

BUDGET REPORT FOR THE YEAR ENDING AUGUST 31, 2016

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

Rocky View School Division No. 41

Legal Name of School Jurisdiction

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BOARD CHAIR

Colleen Munro

Name

Signature

SUPERINTENDENT

Don Hoium

Name

Signature

SECRETARY TREASURER or TREASURER

Darrell Couture

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 25, 2015

Date

Version: 150630

c.c. Alberta Education
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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:

Assumptions:

- 4.62 % enrolment growth (938 FTE grant eligible)
- 1.8% increase in base funding
- 2% increase in class size initiative
- 1% bonus for certificated staff- one time funded in the fall
- All other grant allocations maintained at 14/15 levels
- 2% increase & 1% bonus for certificated salaries
- 2% increase & 1% bonus increase in non-teaching salaries
- 3% increase in inflation (largest impact on transportation contract service costs)

Highlights:

- Total Operating deficit of \$2.7 million projected, with \$239.0 million in expenditures and \$236.3 of revenues.
- Majority of the deficit is attributable to unsupported amortization on board funded assets equivalent to \$1.6 million,
- Class sizes expected to slightly decrease over prior year due to a re-direction of funds to front-line teaching staff
- Inclusive education funding to schools increasing 25% over prior year

Significant Business and Financial Risks:

- Funding dependent on provincial budgets; which is highly correlated with oil & gas industry
- Inflation - cost of goods and services increasing with no additional funding to offset.
- Uncertainty around Certificated Salary costs - mandated through provincial negotiations, and no long-term contracts to provide stability.
- Minimal funding for support staff; which are as integral to the success of students as certificated staff.
- Transportation grant levels are not sufficient to maintain services. Higher fees and transitioning to more efficient bussing is required .
- Cost of maintaing facilities is difficult every year in a growing division as increased enrolments are not funded until the next future year.
- New facilities are welcome to alleviate stress on facilities, however costs of opening facilities is large and not supported through funding
- Higher utilities costs continue to take resources that could be utilized to maintain facilities. Provincial approach may be more efficient.

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	\$220,395,002	\$209,551,944	\$195,364,145
Other - Government of Alberta	\$1,339,938	\$951,316	\$734,228
Federal Government and First Nations	\$994,887	\$994,887	\$847,355
Other Alberta school authorities	\$467,149	\$476,968	\$811,255
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees	\$9,801,707	\$9,243,220	\$9,739,107
Other sales and services	\$184,000	\$133,000	\$2,937,843
Investment income	\$430,000	\$430,000	\$564,387
Gifts and donations	\$430,000	\$450,000	\$463,260
Rental of facilities	\$176,200	\$179,600	\$270,521
Fundraising	\$2,000,000	\$1,700,000	\$2,509,660
Gains on disposal of capital assets	\$0	\$0	\$761
Other revenue	\$58,000	\$5,200	\$0
TOTAL REVENUES	\$236,276,883	\$224,116,135	\$214,242,522
EXPENSES			
Instruction - Early Childhood Services	\$8,535,054	\$8,017,641	\$7,694,036
Instruction - Grades 1-12	\$179,646,886	\$168,635,299	\$158,652,287
Plant operations & maintenance	\$28,436,556	\$27,616,240	\$26,487,871
Transportation	\$14,739,768	\$14,234,579	\$14,184,475
Administration	\$7,529,923	\$7,461,535	\$6,361,539
External Services	\$163,694	\$173,513	\$202,211
TOTAL EXPENSES	\$239,051,881	\$226,138,807	\$213,582,419
ANNUAL SURPLUS (DEFICIT)	(\$2,774,998)	(\$2,022,672)	\$660,103

