

BUDGET REPORT FOR THE YEAR ENDING AUGUST 31, 2015

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

Edmonton Catholic Separate School District No. 7

Legal Name of School Jurisdiction

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BOARD CHAIR

Cindy Olsen

Name

"original signed"

Signature

SUPERINTENDENT

Joan Carr

Name

"original signed"

Signature

SECRETARY TREASURER or TREASURER

Barry Devlin

Name

"original signed"

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
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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:

The critical budget assumptions used in the 2014-15 Budget are as follows:

- Student enrollment is estimated to increase by 1,029 students. This is a 2.7% increase over existing 2013-14 enrollment. Although the Province requires the District to provide a budget by May 31st prior to the fiscal year starting on September 1st, the basic enrollment funding provided to the District will be based on the actual enrollment as of September 30th of the budget year.
- Wage settlements for all union groups are estimated to be zero percent for the 2014-15 Budget.
- Inflation increases in program expenses are considered to be minimal and will be offset by savings within the year.
- Staffing is expected to increase based on increased student enrollment.
- The District will continue to use a "site-based" decision model that allows principals at schools to decide on staffing levels and program offerings that fit the needs of the students in their school community. This is achieved within their funding allocations.
- A new Education Act was passed and received Royal Assent in December 2012. This new legislation increases the obligations of school districts to provide education to students up to the age of 21. Until the regulations are determined, the financial impact of this legislation cannot be fully determined.
- Unrestricted surpluses largely result from timing differences between when revenues are recorded and when the related expenditures are incurred. Frequently these timing differences cross over year ends. The Province allows these short term surpluses to be used as needed. A budget is balanced if the district revenue and unrestricted surplus are sufficient to cover all expenditures.

Some significant budget highlights and plans are as follows:

- A total of \$12.6 million increase in grant revenue based on estimates from Alberta Education. This is comprised of a \$820,000 increase from rate increases to the funding structure and \$11,780,000 increase from enrollment.
- Restoration of IMR funding to the 2012-13 year's level. This suggest that the 30% prior year's reduction will be restored.
- Funding allocations to schools are adapted to ensure the following priorities are addressed:
 - Support students success in the classroom by insuring each school has a learning coach at 0.6 FTE (\$5,196,000)
 - Each school is partially funded for a technology coach at 0.1 FTE (\$1,064,000)
 - Support for the District's Transform agenda which focuses on teacher excellence in the classroom (\$900,000)
 - Continue support for full day kindergarten in those communities where children are most challenged for educational opportunities (\$1,300,000)
 - Continue support for Chaplains in junior high (0.1 FTE) and high school (0.357 FTE) (\$285,000 and \$400,000 respectively)
 - Support for English Language Learners due to continued influx of new Canadian students (\$350,000)
 - Additional support for high school completion students (\$400,000)
 - Continued support for Outreach programs (\$500,000)
 - Provide consulting support in the key areas of literacy and assessment and reporting through the use of specially trained consultants (\$260,000)
 - Allocation to targeted learning supports in classrooms (\$2,250,000)
 - Provide targeted support to the top ranking high needs schools identified in the District (\$1,500,000)
 - Additional contingency funding set aside to address classroom issues arising after the September 30th enrollments are known (\$1,500,000)
 - Strategic contingency enhance future student outcomes (\$750,000)
 - Support for the the new Religious Education curriculum in grade one, mandatory September 2015 (\$320,000)

Significant Business and Financial Risks:

Based on the nature of the District's operating environment, the primary significant business and financial risks consistently relates to the level of funding from the Province to meet the needs of students and for the operation and maintenance of the District's building facilities. Although the funding for 2014/15 is expected to increase by an estimated \$12.6 million based on information from Alberta Education, \$11.8 million of that increase relates to projected increased enrollment and only \$820,000 from rate increases to the funding structure. The District continues to address operating cost challenges, including the challenge to allocate its financial resources within the District to allow its students to achieve their full potential academically, spiritually, and socially. The District also faces challenges to differentiate the funding required by its schools, central services and its administration. Also, the District's Capital Reserves is expected to be almost completely diminished by the end of 2013/14 as available funds are earmarked mainly for modulars/pods to meet growing enrollment demands. These conditions and our planned fiscal actions for Budget 2014-15 will decrease our Unrestricted Surplus to 5.0% of total expenses and an average of only 12.5 days of operation based on our budget assumptions.

