

# BUDGET REPORT

## FOR THE YEAR ENDING AUGUST 31, 2012

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

**LIVINGSTONE RANGE SCHOOL DIVISION No. 68**

Legal Name of School Jurisdiction

403-625-3356 (phone)      403-625-2424 (fax)

Telephone and Fax Numbers

<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <div style="background-color: #ADD8E6; padding: 2px; text-align: center;">Dick Peterson</div> <p style="text-align: center; margin-top: 5px;">Name</p> </div>	<b>BOARD CHAIR</b>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div> <p style="text-align: center; margin-top: 5px;">Signature</p>
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <div style="background-color: #ADD8E6; padding: 2px; text-align: center;">Ellie Elliott</div> <p style="text-align: center; margin-top: 5px;">Name</p> </div>	<b>SUPERINTENDENT</b>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div> <p style="text-align: center; margin-top: 5px;">Signature</p>
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <div style="background-color: #ADD8E6; padding: 2px; text-align: center;">Don Olsen</div> <p style="text-align: center; margin-top: 5px;">Name</p> </div>	<b>SECRETARY TREASURER</b>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div> <p style="text-align: center; margin-top: 5px;">Signature</p>
<p><b>Certified An accurate summary of the year's budget approved by the Board of Trustees at its meeting held</b> <span style="background-color: #ADD8E6; padding: 2px 10px;">June 14, 2011</span> <b>.</b></p> <p style="text-align: center; margin-left: 100px;">Date</p>		

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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.

### 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**

Enrolment projections for 2011 - 2012 show a decrease of approximately 219 fte students. This represents an additional 5.96% less students from September 2010 enrolment numbers, continuing the trend over the past number of years. Although it is hoped that the decline will not materialize to the degree budgeted, the projections are the basis for this budget.

Salary projections incorporate the 4.54% increase for teaching staff and a 3% increase for most non-certificated staff.

The budgeted deficit of \$664,494 is in the instruction block and will be recovered from school operating reserves. Schools have budgeted to have less than \$100,000 in total school operating reserves remaining by August 31, 2012, as they have had to use up their reserves in the 2010 - 2011 and 2011 - 2012 school year budgets in an attempt to maintain programs to meet student needs.

Staffing for both certificated and non-certificated positions have been reduced again significantly in the 2011 - 2012 budget due to enrolment decline and budgetary constraints. School operating reserves are budgeted to dwindle to a minimal amount in an attempt to balance their school budgets over the past couple of years.

School generated funds has been broken down in accordance with the requirements for the completion of the August 31, 2012 audited financial statements using estimates only based on 2009 - 2010 data.

Provincial contributions to the Alberta Teachers' Retirement Fund have been included as revenue from the Provincial Government with the corresponding expenditure being shown as certificated benefits using 2009 - 2010 data provided by Alberta Education

#### **Significant Business and Financial Risks:**

All employee contracts are finalized and in place for the 2011 - 2012 school year.

With the continued enrolment decline and budgetary constraints, staffing is a major issue. As staffing numbers continue to decline it becomes increasingly difficult to maintain student programming opportunities. It is challenging to work with staff contractual obligations and yet reduce dramatically the number of staff members working in the schools. As staff layoffs continue year to year and the number of retirements and resignations does not equate to the number of staff reductions, it means that beginning teachers and teachers in the early years of their careers are usually the ones let go. The desired balance of experienced teachers and newer teachers is impossible to achieve.

Plant Operations and Maintenance budgets are extremely tight and do not provide the funds to take a long-term approach to adequate nor appropriate facility maintenance planning.

