

BUDGET REPORT

FOR THE YEAR ENDING AUGUST 31, 2011

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

Holy Spirit Roman Catholic Separate Regional Division No. 4

Legal Name of School Jurisdiction

Phone: 403-327-9555 Fax: 403-327-9595

Telephone and Fax Numbers

| | |
|---|-----------|
| BOARD CHAIR | |
| Nadine King Name | Signature |
| SUPERINTENDENT | |
| Chris Smeaton Name | Signature |
| SECRETARY TREASURER | |
| Lisa Palmarin, CGA Name | Signature |
| <p>Certified a true and correct summary of the year's budget approved by the Board of Trustees at its meeting held June 23, 2010 .</p> | |

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| | Grey cells: data not applicable - protected | | | | | | | | |
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Budget Highlights & Assumptions:

Without adequate funding for the next year, the school division is faced with the difficult task of reducing expenditures in order to balance the budget. Consequently, to address the shortfall of revenues, operating reserves of \$460,000 will be used to mitigate budget reductions. This represents all available operating reserves. Without the necessary funding to support the government's agreement with teachers in the province, it will be very difficult to maintain the same quality of services for our students in the coming year.

The school division will spend 77% of its operating expenditures on salaries and benefits. This amount is consistent with prior years. However, because of inadequate funding, both certificated and non-certificated staff will be reduced.

Funding for Special Education is insufficient due to the increasing needs of students and rising costs of salaries and benefits. As a result, the school division is compelled to use money from other sources in order to meet the needs of students. The estimated additional support to special education in 2010 / 2011 will be \$769,275 in excess of the funding.

Funding for plant operations and maintenance will be insufficient in 2010 /2011, making it difficult to maintain the school division's facilities. As a result, it is estimated that caretaking staff will be reduced by 6.5%.

Students who are not subsidized by the government for bus transportation will be required to pay a monthly user fee. While the user fee will not cover the cost of the bus transportation, it will help us to ensure that out transportation system remains viable for our students.

Significant Business and Financial Risks:

The budget was prepared based on estimated enrolment. If enrolment is lower than estimated, this will result in a decrease in estimated funding from Alberta Education. The school division is already budgeting to use all available operating reserves. Should revenue be lower than estimated and expenses be higher, there is the risk of falling into an unfunded deficit by the end of August, 2011. It is not the Board's desire to spend tomorrow's money on today's students. Therefore, constant monitoring of income and control of expenses are essential.

Significant Business and Financial Risks:

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

| | Approved Budget 2010/2011 | Final Approved Budget 2009/2010 | Actual 2008/2009 |
|--|---------------------------------|---------------------------------------|---------------------|
| REVENUES | | | |
| Government of Alberta | \$41,543,219 | \$40,768,954 | \$40,598,779 |
| Federal Government and/or First Nations | \$1,147,250 | \$1,384,000 | \$1,079,833 |
| Other Alberta school authorities | \$7,000 | \$7,000 | \$0 |
| Out of province authorities | \$0 | \$0 | \$0 |
| Alberta Municipalities-special tax levies | \$0 | \$0 | \$0 |
| Instruction resource fees | \$305,707 | \$295,920 | \$398,512 |
| Transportation fees | \$7,000 | \$0 | \$0 |
| Other sales and services | \$220,425 | \$430,974 | \$192,157 |
| Investment income | \$0 | \$0 | \$23,195 |
| Gifts and donations | \$0 | \$0 | \$5,023 |
| Rentals of facilities | \$0 | \$0 | \$0 |
| School generated funds | \$738,702 | \$738,702 | \$1,614,533 |
| Gains on disposal of capital assets | \$0 | \$0 | \$599,623 |
| Amortization of capital allocations | \$1,552,323 | \$1,552,323 | \$1,552,323 |
| Other revenue | \$0 | \$0 | \$0 |
| TOTAL REVENUES | \$45,521,626 | \$45,177,873 | \$46,063,978 |
| EXPENSES | | | |
| Certificated salaries | \$21,805,414 | \$21,493,418 | \$21,015,819 |
| Certificated benefits | \$2,494,169 | \$2,407,402 | \$2,553,797 |
| Non-certificated salaries and wages | \$8,260,256 | \$8,177,302 | \$7,751,835 |
| Non-certificated benefits | \$2,672,871 | \$2,504,601 | \$2,218,442 |
| Services, contracts and supplies | \$7,987,580 | \$7,730,235 | \$7,027,138 |
| School generated funds | \$738,702 | \$738,702 | \$1,614,533 |
| Capital and debt services | | | |
| Amortization of capital assets | | | |
| supported | \$1,552,323 | \$1,552,323 | \$1,552,323 |
| unsupported | \$351,053 | \$368,209 | \$232,198 |
| Interest on capital debt | | | |
| supported | \$119,258 | \$105,681 | \$119,258 |
| unsupported | \$0 | \$0 | \$0 |
| Other interest charges | \$0 | \$0 | \$0 |
| Losses on disposal of capital assets | \$0 | \$0 | \$0 |
| Other expense | \$0 | \$0 | \$0 |
| TOTAL EXPENSES | \$45,981,626 | \$45,077,873 | \$44,085,343 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | (\$460,000) | \$100,000 | \$1,978,635 |

