

Alberta Education

**GUIDELINES FOR THE PREPARATION OF
THE
SCHOOL JURISDICTION
BUDGET REPORT
FOR THE YEAR ENDING AUGUST 31, 2019**

Prepared by
Financial Reporting and Accountability Branch
Alberta Education
March 2018

TABLE OF CONTENTS

	Page
<u>Key Messages</u>	3
<u>Changes to Reporting Requirements</u>	4
<u>Budget Report for the Year Ending August 31, 2019 (Cover Page)</u>	4
<u>Budget Highlights, Plans, Assumptions, and Risks</u>	4
<u>Budgeted Statement of Operations</u>	
<u>Revenues (by Source and Type)</u>	5
<u>Expenses (by Program)</u>	8
<u>Budgeted Allocations of Expenses (by Object)</u>	10
<u>Budgeted Schedule of Fee Revenue</u>	13
<u>Budgeted Schedule of Supplementary Details of Fee Revenue</u>	13
<u>Projected Schedule of Changes in Accumulated Operating Surplus (Summary)</u>	15
<u>Schedule of Uses for Accumulated Surplus and Reserves</u>	17
<u>Anticipated Changes in Accumulated Operating Surplus</u>	17
<u>Projected Student Statistics</u>	18
<u>Projected Staffing Statistics</u>	18
<u>Board and System Administration Limit</u>	19

2018/2019 BUDGET REPORT – KEY MESSAGES

This document is intended to provide guidelines to all school jurisdictions & charter schools in the preparation and submission of their Budget Reports for the 2018/2019 school year. The prescribed Budget Report (BR) is filed by school jurisdictions in accordance with Sections 77, 78, 147, and 276 of the *School Act*. It provides Alberta Education with information required to assess key budget assumptions disclosed to the trustees and Ministry; challenges facing each jurisdiction and education system as a whole; adherence to Ministry direction set out in Budget 2018; and significant business and financial risks system-wide.

School jurisdictions are required to file their completed BR with the Financial Reporting and Accountability Branch of Alberta Education *on or before* **Thursday, May 31, 2018**. Both an electronic copy as well as an original signed hard copy of the budget must be submitted in Alberta Education's prescribed format and following the guidelines contained herein. The Board of Trustees must meet to approve the final submission in advance of the May 31 deadline.

The BR template for school jurisdictions is developed as a Microsoft Excel Workbook (.xlsx). The workbook is formatted with formulae, references, and a colour-coding schematic to standardize preparation and information generation and to ensure the financial reporting across the province is in a consistent and comparable format.

- **Blue** cells require the input of data, if applicable to your operation;
- **White/grey** cells are write-protected and may contain totals and/or sub-totals;
- **Salmon** cells are write-protected and contain references to another cell within the BR;
- **Green** cells are populated automatically based on information previously submitted by the jurisdiction;
- **Yellow** cells require the input of data when the cell turns yellow from blue.

The completed report must be submitted to Alberta Education in the same file format (.xlsx) via e-mail to **EDC.FRA@gov.ab.ca**. In addition, please send the completed and original signed hard copy to the attention of **Robert Mah (780-427-3855)**:

Alberta Education - Financial Reporting & Accountability Branch
8th Floor, Commerce Place,
10155 – 102 Street
Edmonton AB T5J 4L5

Information from the 2018 Fall Budget Update, or 2017 Audited Financial Statements will be pre-populated automatically upon entering your Division's/Board's/Charter School's unique 8-digit code in cell "A2" of the cover sheet.

BR submissions must be based on the best available information at the time of the budget preparation. Assumptions should be accurate and realistic in terms of enrolment and staffing; planned activities; anticipated revenues; and all costs that the school jurisdiction expects to incur while working within the constraints contained in these guidelines. The BR must be completed in its entirety including **key budget assumptions, budget highlights and risks** on Page 2; as well as explanations on **Anticipated Changes in Accumulated Operating Surplus** on Pages 8 & 9.

Please use supplementary resources in the preparation of the Budget Report, including communications on the provincial and education budget; the *Funding Manual for School Authorities (2018/2019)*; and the August 31, 2017 *Guidelines for the Audited Financial Statements*. Please direct any questions or concerns on Budget Report completion and submission to Alberta Education's Financial Reporting and Accountability Branch (FRA):

Robert Mah (Lead contact)

Robert.Mah@gov.ab.ca

(780) 427-3855

(Or)

Mabel Wang
Brian Smith

Mabel.Wang@gov.ab.ca
Brian.Smith@gov.ab.ca

(780) 643-1198
(780) 415-9355

CHANGES TO REPORTING REQUIREMENTS

The format and configuration of the budget report is largely unchanged from 2017/2018. However, small changes were made, such as certain categories in the Budgeted Schedule of Fee Revenue, which have been modified for consistency. An additional column has also been added to the Budgeted Schedule of Supplementary Details of Fee Revenue, which represents out of pocket costs, such as Entry Fees and Admission (D).

“BUDGET REPORT FOR THE YEAR ENDING AUGUST 31, 2019” COVER PAGE

The first page of the Budget Report requires that the user input the school jurisdiction’s unique 8-digit code in cell “A2” of the cover page in order to populate each of the green cells within the template. Please contact FRA for your jurisdiction’s code should you not have it available. Under most circumstances, the code will only be provided to the secretary-treasurer or director of finance of the school jurisdiction. Please contact FRA should the pre-populated information not agree with your records.

On commencement of preparation, the preparer should review each of the pre-populated blue cells, including the jurisdiction name, address, contact telephone & email address; the name of the jurisdiction’s Superintendent, and Secretary-Treasurer (or Treasurer). The information may be over-written and updated if it is incorrect. The Board Chair’s name and date of approval by the Board of Trustees should also be completed.

BUDGET HIGHLIGHTS, PLANS, ASSUMPTIONS AND RISKS

The lower section of Page 2 of the Budget Report provides space for school boards to describe their plans and assumptions. Completion of the Budget Summary section is mandatory. The section should summarize the underlying key budget assumptions, activities, and estimates used for the Budget Report. Please keep information brief, in point form, and consistent with the School Jurisdiction’s Three Year Education Plan and Capital Plan.