**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	\$38,842,813	\$39,370,974	\$39,815,882
Federal Government and/or First Nations	\$2,474,325	\$2,879,650	\$2,753,987
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Fees	\$795,956	\$584,580	\$757,016
Other sales and services	\$1,067,346	\$1,164,116	\$1,432,201
Investment income	\$129,619	\$134,667	\$146,156
Gifts and donations	\$25,000	\$22,877	\$30,554
Fundraising	\$662,500	\$529,747	\$707,523
Rentals of facilities	\$55,500	\$53,500	\$64,084
Gains on disposal of capital assets	\$0	\$3,500	\$6,052
Amortization of capital allocations	\$1,750,000	\$1,700,000	\$1,670,913
Other revenue	\$0	\$0	\$0
<b>TOTAL REVENUES</b>	\$45,803,059	\$46,443,611	\$47,384,368
<b>EXPENSES</b>			
Certificated salaries	\$19,689,759	\$20,808,985	\$21,376,633
Certificated benefits	\$3,899,666	\$2,169,808	\$2,292,623
Non-certificated salaries and wages	\$7,445,136	\$8,592,339	\$8,864,209
Non-certificated benefits	\$1,610,606	\$1,831,895	\$1,833,498
Services, contracts and supplies	\$11,500,363	\$11,832,656	\$12,043,879
Capital and debt services			
Amortization of capital assets			
supported	\$1,750,000	\$1,700,000	\$1,670,913
unsupported	\$516,156	\$538,203	\$544,774
Interest on capital debt			
supported	\$56,067	\$78,692	\$113,593
unsupported	\$0	\$0	\$0
Other interest charges	\$0	\$3,500	\$4,723
Losses on disposal of capital assets	\$0	\$0	\$19,957
Other expense	\$0	\$0	\$0
<b>TOTAL EXPENSES</b>	\$46,467,753	\$47,556,078	\$48,764,802
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(\$664,694)	(\$1,112,467)	(\$1,380,434)

**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	\$33,541,103	\$33,907,356	\$34,830,000
Operations & Maintenance of Schools and Maintenance Shops	\$7,077,658	\$7,164,049	\$7,745,645
Transportation	\$3,182,197	\$3,241,040	\$3,110,208
Board & System Administration	\$2,002,101	\$2,131,166	\$1,698,515
External Services	\$0	\$0	\$0
<b>TOTAL REVENUES</b>	\$45,803,059	\$46,443,611	\$47,384,368
<b>EXPENSES</b>			
ECS - Grade 12 Instruction	\$34,205,797	\$35,137,908	\$36,485,248
Operations & Maintenance of Schools and Maintenance Shops	\$7,077,658	\$7,164,049	\$7,330,428
Transportation	\$3,182,197	\$3,241,040	\$3,250,610
Board & System Administration	\$2,002,101	\$2,013,081	\$1,698,516
External Services	\$0	\$0	\$0
<b>TOTAL EXPENSES</b>	\$46,467,753	\$47,556,078	\$48,764,802

**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>	\$8,230,722	\$4,233,716	\$3,997,006	\$1,269,916	\$2,727,090	\$0
<b>2010/2011 Estimated impact to net assets for:</b>						
Estimated surplus(deficit)	(\$1,327,585)			(\$1,327,585)		
Estimated Board funded capital asset additions		\$425,000		(\$425,000)	\$0	\$0
Estimated Amortization of capital assets (expense)		(\$2,238,203)		\$2,238,203		
Estimated Amortization of capital allocations (revenue)		\$1,700,000		(\$1,700,000)		
Estimated Unsupported debt principal repayment		\$0		\$0		
Estimated reserve transfers (net)				\$814,382	(\$814,382)	\$0
Estimated Assumptions/Transfers of Operations	\$0	\$0	\$0	\$0	\$0	\$0
<b>Estimated Balances for August 31, 2011</b>	\$6,903,137	\$4,120,513	\$2,782,624	\$869,916	\$1,912,708	\$0
<b>2011/2012 Budget Projections for:</b>						
Budgeted surplus(deficit)	(\$664,694)			(\$664,694)		
Projected Board funded capital asset additions		\$516,156		(\$516,156)	\$0	\$0
Budgeted Amortization of capital assets (expense)		(\$2,266,156)		\$2,266,156		
Budgeted Amortization of capital allocations (revenue)		\$1,750,000		(\$1,750,000)		
Budgeted Unsupported debt principal repayment		\$0		\$0		
Projected reserve transfers (net)				\$664,694	(\$664,694)	\$0
Projected Assumptions/Transfers of Operations	\$0	\$0	\$0	\$0	\$0	\$0
<b>Projected Balances for August 31, 2012</b>	\$6,238,443	\$4,120,513	\$2,117,930	\$869,916	\$1,248,014	\$0

