

2245 Black Gold School Division

FALL 2020 UPDATE TO THE 2020/2021 BUDGET

	Fall 2020 Update to the Budget 2020/2021	Spring 2020 Budget Report 2020/2021	Variance	% Variance
OPERATIONS (SUMMARY)				
Revenues				
Alberta Education	\$127,568,142	\$125,450,584	\$2,117,558	1.7%
Alberta Infrastructure	\$6,181,298	\$6,139,127	\$42,171	0.7%
Other - Government of Alberta	\$371,819	\$0	\$371,819	100.0%
Federal Government and First Nations	\$0	\$0	\$0	0.0%
Other Alberta school authorities	\$7,965	\$8,145	(\$180)	-2.2%
Out of province authorities	\$0	\$0	\$0	0.0%
Alberta municipalities - special tax levies	\$0	\$0	\$0	0.0%
Property taxes	\$0	\$0	\$0	0.0%
Fees	\$1,019,768	\$2,230,818	(\$1,211,050)	-54.3%
Other sales and services	\$450,445	\$1,297,465	(\$847,020)	-65.3%
Investment income	\$165,703	\$252,831	(\$87,128)	-34.5%
Gifts and donations	\$264,300	\$387,300	(\$123,000)	-31.8%
Rental of facilities	\$15,285	\$62,035	(\$46,750)	-75.4%
Fundraising	\$234,000	\$537,545	(\$303,545)	-56.5%
Gain on disposal of capital assets	\$0	\$0	\$0	0.0%
Other revenue	\$233,562	\$229,269	\$4,293	1.9%
Total revenues	\$136,512,287	\$136,595,119	(\$82,832)	-0.1%
Expenses By Program				
Instruction - Early Childhood Services	\$2,933,020	\$3,216,674	(\$283,654)	-8.8%
Instruction - Grades 1 - 12	\$105,135,931	\$106,218,413	(\$1,082,482)	-1.0%
Plant operations and maintenance	\$20,259,239	\$19,926,665	\$332,574	1.7%
Transportation	\$4,559,560	\$4,668,159	(\$108,599)	-2.3%
Board & system administration	\$4,028,130	\$4,058,992	(\$30,862)	-0.8%
External services	\$91,015	\$146,320	(\$55,305)	-37.8%
Total Expenses	\$137,006,895	\$138,235,223	(\$1,228,328)	-0.9%
Annual Surplus (Deficit)	(\$494,608)	(\$1,640,104)	\$1,145,496	69.8%
Expenses by Object				
Certificated salaries & wages	\$67,399,014	\$67,090,622	\$308,392	0.5%
Certificated benefits	\$14,902,611	\$15,155,767	(\$253,156)	-1.7%
Non-certificated salaries & wages	\$20,439,438	\$20,170,857	\$268,581	1.3%
Non-certificated benefits	\$5,223,202	\$5,254,765	(\$31,563)	-0.6%
Services, contracts and supplies	\$21,330,907	\$22,997,875	(\$1,666,968)	-7.2%
Amortization expense - supported	\$6,858,795	\$6,739,572	\$119,223	1.8%
Amortization expense - unsupported	\$785,428	\$714,865	\$70,563	9.9%
Interest on capital debt - supported	\$0	\$0	\$0	0.0%
Interest on capital debt - unsupported	\$0	\$0	\$0	0.0%
Other interest and finance charges	\$67,500	\$110,900	(\$43,400)	-39.1%
Losses on disposal of tangible capital assets	\$0	\$0	\$0	0.0%
Other expenses	\$0	\$0	\$0	0.0%
Total Expenses	\$137,006,895	\$138,235,223	(\$1,228,328)	-0.9%
Accumulated Surplus from Operations (Projected)				
Accumulated Surplus from Operations - August 31, 2020	\$9,227,783	\$9,246,525	(\$18,742)	-0.2%
Accumulated Surplus from Operations - August 31, 2021	\$8,826,059	\$7,606,421	\$1,219,638	16.0%
Capital Reserves - August 31, 2020	\$2,238,295	\$1,441,055	\$797,240	55.3%
Capital Reserves - August 31, 2021	\$2,310,671	\$1,812,326	\$498,345	27.5%
Certificated Staff FTE's				
School based	656.0	669.8	(13.8)	-2.1%
Non-school based	15.8	16.1	(0.3)	-1.6%
Total Certificated Staff FTE's	671.8	685.8	(14.0)	-2.0%
Non-Certificated Staff FTE's				
Instructional	377.1	379.4	(2.3)	-0.6%
Plant operations & maintenance	89.3	79.8	9.5	11.9%
Transportation	2.3	2.3	0.0	2.2%
Other non-instructional	20.7	20.7	-	0.0%
Total Non-Certificated Staff FTE's	489.4	482.2	7.2	1.5%