These assumptions and activities include (but are not limited to) the following:

- School jurisdictions’ key budget highlights, including key planned activities, commencement, completion or continuation of projects/programs/services;
- Assumptions for budgeted revenues by source, including student enrolment by grade configuration and associated grant revenues;
- Assumptions for key expense categories, including average salaries and benefits, major contract and service expenses, utilities, supplies and equipment, professional and contracted services;
- Explanation of budget variances as compared with the Fall Update 2017/2018;
 - Greater than 3% for Salaries & Wages and Benefits; and
 - Greater than 4% for other major expenses.
- Major cost items (where information is not disclosed elsewhere);
- Significant business and financial risks facing the jurisdiction presented to the board of trustees/directors and adopted as part of the budget package;
- Unique challenges facing the school jurisdiction;
- Action taken to stay within budget; and
- Highlights of financial position.

These summarized budget assumptions must be consistent with student statistics (Page 10 of the BR) and staffing arrangements (Page 11 of the BR). Additional information and links to websites containing details underlying the budget or separate reports to Trustees on the budget may be referenced and attached to the budget summary.

BUDGETED STATEMENT OF OPERATIONS

REVENUES (BY SOURCE AND TYPE)

1. Alberta Education: Revenue on this line will mostly be received directly from Alberta Education but must also include Alberta Education’s contribution to the post-1992 portion of the Alberta Teachers Retirement Fund on behalf of school jurisdictions. The portion of capital revenue recognized from Expended Deferred Capital Revenue originating from Alberta Education should also be included from cell “F31” of the “AOS” tab (and “F18” for the 2017/18 year).

As a basis for total budgeted revenue from Alberta Education, school jurisdictions must use the latest rates provided in the *2018/2019 Funding Manual for School Authorities*, and update for budget announcements; previously deferred Alberta Education allocations planned for expenditures in 2018/2019; and Alberta Education funding not specifically outlined in the *Funding Manual* (i.e. secondment revenue, one-time and pilot project funding, etc.).

Key Announcements on Funding Support Under Budget 2018/2019

Enrolment growth continues to be funded; in other words, government continues to provide school authorities with funding for every K-12 student in Alberta. School authorities maintain the responsibility for determining how funding is spent to meet the needs of every student.

Education’s consolidated operating expense reaches \$8.4 billion in the 2018/19 fiscal year, or \$39 million in operational funding per day. In addition, consolidated education capital commitments equal \$742 million to fund construction of new schools, modernization of existing schools, a modular classroom program, Infrastructure Maintenance and Renewal (IMR), and board funded capital investments. School jurisdictions will also continue to receive the base allocation for the School Nutrition Program as in the 2017/18 school year with an additional \$5.5 in differential funding.

This additional funding is partially offset by a reduction in funding due to reduced LAPP contribution rates. The direct impact of this and other funding changes to your school jurisdiction is reflected in your jurisdiction’s funding profile.

Base Instruction – Sections 1.1, 1.2 & 9.1

ECS to Grade 12 Base Instruction Rate

Grades	Base Rate	Class Size Base Rate	Base Instruction Funding Total
ECS	\$3,339.90	\$ 760.84	\$4,100.74
Grades 1-3	\$6,679.79	\$ 1,521.68	\$8,201.47
Grades 4-9	\$6,679.79	-	\$6,679.79
Grades 10-12 (per CEU to a maximum of 45 per year per funded student):			
Tier 1	\$190.85	-	\$190.85
Tier 2	\$190.85	\$12.83	\$203.68
Tier 3	\$190.85	\$36.18	\$227.03
Tier 4	\$114.50		\$114.50
Tier 5 (dual credit)	\$250.00		\$250.00
CEU top-up	\$59.15		\$59.15

Please refer to the *Funding Manual for School Authorities - 2018/19 School Year* for a comprehensive list of funding rates in Section 9.1 or the Alberta Education website at <http://education.alberta.ca/admin/funding/manual.aspx>.

BUDGETED STATEMENT OF OPERATIONS - Continued

REVENUES (BY SOURCE AND TYPE) - Continued

Budgeted Revenue from Alberta Education

In accordance with *PS 3100.11*, funding received for school facilities should be treated as a liability by flowing through the deferred revenue account, *Unexpended Deferred Capital Revenue (UDCR)*, prior to acquisition. Supported funding for **school facilities** is related to projects approved by Alberta Education for new, additions to and replacement of schools. This includes traditional construction; modernization of existing facilities; and the construction, transportation, re-location and set-up of modular or portable classrooms.

As funds are being expended for supported capital assets, the corresponding deferred capital contribution should be transferred from UDCR to *Expended Deferred Capital Revenue (EDCR)*. When construction of supported capital assets is complete and the assets are in use, the corresponding amount of revenue that is recognized each year is equal to the amortization of the supported portion of the assets. The amount of revenue that is recognized each year is equal to the amortization of the supported portion of the assets. Under PSAS, capitalized Infrastructure Maintenance Renewal (IMR) grants for school facilities are treated in a similar fashion as *supported capital grants*. Supported capital items acquired directly by Alberta Education on behalf of the school jurisdiction should be treated as though the jurisdiction itself acquired the capital asset by crediting EDCR directly.

Under certain conditions, restricted capital contributions imposed by an agreement with an **external party** may, likewise, flow through *UDCR* when funds are initially received and then to *EDCR* when the asset is acquired. Revenue would then be recognized as the asset is being amortized. The school jurisdiction should use discretion when determining the appropriate treatment for capital contributions. If an obligation or liability exists over the substantial life of the asset (i.e. the asset is controlled by the source of the funds), funds should be treated as supported (through EDCR). However, if a school jurisdiction builds or acquires a capital asset after accepting external directed funding and the entire obligation is discharged on completion of construction or acquisition, the contribution may be recognized as revenue immediately.

- All other operating support from Alberta Education to school jurisdictions, including support for school facilities leasing; one-time funding announced in previous budgets; and payments to the Alberta Teachers Retirement Fund on behalf of the school jurisdiction is to be included in the revenue from Alberta Education.
- Funding for Federal Francophone Education, Federal French Language, and funding provided under the Official Languages in Education Agreement is to be treated as revenue from Alberta Education as recommended by the Office of the Auditor General.

