

**BUDGET
REPORT
FOR THE YEAR ENDING AUGUST 31, 2016**

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

Chinook's Edge School Division No. 73

Legal Name of School Jurisdiction

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BOARD CHAIR

Colleen Butler

Original Signed

Name

Signature

SUPERINTENDENT

Kurt Sacher

Original Signed

Name

Signature

SECRETARY TREASURER or TREASURER

Susan Roy, CGA, MBA, CSBO

Original Signed

Name

Signature

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

June 24, 2015

Date

Version: 150630

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.	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.
green cells: populated based on information previously submitted	yellow cells: for Alberta Education use only

HIGHLIGHTS, PLANS, ASSUMPTIONS AND RISKS SUMMARY- 2015/2016 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:

Transportation, Operations & Maintenance and Inclusive Education funding will be spent in the respective areas. Investment income in excess of amounts that are required to be allocated to Infrastructure Maintenance and Renewal, scholarships and endowments, capital projects, and Horizon trust funds will be allocated to Transportation. Excess interest is estimated at \$89,000.

Enrolment are expected to increase by 111 students to a total of 11,027 students.

Compensation:

Certificated salaries will rise by 2%, with a 1% lump sum payment.

Certificated standard costs rise by 3% from \$101,500 to \$104,545. Grid movement is expected to be offset by retirements.

CESD will continue to retain a 1% unrestricted reserve of \$1.269 million.

Significant Business and Financial Risks:

The Division has a contingency plan to address revenue shortfalls if actual enrolments are less than estimated enrolments.

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 2015/2016	Fall Budget Update 2014/2015	Actual 2013/2014
REVENUES			
Alberta Education	\$120,185,641	\$115,720,232	\$113,827,354
Other - Government of Alberta	\$821,261	\$821,985	\$825,972
Federal Government and First Nations	\$227,833	\$206,000	\$287,230
Other Alberta school authorities	\$149,975	\$148,800	\$197,000
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$261,265	\$256,465	\$246,792
Property taxes	\$0	\$0	\$0
Fees	\$2,579,393	\$2,246,252	\$2,508,298
Other sales and services	\$1,270,000	\$1,326,110	\$1,887,353
Investment income	\$167,822	\$165,805	\$197,263
Gifts and donations	\$262,250	\$329,200	\$557,448
Rental of facilities	\$227,168	\$222,252	\$228,753
Fundraising	\$756,300	\$755,900	\$648,478
Gains on disposal of capital assets	\$0	\$20,000	\$233,889
Other revenue	\$0	\$0	\$92,711
TOTAL REVENUES	\$126,908,908	\$122,219,001	\$121,738,540
EXPENSES			
Instruction - Early Childhood Services	\$5,794,222	\$5,509,610	\$5,312,324
Instruction - Grades 1-12	\$93,558,898	\$91,915,868	\$91,044,314
Plant operations & maintenance	\$14,939,085	\$15,126,418	\$14,949,511
Transportation	\$6,602,509	\$6,993,564	\$6,615,428
Administration	\$4,212,809	\$4,240,217	\$4,097,385
External Services	\$1,783,763	\$1,851,429	\$1,848,633
TOTAL EXPENSES	\$126,891,286	\$125,637,106	\$123,867,596
ANNUAL SURPLUS (DEFICIT)	\$17,622	(\$3,418,105)	(\$2,129,056)

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

	Approved Budget 2015/2016	Fall Budget Update 2014/2015	Actual 2013/2014
EXPENSES			
Certificated salaries	\$57,394,265	\$56,170,871	\$55,208,475
Certificated benefits	\$12,971,103	\$12,718,830	\$12,500,888
Non-certificated salaries and wages	\$23,982,058	\$23,949,012	\$23,407,805
Non-certificated benefits	\$5,324,016	\$5,250,312	\$5,269,363
Services, contracts, and supplies	\$18,985,309	\$19,050,450	\$19,475,301
Capital and debt services			
Amortization of capital assets			
supported	\$5,810,600	\$5,331,000	\$5,373,206
unsupported	\$2,409,835	\$3,137,035	\$2,580,134
Interest on capital debt			
supported	\$0	\$17,346	\$22,624
unsupported	\$0	\$0	\$0
Other interest and finance charges	\$14,100	\$12,250	\$13,503
Losses on disposal of capital assets	\$0	\$0	\$16,295
Other expense	\$0	\$0	\$0
TOTAL EXPENSES	\$126,891,286	\$125,637,106	\$123,867,596