Attestation of Secretary-Treasurer/Treasurer:

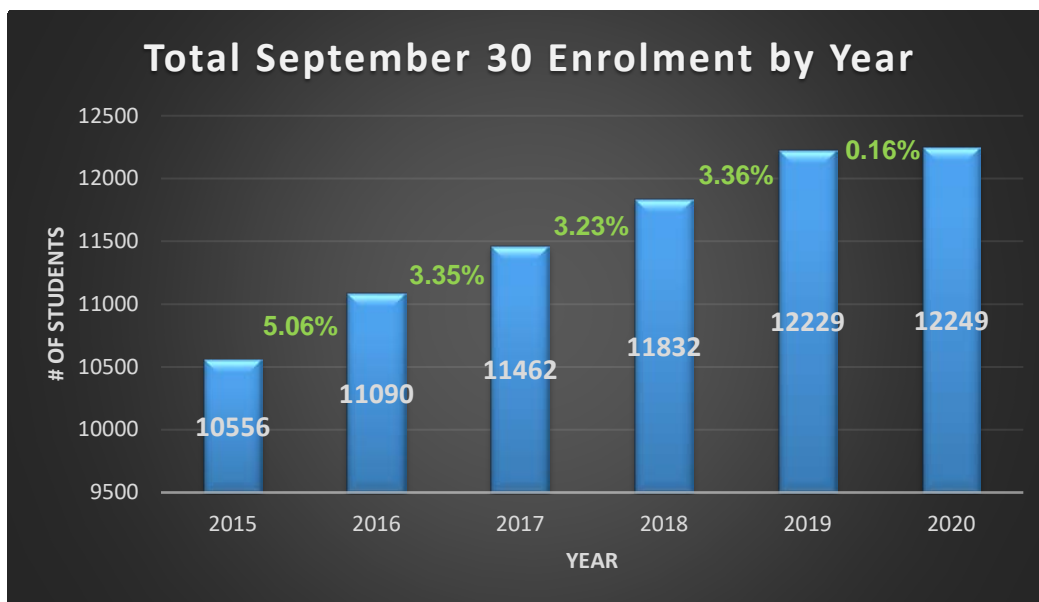
This information was formally received by the Board of Trustees at the meeting held on 25-Nov-20

Budget Summary 2020-21

Student Enrolment

In early March, the Division projected total enrolment for 2020-21 of 12,921 students (12,318.5 FTE). This equated to a WMA of 11,895.90. Actual enrolments as of September 30, 2020 were 12,249 (11,655 FTE), a decrease from projections of 672 students but an increase from the previous year of 20 students. The significant decrease from projections is attributed to the COVID-19 pandemic. Over the past several years, Black Gold School Division has been steadily growing each year by just over 3%. This change in the 2020-21 September 30th enrolments, decreased the WMA to 11,562.95.

Of the 12,249 students, 12.3% chose the at home learning program, 1% chose a home education program, and the remaining 86.7% returned to in-school classes.

