

# BUDGET REPORT

## FOR THE YEAR ENDING AUGUST 31, 2014

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

**Horizon School Division No. 67**

**Legal Name of School Jurisdiction**

403-223-3547 and 403-223-2999


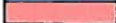
**Telephone and Fax Numbers**

<b>BOARD CHAIR</b>	
Audrey Krizsan <b>Name</b>	Original Signed <b>Signature</b>
<b>SUPERINTENDENT</b>	
Cheryl Gilmore <b>Name</b>	Original Signed <b>Signature</b>
<b>SECRETARY TREASURER</b>	
John Rakai <b>Name</b>	Original Signed <b>Signature</b>
Certified An accurate summary of the year's budget approved by the Board of Trustees at its meeting held <span style="border: 1px solid black; padding: 2px;">May 31, 2013</span> . <div style="text-align: center; margin-left: 100px;"><b>Date</b></div>	

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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- 2013/2014 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:***

The 2013-14 Provincial Funding adjustment amounted to a projected overall reduction of (\$1,214,279) in funds.

Internal adjustments to offset the funding reduction has left a projected deficit of (\$709,405). Of this deficit (\$359,305) will be offset by drawing from reserves. The remaining deficit of (\$351,100) is as a result of unsupported amortization of capital assets that does not affect cash.

In order to reduce the effect of the reduced funding on the deficit, the reduction plan included reducing allocations to schools in areas that had the least impact on the classroom. Following an analysis of funds available at schools and projected need for staffing, services, contracts and supplies, allocations were reduced in the areas of CEU, ESL (ELL), Outreach and Distance Learning funds transfers. Additional funds are being projected as a result of realigning the generation of CEU's between Tier 1 and Distance Learning Credits. Less contingency funds will also be maintained in the event of in-year unforeseen emergent items.

Additional funds have been built into the budget to help offset the loss of AISI funds that have assisted with Curriculum P.D as well to support growth in classroom video conferencing.

Additional System Administration staffing approved in 2012-13 will remain unfilled to assist in offsetting the deficit. System Administration and Governance budget projected to remain under the cap in 2013-14 by approximately \$200,000.

All External Services components of budget and grant funding initiatives have balanced budgets

#### ***Significant Business and Financial Risks:***

Small projected overall jurisdictional decline in enrollment

ATA Collective Agreement salary and benefit cost risk reduced due to Ministerial Order however other costs included in the Ministerial Order remain unknown.

Average budgeted teacher salary increase of 1.52% due to gird movement remains unfunded.

CUPE / CUPE Related agreements expires August 31, 2013. No contingency for increase in monetary items included in the budget.

Services, Contracts and Supply budgets have remained at 2012-13 levels.

Existing staffing formulas and programs and services maintained.

Loss of funding for Plant Operations and Maintenance, and IMR will potentially impact conditions of physical plants.

Fuel price contingency grant being discontinued will potentially require the implementation of user fees in order to not draw on instructional dollars for transportation.

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

	Approved Budget 2013/2014	Final Approved Budget 2012/2013	Actual 2011/2012
<b>REVENUES</b>			
Government of Alberta	\$41,191,613	\$42,692,596	\$41,941,614
Federal Government and/or First Nations	\$0	\$1,000	\$0
Other Alberta school authorities	\$33,000	\$19,487	\$18,080
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Fees	\$1,038,299	\$419,630	\$1,170,235
Other sales and services	\$938,134	\$1,985,000	\$1,063,544
Investment income	\$180,000	\$200,000	\$197,661
Gifts and donations	\$300,000	\$0	\$360,158
Fundraising	\$500,000	\$245,000	\$567,754
Rental of facilities	\$13,475	\$13,475	\$14,238
Gain on disposal of capital assets	\$0	\$0	\$5,081
Amortization of capital allocations	\$1,374,045	\$1,259,390	\$882,619
Other revenue	\$4,000	\$173,600	\$8,126
<b>TOTAL REVENUES</b>	<b>\$45,572,566</b>	<b>\$47,009,178</b>	<b>\$46,229,110</b>
<b>EXPENSES</b>			
ECS - Grade 12 Instruction	\$34,786,114	\$33,901,281	\$34,734,856
Operations & Maintenance of Schools and Maintenance Shops	\$5,910,835	\$4,920,546	\$5,354,184
Transportation	\$3,356,500	\$3,538,422	\$3,303,222
Board & System Administration	\$1,897,056	\$1,808,734	\$1,529,053
External Services	\$331,466	\$3,167,024	\$898,880
<b>TOTAL EXPENSES</b>	<b>\$46,281,971</b>	<b>\$47,336,007</b>	<b>\$45,820,195</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(\$709,405)</b>	<b>(\$326,829)</b>	<b>\$408,915</b>

