

BUDGET REPORT

FOR THE YEAR ENDING AUGUST 31, 2014

[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 (F)

Telephone and Fax Numbers

| | | |
|--------------------------------|---------------------|------------------------------------|
| <u>Tracy McKinnon</u> Name | BOARD CHAIR | <u>Tracy McKinnon</u> Signature |
| <u>George McGuigan</u> Name | SUPERINTENDENT | <u>[Signature]</u> Signature |
| <u>Francois Gagnon</u> Name | SECRETARY TREASURER | <u>[Signature]</u> Signature |

Certified An accurate summary of the year's budget approved by the Board of Trustees at its meeting held May 27, 2013 .
Date

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| | 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. |

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:

- Net operating deficit of \$ 850,000
- Projected Enrolment Growth of 6.5% (313 FTE)
- Net Staffing increase of 20 FTEs, all for instruction and related to change in enrolment
- The System Administration and Board Governance funding allocation is reduced by 10%
- The impact of the 2013 Provincial Budget will result in reduction of District Office support to schools and their agencies, building maintenance, caretaking, travel, professional development and all other non-essential expenditures.

Significant Business and Financial Risks:

- The Board continues to have large operating deficits in the area of Plant Operations and Maintenance (2013/14 projected deficit of \$1.6M) and in Student Transportation (2013/14 projected deficit of \$305,000).
- PO&M has been underfunded across the Province for many years, a situation made worse in this region with the higher cost of goods and service and further exacerbated with the announced PO&M funding reduction for 2013/14. This impacts classroom instruction as the Board has to transfer resources from classroom instruction to maintain a minimum level of service for Building Maintenance to ensure the health and safety of students and staff.
- A similar situation exist for Student Transportation whereby the Board uses instructional resources to fund transportation services.
- At the time of preparing this budget, bargaining for new collective agreements for support staff represented by the Canadian Union of Public Employees were still in progress. The outcome of the bargaining process may impact the projected expenses for non-certificated salaries and benefits and/or staffing levels.

BUDGETED STATEMENT OF OPERATIONS
for the Year Ending August 31

| | Approved Budget 2013/2014 | Final Approved Budget 2012/2013 | Actual 2011/2012 |
|---|---------------------------------|---------------------------------------|---------------------|
| REVENUES | | | |
| Government of Alberta | \$63,941,000 | \$59,530,000 | \$56,995,000 |
| Federal Government and/or First Nations | \$442,000 | \$330,000 | \$428,519 |
| Other Alberta school authorities | \$0 | \$0 | \$0 |
| Out of province authorities | \$0 | \$0 | \$0 |
| Alberta Municipalities-special tax levies | \$0 | \$0 | \$0 |
| Fees | \$1,135,000 | \$850,000 | \$1,361,539 |
| Other sales and services | \$1,573,000 | \$710,000 | \$1,327,983 |
| Investment income | \$155,000 | \$120,000 | \$194,136 |
| Gifts and donations | \$822,000 | \$880,000 | \$924,625 |
| Fundraising | \$430,000 | \$400,000 | \$430,111 |
| Rental of facilities | \$519,000 | \$495,000 | \$387,888 |
| Gain on disposal of capital assets | \$0 | \$0 | \$0 |
| Amortization of capital allocations | \$3,353,000 | \$3,100,000 | \$3,353,761 |
| Other revenue | \$126,000 | \$0 | \$7,593 |
| TOTAL REVENUES | \$72,496,000 | \$66,415,000 | \$65,411,155 |
| EXPENSES | | | |
| ECS - Grade 12 Instruction | \$57,425,000 | \$53,470,000 | \$51,774,152 |
| Operations & Maintenance of Schools and Maintenance Shops | \$9,919,000 | \$8,500,000 | \$8,528,991 |
| Transportation | \$1,766,000 | \$1,650,000 | \$1,706,485 |
| Board & System Administration | \$2,436,000 | \$2,350,000 | \$2,403,144 |
| External Services | \$1,800,000 | \$1,380,000 | \$1,334,115 |
| TOTAL EXPENSES | \$73,346,000 | \$67,350,000 | \$65,746,887 |
| ANNUAL SURPLUS (DEFICIT) | (\$850,000) | (\$935,000) | (\$335,732) |

