School Jurisdiction Code: 2155

BUDGET REPORT

FOR THE YEAR ENDING AUGUST 31, 2014

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

Golden Hills School Division No.75

Legal Name of School Jurisdiction

403-934-5121; 403-934-5125

Telephone and Fax Numbers

BOARD CHAIR

Dave Price	[signature]
Name	**Signature**

SUPERINTENDENT

Bevan Daverne	[signature]
Name	**Signature**

SECRETARY TREASURER

Tahra Sabir	Tahra Sabir
Name	**Signature**

Certified An accurate summary of the year's budget approved by the Board of Trustees at its meeting held May 28, 2013 .
Date

c.c Alberta Education
c/o Jordie Fraser, Financial Reporting & Accountability Branch
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5

E-MAIL: Jordie.Fraser@gov.ab.ca (780-442-1331)

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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- 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:

March 7th, 2013 provincial announcement impact of **$1.6M** decrease - 200K (2012/2013 mid year cut) Total impact **-$1.8M**
Internal Factors: Grid Creep **$650K**, Benefits **$300K**, Supplies (inflation) **$250K**, Declining Enrolment projected to be **$1.5M** (-3%), Increased Costs **$400K** = Estimate Decrease in Budget **-$4.6M (-6%)**
Using reserves: to sustain teaching and non teaching positions and sustain transportation's current level of service which included bus routes and ride times. Budget 2014/2015 will be very different as use of reserves is not sustainable; reserves are limited.

Significant Business and Financial Risks:

Uncertainty and potential increases in benefit costs including LAPP, WCB and ASEBP
Shifting demographics results in challenges for recruiting employees for small, rural schools in remote areas
Recruitment and retention of staff a challenge due to budget cuts. Filling positions in instruction, administration, maintenance and transportation is extremely challenging. Competitive markets and geographics contribute to this challenge.
Aging infrastructure and growing gap for IMR continues to be a challenge.
Budget cuts create workforce instability.
Plant Operations and Maintenance funding cuts decrease ability to provide proper facility upkeep on aging infrastructure to ensure they are safe, and suitable for student learning. Golden Hills is moving towards contracting out services as a way of reducing costs. This results in reduction of employees and possible quality issues.

Infrastructure, Maintenance & Renewal funding cuts decrease ability to provide much needed upgrades or replacement of building components necessary to meet regulatory requirements for health and safety, and to extend the life of schools and meet the educational requirements.

Transportation funding cuts create challenges in transporting students to school within the current service levels. Longer bus rides for students who are already experiencing over an hour ride each day is not an option. Reducing contractors and moving towards board owned busses helps in managing funding cuts. Reserves are being used to offset the elimination of the fuel price contingency funding.

Though we have pursued multiple strategies to reduce costs we will still need to use reserves and over the long term this is not sustainable. We will be unable to provide the basic level of service at the current funding rates.

We appreciate the relief on deferred maintenance due to the capital announcements.

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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	$64,255,172	$64,233,361	$64,551,859
Federal Government and/or First Nations	$1,142,495	$1,366,451	$1,461,241
Other Alberta school authorities	$0	$0	$2,196
Out of province authorities	$0	$0	$0
Alberta Municipalities-special tax levies	$45,825	$67,200	$52,700
Fees	$1,565,000	$1,575,000	$900,371
Other sales and services	$3,679,385	$3,539,848	$4,059,220
Investment income	$217,000	$0	$156,973
Gifts and donations	$175,000	$125,000	$210,167
Fundraising	$685,000	$1,025,000	$491,521
Rental of facilities	$75,000	$75,000	$195,961
Gain on disposal of capital assets	$0	$0	$8,589
Amortization of capital allocations	$2,950,000	$2,636,284	$2,943,873
Other revenue	$0	$0	$18,866
TOTAL REVENUES	$74,789,877	$74,643,144	$75,053,537
EXPENSES			
ECS - Grade 12 Instruction	$57,627,445	$55,880,042	$53,360,460
Operations & Maintenance of Schools and Maintenance Shops	$9,643,572	$9,832,357	$9,906,917
Transportation	$3,949,654	$3,858,858	$3,931,460
Board & System Administration	$2,562,353	$2,859,482	$2,349,883
External Services	$3,179,775	$2,915,052	$2,696,240
TOTAL EXPENSES	$76,962,799	$75,345,791	$72,244,960
ANNUAL SURPLUS (DEFICIT)	($2,172,922)	($702,647)	$2,808,577

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

	Approved Budget 2013/2014	Final Approved Budget 2012/2013	Actual 2010/2011
EXPENSES			
Certificated salaries	$31,944,523	$32,116,417	$33,358,403
Certificated benefits	$10,496,350	$9,843,572	$7,013,757
Non-certificated salaries and wages	$10,319,790	$10,160,980	$9,879,503
Non-certificated benefits	$2,579,947	$2,540,245	$2,593,782
Services, contracts, and supplies	$17,368,502	$17,024,723	$15,412,265
Capital and debt services			
Amortization of capital assets			
supported	$2,950,000	$2,636,284	$2,943,873
unsupported	$1,186,257	$888,570	$781,470
Interest on capital debt			
supported	$9,075	$20,000	$54,703
unsupported	$93,355	$95,000	$104,685
Other interest charges	$15,000	$0	$16,218
Loss on disposal of capital assets	$0	$0	$0
Other expense	$0	$20,000	$86,301
TOTAL EXPENSES	$76,962,799	$75,345,791	$72,244,960