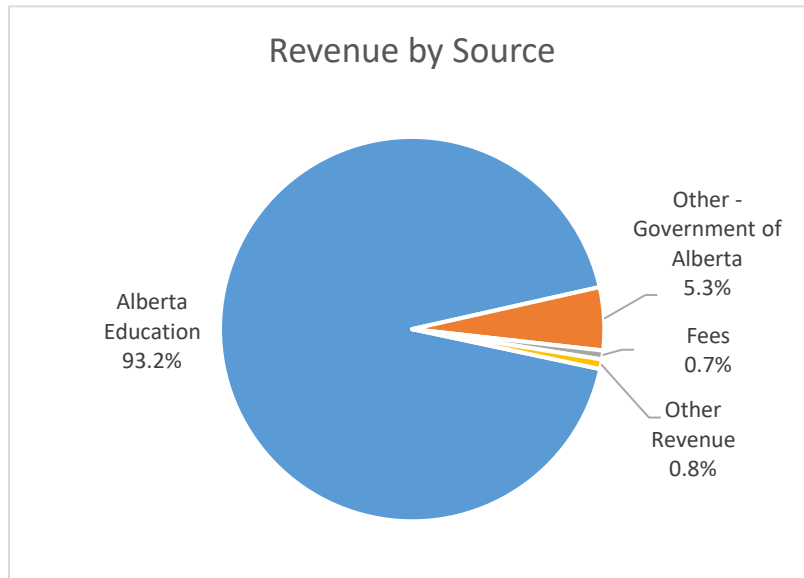


Budgeted Revenues and Expenses

In the fall revised budget, Black Gold School Division has budgeted to use \$495 thousand of operating reserves to cover the planned deficit in the fall revised budget. In the spring preliminary budget, the Division submitted a request and was approved to use \$1.64 million of operating reserves in the 2020-21 school year. The change in the budgeted deficit from the spring preliminary budget to the fall revised budget demonstrates the impact of how funding based on a WMA enrolment impacts school divisions with enrolment growth and reflects the support of the federal funding.

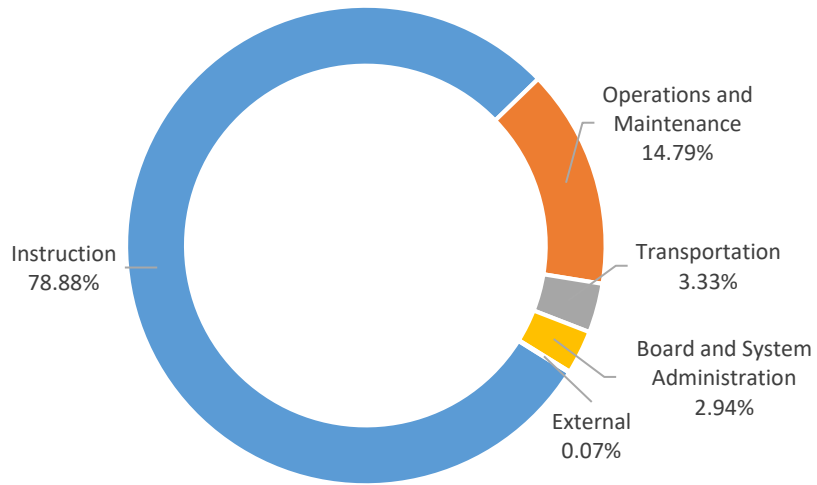
	Fall Budget	Spring Budget	\$ Change	% Change
REVENUES				
Alberta Education	122,710,564	125,079,408	(2,368,844)	-1.89%
Alberta Education - Federal Funding	4,457,915	-	4,457,915	n/a
Other - Government of Alberta	7,221,807	6,747,717	474,090	7.03%
Fees	1,019,768	2,210,955	(1,191,187)	-53.88%
Other Revenue	1,102,233	2,557,039	(1,454,806)	-56.89%
TOTAL	136,512,287	136,595,119	(82,832)	-0.06%
EXPENSES				
Instruction	108,068,951	109,435,087	(1,366,136)	-1.25%
Operations and Maintenance	20,259,239	19,926,665	332,574	1.67%
Transportation	4,559,560	4,668,159	(108,599)	-2.33%
Board and System Administration	4,028,130	4,058,992	(30,862)	-0.76%
External	91,015	146,320	(55,305)	-37.80%
TOTAL	137,006,895	138,235,223	(1,228,328)	-0.89%
Operating Surplus (Deficit)	(494,608)	(1,640,104)	1,145,496	-69.84%

Total revenues of \$136.5 million are \$83 thousand less than the preliminary spring budget. Over 93% of the Division's total revenues are received from Alberta Education. Alberta Education revenue decreased by \$2.37 million due to the decrease in the September 30th enrolment compared to spring projections. This was offset by the \$4.46 million received from the Federal Funding for Alberta for a Safe Return to Class Fund. Other Government of Alberta revenue increased by \$474 thousand due to an increase in funded amortization and the extension of the Alberta Health Services grant for the Mental Health Capacity Building program. Fees and other revenue decreased due to the COVID-19 pandemic. Fees decreased due to a reduction in bus ridership and the indefinite postponement of field trips, extra-curricular activities and student travel. Other revenue has decreased due to the suspension of concessions and vending machines, hot lunch and milk programs, book fairs, special events and community use of the schools.