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

| | Approved Budget 2013/2014 | Final Approved Budget 2012/2013 | Actual 2011/2012 |
|---|---------------------------------|---------------------------------------|---------------------|
| EXPENSES | | | |
| Certificated salaries | \$32,931,000 | \$30,820,000 | \$29,132,869 |
| Certificated benefits | \$5,675,000 | \$5,885,000 | \$5,194,238 |
| Non-certificated salaries and wages | \$14,029,000 | \$13,390,000 | \$12,897,981 |
| Non-certificated benefits | \$2,384,000 | \$2,500,000 | \$2,143,317 |
| Services, contracts, and supplies | \$13,510,000 | \$10,050,000 | \$11,565,269 |
| Capital and debt services | | | |
| Amortization of capital assets | | | |
| supported | \$3,353,000 | \$3,100,000 | \$3,353,761 |
| unsupported | \$1,412,000 | \$1,550,000 | \$1,386,866 |
| Interest on capital debt | | | |
| supported | \$48,000 | \$55,000 | \$67,990 |
| unsupported | \$0 | \$0 | \$0 |
| Other interest charges | \$4,000 | \$0 | \$4,596 |
| Loss on disposal of capital assets | \$0 | \$0 | \$0 |
| Other expense | \$0 | \$0 | \$0 |
| TOTAL EXPENSES | \$73,346,000 | \$67,350,000 | \$65,746,887 |

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 |
| Actual balances per AFS at August 31, 2012 | \$19,736,277 | \$13,227,587 | \$919,581 | \$200,000 | \$719,581 | \$5,589,109 |
| 2012/2013 Estimated impact to net assets for: | | | | | | |
| Estimated surplus(deficit) | (\$600,000) | | | (\$600,000) | | |
| Estimated Board funded capital asset additions | | \$800,000 | | \$0 | \$0 | (\$800,000) |
| Estimated Amortization of capital assets (expense) | | (\$4,740,837) | | \$4,740,837 | | |
| Estimated Amortization of capital allocations (revenue) | | \$3,353,761 | | (\$3,353,761) | | |
| Estimated Unsupported debt principal repayment | | \$0 | | \$0 | | |
| Estimated reserve transfers (net) | | | | (\$150,000) | \$150,000 | \$0 |
| Estimated Assumptions/Transfers of Operations | \$0 | \$0 | \$0 | (\$487,076) | \$487,076 | \$0 |
| Estimated Balances for August 31, 2013 | \$19,136,277 | \$12,640,511 | \$1,706,657 | \$350,000 | \$1,356,657 | \$4,789,109 |
| 2013/2014 Budget projections for: | | | | | | |
| Budgeted surplus(deficit) | (\$850,000) | | | (\$850,000) | | |
| Projected Board funded capital asset additions | | \$1,035,000 | | \$0 | \$0 | (\$1,035,000) |
| Budgeted Amortization of capital assets (expense) | | (\$4,765,000) | | \$4,765,000 | | |
| Budgeted Amortization of capital allocations (revenue) | | \$3,353,000 | | (\$3,353,000) | | |
| Budgeted Unsupported debt principal repayment | | \$0 | | \$0 | | |
| Projected reserve transfers (net) | | | | (\$150,000) | \$150,000 | \$0 |
| Projected Assumptions/Transfers of Operations | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Projected Balances for August 31, 2014 | \$18,286,277 | \$12,263,511 | \$2,268,657 | \$762,000 | \$1,506,657 | \$3,754,109 |

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.

2012/13:

Additions to unsupported capital include the following:

| | | | |
|---|---|-------------------|--|
| - Land Acquisition/Development | : | \$ 140,000 | Share of land development cost for future District Office location with Parish |
| - Equipment - Computer Hardware & Software: | | | |
| Software Upgrades | | 75,000 | Finance/ Human Resources/ Student Career Planner |
| Tablets/Laptops: | | 85,000 | Assistive technology of Inclusive Education |
| Desktop Computers: | | 90,000 | Computer upgrades for specialized courses & new High School tutoring labs |
| Network/Server Upgrades | | 150,000 | Replacement/Upgrades |
| - Building | | | |
| IMR Capital Expense | | 260,000 | Roofing, paving repairs, HVAC, doors and frames, flooring... |
| Total: | | \$ 800,000 | |