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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	$14,937,880	$5,965,794	$7,833,562	$1,029,236	$6,804,326	$1,138,524
2012/2013 Estimated impact to net assets for:						
Estimated surplus(deficit)	$0			$0		
Estimated Board funded capital asset additions		$2,500,000		($2,500,000)	$0	$0
Estimated Amortization of capital assets (expense)		($3,499,581)		$3,499,581		
Estimated Amortization of capital allocations (revenue)		$2,636,284		($2,636,284)		
Estimated Unsupported debt principal repayment		$118,176		($118,176)		
Estimated reserve transfers (net)				$1,000,000	($1,000,000)	$0
Estimated Assumptions/Transfers of Operations	$0	$0	$0	$0	$0	$0
Estimated Balances for August 31, 2013	$14,937,880	$7,720,672	$6,078,684	$274,358	$5,804,326	$1,138,524
2013/2014 Budget projections for:						
Budgeted surplus(deficit)	($2,172,922)			($2,172,922)		
Projected Board funded capital asset additions		$2,500,000		($2,500,000)	$0	$0
Budgeted Amortization of capital assets (expense)		($4,136,257)		$4,136,257		
Budgeted Amortization of capital allocations (revenue)		$2,950,000		($2,950,000)		
Budgeted Unsupported debt principal repayment		$121,854		($121,854)		
Projected reserve transfers (net)				$3,500,000	($3,500,000)	$0
Projected Assumptions/Transfers of Operations	$0	$0	$0	$0	$0	$0
Projected Balances for August 31, 2014	$12,764,958	$9,156,269	$2,470,165	$165,839	$2,304,326	$1,138,524

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.

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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	3,982	4,052	3,952	Head count
Grades 10 to 12	1,359	1,426	1,466	Note 3
Total	5,341	5,477	5,418	Grades 1-12 students eligible for base instruction funding from Alberta Education.
Other Students:				
Total	300	336	336	Note 4
Total Net Enrolled Students	5,641	5,813	5,754	
Home Ed and Blended Program Students	60	67	-	Note 5
Total Enrolled Students, Grades 1-12	5,701	5,880	5,754	
Of the Eligible Funded Students:				
Severely Disabled Students served	179	175	143	Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s).
EARLY CHILDHOOD SERVICES (ECS)				
Eligible Funded Children	381	409	411	ECS children eligible for ECS base instruction funding from Alberta Education.
Other children	-	-	-	ECS children not eligible for ECS base instruction funding from Alberta Education.
Total Enrolled Children - ECS	381	409	411	
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	191	205	206	
Of the Eligible Funded Children:				
Severely Disabled Children served	35	35	29	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.

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PROJECTED STAFFING STATISTICS
FULL TIME EQUIVALENT (FTE) PERSONNEL

	Budgeted 2013/2014	Actual 2012/2013	Actual 2011/2012	Notes
CERTIFICATED STAFF				
School Based	347.9	350.8	360.5	Teacher certification required for performing functions at the school level.
Non-School Based	9.0	9.0	11.5	Teacher certification required for performing functions at the system/central office level.
Total Certificated Staff FTE	356.9	359.8	372.0	FTE for personnel possessing a valid Alberta teaching certificate or equivalency.
Certificated Staffing Change due to:				
Enrolment Change	(2.9)	-	(10.6)	If negative change impact, the small class size initiative is to include any/all teachers retained.
Other Factors	-	-	(8.0)	Descriptor (required): used reserves to offset reductions (20 teaching positions retained)
Total Change	(2.9)	-	(18.6)	Year-over-year change in Certificated FTE
Breakdown, where total change is Negative:				
Continuous contracts terminated	-	-	(6.6)	FTEs
Non-permanent contracts not being renewed	-	-	(12.0)	FTEs
Other (retirement, attrition, etc.)	(2.9)	-	-	Descriptor (required):
Total Negative Change in Certificated FTEs	(2.9)	-	(18.6)	Breakdown required where year-over-year total change in Certificated FTE is 'negative' only.
NON-CERTIFICATED STAFF				
Instructional	147.5	147.5	144.1	Personnel providing instruction support for schools under 'Instruction' program areas.
Non-Instructional	135.0	135.0	118.5	Personnel in Transportation, Board & System Admin., O&M and External service areas.
Total Non-Certificated Staff FTE	282.5	282.5	262.6	FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.
Non-Certificated Staffing Change due to:				
Enrolment Change	-	-	-	FTEs
Other Factors	-	-	(4.8)	Descriptor (required):
Total Change	-	-	(4.8)	Year-over-year change in Non-Certificated FTE