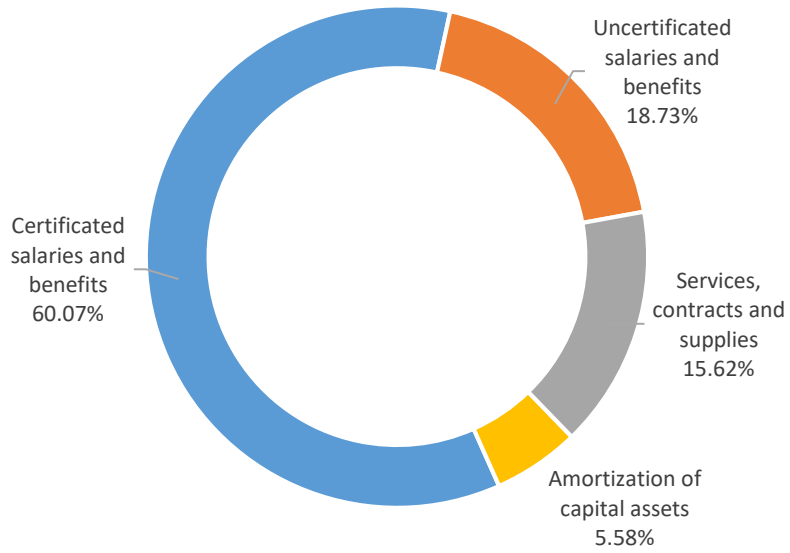


Total expenses of \$137 million are \$1.23 million less than the preliminary spring budget. Instructional expenses, which make up over 78% of the budget, have decreased as there were 672 less students enrolled as of September 30th compared to spring projections. As well, due to the COVID-19 pandemic, the Division indefinitely postponed the majority of school-based activities and services (i.e. field trips, extra-curricular activities, student travel, hot lunch/milk programs, concessions/vending machines and other special events). The decrease in expenses for these types of school-based activities and services relates directly to the decrease in fees and other revenue as discussed above. The increase in expenses in Operations and Maintenance relates to the COVID-19 pandemic as additional custodians were hired to support enhanced cleaning at the schools. Transportation expenses decreased due to lower ridership than projected in the spring, which is reflective of the 12.3% of students who chose to participate in the at-home learning program. External services expenses are less due to the suspension of community use of the schools.

EXPENSES BY PROGRAM



EXPENSES BY TYPE



Staffing

Black Gold School Division's most valuable resource is our dedicated and hard-working staff. Salaries and benefits make up 78.8% of total expenditures (83.5% if amortization of capital assets is excluded). Certificated staff represent staff with a teacher certification and non-certificated staff represents all other staff. The 2020-21 budget includes 671.7 full time equivalent (FTE) certificated staff and 489.4 FTE non-certificated staff for a total of 1161.1 FTE.

Certificated staff decreased by 14.1 FTE and non-certificated instructional staff decreased by 2.3 FTE in comparison to the spring budget due to the decrease in enrolment by 672 students as of September 30th compared to spring projections. Certificated staff decreased by 3.8 FTE and non-certificated instructional staff decreased by 52.1 FTE compared to the 2019-20 fall budget due to the significant decrease in the PUF Grant and the change from the RCSD/Inclusive Education Grants to the SLS Grant.

Non-certificated Operations & Maintenance staff increased by 9.5 FTE from the spring budget and 14.8 FTE from the 2019-20 fall budget as additional custodians were hired to support enhanced cleaning at the schools due to the COVID-19 pandemic.

Non-certificated other staff decreased by 5.0 FTE from the 2019-20 budget due to the Out of School Care and KinderCare programs no longer being offered in the 2020-21 school year.

