



## MEMORANDUM

**DATE:** November 28, 2018  
**TO:** All Staff and Stakeholders  
**FROM:** Marie Logan, Board Chair  
**RE:** Fall Budget Update 2018

At the November 28, 2018 Board meeting, the Board of Trustees approved the 2017/2018 audited financial statement and 2018/2019 fall budget update. For the year ended August 31, 2018, Horizon School Division, posted a deficit of \$1,457,075. The budget for 2018/2019 was updated, and a deficit of \$726,361 is expected for the year. This will be the fourth consecutive year of deficits in the jurisdiction.

Over the last four years the board has utilized its reserves to improve facilities, and stabilize staffing with fluctuating enrollments. In 2016 the board authorized approximately \$2,000,000 of spending to address deferred maintenance and network upgrades at schools. It has been a priority of the board to maintain teachers and supports for high needs students. Schools have utilized their reserves to enhance additional instructional supports for students. Reserves at schools varies widely, ranging from \$0 to \$270,000 per school (\$0 to \$1,893 per student).

	Surplus / (Deficit)	Board Controlled Accumulated Operating Reserve	School Controlled Accumulated Reserves
Aug 31, 2015	\$729,058	\$8,434,356	\$1,936,442
Aug 31, 2016	(\$1,273,239)	\$7,430,930	\$1,686,448
Aug 31, 2017	(\$2,303,329)	\$4,504,600	\$1,634,677
Aug 31, 2018	(\$1,457,075)	\$3,358,001	\$1,337,756
Aug 31, 2019 (budgeted)	(\$726,361)	\$2,842,299	\$868,037

Of the \$726,361 deficit, \$256,643 is at the board level while the remaining \$469,719 is due to schools opting to expend reserve dollars. The jurisdiction's operating budget is influenced most directly by student enrollment. Horizon's enrollment increased by 40 students for the 2018-2019 school year but has decreased by approximately 127 students since 2010. Enrollment changes have not been consistent between schools. Some have doubled their enrollments and others have declined by 50%. In addition to fluctuating enrollments, the funding framework has received many adjustments over the last ten years. These adjustments approximate a reduction in operating revenue of \$1.7 million annually. The board of Horizon School Division has been able to maintain staffing, breadth of programming, and supports for students with diverse needs throughout the jurisdiction because of its reserves.

For 2018-2019 Instructional expenses total \$34,934,410 (74.6% of the total budget). This includes board provided school staffing such as: teachers, secretaries, librarians, and assistants supporting students with diverse needs. The Board continues to provide some of the best class size averages in the province. In

2017/2018, Horizon was one of 5 school authorities to meet the 2003 Alberta Commission on Learning class size recommendations and continues to meet the recommendations for 2018/2019.

2017-2018 class-size	Horizon (all subjects)	Horizon (core subjects)	2017/2018 Provincial Averages	ACOL (2003) recommendation
K – Gr. 3	16.7	15.7	20.2	17
Gr. 4 – Gr. 6	17.2	19.4	22.8	23
Gr. 7 – Gr. 9	15.4	19.9	23.5	25
Gr. 10 – Gr. 12	13.6	18.3	23.2	27

In the area of governance and administration, Horizon remains more efficient than the province requires. Horizon spent \$362,369 less than the cap in 2017/2018, and is budgeted to be \$280,612 under the cap for 2018/2019. This efficiency allows for these savings to be transferred to schools to enhance support in the classroom.

Over half of Horizon’s schools have 100 or fewer students and our Board values these small schools. Most of these small schools receive significant funding because they meet Alberta Education’s criteria for “small school by necessity”. This revenue, in many cases, contributes to these schools generating more revenue for the division which aids in ensuring all schools remain viable.

We look forward to continuing to engage all stakeholders as we work towards a balanced budget, as student success truly is a collective endeavor.

For more information on Horizon’s budget, visit [www.horizon.ab.ca/board.php](http://www.horizon.ab.ca/board.php)