**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.

Board funded capital additions:

		2009-2010 Actual	2010-2011 Projected	2011-2012 Projected
Vehicles:	POM	\$ 43,905	\$ 30,000	\$ 50,000
	Transportation	\$ 260,451	\$ 270,000	\$ 325,000
Equipment:	Instruction	\$ 113,831	\$ 125,000	\$ 141,156
	POM			
	Transportation			
	System Admin			
Totals:		\$ 418,187	\$ 425,000	\$ 516,156

**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	2,252	2,395	2,465	Head count
Grades 10 to 12	893	909	926	Note 3
<b>Total</b>	<b>3,145</b>	<b>3,304</b>	<b>3,391</b>	Grades 1-12 students eligible for base instruction funding from Alberta Education.
<b>Other Students:</b>				
<b>Total</b>	<b>219</b>	<b>256</b>	<b>247</b>	Note 4
<b>Total Net Enrolled Students</b>	<b>3,364</b>	<b>3,560</b>	<b>3,638</b>	
<b>Home Ed and Blended Program Students</b>	<b>1</b>	<b>3</b>	<b>3</b>	Note 5
<b>Total Enrolled Students, Grades 1-12</b>	<b>3,365</b>	<b>3,563</b>	<b>3,641</b>	
<b>Of the Eligible Funded Students:</b>				
Severely Disabled Students served	143	173	196	Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s).
<b>EARLY CHILDHOOD SERVICES (ECS)</b>				
<b>Eligible Funded Children</b>	<b>171</b>	<b>213</b>	<b>231</b>	ECS children eligible for ECS base instruction funding from Alberta Education.
<b>Other children</b>	<b>-</b>	<b>-</b>	<b>-</b>	ECS children not eligible for ECS base instruction funding from Alberta Education.
<b>Total Enrolled Children - ECS</b>	<b>171</b>	<b>213</b>	<b>231</b>	
<b>Program Hours</b>	<b>475</b>	<b>475</b>	<b>475</b>	Minimum: 475 Hours
<b>FTE Ratio</b>	<b>0.500</b>	<b>0.500</b>	<b>0.500</b>	Actual hours divided by 950
<b>FTE's Enrolled, ECS</b>	<b>86</b>	<b>107</b>	<b>116</b>	
<b>Of the Eligible Funded Children:</b>				
Severely Disabled Children served	9	13	14	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><u>CERTIFICATED STAFF</u></b>				
School Based	200.4	221.7	237.9	Teacher certification required for performing functions at the school level.
Non-School Based	4.5	5.5	5.3	Teacher certification required for performing functions at the system/central office level.
Total Certificated Staff FTE	204.9	227.2	243.2	FTE for personnel possessing a valid Alberta teaching certificate or equivalency.
<b>Certificated Staffing Change due to:</b>				
Enrolment Change	(12.0)	(6.8)	-	If negative change impact, the small class size initiative is to include any/all teachers retained.
Other Factors	(10.3)	(9.2)	4.5	Descriptor (required): Budgetary, School Reserves expended
Total Change	(22.3)	(16.0)	4.5	Year-over-year change in Certificated FTE
<b>Breakdown, where total change is Negative:</b>				
Continuous contracts terminated	-	-	-	FTEs
Non-permanent contracts not being renewed	11.6	4.5	-	FTEs
Other (retirement, attrition, etc.)	10.7	11.5	-	Descriptor (required): Budgetary, School Reserves expended
Total Negative Change in Certificated FTEs	22.3	16.0	-	Breakdown required where year-over-year total change in Certificated FTE is 'negative' only.
<b><u>NON-CERTIFICATED STAFF</u></b>				
Instructional	123.3	153.6	174.6	Personnel providing instruction support for schools under 'Instruction' program areas.
Non-Instructional	68.2	71.2	73.2	Personnel in Transportation, Board & System Admin., O&M and External service areas.
Total Non-Certificated Staff FTE	191.5	224.8	247.8	FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.
<b>Non-Certificated Staffing Change due to:</b>				
Enrolment Change	(10.0)	(5.0)	-	FTEs
Other Factors	(23.3)	(18.0)	1.2	Descriptor (required): Budgetary, School Reserves expended
Total Change	(33.3)	(23.0)	1.2	Year-over-year change in Non-Certificated FTE