	2020-21 Fall Budget	2020-21 Spring Budget	2019-20 Fall Budget
Certificated	671.7	685.8	675.5
Non-Certificated - Instructional	377.1	379.4	429.2
Non-Certificated - Operations & Maintenance	89.3	79.8	74.5
Non-Certificated - Other	23.0	23.0	28.0
Total Staff	1,161.1	1,168.0	1,207.2

Reserves

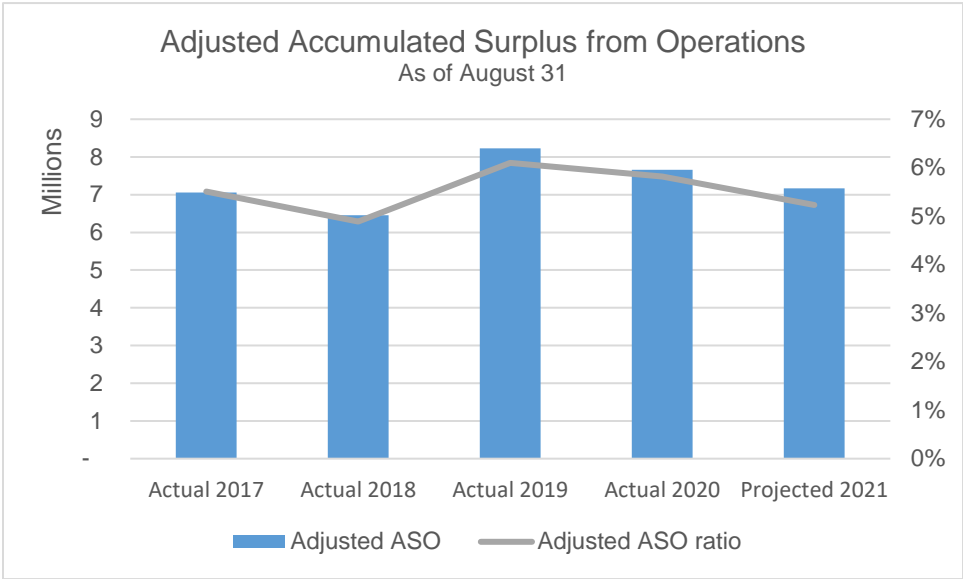
It is important to maintain a sufficient level of reserves to mitigate risks related to changes in funding and unexpected expenditures. As of August 31, 2020, the Division had \$8.83 million in Accumulated Surplus from Operations (ASO). The ASO is composed of Unrestricted Surplus and internally restricted Operating Reserves. Operating Reserves represent funds designated for specific purposes by the Division. Included in this are unspent school generated funds (SGF), which are funds that have been collected or raised by activities that come under the control and responsibility of the school and cannot be used to support the Division's operations.

When evaluating and reporting the financial health of school divisions, Alberta Education uses the Adjusted Accumulated Surplus from Operations (Adjusted ASO), which includes

the unrestricted surplus and operating reserves less unspent SGF. The Adjusted ASO represents the funds the Division can spend on future operations. As of August 31, 2020, the Division’s Adjusted ASO was \$7.66 million or 5.82% of total expenses. Alberta Education’s recommended ratio to expenses is between 1% and 5%.

With a budgeted operating deficit of \$495 thousand in the 2020-21 school year, the ASO is projected to decrease to 8.33 million, with the Adjusted ASO decreasing to \$7.17 million or 5.23% of total expenses.

	2016-17	2017-18	2018-19	2019-20	2020-21
ASO	7,951,475	7,446,638	9,227,783	8,826,059	8,331,451
Adjusted ASO	7,054,691	6,457,289	8,226,513	7,662,352	7,167,744
Adjusted ASO ratio	5.51%	4.89%	6.10%	5.82%	5.23%



The Division has been slowly spending down operating reserves over the past several years in a planned, deliberate manner. The increase in the Adjusted ASO in 2019 was due to an unexpected surplus, the majority of which related to a mid-year change to the cap on the number of CEUs funded for high school students, and the addition of unfunded amortization to operating reserves to provide additional flexibility due to funding uncertainty. In past years it had been Black Gold School Division’s practice to add amortization of capital assets to capital reserves to ensure that sufficient funds were available for capital replacement. With the announcement of the new funding model in February 2020 and the commitment to maintain the overall funding envelope established in Budget 2019 until 2022-23, Black Gold School Division budgeted to return to adding amortization to capital reserves in the 2020-21 Budget Report.