

# BUDGET REPORT

## FOR THE YEAR ENDING AUGUST 31, 2012

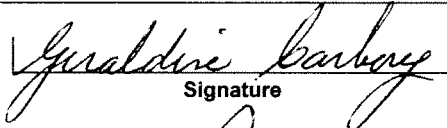
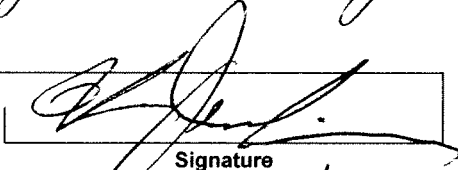
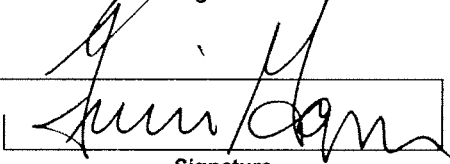
[School Act, Sections 147(2)(b) and 276]

**Fort McMurray Catholic Board of Education**

Legal Name of School Jurisdiction

(780) 799-5700 (780) 799-5706

Telephone and Fax Numbers

Geraldine Carbery Name	BOARD CHAIR	 Signature
Kim Jenkins Name	SUPERINTENDENT	 Signature
Francois Gagnon Name	SECRETARY TREASURER	 Signature

Certified An accurate summary of the year's budget approved by the Board of Trustees at its meeting held June 20, 2011 .  
Date

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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- 2011/2012 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 & Assumptions**

The Statement of Revenues and Expenses is budgeting an operating deficit of \$2.9 M for school year 2011/2012.

This large deficit is due to the elimination or reduction of provincial education grants related to Class Size, Enhanced ESL, AISI and RCPA. In addition, grants for Transportation, Plant Operation and Maintenance and Special Education have been frozen at while the cost to provides services in these area are increasing. The funding reduction for 2011/12 is approximately \$1.8 M.

Other cost pressures impacting the financial outlook for 2011/12 include:

- the opening of Holy Trinity Catholic High School resulting in the need to create new administrative school position (e.g. Principal, Vice=Principal, Counselling, Admin Support, caretaking, etc...) and building support cost such as utilities. The incremental annual operating costs are estimated at \$1 M.
- the Fort McMurray economy is back into an accelerated growth mode fueled by the rapid expansion of the Oil Sands. The cost for goods and services is increasing at a much higher rate than in the rest of the Province putting enourmous stain on operating budget specialy in Student Transporation and Building Maintenance.

Student enrolment is expected to grow by 3%. Most of the growth is expected in the early grades and concentrated at St. Martha and St. Anne School.

Cost reduction initiatives totalling \$1.5 M are implemented for 2011/12 and include:

- Elimination of 16 positions (8 teaching and 8 support) in Central Office and existing school. However this is mitigated by the addition of 13 positions at Holy Trinity High School opening in September 2011 and 6 teaching positions for enrolment growth.
- The implementation of a modified school calendar with 16 less instructional days will provide savings of \$400K by reducing the staffing, substitute teaching, transportation, caretaking and utilities costs.
- Operating expenses such as printing, supplies, travel, maintenance, public relations, advertising, telecommunications, furniture and equipment will be reduced significantly and will allows savings of approximately \$250 K.

The budget reduces the number of administrative and support positions and is targeting non-essential activities or expenses not directly supporting student learning.

**Significant Business and Financial Risks:**

The operating deficit of \$2.9 M will deplete the net assets of the Board. With no reserves, the Board will be at the mercy of short term fluctuations in funding or enrolment. The Board will no longer have the ability to innovate to improve student learning and will have to make short term decisions to ensure it has sufficient cash t pay salaries and on-going operating expenses. A deficit of \$2.9 M can only be sustained for one year (2011/12).

With the depletion of the accumulated surplus and reserves in 2011/12 and the phasing out of the remaining portion of the RCPA grant for 2012/13, the Board will have target core instructional programs in the following year to further reduce expenses by \$3.5 - \$4 M in 2012/13.

Based on the result of the extensive program review that took place as part of the current budget process, such target is not considered to be achievable without eliminating basic instructional services mandated by the School Act.