BUDGETED SCHEDULE OF FEE REVENUE
for the Year Ending August 31

	Approved Budget 2015/2016	Fall Budget Update 2014/2015	Actual 2013/2014
FEES			
Transportation fees	\$209,800	\$160,000	\$162,468
Basic instruction supplies, text book rental, material fees	\$830,987	\$834,251	\$822,537
Technology user fees	\$0	\$0	\$0
Alternative program fees	\$0	\$0	\$495
Fees for optional courses	\$201,805	\$122,542	\$186,128
Fees for students from other boards	\$0	\$0	\$0
Tuition fees (international & out of province)	\$80,500	\$0	\$0
Kindergarten & preschool	\$0	\$0	\$0
Extracurricular fees	\$1,071,230	\$1,000,000	\$1,110,711
Field trips	\$5,500	\$5,675	\$88
Lunch supervision fees	\$0	\$0	\$0
Other (describe)* Swimming Fees	\$153,821	\$71,234	\$137,756
Other (describe) Band Equipment Rental	\$25,750	\$11,550	\$12,127
Other (describe) Adult School Fees	\$0	\$41,000	\$75,988
Other (describe)	\$0	\$0	\$0
Other (describe)	\$0	\$0	\$0
TOTAL FEES	\$2,579,393	\$2,246,252	\$2,508,298

**PLEASE DO NOT USE "SCHOOL GENERATED FUNDS" AS A CATEGORY*

Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):	Approved Budget 2015/2016
Optional non-study programs	\$0
Optional extracurricular participation	\$0
Student travel	\$0
Sales or rentals of other supplies/services	\$926,200
Other (describe) Adult fees	\$30,000
Other (describe) Cafeteria Sales	\$304,800
Other (describe)	\$0
Other (describe)	\$0
Other (describe)	\$0
TOTAL	\$1,261,000

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, 2014	\$17,428,941	\$12,095,563	\$90,567	\$5,242,811	\$1,225,201	\$4,017,610	\$0
2014/2015 Estimated impact to AOS for:							
Prior period adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated surplus(deficit)	(\$2,660,744)			(\$2,660,744)	(\$2,660,744)		
Estimated Board funded capital asset additions		\$1,900,000		\$0	\$0	\$0	(\$1,900,000)
Estimated Disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0		\$0
Estimated amortization of capital assets (expense)		\$0		\$0	\$0		
Estimated capital revenue recognized - Alberta Education		(\$8,755,926)		\$8,755,926	\$8,755,926		
Estimated capital revenue recognized - Other GOA		\$5,051,500		(\$5,051,500)	(\$5,051,500)		
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)				(\$1,900,000)	(\$1,043,681)	(\$856,319)	\$1,900,000
Estimated Assumptions/Transfers of Operations (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated Balances for August 31, 2015	\$14,768,197	\$10,291,137	\$90,567	\$4,386,493	\$1,225,202	\$3,161,291	\$0
2015/2016 Budget projections for:							
Budgeted surplus(deficit)	\$17,622			\$17,622	\$17,622		
Projected Board funded capital asset additions		\$2,186,200		\$0	\$0	\$0	(\$2,186,200)
Budgeted Disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0		\$0
Budgeted Amortization of capital assets (expense)		(\$8,220,435)		\$8,220,435	\$8,220,435		
Budgeted capital revenue recognized - Alberta Education		\$5,810,600		(\$5,810,600)	(\$5,810,600)		
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)				(\$2,186,200)	(\$2,383,570)	\$197,370	\$2,186,200
Projected Assumptions/Transfers of Operations (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Projected Balances for August 31, 2016	\$14,785,819	\$10,067,502	\$90,567	\$4,627,750	\$1,269,089	\$3,358,661	\$0

ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS SUMMARY- 2014/2015 BUDGET REPORT

The following explains the anticipated changes to each component of the Accumulated Operating Surplus for 2014/2015 and provides detail on planned additions to unsupported capital. Additional space is provided on Page 6. The anticipated use of Unrestricted Surplus and Operating Reserves for 2015/2016 should be explained on Page 9 and detailed on 10 by cost object and program.

**Reason for expected changes in Investment in Tangible Capital Assets and Endowments as well as intended uses of Operating and Capital Reserves:
2014/2015 (Additional space provided on the next page)**

Reasons for changes in Investment in Tangible Capital Assets (i.e. supported tangible capital asset acquisitions or material dispositions):

Board funded capital asset additions in 2014/2015 include \$1.6 million in technology including staff and student devices and network infrastructure upgrades. Other additions include school-based school buses, photocopiers, and other small equipment.

**ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS
for the Year Ending August 31**

The following explains the anticipated changes to each component of AOS for 2014/2015 and 2015/2016 and provides detail on the planned additions to unsupported capital. The anticipated use of Unrestricted Surplus and Operating Reserves should be explained on Page 9 and detailed on Page 10.

Reason for expected changes in Investment in Tangible Capital Assets and Endowments as well as the intended uses of the balances remaining for Unrestricted Surplus, Operating Reserves and Capital Reserves as at August 31, 2016.

2015/2016

Reasons for changes in Investment in Tangible Capital Assets (i.e. supported tangible capital asset acquisitions or material dispositions):

The Division plans to spend up to \$700,000 on the replacement of school buses, \$1.1 million on student technology and network infrastructure, about \$100,000 on equipment for the Facilities and Maintenance Department and about \$265,000 on leasehold improvements.