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

	Approved Budget 2013/2014	Final Approved Budget 2012/2013	Actual 2011/2012
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<b>EXPENSES</b>			
Certificated salaries	\$19,584,098	\$19,855,285	\$19,577,745
Certificated benefits	\$4,693,178	\$4,261,498	\$3,951,632
Non-certificated salaries and wages	\$6,472,666	\$6,994,257	\$7,277,948
Non-certificated benefits	\$1,512,358	\$1,691,873	\$1,390,420
Services, contracts, and supplies	\$12,287,941	\$12,933,673	\$12,267,798
<b>Capital and debt services</b>			
<b>Amortization of capital assets</b>			
supported	\$1,374,045	\$1,259,390	\$882,619
unsupported	\$351,100	\$326,830	\$454,244
<b>Interest on capital debt</b>			
supported	\$6,585	\$13,201	\$17,789
unsupported	\$0	\$0	\$0
<b>Other interest charges</b>	\$0	\$0	\$0
<b>Loss on disposal of capital assets</b>	\$0	\$0	\$0
<b>Other expense</b>	\$0	\$0	\$0
<b>TOTAL EXPENSES</b>	<b>\$46,281,971</b>	<b>\$47,336,007</b>	<b>\$45,820,195</b>

**PROJECTED STATEMENT OF CHANGES IN NET ASSETS (SUMMARY)**  
for the Year Ending August 31

	(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL NET ASSETS (2+3+6)	INVESTMENT IN CAPITAL ASSETS	ACCUMULATED OPERATING SURPLUS (4+5)	UNRESTRICTED NET ASSETS	INTERNALLY RESTRICTED NET ASSETS	
					OPERATING RESERVES	CAPITAL RESERVES
<b>Actual balances per AFS at August 31, 2012</b>	\$13,249,008	\$4,788,984	\$8,462,024	\$2,003,443	\$8,458,581	\$0
<b>2012/2013 Estimated Impact to net assets for:</b>						
Estimated surplus(deficit)	\$350,000			\$350,000		
Estimated Board funded capital asset additions		\$591,797		(\$591,797)	\$0	\$0
Estimated Amortization of capital assets (expense)		(\$1,582,378)		\$1,582,378		
Estimated Amortization of capital allocations (revenue)		\$1,221,170		(\$1,221,170)		
Estimated Unsupported debt principal repayment		\$12,405		(\$12,405)		
Estimated reserve transfers (net)				\$0	\$0	\$0
Estimated Assumptions/Transfers of Operations	\$0	\$0	\$0	\$0	\$0	\$0
<b>Estimated Balances for August 31, 2013</b>	\$13,599,008	\$5,029,978	\$8,569,030	\$2,110,448	\$8,458,581	\$0
<b>2013/2014 Budget projections for:</b>						
Budgeted surplus(deficit)	(\$709,405)			(\$709,405)		
Projected Board funded capital asset additions		(\$50,000)		\$50,000	\$0	\$0
Budgeted Amortization of capital assets (expense)		(\$1,725,145)		\$1,725,145		
Budgeted Amortization of capital allocations (revenue)		\$1,374,045		(\$1,374,045)		
Budgeted Unsupported debt principal repayment		\$0		\$0		
Projected reserve transfers (net)				\$0	\$0	\$0
Projected Assumptions/Transfers of Operations	\$0	\$0	\$0	\$0	\$0	\$0
<b>Projected Balances for August 31, 2014</b>	\$12,889,603	\$4,828,878	\$8,260,725	\$1,802,144	\$8,458,581	\$0

**ANTICIPATED CHANGES IN NET ASSETS SUMMARY- 2013/2014 BUDGET REPORT**

The following explains the anticipated changes to Unrestricted Net Assets, Investment in Capital Assets, Operating Reserves and Capital Reserves for 2012/2013 and 2013/2014 and breaks down the planned additions to unsupported capital.