2. Other – Government of Alberta: All revenue sourced from other GOA ministries should be included in this line. A list of other ministries is included in Appendix B on Page 51 of the 2017 AFS Guidelines. This line also includes debenture interest on supported debenture debt paid by Alberta Treasury & Finance to the Alberta Capital Finance Authority (ACFA); revenue from Alberta Health Services, post-secondary institutions, as well as the portion of capital revenue recognized from EDCR originating from other GOA ministries from cell “F32” of the “AOS” tab.

3. Federal Government and First Nations: Total budgeted revenue should include anticipated revenue from the Federal Government and First Nations for First Nations student tuition fees, or other applicable Federal grant programs ***except funding for Federal Francophone Education, which should be treated as Alberta Education revenue.***

BUDGETED STATEMENT OF OPERATIONS - Continued
REVENUES (BY SOURCE AND TYPE) – Continued

4. Other Alberta School Authorities: This line should report revenue received from any other Alberta School Authorities (i.e. public, separate, francophone, or charter schools fully funded by Alberta Education). Budgeted revenue should include any funds expected from other jurisdictions for any goods & services, lease payments, short-term rents, or services provided to out-of-jurisdiction students under agreement.

5. Out of Province Authorities: Revenues should include funding expected from jurisdictions out of Alberta for services provided to students from out-of-province (or Lloydminster). This line should report on revenue sourced from government / quasi-government departments and their associated agencies that are outside of Alberta, such as Saskatchewan school boards or universities that are not revenues sourced by the Federal Government.

6. Alberta Municipalities-Special Tax Levies: Total budgeted revenue should include tax revenue from additional requisitions for hamlets and special school tax/plebiscite levies. Revenue estimates from municipalities for activities such as rentals should be excluded from this classification and instead reported as revenue from rentals of facilities.

7. Property Taxes: Amounts expected by opted-out boards from property taxes should be included on this line. This will be the total amount of the requisition to collecting authorities and deducted from the amount of education funding received from Alberta Education.

8. Fees: Fee revenue is linked to the total fees from the Budgeted Schedule of Fee Revenue. Please see Pages 13 - 15 for further instructions as to how to disclose budgeted fee revenue.

9. Other Sales and Services: Jurisdictions should budget for expected **ancillary revenues** received for sales of goods and services to third-parties, including parents and students. Examples of Other Sales and Services may include revenue related to adult education and continuing education, daycare (but not early childhood services), before-and-after school fees, sales of optional items such as yearbooks, clothing, school pictures, optional graduation banquet tickets, calculators, cafeteria sales, and items that could be purchased elsewhere but are sold for convenience and cost-savings to students. Charges to parents & students for other sales and services should be included on the lower section of Budgeted Schedule of Fee Revenue (BSFR) to provide a more complete picture of amounts collected from this group (see Page 13). Other sales and services collected from individuals other than parents & students should not be included in the BSFR.

10. Investment Income: Dividends, interest, trust and other investment income from the investment of surplus funds should be budgeted with awareness of Section 3 of the *Trustee Act*. **This excludes interest earned on *Unexpended Deferred Capital Revenue (UDCR)* (which should be credited to UDCR) or *IMR funding* (which should be credited to deferred IMR revenue) and *unrecognized gains and losses on the fair value of portfolio investments*.**

11. Gifts and Donations: Projected funds (cash) and goods and services (“in-kind”) received at either the central office or school level. Gifts and donations should only be budgeted if they are predictable. Contributed services that would not otherwise be purchased should not be reported as the fair value is not reasonably determinable.

BUDGETED STATEMENT OF OPERATIONS - Continued

REVENUES (BY SOURCE AND TYPE) – Continued

12. Rental of Facilities: Rental revenue collected from third parties for the use of facilities owned or leased by the school jurisdiction. This may include short or longer-term agreements. Please note that rental revenues received from related parties should be reported as Other Government of Alberta revenue, Other Alberta school authorities, etc.

13. Fundraising: Discretionary funding raised by local schools or your school jurisdiction, usually under the control and responsibility of the school principal or individual school management, should be budgeted as fundraising. Both fees and fundraising must be reported on a gross basis, with the use of funds and related fundraising expenses reported as expense.

14. Gain on Disposal of Capital Assets: This line represents excess of total funds received over total net book value of board funded capital assets of which have been disposed. Where the total net book value of capital assets exceeds total proceeds, a loss on disposal must be recorded as an expense. Gains or losses on the disposal of supported tangible capital assets are not recorded. The disposition of supported assets should be recorded by a debit to EDCR for the book value of the disposed asset with a corresponding credit/debit for the capital cost/accumulated amortization. UDCR is credited for the total proceeds as an offset of cash.

15. Other Revenue: The budget should include expected revenues from other sources that are not classified in any of the other categories. This includes the portion of capital revenue recognized from EDCR from sources outside the Government of Alberta as per cell “F33” of the AOS tab. Please provide an explanation for significant items on Page 2 of the budget.

Although there is no requirement to project revenues by program on the Budgeted Statement of Operations, revenues must be allocated to the respective programs on the Schedule of Program Operations of the Audited Financial Statements.

BUDGETED STATEMENT OF OPERATIONS - Continued

EXPENSES (BY PROGRAM)

The following section summarizes the six programs through which School Jurisdictions must report their revenues and expenses. For a more comprehensive list of what each program encompasses, please refer to Appendix C on Page 55 of the August 31, 2017 Audited Financial Statement Guidelines.

1. Instruction – Early Childhood Services (ECS): See #2 below.

2. Instruction – Grades 1-12: Activities directly or indirectly associated with student learning should be segregated between ECS and Grades 1-12. Where costs are shared between the two student populations, an allocation to each program should be performed based on a reasonable methodology representing the financial resources devoted to each.