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	\$109,397,265	\$109,829,183	\$97,061,764
Certificated benefits	\$25,987,784	\$20,236,647	\$23,426,359
Non-certificated salaries and wages	\$33,793,875	\$29,634,806	\$30,991,643
Non-certificated benefits	\$10,356,522	\$12,700,631	\$8,404,616
Services, contracts, and supplies	\$49,082,939	\$46,139,309	\$45,519,429
Capital and debt services			
Amortization of capital assets			
supported	\$8,654,371	\$6,127,153	\$6,220,370
unsupported	\$1,616,550	\$1,254,628	\$1,692,360
Interest on capital debt			
supported	\$0	\$0	\$66,341
unsupported	\$135,239	\$210,383	\$155,092
Other interest and finance charges	\$27,336	\$6,067	\$44,445
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
TOTAL EXPENSES	\$239,051,881	\$226,138,807	\$213,582,419

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	\$2,131,500	\$1,830,500	\$1,651,744
Basic instruction supplies, text book rental, material fees	\$2,155,452	\$2,001,434	\$2,146,507
Technology user fees	\$11,578	\$11,119	\$11,042
Alternative program fees	\$192,966	\$185,318	\$168,127
Fees for optional courses	\$984,701	\$889,526	\$900,728
Fees for students from other boards	\$0	\$0	\$0
Tuition fees (international & out of province)	\$87,200	\$119,900	\$119,900
Kindergarten & preschool	\$55,575	\$53,372	\$58,291
Extracurricular fees	\$2,161,221	\$2,103,916	\$2,182,961
Field trips	\$1,929,662	\$1,959,923	\$2,044,199
Lunch supervision fees	\$61,749	\$59,302	\$62,576
Other (describe)* Other Services & Supplies	\$0	\$0	\$361,252
Other (describe) Instrument Rental	\$30,103	\$28,910	\$31,780
Other (describe)	\$0	\$0	\$0
Other (describe)	\$0	\$0	\$0
Other (describe)	\$0	\$0	\$0
TOTAL FEES	\$9,801,707	\$9,243,220	\$9,739,107

*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	\$0
Other (describe)	\$0
Other (describe)	\$0
Other (describe)	\$0
Other (describe)	\$0
Other (describe)	\$0
TOTAL	\$0

**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	\$41,788,672	\$23,074,812	\$104,912	\$16,840,105	\$0	\$16,840,105	\$1,768,843
2014/2015 Estimated impact to AOS for:							
Prior period adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated surplus(deficit)	(\$1,682,822)			(\$1,682,822)	(\$1,682,822)		
Estimated Board funded capital asset additions		\$1,721,902		(\$1,125,000)	\$0	(\$1,125,000)	(\$596,902)
Estimated Disposal of unsupported tangible capital assets	\$342,264			\$150,000	\$150,000		\$192,264
Estimated amortization of capital assets (expense)		(\$7,381,781)		\$7,381,781	\$7,381,781		
Estimated capital revenue recognized - Alberta Education		\$6,127,153		(\$6,127,153)	(\$6,127,153)		
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		\$146,542		(\$146,542)	(\$146,542)		
Estimated reserve transfers (net)				\$0	\$424,736	(\$424,736)	\$0
Estimated Assumptions/Transfers of Operations (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated Balances for August 31, 2015	\$40,448,114	\$23,688,628	\$104,912	\$15,290,369	\$0	\$15,290,369	\$1,364,205
2015/2016 Budget projections for:							
Budgeted surplus(deficit)	(\$2,774,998)			(\$2,774,998)	(\$2,774,998)		
Projected Board funded capital asset additions		\$1,535,000		(\$1,535,000)	\$0	(\$1,535,000)	\$0
Budgeted Disposal of unsupported tangible capital assets	\$50,000	\$0		\$50,000	\$50,000		\$0
Budgeted Amortization of capital assets (expense)		(\$10,270,921)		\$10,270,921	\$10,270,921		
Budgeted capital revenue recognized - Alberta Education		\$8,654,371		(\$8,654,371)	(\$8,654,371)		
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		\$135,239		(\$135,239)	(\$135,239)		
Projected reserve transfers (net)				\$0	\$1,243,687	(\$1,243,687)	\$0
Projected Assumptions/Transfers of Operations (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Projected Balances for August 31, 2016	\$37,723,116	\$23,742,317	\$104,912	\$12,511,682	\$0	\$12,511,682	\$1,364,205

Reduction in A.S.O.: Please provide an explanation as to use of A.S.O. on Pages 9 (ASO) and 10 (ASO Use)

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):

Increase in Tangible Capital Assets is due to the purchase of technology, infrastructure and equipment and furniture for the division. No material dispositions are anticipated in the upcoming year.