Budgeted deficit of (\$709,406) attributable to shortfall in funding and unsupported amortization of capital assets.



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

	Budgeted 2013/2014 (Note 2)	Actual 2012/2013	Actual 2011/2012	Notes
<b>GRADES 1 TO 12</b>				
<b>Eligible Funded Students:</b>				
Grades 1 to 9	2,427	2,437	2,486	Head count
Grades 10 to 12	767	726	715	Note 3
<b>Total</b>	<b>3,194</b>	<b>3,163</b>	<b>3,201</b>	Grades 1-12 students eligible for base instruction funding from Alberta Education.
<b>Other Students:</b>				
<b>Total</b>	<b>40</b>	<b>65</b>	<b>61</b>	Note 4
<b>Total Net Enrolled Students</b>	<b>3,234</b>	<b>3,228</b>	<b>3,262</b>	
<b>Home Ed and Blended Program Students</b>	<b>-</b>	<b>-</b>	<b>-</b>	Note 5
<b>Total Enrolled Students, Grades 1-12</b>	<b>3,234</b>	<b>3,228</b>	<b>3,262</b>	
<b>Of the Eligible Funded Students:</b>				
<b>Severely Disabled Students served</b>	<b>-</b>	<b>-</b>	<b>-</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>274</b>	<b>281</b>	<b>286</b>	ECS children eligible for ECS base instruction funding from Alberta Education.
<b>Other children</b>	<b>2</b>	<b>10</b>	<b>1</b>	ECS children not eligible for ECS base instruction funding from Alberta Education.
<b>Total Enrolled Children - ECS</b>	<b>276</b>	<b>291</b>	<b>287</b>	
<b>Program Hours</b>	<b>482</b>	<b>480</b>	<b>480</b>	Minimum: 475 Hours
<b>FTE Ratio</b>	<b>0.507</b>	<b>0.505</b>	<b>0.505</b>	Actual hours divided by 950
<b>FTE's Enrolled, ECS</b>	<b>140</b>	<b>147</b>	<b>145</b>	
<b>Of the Eligible Funded Children:</b>				
<b>Severely Disabled Children served</b>	<b>90</b>	<b>85</b>	<b>88</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 2013/2014 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 2013/2014	Actual 2012/2013	Actual 2011/2012	Notes
<b><u>CERTIFICATED STAFF</u></b>				
School Based	205.6	201.4	205.7	Teacher certification required for performing functions at the school level.
Non-School Based	6.8	5.8	6.8	Teacher certification required for performing functions at the system/central office level.
<b>Total Certificated Staff FTE</b>	<b>212.4</b>	<b>207.2</b>	<b>212.5</b>	FTE for personnel possessing a valid Alberta teaching certificate or equivalency.
<b>Certificated Staffing Change due to:</b>				
Enrolment Change	-	(4.3)	(1.1)	If negative change impact, the small class size initiative is to include any/all teachers retained.
Other Factors	1.0	(1.0)	-	Descriptor (required): 1.0 FTE System Admin. Position remained unfilled in 2012-2013
<b>Total Change</b>	<b>1.0</b>	<b>(5.3)</b>	<b>(1.1)</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	14.0	FTEs
Other (retirement, attrition, etc.)	-	5.0	5.0	Descriptor (required):
<b>Total Negative Change in Certificated FTEs</b>	<b>-</b>	<b>16.0</b>	<b>19.0</b>	<b>Breakdown required where year-over-year total change in Certificated FTE is 'negative' only.</b>
<b><u>NON-CERTIFICATED STAFF</u></b>				
Instructional	161.1	165.1	178.7	Personnel providing instruction support for schools under 'Instruction' program areas.
Non-Instructional	30.3	32.4	32.2	Personnel in Transportation, Board & System Admin., O&M and External service areas.
<b>Total Non-Certificated Staff FTE</b>	<b>191.4</b>	<b>197.4</b>	<b>210.9</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)	(7.1)	FTEs
Other Factors	(2.1)	0.2	-	Descriptor (required): Reduced PO&M Budget for Seasonal Workers
<b>Total Change</b>	<b>1.9</b>	<b>(13.4)</b>	<b>(7.1)</b>	<b>Year-over-year change in Non-Certificated FTE</b>