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	\$399,304,000	\$373,461,000	\$375,742,727
Other - Government of Alberta	\$700,000	\$500,000	\$701,523
Federal Government and First Nations	\$5,500,000	\$4,200,000	\$5,306,130
Other Alberta school authorities	\$0	\$250,000	\$241,378
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees	\$16,600,000	\$15,800,000	\$16,298,847
Other sales and services	\$6,100,000	\$6,331,000	\$5,611,699
Investment income	\$700,000	\$450,000	\$607,740
Gifts and donations	\$4,000,000	\$3,300,000	\$4,096,809
Rental of facilities	\$2,000,000	\$2,100,000	\$2,201,206
Fundraising	\$800,000	\$800,000	\$854,547
Gains on disposal of capital assets	\$5,000	\$5,000	\$3,469
Other revenue	\$0	\$0	\$0
TOTAL REVENUES	\$435,709,000	\$407,197,000	\$411,666,075
EXPENSES			
Instruction	\$345,907,110	\$323,118,000	\$311,963,664
Plant operations & maintenance	\$53,191,756	\$51,281,000	\$50,895,401
Transportation	\$17,900,380	\$18,157,000	\$16,554,623
Administration	\$13,146,615	\$9,986,000	\$12,055,717
External Services	\$5,563,139	\$4,655,000	\$5,124,084
TOTAL EXPENSES	\$435,709,000	\$407,197,000	\$396,593,489
ANNUAL SURPLUS (DEFICIT)	\$0	\$0	\$15,072,586

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	\$195,112,000	\$182,992,450	\$180,322,369
Certificated benefits	\$45,458,000	\$38,158,550	\$37,414,485
Non-certificated salaries and wages	\$75,202,000	\$71,286,515	\$68,914,985
Non-certificated benefits	\$19,188,000	\$17,404,485	\$17,880,613
Services, contracts, and supplies	\$87,000,000	\$85,007,000	\$80,485,203
Capital and debt services			
Amortization of capital assets			
supported	\$9,082,000	\$8,513,000	\$7,893,690
unsupported	\$4,590,000	\$3,745,000	\$3,477,600
Interest on capital debt			
supported	\$3,000	\$14,000	\$42,319
unsupported	\$0	\$0	\$0
Other interest and finance charges	\$14,000	\$16,000	\$15,302
Losses on disposal of capital assets	\$20,000	\$20,000	\$41,490
Other expense	\$40,000	\$40,000	\$105,433
TOTAL EXPENSES	\$435,709,000	\$407,197,000	\$396,593,489

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	\$55,743,438	\$28,285,902	\$0	\$24,162,180	\$24,162,180	\$0	\$3,295,356
2013/2014 Estimated Impact to AOS for:							
Estimated surplus(deficit)	\$388,136			\$388,136	\$388,136		
Estimated Board funded capital asset additions		\$7,530,000		(\$4,234,644)	(\$4,234,644)	\$0	(\$3,295,356)
Estimated Disposal of unsupported tangible capital assets	\$0	(\$20,000)		\$15,000	\$15,000		\$5,000
Estimated amortization of capital assets (expense)		(\$12,217,057)		\$12,217,057	\$12,217,057		
Estimated capital revenue recognized - Alberta Education		\$8,591,883		(\$8,591,883)	(\$8,591,883)		
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	\$0	\$0	\$0
Estimated Assumptions/Transfers of Operations (Explain)	\$0	\$0		\$0	\$0	\$0	\$0
Estimated Balances for August 31, 2014	\$56,131,574	\$32,170,728	\$0	\$23,955,846	\$23,955,846	\$0	\$5,000
2014/2015 Budget projections for:							
Budgeted surplus(deficit)	\$0			\$0	\$0		
Projected Board funded capital asset additions		\$6,800,000		(\$6,800,000)	(\$6,800,000)	\$0	\$0
Budgeted Disposal of unsupported tangible capital assets	\$0	(\$20,000)		\$15,000	\$15,000		\$5,000
Budgeted Amortization of capital assets (expense)		(\$13,672,000)		\$13,672,000	\$13,672,000		
Budgeted capital revenue recognized - Alberta Education		\$9,082,000		(\$9,082,000)	(\$9,082,000)		
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	\$0	\$0	\$0
Projected Assumptions/Transfers of Operations (Explain)	\$0	\$0		\$0	\$0	\$0	\$0
Projected Balances for August 31, 2015	\$56,131,574	\$34,360,728	\$0	\$21,760,846	\$21,760,846	\$0	\$10,000

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

Significant variance from budget 2013/14 relates primarily to the estimated Board funded capital asset additions which is anticipated to increase by \$2.6M to \$7.5M compared to budget 2013/14 of \$4.9M. This variance relates mainly to the unanticipated purchase and installation of 6 modulars, pods and related links at various school sites.

See the next tab for a break down of planned additions for fiscal 2014/15.