**BUDGETED STATEMENT OF REVENUES AND EXPENSES**  
for the Year Ending August 31

	Approved Budget 2011/2012	Final Approved Budget 2010/2011	Actual 2009/2010
<b>REVENUES</b>			
Government of Alberta	\$51,667,000	\$47,737,815	\$48,757,148
Federal Government and/or First Nations	\$370,000	\$445,000	\$373,484
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Fees	\$970,000	\$615,376	\$631,151
Other sales and services	\$1,372,000	\$1,003,605	\$1,112,978
Investment income	\$98,000	\$307,939	\$201,869
Gifts and donations	\$875,000	\$529,603	\$658,056
Fundraising	\$415,000	\$415,092	\$321,707
Rentals of facilities	\$65,000	\$300,000	\$142,701
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,180,000	\$1,600,000	\$1,182,906
Other revenue	\$0	\$0	\$6,579
<b>TOTAL REVENUES</b>	\$57,012,000	\$52,954,430	\$53,388,579
<b>EXPENSES</b>			
Certificated salaries	\$27,420,000	\$23,983,000	\$24,005,616
Certificated benefits	\$4,497,000	\$4,195,815	\$3,909,922
Non-certificated salaries and wages	\$12,300,000	\$10,500,000	\$10,776,129
Non-certificated benefits	\$2,054,000	\$1,731,000	\$1,775,510
Services, contracts and supplies	\$10,720,000	\$10,662,618	\$10,025,408
Capital and debt services			
Amortization of capital assets			
supported	\$1,180,000	\$1,600,000	\$1,182,906
unsupported	\$1,664,000	\$990,000	\$1,661,680
Interest on capital debt			
supported	\$77,000	\$195,000	\$88,731
unsupported	\$0	\$0	\$0
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
<b>TOTAL EXPENSES</b>	\$59,912,000	\$53,857,433	\$53,425,902
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(\$2,900,000)	(\$903,003)	(\$37,323)

**BUDGETED ALLOCATION OF REVENUES AND EXPENSES (BY PROGRAM)**  
for the Year Ending August 31

	Approved Budget 2011/2012	Final Approved Budget 2010/2011	Actual 2009/2010
<b>REVENUES</b>			
ECS - Grade 12 Instruction	\$47,258,000	\$43,464,432	\$42,753,126
Operations & Maintenance of Schools and Maintenance Shops	\$5,120,000	\$5,960,000	\$5,510,818
Transportation	\$1,390,000	\$1,160,000	\$1,341,132
Board & System Administration	\$2,304,000	\$1,890,000	\$3,018,000
External Services	\$940,000	\$480,000	\$765,505
<b>TOTAL REVENUES</b>	\$57,012,000	\$52,954,432	\$53,388,581
<b>EXPENSES</b>			
ECS - Grade 12 Instruction	\$47,435,000	\$43,030,432	\$42,109,221
Operations & Maintenance of Schools and Maintenance Shops	\$7,625,000	\$7,067,000	\$7,158,187
Transportation	\$1,612,000	\$1,390,000	\$1,373,983
Board & System Administration	\$2,300,000	\$1,890,000	\$2,140,892
External Services	\$940,000	\$480,000	\$643,619
<b>TOTAL EXPENSES</b>	\$59,912,000	\$53,857,432	\$53,425,902

**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, 2010</b>	\$20,067,126	\$13,488,237	\$1,253,829	\$175,000	\$1,078,829	\$5,325,060
<b>2010/2011 Estimated Impact to net assets for:</b>						
Estimated surplus(deficit)	(\$1,570,000)			(\$1,570,000)		
Estimated Board funded capital asset additions		\$2,500,000		\$0	\$0	(\$2,500,000)
Estimated Amortization of capital assets (expense)		(\$2,844,586)		\$2,844,586		
Estimated Amortization of capital allocations (revenue)		\$1,180,000		(\$1,180,000)		
Estimated Unsupported debt principal repayment		\$77,500		(\$77,500)		
Estimated reserve transfers (net)				\$0	\$0	\$0
Estimated Assumptions/Transfers of Operations	\$0	\$0	\$0	\$0	\$0	\$0
<b>Estimated Balances for August 31, 2011</b>	\$18,497,126	\$14,401,151	\$1,270,915	\$192,086	\$1,078,829	\$2,825,060
<b>2011/2012 Budget Projections for:</b>						
Budgeted surplus(deficit)	(\$2,900,000)			(\$2,900,000)		
Projected Board funded capital asset additions		\$1,500,000		\$0	\$0	(\$1,500,000)
Budgeted Amortization of capital assets (expense)		(\$2,844,000)		\$2,844,000		
Budgeted Amortization of capital allocations (revenue)		\$1,180,000		(\$1,180,000)		
Budgeted Unsupported debt principal repayment		\$0		\$0		
Projected reserve transfers (net)				\$0	\$0	\$0
Projected Assumptions/Transfers of Operations	\$0	\$0	\$0	\$1,078,829	(\$1,078,829)	\$0
<b>Projected Balances for August 31, 2012</b>	\$15,597,126	\$14,237,151	\$34,915	\$34,915	\$0	\$1,325,060

**ANTICIPATED CHANGES IN NET ASSETS SUMMARY- 2011/2012 BUDGET REPORT**

The following explains the anticipated changes to Unrestricted Net Assets, Investment in Capital Assets, Operating Reserves and Capital Reserves for 2010/2011 and 2011/2012 and breaks down the planned additions to unsupported capital.