Operating Reserves are intended to be used for purchases of a capital nature that cannot be accommodated through operating budgets.

**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.

2014/2015

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

The division has made major investments in capital assets during 14/15. Improvements to land and buildings were made as well which added to significantly to the assets of the division. Portions of operating; and capital reserves were utilized to fund assets purchased throughout the year.

Other information related to changes in AOS for the 2014/2015 budget year:

2015/2016

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

Purchase of assets, mostly technology and equipment is major reason for change in Investment in Tangible Capital Assets.

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

Operating Reserves are intended to help the board meet emergent funding requirements that occur during any given year. A significant portion of operating reserves are held at the school level as school generated funds and operating surpluses carried forward from the year before. Operating reserves held centrally by the Division are targeted towards instructional programming, maintenance projects (particularly for the opening of 3 new schools in September 2016) and transportation reserves to help offset and mitigate

Capital reserves are intended to fund the addition of capital assets that require a significant up-front investment. The majority of capital reserves are for the renewal and replacement of maintenance vehicles and equipment; as well as upgrades and improvements to the divisions central office.

Other Information related to changes in AOS for the budgeted 2015/2016 budget year:

Not applicable.

**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	15,008	14,392	13,489	Head count
Grades 10 to 12	4,361	4,075	4,100	Note 3
Total	19,369	18,467	17,589	Grades 1-12 students eligible for base instruction funding from Alberta Education.
Percentage Change	4.9%	5.0%		
Other Students:				
Total	99	98	106	Note 4
Total Net Enrolled Students	19,468	18,565	17,695	
Home Ed and Blended Program Students	28	16	17	Note 5
Total Enrolled Students, Grades 1-12	19,496	18,581	17,712	
Percentage Change	4.9%	4.9%		
Of the Eligible Funded Students:				
Severely Disabled Students served	243	243	234	Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s).

EARLY CHILDHOOD SERVICES (ECS)

Eligible Funded Children	1,828	1,756	1,706	ECS children eligible for ECS base instruction funding from Alberta Education.
Other Children	2	2	1	ECS children not eligible for ECS base instruction funding from Alberta Education.
Total Enrolled Children - ECS	1,830	1,758	1,707	
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	915	879	854	
Percentage Change	4.1%	3.0%		
Of the Eligible Funded Children:				
Severely Disabled Children served	190	190	150	Total eligible funded severely disabled children FTEs, including Code 40 children in program units.

NOTES:

- Enrolment is to be completed WHEREVER APPLICABLE and are 'as at September 30th' for each year.
- Budgeted enrolment is to be based on best information available at time of the 2014/2015 budget report preparation.
- The # of FTE grade 10-12 students is determined by taking the total # of students' credits / 35; where 35 CEU's = 1 FTE.
- 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.
- 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	1,079.0	1,037.0	1,046.0	1,015.7	Teacher certification required for performing functions at the school level.
Non-School Based	31.0	34.0	30.5	26.3	Teacher certification required for performing functions at the system/central office level.
Total Certificated Staff FTE	1,110.0	1,071.0	1,076.5	1,042.0	FTE for personnel possessing a valid Alberta teaching certificate or equivalency.
<i>Explanation required where change unrelated to enrolment</i>	3.6%	2.8%	3.3%		
<i>Percentage change from Fall Budget</i>	3.1%				
Is an average standard cost used to derive certificated salaries?	Yes				
If an average standard cost is used, please disclose rate:	\$ 102,349				
Explanation of Changes:					
Change in certificated staffing is attributable to increase in enrolment.					
NON-CERTIFICATED STAFF					
Instructional	567.5	571.5	561.0	488.0	Personnel providing instruction support for schools under 'Instruction' program areas.
Plant Operations & Maintenance	151.3	143.7	147.0	141.7	Personnel providing support to maintain school facilities
Transportation	8.6	8.4	8.6	7.9	Personnel providing direct support to the transportation of students to and from school
Other Non-Instructional	35.8	35.8	33.4	23.4	Personnel in Board & System Admin. and External service areas.
Total Non-Certificated Staff FTE	763.2	759.4	750.0	661.0	FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.
Percentage Change	0.5%	14.9%	13.5%		
<i>Percentage change from Fall Budget</i>	1.8%				
Explanation of Changes:					
Slight increase in non-certificated staffing is lower than certificated for the following reasons: uncertainty with enrolment and students with complex needs that will not be assessed until the fall; increasing salary and benefit costs, reduce the amount of support positions that can be supported by current funding.					
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.					
There is no collective agreement. All support staff are governed by the Terms of Employment specific for Rocky View Schools.					