Program revenues and expenses should be budgeted to reflect costs associated with the delivery of instruction for each of Early Childhood Services (ECS) and Grades 1 to 12, either in school, or through outreach, correspondence, or distance learning initiatives, including local administrative & operating costs. Instruction should also include system instruction support (SIS). SIS includes activities of certificated and non-certificated staff across the school jurisdiction dedicated to system-based instruction including:

BUDGETED STATEMENT OF OPERATIONS - Continued

EXPENSES (BY PROGRAM) - Continued

2. Instruction – Grades 1-12 - Continued:

- Support the implementation of instruction and curriculum;
- Coordinate in-service instruction to school staff;
- Assist teachers with program delivery;
- Implement system-wide change initiatives, such as curriculum, library, counselling, and testing; and
- Liability insurance related to instructional personnel.

3. Plant Operations & Maintenance (POM): Activities that relate to the jurisdiction's responsibility for the construction, operation, maintenance, safety and security of all buildings should be classified as POM, including costs relating to the supervision of this program.

Costs associated with this program include:

- Remuneration expenses for the supervisor of operations and maintenance of school facilities and all clerical and support staff associated with this program;
- Repair, maintenance and security of school buildings, equipment and grounds including services, contracts and supplies;
- Costs related to cleaning and janitorial activities and supplies in school facilities;
- Costs of utilities & maintenance programs for school and maintenance facilities;
- Liability insurance related to the proportion of maintenance personnel;
- Property insurance on school building and maintenance facilities;
- Amortization of school and shop facilities, and vehicles and equipment that was purchased with POM revenues, with a historic cost of \$5,000 or greater;
- Costs associated with OH&S and maintenance supervisory staff involved in capital planning;
- Emergency Planning; and
- Facilities Planning and Development – The entire planning, development and construction cycle for capital building projects carried out by central office.

4. Transportation: Activities related to the transportation of students to, from and between schools, and boarding of eligible students away from home.

Costs associated with transportation include:

- Remuneration expenses for the supervision of student transportation and all clerical and support staff associated with the program, including bus aides;
- Conveyance of students to and from school whether contracted or board operated;
- Repair and maintenance of transportation vehicles or transportation facilities;
- Amortization of capital costs of transportation;
- Property, liability, and vehicle insurance on bus shops, barns and equipment; transportation personnel; and vehicles used for student transportation, respectively;
- Utilities for transportation facilities; and
- General costs associated with the transportation, including transportation systems.

The use of transportation services for field trips, co-curricular trips and athletic trips should be charged back to the instruction program.

BUDGETED STATEMENT OF OPERATIONS - Continued

EXPENSES (BY PROGRAM) - Continued

5. Administration: The maximum allowable expenditure limit for System Administration and Board Governance ranges from 3.6% to 5.4% (inclusive), based on student enrolment and total operating expenses (ignoring the impact of special consideration for charter schools and small school boards). Administration can be divided into two general categories.

Board Governance: Expenses related to the work of the elected body of trustees or board of directors responsible for all the activities of the jurisdiction. Reasonable cost estimates will include payments anticipated to be made for or on behalf of the board for such items as meetings, honoraria, travel, ASBA membership fees, and school board elections.

System Administration: Expenses associated with the overall management, administration and educational leadership of the jurisdiction at the system or central office level are considered system administration. This includes the responsibility of the offices of the superintendent of schools, secretary-treasurer, related assistants, and support staff.

Administration expenses include all costs associated with the operations of the jurisdictional office, including those related to the business administration & financial operations, human resources and planning of the school system “at the district or system level”. Costs associated with school administration and instruction support or operational costs of running school offices “at school level” should be considered part of instruction.

6. External Services: Programs associated with projects and activities that do not fall within regular program areas under the ECS to Grade 12 education mandated areas, including:

- Cafeteria (predominantly non-instructional in nature);
- Administration related to regional educational consulting services, regional consortia, etc;
- Courses and programs offered to adult learners;
- International student programming;
- Unfunded pre-kindergarten and daycare services; and
- Other activities not under regular program areas for the ECS–12 education mandate.

External Services must be on a cost-recovery basis and must not be in a deficit position. Funding from Alberta Education must be explained and may typically include **administration costs associated with RCSD banker boards** and secondment revenue paid to certificated staff.

BUDGETED STATEMENT OF OPERATIONS - Continued

BUDGETED ALLOCATION OF EXPENSES (BY OBJECT)

The following section represents a high level chart of accounts through which Jurisdictions must report their expenses. Refer to Pages 23 & 24 of the August 31, 2017 AFS Guidelines for further information. Note that total expenses must agree with the expense totals in the Budgeted Statement of Allocations or an error message will display at the bottom of the page.

BUDGETED STATEMENT OF OPERATIONS - Continued
BUDGETED ALLOCATION OF EXPENSES (BY OBJECT) - Continued

1. Salaries & Wages and Benefits: Salaries & Wages include the anticipated settlement costs on salary negotiations. Benefits may include the employer share of amounts paid on the employees' behalf for statutory contributions; medical and insurance benefits; allowances for sabbatical leave; advanced study & training; negotiable or board-authorized allowances such as automobile, subsidized housing, or relocation; and supplementary unemployment benefits. Benefits also cover retirement pensions, including contributions to Local Authority Pension Plan (LAPP), Alberta Teachers Retirement Fund (ATRF) and other pension plans. The Government portion of the ATRF contribution is available through SAFRS and is reported as both Alberta Education revenue and certificated benefits expense. The formula for estimating government contributions to ATRF is:

$$\text{Total Certificated Teachers' Salaries} \times 11.29\% = \text{Gov't Contribution}$$

* Government Contribution Rate for 2018/2019; per Alberta Teachers' Retirement Fund valuation

Salaries & Wages and Benefits must be reported as certificated salaries, certificated benefits, non-certificated salaries, or non-certificated benefits. Please refer to Page 19 for a listing of the various certificated and non-certificated staff categories.