**For School Year 2010/12, the following expenses have been incurred or are committed:**

- Operating Deficit of \$ 1.5 M
- Board funded Capital expenditures totalling \$ 2.5 M in following areas:
  - . Land Improvement - Future District Office and Service Centre: \$ 600 K
  - . Science & Technology Centre: \$ 1.5 M
  - . Information Technology: \$ 375 K
  - . Maintenance Vehicles: \$ 25 K

**For School Year 2011/12, the following programs are budgeted:**

- Operating Deficit of \$ 2.9 M
- Board Funded Capital Expenditures totalling \$1.5 M in the following area:
  - . Science & Technology Centre: \$ 1.0 M
  - . Information Technology: \$ 475 K
  - Maintenance Vehicles: \$ 25 K

Transfer of \$1.1 M from Operating Reserve to Unrestricted Asset to cover shortfall in Accumulated Surplus balance.

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

	Budgeted 2011/2012 (Note 2)	Actual 2010/2011	Actual 2009/2010	Notes
<b>GRADES 1 TO 12</b>				
<b>Eligible Funded Students:</b>				
Grades 1 to 9	3,018	2,938	2,780	Head count
Grades 10 to 12	857	857	843	Note 3
Total	3,875	3,793	3,623	Grades 1-12 students eligible for base instruction funding from Alberta Education.
<b>Other Students:</b>				
Total	20	5	59	Note 4
<b>Total Net Enrolled Students</b>	3,895	3,798	3,682	
<b>Home Ed and Blended Program Students</b>	-	-		Note 5
<b>Total Enrolled Students, Grades 1-12</b>	3,895	3,798	3,682	
<b>Of the Eligible Funded Students:</b>				
Severely Disabled Students served	175	158	161	Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s).
<b>EARLY CHILDHOOD SERVICES (ECS)</b>				
<b>Eligible Funded Children</b>	666	591	545	ECS children eligible for ECS base instruction funding from Alberta Education.
<b>Other children</b>	110	105	16	ECS children not eligible for ECS base instruction funding from Alberta Education.
<b>Total Enrolled Children - ECS</b>	776	696	561	
<b>Program Hours</b>	475	475	475	Minimum: 475 Hours
<b>FTE Ratio</b>	0.500	0.500	0.500	Actual hours divided by 950
<b>FTE's Enrolled, ECS</b>	388	348	281	
<b>Of the Eligible Funded Children:</b>				
Severely Disabled Children served	108	88	68	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 2011/2012 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 19, 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 2011/2012	Actual 2010/2011	Actual 2009/2010	Notes
<b>CERTIFICATED STAFF</b>				
School Based	261.0	253.0	257.0	Teacher certification required for performing functions at the school level.
Non-School Based	9.0	13.0	12.0	Teacher certification required for performing functions at the system/central office level.
<b>Total Certificated Staff FTE</b>	<b>270.0</b>	<b>266.0</b>	<b>269.0</b>	<b>FTE for personnel possessing a valid Alberta teaching certificate or equivalency.</b>
<b>Certificated Staffing Change due to:</b>				
Enrolment Change	6.0	4.0	-	If negative change impact, the small class size initiative is to include any/all teachers retained.
Other Factors	(2.0)	(7.0)	-	Descriptor (required): Opening of new High School (+6) & Funding Reduction (-8)
<b>Total Change</b>	<b>4.0</b>	<b>(3.0)</b>	<b>-</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	-	-	-	FTEs
Other (retirement, attrition, etc.)	-	(3.0)	-	Descriptor (required): Attrition & Retirement
<b>Total Negative Change in Certificated FTEs</b>	<b>-</b>	<b>(3.0)</b>	<b>-</b>	<b>Breakdown required where year-over-year total change in Certificated FTE is 'negative' only.</b>
<b>NON-CERTIFICATED STAFF</b>				
Instructional	180.0	184.0	207.0	Personnel providing instruction support for schools under 'instruction' program areas.
Non-Instructional	64.0	58.0	55.0	Personnel in Transportation, Board & System Admin., O&M and External service areas.
<b>Total Non-Certificated Staff FTE</b>	<b>244.0</b>	<b>242.0</b>	<b>262.0</b>	<b>FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.</b>
<b>Non-Certificated Staffing Change due to:</b>				
Enrolment Change	-	-	-	FTEs
Other Factors	2.0	(20.0)	-	Descriptor (required): Funding Reduction (-8), New High School (+7), New Before/after school: (+3)
<b>Total Change</b>	<b>2.0</b>	<b>(20.0)</b>	<b>-</b>	<b>Year-over-year change in Non-Certificated FTE</b>