**UTILIZATION OF ACCUMULATED SURPLUS FROM OPERATIONS
for the Year Ending August 31**

Where boards anticipate a decline in Accumulated Surplus in Operations on Page 5 (AOS) during the 2015/16 school year, please identify the justification for the use of these reserves. Document each cost on Page 10 (ASO Use), "Detailed Breakdown for the Budgeted Utilization of Accumulated Surplus from Operations for the Year Ended August 31, 2016."

Transportation Deficit - Grant eligible ridership is down as urban ridership increases and rural decreases. It will take several years to decrease routes and adapt to a lower cost operating structure. The deficit for the 15/16 year represents the net operating loss that transportation will incur, even after a \$25/pupil/annum increase to transportation fees. Beginning September 1, 2016 triple bussing in the largest urban centre will begin, and will have a significant reduction in operating costs. Further investigation for more double and triple bussing in the divisions other urban centres will occur over the next few years.

Technology Transition - Over the course of the 15/16 year the division intends to migrate its technology operating system. The migration will impact access to and design of the divisions websites. It is anticipated that around \$80,000 will be required to re-design and update websites to this new operating platform.

OH&S Contract - Monies set aside to hire a contract position to help schools in the division meet OH&S needs and requirements.

School Reserves - Are anticipated to draw down by just over \$500,000. The spending is mostly targeted towards one time purchases of supplies and material or equipment.

Unsupported Amortization - Assets that the division purchasees are depreciated over the life of the asset. The yearly cost associated with the use of the assets is non-cash in nature, but decreases operating surplus every year.

for the Year Ending August 31, 2016

					Expected Cost
Explanation	Recurring? ¹	Capital? ²	Program ³	Object ⁴	
1 Transportation operating deficit	One-Time	Operating	Transportation	Services, contracts, and supplies	\$425,579
2 Technology Transition (Website)	One-Time	Operating	Administration	Services, contracts, and supplies	\$80,000
3 OH&S Contract Position	One-Time	Operating	Instruction - Gr 1-12	Services, contracts, and supplies	\$125,000
4 School Reserve Spending	One-Time	Operating	Instruction - Gr 1-12	Services, contracts, and supplies	\$527,870
5 Unsupported Amortization	Recurring	Capital	Instruction - Gr 1-12	Amortization - Unsupported	\$1,616,550
6					\$0
7					\$0
8					\$0
9					\$0
10					\$0
11					\$0
12					\$0
13					\$0
14					\$0
15					\$0
16					\$0
17					\$0
18					\$0
19					\$0
20					\$0
21					\$0
22					\$0
23					\$0
24					\$0
25					\$0
Use Of A.S.O. for Budget Year 2015/2016					\$2,774,999
Unexplained Reduction of A.S.O. (Cannot be more than \$10,000)					\$3,688
1. Use drop-down menu: If expense is recurring, indicate how the project will be funded in the future.					
2. Use drop-down menu: Capital items should be funded through capital reserves, if available.					
3. Use drop-down menu: If expenditure represents an "Operating" expense, indicate to which Program this item was included on the Budgeted Statement of Operations.					
4. Use drop-down menu: If expenditure represents an "Operating" expense, indicate to which Expenditure Object this item was included on the Budgeted Allocation of Expenses (by Object).					