2. Services, Contracts and Supplies: Estimated expenses are to include reasonable estimates of costs of services, contracts and supplies and include the following sub-categories:

- Supplies and equipment:
 - Supplies, materials, furniture, equipment not subject to capitalization (<\$5,000);
 - Learning resources, including text books; student supplies; field trip expenses; library books and AV materials; and athletic, arts, CTS, & music equipment.
 - Office expenses, including dues, fees and memberships; postage; stationery, photocopy; printing; personnel OH&S expenses; staff & lunchroom supplies.
 - Technology expenses (hardware, software not subject to capitalization, including evergreening expenses, smartboards, license fees, & periphery equipment);
 - Vehicle expenses, including fuel, maintenance, parking, and lease payments.
- Professional, technical and contracted services:
 - Services to a jurisdiction rendered by professional/technical personnel, such as legal, actuarial, engineering, and accounting (including audit fees);
 - Other non-routine service contracts such as public relations, report-writing, research, special curriculum studies, media, or management consulting.
 - Contract expenses for non-employee personnel performing routine duties that could be performed by employees, such as computer analysts, nurses, behavioural specialists, occupational therapist, social workers, caretaking, psychologists, etc.
- Utilities:
 - Public utilities including electricity, sewer and water, and heating costs related to all jurisdictional building site areas as well as the expenditures for local improvements and frontage assessments levied by municipalities.
 - Telephone, fax, and cellular charges.

BUDGETED STATEMENT OF OPERATIONS - Continued
BUDGETED ALLOCATION OF EXPENSES (BY OBJECT) - Continued

- Other services, contracts and supplies:
 - Advertising and sponsorships;
 - Travel and subsistence costs of the school jurisdiction including those for transportation, meals, accommodation, conference travel costs for trustees and employees, and per diem payments for employees travelling on school business;
 - Maintenance and repair service expenditures, including the costs of agreements and contracts related to the upkeep of all buildings, grounds and equipment;
 - Insurance costs for all forms and types of insurance. As insurance coverage is applicable to the whole jurisdiction, it may be prorated among the programs that benefit from the necessary coverage. For liability insurance coverage, the premium expense should be prorated between the various programs and budgeted based on the number of full-time-equivalent (FTE) employees employed in each program area;
 - Rentals and lease of land, buildings and equipment for the temporary or long-term use of assets by the jurisdiction;
 - Tuition fee payments to private and out-of-province schools;
 - Cost of goods sold, fundraising expenses, etc.; and
 - Other services, contracts, or supplies not otherwise listed.

3. Capital and Debt Services:

Amortization of Capital Assets: Total estimated expenses are to include reasonable estimates for amortization. Amortization expenses are to be reported separately between amortization of supported capital assets and unsupported capital assets.

- Supported capital assets are primarily school buildings, capital assets acquired through externally restricted capital contributions, donated capital assets, and supported portions on capital assets funded partially by the board. This figure will be equal to budgeted capital revenue recognized from cells “C31”, “C32”, and “C33” from the Projected Schedule of Changes in Accumulated Operating Surplus (Summary).
- Unsupported capital assets represent board funded capital assets.

Interest on Capital Debt: Estimated expenses are to include reasonable estimates for capital debt interest costs, split between supported debenture debt interest and unsupported debt interest.

- Supported debenture debt interest is incurred for school facilities fully supported by Alberta Finance. This amount should also be included in “Other–Government of Alberta” revenue, as Alberta Treasury and Finance will pay this amount on behalf of the board.
- Unsupported debt includes debenture debt, capital loans, and mortgages for which the school jurisdiction is responsible.

Other Interest Charges: Finance and interest charges unrelated to long-term capital debt, including bank fees, overdraft interest, credit card discounts, etc.

Loss on Disposal of Capital Assets: Excess of net book value of capital assets over proceeds received on the disposition of **board funded** capital assets. Where total proceeds are higher than total net book value of capital assets, the net gain on disposal should be recorded in the revenue section of the Statements of Operations. Losses on the disposal of supported tangible capital assets are not recognized. The disposition of supported assets should be recorded by a debit to EDCR for the book value of the disposed asset with a corresponding credit/debit for the capital cost/accumulated amortization. UDCR is credited for proceeds as an offset of cash.

4. Other Expenses: This line item includes expenses not covered on any lines above.

BUDGETED SCHEDULE OF FEE REVENUE

The purpose of the Budgeted Schedule of Fee Revenue is to capture all charges to parents and students (both mandatory and optional), whether they are recorded as fee revenue or other sales and services / other revenue. Only estimated **sales** revenue expected from students and parents must be entered directly onto the blue cells of the Budgeted Schedule of Fee Revenue (see lower section of this page). Figures in the green cells are automatically populated based on information submitted on your jurisdiction's Fall Budget Update 2018 and Audited Financial Statements for the year ended August 31, 2017.

Historical comparative information will be disclosed exactly as originally submitted without restatement. Budgeted fees for school year 2018/2019 should be input directly on the "Supplementary Details of Budgeted Fee Revenue" (Tab "Fees2") which will automatically populate the Budgeted Schedule of Fee Revenue. The total fees for Budget 2018/2019 will populate cell "G17" of the Statement of Operations automatically.

The lower half of this schedule should capture amounts collected from parents & students, that are recorded under Other sales & services. Some examples include:

- **Cafeteria sales, hot lunch, milk programs:** Proceeds from the sale of nutritional programs, food sales, and vending machines;
- **Special events:** Tickets for optional graduation celebrations, the arts or athletic events;
- **Sales or rentals of other supplies/services:** Sales of optional goods & services, such as yearbooks, school pictures, clothing items unrelated to specific curriculum, as well as calculators and supplies that students may purchase elsewhere, etc.
- **Out of district student revenue:** Fees received from unfunded students from other jurisdictions within the Province of Alberta (excluding Lloyminster). Note that amounts received directly from other jurisdictions, should be classified as Other Alberta School Authorities revenue on the Budgeted Statement of Operations;
- **International & out of province student revenue:** Tuition received from parents of provincially unfunded students;
- **Adult education revenue:** Education services provided to unfunded adult students;
- **Preschool:** Amounts collected for ineligible ECS students, excluding daycare;
- **Child care & before and after school care:** Amounts received for child care;
- **Lost item replacement fees:** Fees charged to students for the replacement of lost or damaged items such as replacement agendas, identification, library books, and the recognized portion of caution fees for lost or damaged text books, etc.;
- **Bulk supply sales:** Sales to parents/students that represent added value, provided that these purchasers have the option of purchasing elsewhere. This has been reclassified from "Basic Instruction Supplies" from the 2017/2018 Budget Report.
- **Other:** Revenue received from parents or students related to other activities not described or covered by the preceding categories.