**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 increase in investment in tangible capital assets relates mainly to the additional modulars and associated links to be constructed for the 2014/15 fiscal year as noted in the planned changes below. Amortization charge for unsupported capital assets in 2014/15 is also expected to increase by about \$985,000 due to amortization on additions for 2013/14. The capital reserves is expected to be nearly fully depleted by the end of 2013/14 to fund the purchase and installation of modulars/pods and repairs. Only a modest \$5,000 increase in capital reserves is budgeted for 2014/15 representing net proceeds from ordinary disposal of depreciated vehicles and equipment.

Planned Changes to Board Funded Tangible Capital Assets 2013/2014

The budgeted Board funded tangible capital asset additions for 2013/14 was \$4,900,000. The anticipated capital additions is \$7,530,000, an increase of \$2,630,000 compared to budget. The increase is attributable primarily to the purchase and installation of 6 modulars and pods which was not anticipated at the time of the preparation of the 2013/14 budget. The modulars are expected to cost \$250,000 per unit for a total cost of \$1,500,000 and pods costing \$750,000 all of which will be funded from the District's capital reserves. Other increase relates to various modernization projects.

2014/2015

The planned additions to unsupported capital assets for the 2014/15 fiscal year is as follows:

Computers	\$1,900,000
Furniture & Equipment	\$1,950,000
Vehicles	\$ 200,000
Modernization/Buildings/modulars	<u>\$2,750,000</u>
	<u>\$6,800,000</u>

The planned additions for computers, furniture & equipment and vehicles is based on anticipated increases in enrollment and routine replacement of assets deteriorated from usage. The planned additions to modernization/buildings/modulars relates mainly to the

- i) purchase of 3 modulars to be funded by the District;
- ii) the District's portion of the transportation and installation of 16 modulars to be supplied by the Alberta Government as well as any links to be constructed (and funded by the District).
- iii) various other modernization projects at various school sites.

Other Information:

The Board has considered the operating feasibility of certain school sites with low enrollments. The final determination of the treatment of these school buildings including possible disposal may result in a significant increase in gain on disposal of capital assets and resultant increase in capital reserves.

**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	24,532	23,995	22,865	Head count
Grades 10 to 12	9,092	8,897	8,413	Note 3
Total	33,624	32,892	31,278	Grades 1-12 students eligible for base instruction funding from Alberta Education.
Other Students:				
Total	170	180	150	Note 4
Total Net Enrolled Students	33,794	33,072	31,428	
Home Ed and Blended Program Students	3	3	-	Note 5
Total Enrolled Students, Grades 1-12	33,797	33,075	31,428	
Of the Eligible Funded Students:				
Severely Disabled Students served	1,084	1,057	974	Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s).
EARLY CHILDHOOD SERVICES (ECS)				
Eligible Funded Children	4,526	4,380	3,901	ECS children eligible for ECS base instruction funding from Alberta Education.
Other children	134	155	217	ECS children not eligible for ECS base instruction funding from Alberta Education.
Total Enrolled Children - ECS	4,660	4,535	4,118	
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	2,330	2,268	2,059	
Of the Eligible Funded Children:				
Severely Disabled Children served	902	960	701	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
CERTIFICATED STAFF				
School Based	2,004.0	1,956.0	1,826.3	Teacher certification required for performing functions at the school level.
Non-School Based	60.0	59.0	69.5	Teacher certification required for performing functions at the system/central office level.
Total Certificated Staff FTE	2,064.0	2,015.0	1,895.8	FTE for personnel possessing a valid Alberta teaching certificate or equivalency.
Certificated Staffing Change due to:				
Enrolment Change	49.0	119.2	-	If negative change impact, the small class size initiative is to include any/all teachers retained.
Other Factors	-	-	4.8	Descriptor (required):
Total Change	49.0	119.2	4.8	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.)	-	-	-	Descriptor (required):
Total Negative Change in Certificated FTEs	-	-	-	Breakdown required where year-over-year total change in Certificated FTE is 'negative' only.
NON-CERTIFICATED STAFF				
Instructional	560.0	534.0	519.8	Personnel providing instruction support for schools under 'Instruction' program areas.
Non-Instructional	692.0	692.0	683.6	Personnel in Transportation, Board & System Admin., O&M and External service areas.
Total Non-Certificated Staff FTE	1,252.0	1,226.0	1,203.4	FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.
Non-Certificated Staffing Change due to:				
Enrolment Change	26.0	22.6	-	FTEs
Other Factors	-	-	(77.0)	Descriptor (required):
Total Change	26.0	22.6	(77.0)	Year-over-year change in Non-Certificated FTE