Planned Uses for remaining Unrestricted Surplus, Operating Reserves, and Capital Reserves (including time frame) after August 31, 2016:

The Division retains a 1% unrestricted surplus (\$1.2 million) to meet unexpected expenditures and to address cash flow needs. The Division receives most of its grants on the 15th of each month over 12 months from September to August. Many of the Division's expenditures occur over the first 10 months of the fiscal year. Our operating reserves, including our unrestricted surplus, help to ensure that we do not need to borrow during the year to meet our cash flow needs.

The Board allows schools and departments to retain reserves of up to 1.5% to meet unexpected variances and needs as well as to address timing issues such as resources and equipment on back order. Schools facing grade reconfigurations are allowed to retain additional reserves to address the furniture, equipment and resource needs of the new grade(s) arriving at their site.

Chinook's Edge has many small schools. Small fluctuations in enrolment can significantly impact a school budget. Reserves are retained to ensure stability when enrolment fluctuations impact funding.

Reserves from School Generated Funds are set aside for the purposes for which they were raised. These total approximately \$1.4 million.

The Division does not currently have any capital reserves. Transportation funding is not sufficient to meet the need to set up a bus replacement reserve.

The Division has not budgeted for any gains on sale of capital property. The Division has land that it wishes to sell which, if sold, would result in a gain on sale that would go into capital reserves. As the timing and amount of any possible sale(s) is unknown, this is not included in capital reserve estimates.

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

	Budgeted 2015/2016 (Note 2)	Actual 2014/2015	Actual 2013/2014	Notes
GRADES 1 TO 12				
Eligible Funded Students:				
Grades 1 to 9	7,501	7,295	7,177	Head count
Grades 10 to 12	2,476	2,532	2,546	Note 3
Total	9,977	9,827	9,723	Grades 1-12 students eligible for base instruction funding from Alberta Education.
Percentage Change	1.5%	1.1%		
Other Students:				
Total	67	367	216	Note 4
Total Net Enrolled Students	10,044	10,194	9,939	
Home Ed and Blended Program Students	7	7	1	Note 5
Total Enrolled Students, Grades 1-12	10,051	10,201	9,940	
Percentage Change	-1.5%	2.6%		
Of the Eligible Funded Students:				
Severely Disabled Students served	350	337	341	Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s).

EARLY CHILDHOOD SERVICES (ECS)

Eligible Funded Children	920	959	928	ECS children eligible for ECS base instruction funding from Alberta Education.
Other Children	12	8	2	ECS children not eligible for ECS base instruction funding from Alberta Education.
Total Enrolled Children - ECS	932	967	930	
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	466	484	465	
Percentage Change	-3.6%	4.0%		
Of the Eligible Funded Children:				
Severely Disabled Children served	150	139	98	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 2015/2016	Actual 2014/2015	Fall Budget 2014/2015	Actual 2013/2014	Notes
CERTIFICATED STAFF					
School Based	568.6	570.0	572.0	563.0	Teacher certification required for performing functions at the school level.
Non-School Based	14.8	16.2	16.2	16.6	Teacher certification required for performing functions at the system/central office level.
Total Certificated Staff FTE	583.4	586.2	588.2	579.6	FTE for personnel possessing a valid Alberta teaching certificate or equivalency.
<i>Explanation required where change unrelated to enrolment</i>	-0.5%	1.1%	1.5%		
<i>Percentage change from Fall Budget</i>	-0.8%				
Is an average standard cost used to derive certificated salaries?	Yes				
If an average standard cost is used, please disclose rate:	\$ 104,545				
Explanation of Changes:					
Please note that the average cost includes all administrative allowances, leaves, and benefits. It does not include the province's contribution to ATRF. Fewer high school students and more elementary students resulting in less prep time.					
NON-CERTIFICATED STAFF					
Instructional	404.7	403.9	392.0	375.0	Personnel providing instruction support for schools under 'Instruction' program areas.
Plant Operations & Maintenance	78.9	85.0	-	-	Personnel providing support to maintain school facilities
Transportation	85.8	83.1	-	-	Personnel providing direct support to the transportation of students to and from school
Other Non-Instructional	55.6	54.5	215.0	210.0	Personnel in Board & System Admin. and External service areas.
Total Non-Certificated Staff FTE	625.0	626.6	607.0	585.0	FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.
<i>Percentage Change</i>	-0.2%	7.1%	3.8%		
<i>Percentage change from Fall Budget</i>	3.0%				
Explanation of Changes:					
Reduction in custodians to balance Facilities and Maintenance budget.					
Additional Information					
Are non-certificated staff subject to a collective agreement?	No				
Please provide terms of contract for 2015/16 and future years for non-certificated staff subject to a collective agreement along with the number of qualifying staff FTE's.					