BUDGETED SCHEDULE OF SUPPLEMENTARY DETAILS OF FEE REVENUE

Due to ongoing development of the *School Fees and Costs Regulation* and *School Transportation Regulation*, greater detail is collected regarding fees being charged to students & parents in order to facilitate decision-making. As a result, the "Fees2" tab has remained in order to understand the nature and composition of each fee category. **The Budgeted Schedule of Supplementary Detail of Fee Revenue should be completed concurrently with the school fee submission (sent under separate cover and instruction). Projected fee revenue (by category) must agree with the school fee and school transportation Consolidated Fee Revenue Schedule.**

BUDGETED SCHEDULE OF SUPPLEMENTARY DETAILS OF FEE REVENUE - Continued

This schedule requires greater detail for each fee category. Specifically, what portion of each fee category collected represents costs for transportation, supplies & materials, **entry fees & admissions**, or other costs. Fees must be classified as follows, with this additional cost detail breakdown along with a description for what constitutes “Other charges” in Column “(B)”:

- **Transportation fees:** Amounts charged under section 51 (3) of the *School Act*, which are for regular bus services to and from school (excluding field trips – see Activity Fees below). This includes the sale of public transit bus passes to qualifying students but may not include any fees charged to students to his/her designated school if that school is greater than 2.4 kilometres from home (students in this situation may not be charged transportation fees).
- **Basic instruction supplies (Instructional supplies & materials):** **Most fees under this category are prohibited, except for charter schools. Any charges should be explained for public, separate, and Francophone schools. Bulk supply sales should now be classified as sales, as long as parents are given the opportunity to purchase supplies elsewhere**
- **Lunchroom supervision & noon hour activity fees:** Fees charged to students for use of supervised lunchroom facilities. If this fee is charged, please indicate whether these fees are **mandatory** to all students or a cohort that meet certain criteria (e.g. students that use school transportation) or whether these fees & services are **optional** to any student in Cell “F12” of the “Fees” tab. **This category includes fees charged to coordinate games and other activities for students during the lunch break.**
- **Technology user fees:** Amounts charged for use or rental of computers, iPads, or other electronic devices; fees assessed to cover the cost of software applications or infrastructure fees should also be classified here.
- **Alternative program fees:** Amounts charged under section 21 (4) of the *School Act*, a program (not an individual course) that emphasizes a specific culture, religion, or subject matter or uses a particular teaching philosophy, including sports-related academies. Fees classified here are in addition to fees charged to students who are not in an alternative program. Avoid using terms like “registration fee” or “application fee” since this does not describe how these fees are used and are difficult to cost for financial statement purposes.
- **Fees for optional courses:** Additional amounts charged to parents for student enrolment in non-core course options **for supplies, materials, rentals, and workshops**, such as band, fine arts, advanced placement, Knowledge and Employability, or Career and Technology Studies;
- **ECS enhanced program fees:** **Incremental costs associated with unfunded** full day or progressive Early Childhood Services programs that provide greater hours of instruction than required (475 hours per year). Fees related to funded half-day kindergarten must be classified to other categories, as applicable;
- **Activity fees:** Transportation, admission, accommodation, and other charges for field trips or special events (including in-school clinicians & presenters) usually associated with curriculum-related activities. Additional examples include fees or lessons for swimming and inline skating.
- **Other fees to enhance education:** Fees related to provide additional support to students toward educational programs not described or covered by the preceding fee categories. Examples may include additional exam preparation fees, tutoring, and summer school;
- **Extracurricular fees:** Fees from clubs, sports teams, intermurals, or other programs designed to broaden scholastic experience. Includes charges for materials and activities associated with the club/team, etc.;

BUDGETED SCHEDULE OF SUPPLEMENTARY DETAILS OF FEE REVENUE - Continued

- **Non curricular goods and services:** Fees charged to parents in exchange for goods or services common to most students or a cohort within the population, including locker rental, locks, student ID, uniforms, gym strip, library, agendas, student union, insurance, graduation fees, parent-teacher associations, and fitness fees not associated with curriculum.
- **Non-curricular travel:** Travel, accommodation, & admission associated with extended (overnight) optional non-curriculum travel for arts, athletic events, international travel;
- **Other fees:** Use of this category should be rare as most fees should be categorized as above. Please ensure that amounts in this category are not defined in other categories. Note that some categories may be disallowed due to lack of clarity as to use of funds (categories such as “School Based”, “General Fees”, “Recycling”). **Charges for refundable caution fees and textbook security deposits must be listed on the jurisdictions’ websites and submitted with fee information to Alberta Education BUT should not be recognized as “sales” until lost or damaged property has been established. These fees must be refunded to students if all borrowed material is returned in satisfactory condition.**

PROJECTED SCH. OF CHANGES IN ACCUMULATED OPERATING SURPLUS (SUMMARY)

Total Accumulated Operating Surplus (AOS) represents the jurisdiction’s residual interest in the assets (after deducting its liabilities). To fully understand the financial strength of a jurisdiction, information about the composition of total AOS is required. The Projected Schedule of Changes in AOS (Summary) provides this information by starting with the balances as of August 31, 2017 and summarizing the major transactions affecting each component of AOS. Opening balances as of August 31, 2017 are pre-populated based on the jurisdiction’s AFS.

2017/2018 estimated impact to AOS: Rows 14 – 24 summarize projected changes to AOS for the school year ending August 31, 2018. The estimated impact to AOS as a result of activity during the 2017/2018 year should be as complete and accurate as possible based on information available at the time preparation. This includes board funded capital asset additions that will be in place by the end of the 2018 school year. These figures may differ to the figures forecasted in the Budget Report for August 31, 2018 if unexpected events occurred during the year. Any prior-period adjustments to the August 31, 2017 balances due to error or misstatement should be documented on row 13, although instances should be rare. **School Jurisdictions are not required to present a budget for remeasurement gains & losses for Alberta Education**, although your auditor may request one for the Audited Financial Statement, since it is presented under Public Sector Accounting Standards. **Note that significant differences between budgeted closing 2017/2018 Accumulated Surplus from Operations (ASO) and capital reserves and actual ASO and capital reserves in the AFS must be explained.**

- **Projected balances for August 31, 2019:** To ascertain the budgeted AOS balances for August 31, 2019, school jurisdictions are to factor in budget estimates for the following:

Budgeted Surplus / (Deficit): Increases / (Decreases) Unrestricted Surplus – this figure is from the annual surplus as summarized on the Budgeted Statement of Operations.