**1135 Livingstone Range School Division No. 68**

School Jurisdiction Code and Name

**FALL 2011 UPDATE TO THE 2011/2012 BUDGET**

	Fall 2011 Update to the Budget 2011/2012	Spring 2011 Budget Report 2011/2012	Variance
<b>OPERATIONS (SUMMARY)</b>			
<b>Revenues</b>			
Government of Alberta	\$42,153,984	\$38,842,813	\$3,311,171
Fees	\$665,603	\$795,956	(\$130,353)
Other sales and services	\$1,294,407	\$1,067,346	\$227,061
Amortization of capital allocations	\$1,750,000	\$1,750,000	\$0
All other revenues	\$3,220,374	\$3,346,944	(\$126,570)
<b>Total Revenues</b>	<b>\$49,084,368</b>	<b>\$45,803,059</b>	<b>\$3,281,309</b>
<b>Expenses</b>			
Certificated salaries, wages and benefits	\$25,355,890	\$23,589,425	\$1,766,465
Non-certificated salaries, wages and benefits	\$10,107,988	\$9,055,742	\$1,052,246
Services, contracts and supplies	\$12,882,878	\$11,500,363	\$1,382,515
Amortization	\$2,271,475	\$2,266,156	\$5,319
Interest on capital debt	\$56,067	\$56,067	\$0
All other expenses	\$4,500	\$0	\$4,500
<b>Total Expenses</b>	<b>\$50,678,798</b>	<b>\$46,467,753</b>	<b>\$4,211,045</b>
<i>Excess (Deficiency) of Revenues over Expenses</i>	<i>(\$1,594,430)</i>	<i>(\$664,694)</i>	<i>(\$929,736)</i>
<b>Accumulated Operating Surplus (Projected)</b>			
Accumulated Operating Surplus - Aug.31, 2011	\$4,249,816	\$2,782,624	\$1,467,192
Accumulated Operating Surplus - Aug.31, 2012	\$2,686,861	\$2,117,930	\$568,931
<b>Certificated Staff FTE's</b>			
School based	212.4	200.4	12.0
Non-school based	4.5	4.5	-
<i>Total Certificated Staff FTE's</i>	<i>216.9</i>	<i>204.9</i>	<i>12.0</i>
<b>Certificated Staffing Change due to:</b>			
Enrolment	(3.5)	(12.0)	8.5
Other factors	(6.8)	(10.3)	3.5
<i>Total Change</i>	<i>(10.3)</i>	<i>(22.3)</i>	<i>12.0</i>
<b>Eligible Funded Students</b>			
Early childhood services (ECS headcount)	232	171	61
Grades 1 to 9 (headcount)	2,304	2,252	52
Grade 10 to 12 (FTE)	928	893	35
<i>Total Eligible Funded Students</i>	<i>3,464</i>	<i>3,316</i>	<i>148</i>

**Comments/Explanations of Variances:**

The two major differences between the spring budget and fall update are due to a substantially higher actual enrolment than projected as well as the funding received as part of the October announcement. Of the \$864,491 increased funding announced in October, \$661,591 was directly allocated to schools as part of the Divisional allocation formulas related to those funding criteria already utilized. The remaining \$202,900 for Classroom and Community Supports funding was added to school AISI allocations and also allocated out directly to schools. These additional funds were used by schools in revisiting their 2011 - 2012 budget allocations based on the Sept. 30th enrolment counts. Schools increased teacher FTE time and in some cases also increased support staff time and budgets for resources and supplies.

**Attestation of Secretary-Treasurer/Treasurer:**

This information was formally received by the Board of Trustees at the meeting held on :

November 29, 2011