b>(5.3)</b>	<b>Year-over-year change in Certificated FTE</b>
<b>Breakdown, where total change is Negative:</b>				
Continuous contracts terminated	-	-	-	FTEs
Non-permanent contracts not being renewed	-	-	11.0	FTEs
Other (retirement, attrition, etc.)	-	-	5.0	Descriptor (required):
<b>Total Negative Change in Certificated FTEs</b>	<b>-</b>	<b>-</b>	<b>16.0</b>	<b>Breakdown required where year-over-year total change in Certificated FTE is 'negative' only.</b>
<b>NON-CERTIFICATED STAFF</b>				
Instructional	179.5	161.1	165.1	Personnel providing instruction support for schools under 'Instruction' program areas.
Non-Instructional	32.0	30.3	32.4	Personnel in Transportation, Board & System Admin., O&M and External service areas.
<b>Total Non-Certificated Staff FTE</b>	<b>211.5</b>	<b>191.4</b>	<b>197.5</b>	FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.
<b>Non-Certificated Staffing Change due to:</b>				
Enrolment Change	-	4.0	(13.6)	FTEs
Other Factors	20.1	(2.1)	0.2	Descriptor (required): Deficit being covered by reserves - no reductions required & more accurate reporting
<b>Total Change</b>	<b>20.1</b>	<b>1.9</b>	<b>(13.4)</b>	<b>Year-over-year change in Non-Certificated FTE</b>