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

| | Approved Budget 2010/2011 | Final Approved Budget 2009/2010 | Actual 2008/2009 |
|---|---------------------------------|---------------------------------------|---------------------|
| REVENUES | | | |
| ECS - Grade 12 Instruction | \$35,370,871 | \$35,273,508 | \$36,259,594 |
| Operations & Maintenance of Schools and Maintenance Shops | \$6,509,505 | \$6,496,307 | \$6,238,766 |
| Transportation | \$1,598,250 | \$1,286,298 | \$1,302,804 |
| Board & System Administration | \$2,043,000 | \$2,121,760 | \$2,262,814 |
| External Services | \$0 | \$0 | \$0 |
| TOTAL REVENUES | \$45,521,626 | \$45,177,873 | \$46,063,978 |
| EXPENSES | | | |
| ECS - Grade 12 Instruction | \$35,780,871 | \$35,273,508 | \$35,380,484 |
| Operations & Maintenance of Schools and Maintenance Shops | \$6,509,505 | \$6,496,307 | \$5,894,308 |
| Transportation | \$1,598,250 | \$1,286,298 | \$1,237,989 |
| Board & System Administration | \$2,093,000 | \$2,021,760 | \$1,572,562 |
| External Services | \$0 | \$0 | \$0 |
| TOTAL EXPENSES | \$45,981,626 | \$45,077,873 | \$44,085,343 |

**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, 2009 | \$5,980,306 | \$4,472,858 | \$722,024 | \$0 | \$722,024 | \$785,424 |
| 2009/2010 Estimated impact to net assets for: | | | | | | |
| Estimated surplus(deficit) | \$100,000 | | | \$100,000 | | |
| Estimated Board funded capital asset additions | | \$221,693 | | \$0 | \$0 | (\$221,693) |
| Estimated Amortization of capital assets (expense) | | \$0 | | \$0 | | |
| Estimated Amortization of capital allocations (revenue) | | \$0 | | \$0 | | |
| Estimated Unsupported debt principal repayment | | \$0 | | \$0 | | |
| Estimated reserve transfers (net) | | | | \$0 | \$0 | \$0 |
| Estimated Assumptions/Transfers of Operations | \$0 | \$0 | \$0 | (\$100,000) | \$100,000 | \$0 |
| Estimated Balances for August 31, 2010 | \$6,080,306 | \$4,694,551 | \$822,024 | \$0 | \$822,024 | \$563,731 |
| 2010/2011 Budget Projections for: | | | | | | |
| Budgeted surplus(deficit) | (\$460,000) | | | (\$460,000) | | |
| Projected Board funded capital asset additions | | \$0 | | \$0 | \$0 | |
| Budgeted Amortization of capital assets (expense) | | (\$1,903,376) | | \$1,903,376 | | |
| Budgeted Amortization of capital allocations (revenue) | | \$1,552,323 | | (\$1,552,323) | | |
| Budgeted Unsupported debt principal repayment | | \$0 | | \$0 | | |
| Projected reserve transfers (net) | | | | \$460,000 | (\$460,000) | \$0 |
| Projected Assumptions/Transfers of Operations | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Projected Balances for August 31, 2011 | \$5,620,306 | \$4,343,498 | \$713,077 | \$351,053 | \$362,024 | \$563,731 |

ANTICIPATED CHANGES IN NET ASSETS SUMMARY- 2010/2011 BUDGET REPORT

The following explains the anticipated changes to Unrestricted Net Assets, Investment in Capital Assets, Operating Reserves and Capital Reserves for 2009/2010 and 2010/2011 and breaks down the planned additions to unsupported capital.