Projected Board Funded Capital Asset Additions: Increases Investment in Capital Assets and decreases corresponding unrestricted surplus; operating reserves; or capital reserves. Alberta Education recommends a capitalization minimum of \$5,000 per unit or item. These expenditures should be capitalized, and initial installation of equipment with an aggregated value of over \$5,000 in a new or modernized school building should be capitalized as equipment and amortized accordingly.

PROJECTED SCHEDULE OF CHANGES IN ACCUMULATED OPERATING SURPLUS
(SUMMARY) - Continued

The Projected Board Funded Capital Asset Additions are to include all planned 2018/2019 tangible capital asset additions that are considered 'unsupported' and planned to be sourced with funds that are NOT 'externally restricted capital contributions'. Infrastructure Maintenance and Renewal (IMR) funding is received for approved projects and should be considered externally restricted capital contribution.

Budgeted Disposal of Unsupported Tangible Capital Assets: Proceeds on the sale of board funded tangible capital assets should be shown as an addition to Capital Reserves. The net book value of disposed assets should show as a deduction from Investment in Tangible Capital Assets. Any loss should be added to Unrestricted Surplus while any gain should be deducted from Unrestricted Surplus.

Budgeted Amortization of Capital Assets (expense) and Capital Revenue Recognized: the net of these amounts equals the estimated unsupported capital assets amortization, and will result in a reduction in the Investment in Tangible Capital Assets (ITCA) and an increase in Unrestricted Surplus (US). Capital revenue recognized will have the opposite effect.

Note that a breakdown of capital revenue recognized *by source* (Alberta Education; Other Government of Alberta; or Other Sources) is required. These figures should be included in the respective revenue categories (Alberta Education or Other-Government of Alberta, or Other Revenue, respectively) in the Budgeted Statements of Operation. In addition, the addition of cells "F31, F32, F33" is linked to Supported Amortization of Capital Assets cell "G53" on the Budgeted Statement of Operations.

Budgeted Changes in Endowments: Alberta Treasury has mandated that changes in Endowments flow through the Statement of Operations. Potential changes include endowment income, endowment expenses, or additions to Endowments. The result of such transactions flowing through the statement of operations is an increase or decrease to endowments with the opposite effect to unrestricted surplus.

Budgeted Unsupported Debt Principal Repayment: Repayments of unsupported debt principal decreases US, and increases ITCA.

Projected Reserve Transfers (Net): relates to planned transfers of funds approved by board resolution into or out of operating or capital reserves. School jurisdictions will show increases to the operating and/or capital reserves for surplus funds restricted for future expenditures and transfers from the appropriate reserves to finance board-funded purchases. A board may not increase or create reserves if US is or would become negative as a result of the transfers into reserves. Transfers from capital reserves to operating reserves or Unrestricted Surplus are not permitted without prior ministerial approval.

Projected Assumptions/Transfers of Operations: Use of this line should be rare since the adoption of PS 3420.09 necessitates that the transfer of assets & liabilities flow through the statement of income.

Schedule of Uses for Accumulated Surpluses and Reserves

In order to assess the medium-term financial requirements of school jurisdictions, the Schedule of Uses for Accumulated Surpluses and Reserves provide a means for a jurisdiction to communicate its intended uses for Unrestricted Surplus (US), Operating Reserves (OR), and Capital Reserves (CR). This information is critical as Treasury Board and Finance (TBF) and the Office of the Auditor General (OAG) rely on this information to evaluate future cash flow requirements as well as the reliability and effectiveness of the budget process, respectively.

DETAILED COMPLETION OF THIS SCHEDULE IS MANDATORY.

The schedule summarizes the intended use of each US, OR, and CR for 2019, 2020, and 2021. Information for 2019 is populated based on the “Projected Schedule of Changes in Accumulated Operating Surplus.” **The only additional information that is required for 2019 relates to the projected board funded capital asset additions from Cell F28, G28, and H28 on the Projected Schedule of Changes in AOS Summary. These figures automatically populate line 49, Capital Costs – Other. Please provide detail by allocating this figure next to the proper asset categories in the “Schedule of Uses for Accumulated Surpluses Reserves” (Page 7 of this package) in cells “E41-E48”, “H41-H48”, or “K41-K48.”**

Please manually complete the columns for 2020 and 2021 for each of the US (columns F&G), OR (columns I&J), and CR (columns L&M) following the same format as 2019. Please provide information in column C of the schedule. If further space is required, please add this information in the text boxes of the subsequent two pages (8 or 9), Anticipated Changes in AOS.

Row 55 of this schedule provides a total for each year. This balance is intended to estimate the respective balances, by year. Note that these balances are intended to represent the actual balance (i.e NOT net of School Generated Funds). Each of the categories in Column A were derived from the uses given by school jurisdictions in their 2016 budget report. If one of the pre-populated explanations do not describe your school jurisdiction’s use of reserves, add your description for use and explanation in one of Rows 51-54.

Please note that this schedule is intended to summarize USES for accumulated surpluses or reserves. If you anticipate an annual operating surplus in any of the years, this surplus should be expressed as a positive figure in Row 11 (Projected excess of revenues over expenses).

Balances held at the end of each year represent either amounts intended for spending in a future year or the board’s contingency fund for emergent situations. If your school jurisdiction expects major cash outlays beyond August 31, 2021, please include this information at the bottom of Page 9 of the Anticipated Changes in Accumulated Operating Surplus.

Anticipated Changes in Accumulated Operating Surplus

TEXT BOXES are provided on tab (AOS3 and AOS4) to capture boards’ key planned activities impacting the jurisdiction’s AOS. Any additional information is required for 2017/2018 through to the 2020/2021 school years, including:

- 1) The reasons for any significant anticipated changes to Investment in Capital Assets; Endowments; Unrestricted Surplus; Operating and Capital Reserves;
- 2) Intended use for funds held at August 31, 2021;
- 3) A breakdown of all planned Board-funded tangible capital asset acquisitions by category;
- 4) Any additional information that may be useful in understanding the board’s current or future financial position.