2013/14:

Additions to unsupported capital include the following:

| | | | |
|---|---|---------------------|--|
| - Land Acquisition/Development | : | \$ 200,000 | Share of land development cost for future District Office location with Parish |
| - Equipment - Computer Hardware & Software: | | | |
| Software Upgrades | | 50,000 | |
| Tablets/Laptops: | | 85,000 | Assistive technology of Inclusive Education |
| Desktop Computers: | | 100,000 | School Student and Staff Computer replacement/upgrade |
| Network/Server Upgrades | | 150,000 | Replacement/Upgrades of network equipment |
| - Building | | | |
| IMR Capital Expense | | 450,000 | Roofing, paving repairs, HVAC, doors and frames, flooring... |
| Total: | | \$ 1,035,000 | |

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

| | Budgeted 2013/2014 (Note 2) | Actual 2012/2013 | Actual 2011/2012 | Notes |
|--|--|-----------------------------|-----------------------------|---|
| GRADES 1 TO 12 | | | | |
| Eligible Funded Students: | | | | |
| Grades 1 to 9 | 3,408 | 3,230 | 3,129 | Head count |
| Grades 10 to 12 | 1,055 | 970 | 940 | Note 3 |
| Total | 4,463 | 4,200 | 4,069 | Grades 1-12 students eligible for base instruction funding from Alberta Education. |
| Other Students: | | | | |
| Total | 65 | 64 | 97 | Note 4 |
| Total Net Enrolled Students | 4,528 | 4,264 | 4,166 | |
| Home Ed and Blended Program Students | - | - | - | Note 5 |
| Total Enrolled Students, Grades 1-12 | 4,528 | 4,264 | 4,166 | |
| Of the Eligible Funded Students: | | | | |
| Severely Disabled Students served | 185 | 179 | 170 | Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s). |
| EARLY CHILDHOOD SERVICES (ECS) | | | | |
| Eligible Funded Children | 936 | 841 | 742 | ECS children eligible for ECS base instruction funding from Alberta Education. |
| Other children | 125 | 122 | 85 | ECS children not eligible for ECS base instruction funding from Alberta Education. |
| Total Enrolled Children - ECS | 1,061 | 963 | 827 | |
| 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 | 531 | 482 | 414 | |
| Of the Eligible Funded Children: | | | | |
| Severely Disabled Children served | 130 | 123 | 88 | 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 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 |
|---|-----------------------|---------------------|---------------------|---|
| <u>CERTIFICATED STAFF</u> | | | | |
| School Based | 311.0 | 296.0 | 283.0 | Teacher certification required for performing functions at the school level. |
| Non-School Based | 7.0 | 8.0 | 10.0 | Teacher certification required for performing functions at the system/central office level. |
| Total Certificated Staff FTE | 318.0 | 304.0 | 293.0 | FTE for personnel possessing a valid Alberta teaching certificate or equivalency. |
| Certificated Staffing Change due to: | | | | |
| Enrolment Change | 15.0 | 11.0 | 27.0 | If negative change impact, the small class size initiative is to include any/all teachers retained. |
| Other Factors | (1.0) | - | - | Descriptor (required): System Administration Reduction |
| Total Change | 14.0 | 11.0 | 27.0 | 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. |
| <u>NON-CERTIFICATED STAFF</u> | | | | |
| Instructional | 203.0 | 198.0 | 180.0 | Personnel providing instruction support for schools under 'Instruction' program areas. |
| Non-Instructional | 53.0 | 52.0 | 51.0 | Personnel in Transportation, Board & System Admin., O&M and External service areas. |
| Total Non-Certificated Staff FTE | 256.0 | 250.0 | 231.0 | FTE for personnel not possessing a valid Alberta teaching certificate or equivalency. |
| Non-Certificated Staffing Change due to: | | | | |
| Enrolment Change | 6.0 | 19.0 | 28.0 | FTEs |
| Other Factors | - | - | - | Descriptor (required): |
| Total Change | 6.0 | 19.0 | 28.0 | Year-over-year change in Non-Certificated FTE |