The Board is planning to transfer \$460,000 from operating reserves in order to minimize the impact on school division's operations due to insufficient provincial funding. The remaining estimated amount in the operating reserves represents in large part, the Teachers' Professional Development Fund, which the Board is contractually obligated to provide. This reserve cannot be accessed unless it is for the specific purposes of funding teacher PD.

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

| | Budgeted 2010/2011 (Note 2) | Actual 2009/2010 | Actual 2008/2009 | Notes |
|---|-----------------------------------|---------------------|---------------------|--|
| GRADES 1 TO 12 | | | | |
| Eligible Funded Students: | | | | |
| Grades 1 to 9 | 2,899 | 2,928 | 2,919 | Head count |
| Grades 10 to 12 | 974 | 986 | 1,044 | Note 3 |
| Total | 3,873 | 3,914 | 3,963 | Grades 1-12 students eligible for base instruction funding from Alberta Education. |
| Other Students: | | | | |
| Total | 113 | 131 | 125 | Note 4 |
| Total Net Enrolled Students | 3,986 | 4,045 | 4,088 | |
| Home Ed and Blended Program Students | - | - | - | Note 5 |
| Total Enrolled Students, Grades 1-12 | 3,986 | 4,045 | 4,088 | |
| Of the Eligible Funded Students: | | | | |
| Severely Disabled Students served | 202 | 202 | 198 | Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s). |

EARLY CHILDHOOD SERVICES (ECS)

| | | | | |
|---|-------|-------|-------|---|
| Eligible Funded Children | 501 | 445 | 428 | ECS children eligible for ECS base instruction funding from Alberta Education. |
| Other children | 8 | 6 | 7 | ECS children not eligible for ECS base instruction funding from Alberta Education. |
| Total Enrolled Children - ECS | 509 | 451 | 435 | |
| 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 | 255 | 226 | 218 | |
| Of the Eligible Funded Children: | | | | |
| Severely Disabled Children served | 63 | 63 | 35 | 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.
-) Budgeted enrolment is to be based on best information available at time of this 2010/2011 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.
-) 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.
-) 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 2010/2011 | Actual 2009/2010 | Actual 2008/2009 | Notes |
|---|-----------------------|---------------------|---------------------|---|
| <u>CERTIFICATED STAFF</u> | | | | |
| School Based | 225.0 | 236.1 | 243.8 | Teacher certification required for performing functions at the school level. |
| Non-School Based | 7.2 | 8.2 | 7.5 | Teacher certification required for performing functions at the system/central office level. |
| Total Certificated Staff FTE | 232.2 | 244.3 | 251.3 | FTE for personnel possessing a valid Alberta teaching certificate or equivalency. |
| Certificated Staffing Change due to: | | | | |
| Enrolment Change | - | (7.4) | (10.5) | If negative change impact, the small class size initiative is to include any/all teachers retained. |
| Other Factors | (12.1) | - | - | Descriptor (required): funding shortfall |
| Total Change | (12.1) | (7.4) | (10.5) | Year-over-year change in Certificated FTE |
| Breakdown, where total change is Negative: | | | | |
| Continuous contracts terminated | - | - | - | FTEs |
| Non-permanent contracts not being renewed | 9.1 | 1.9 | 7.5 | FTEs |
| Other (retirement, attrition, etc.) | 3.0 | 5.5 | 3.0 | Descriptor (required): |
| Total Negative Change in Certificated FTEs | 12.1 | 7.4 | 10.5 | Breakdown required where year-over-year total change in Certificated FTE is 'negative' only. |
| <u>NON-CERTIFICATED STAFF</u> | | | | |
| Instructional | 170.9 | 188.9 | 187.6 | Personnel providing instruction support for schools under 'Instruction' program areas. |
| Non-Instructional | 42.2 | 44.2 | 42.2 | Personnel in Transportation, Board & System Admin., O&M and External service areas. |
| Total Non-Certificated Staff FTE | 213.1 | 233.1 | 229.8 | FTE for personnel not possessing a valid Alberta teaching certificate or equivalency. |
| Non-Certificated Staffing Change due to: | | | | |
| Enrolment Change | - | - | (5.8) | FTEs |
| Other Factors | 20.0 | 3.3 | - | Descriptor (required): funding |
| Total Change | 20.0 | 3.3 | (5.8) | Year-over-year change in Non-Certificated FTE |