PROJECTED STUDENT STATISTICS

The student statistics schedule provides details on actual and projected full-time-equivalent (FTE) enrolment that drives revenue and expense estimates and other budget report factors. The term “Eligible Funded” within this student statistics schedule denotes enrolment that meets conditions for funding from Alberta Education (as outlined in the *Funding Manual*), and is to include FTE projections for children as young as 3 ½ years enrolled and eligible for Early Childhood Services programs for English as a Second Language and Francisation. The notes at the bottom of the schedule provide details as to what is to be included within the student statistics categories. Comparative information for 2016/2017 is pre-populated, based on information reported in the August 31, 2018 budget report. Actual student statistics are required for the 2017/2018 year as well as budgeted figures for 2018/2019.

School jurisdictions should ensure that all applicable enrolment statistics areas within this schedule are completed and consistent with prior years; that the enrolment forecasts are reasonable and up-to-date with the best information available at the time of this Budget Report preparation; and are as at September 30th for each year.

Student statistics are expressed as full-time-equivalents units. For Early Childhood Services (ECS), FTE’s should be adjusted to reflect the number of annual program hours in Row 32 with 475 representing half-time and 950 representing full-time. Default program hours are the same as 2016-2017 – over-ride if Cells E32 and/or F32 if there are any changes from prior year.

Please continue to report the number of students with severe disabilities served by the jurisdiction, as well as the number of FTE students with mild/moderate disabilities being served, as reported by the board via the Provincial Approach to Student Information (PASI).

PROJECTED STAFFING STATISTICS

The staffing statistics schedule provides details on actual and projected full-time-equivalent (FTE) personnel. The staffing information is to be based on jurisdiction employees and contracted-out services subject to employer-employee relationships, excluding any staff on secondment or on leave without pay for education, sabbatical or extended leave. School jurisdictions are to ensure that all applicable staffing statistics areas within this schedule are completed; that the staffing forecasts are reasonable and up-to-date with best information available at the time of this Budget Report preparation; and are as at September 30th for each year.

The Projected Staffing Statistics report contains pre-populated “Fall Budget 2017/2018” figures. If an average standard cost is used for any of the years, please indicate the cost figure in cells “E15, F15, and H15”.

Actual staffing statistics for 2015/2016 are also automatically populated, based on information submitted in the August 31, 2017 spring budget. Please complete actual staffing information for 2016/2017 and budgeted staffing under the respective columns. In rows 19 to 22, please quantify the reason for changes in certificated staffing by indicating the change due to enrolment change, small class size initiative and other factors. Please explain other factors in the space provided for “Descriptor.” Where certificated staffing change is negative, please provide a breakdown (by FTE) as to reason in rows 25 to 28. This section must be completed if cell E29 or F29 is highlighted yellow. If Row 27 requires a brief explanation in Cell I27 if used.

PROJECTED STAFFING STATISTICS - Continued

The non-certificated staff section assumes a similar format as the certificated section. Note, however, that non-instructional is further segregated into Plant Operations & Maintenance, Transportation, and Other so that Alberta Education can evaluate where staffing changes are made. Please estimate between the categories if historical data is not available.

Certificated Staff: This denotes possession of a valid Alberta teaching certificate or equivalency. In determining your teacher full-time-equivalency (FTE) counts, include teachers paid on the teacher collective agreement salary grid-including principals, counsellors, department heads, and home school coordinators; also include those that have chosen to opt out but must still have a teaching certificate for their duties; and exclude teacher secondments or those on education, sabbatical or extended leaves without pay.

School Based Certificated Staff: These FTE counts are to include personnel possessing teacher certification required for providing direct instruction to students or performing their duties and functions at the school level, including certificated teaching, learning support, and school-based administration staff. Applicable school based certificated personnel include teachers, principals, assistant/vice principals, administrators, department heads, counsellors, consultants, computer technicians, clinicians, coordinators, librarians, etc., having teacher certification.

Non-School Based Certificated Staff: These FTE counts are to include personnel possessing teacher certification required for performing their duties and functions at the system or central office level. Examples include certificated teaching, learning support, and central office or system based administration staff providing system wide support services to teachers, students and others. Applicable non-school based certificated personnel include superintendents, deputy superintendents, directors, coordinators, consultants, computer technicians, psychologists, clinicians, librarians, etc., having teacher certification.

Instructional Non-Certificated Staff: These FTE counts are to include personnel providing instruction and instruction support for schools under the ECS-Grade 12 instruction program not requiring Alberta teacher certification to perform those functions; including school administration, school based instruction support, and system instruction support. Applicable non-certificated instructional personnel include school secretaries, clerks, teaching assistants, counsellors, librarians, technicians, etc. Staffing counts relate to personnel working under the ECS-Grade 12 Instruction Program.

Non-Instructional Non-Certificated Staff: These FTE counts include personnel not requiring Alberta teacher certification to perform their job functions/duties and not providing instruction and instruction support for schools under the ECS-Grade 12 instruction program. Applicable non-instructional personnel would include those FTE staff allocations to Operations and Maintenance, Transportation, Board Governance & System Administration, and External Services offered above and beyond regular ECS-Grade 12 instruction. Jurisdictions are to exercise judgement in determining FTE allocation between instructional and non-instructional for those superintendent office and secretary-treasurer office staff whose position, function, and responsibility areas mainly fall under “board governance & system administration”.

BOARD AND SYSTEM ADMINISTRATION (BSA) LIMIT

In accordance with Page 10 of the 2018/19 Funding Manual for School Authorities, the maximum expenditure for BSA and school board governance ranges from 3.6 per cent to 5.4 per cent depending on student enrollment. Page 12 of the budget report populates automatically, based on information provided in the budget report. BSA should be reduced should spending exceed the limit (“Amount Overspent”). However, if this is exceeded due to special circumstances, please indicate this in the space provided at the bottom of this report.