

news release

CBE's 2013-14 year-end financial report approved

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CALGARY – The Board of Trustees has approved the Calgary Board of Education's [audited 2013-14 financial results](#).

While the budget forecasted a \$15.3 million deficit, the year ended with a surplus of just over \$9 million. Revenues for 2013-14 amounted to \$1.199 billion and expenses were \$1.190 billion. The \$9.1 million surplus was added to reserves.

"The positive fiscal results presented in this report are built upon prudent management and a little bit of good fortune," said David Stevenson, chief superintendent. "We are cautiously optimistic that these results will help to position us for the challenges that lie ahead for our system."

The 2013-14 fiscal year was the third in which per student funding from the Province declined; therefore, the CBE focused spending on strategies that would generate efficiencies for future years when further operating deficits were projected. As always, those choices were guided by the CBE's common and shared values of: students come first; learning is our central purpose; and public education serves the common good.

Prudent financial management included a salary freeze for exempt employees, deep reductions to central services and supports, and challenging reductions in direct funding to schools. The CBE benefited from higher returns of investment income, which also contributed to the surplus.

"Our administration has worked diligently with available resources to ensure that students continue to come first," said Joy Bowen-Eyre, chair of the Board of Trustees. "These financial results, along with our strong academic results, reflect what great work the CBE is doing."

Despite the year's financial challenges, CBE students demonstrated strong academic results on the 2013-14 provincial achievement tests and diploma exams. In 10 of 11 subjects tested in diploma exams, CBE students outperformed the province at the excellence standard. In eight of those 11 subjects tested, CBE students outperformed the province at the acceptable standard. CBE students in Grades 6 and 9 outperformed the province at the acceptable standard and the standard of excellence in 16 out of 20 subjects.

Student success was supported by \$937.7 million spent on instruction for the CBE's 110,763 students. Student population increased 3.4 per cent in 2013-14, while funding per student decreased from \$9,949 to \$9,930.

The operating reserve balance as of the 2013-14 year end was \$37.3 million, and the CBE currently anticipates using \$14.6 million in operating reserves for the 2014-15 school year. The projected operating reserve balance at the 2014-15 year end is a modest \$22.7 million.

Cost pressures in the coming fiscal years include uncertainty around provincial funding, commissioning costs for 21 new schools and 10 major modernizations, and a deferred maintenance of \$1 billion.

Year-over-year highlights

From 2012-13 to 2013-14, student enrolment increased by approximately 3.4 per cent (3631 students) based on Sept. 30 count data. Comparing the 2013-14 actual results to the prior year highlights the following:

- Revenue from Alberta Education was up \$26.9 million, an increase of 2.5 per cent. The provincial government reduced or eliminated several grants and did not provide rate increases to basic grants. The net impact resulted in less provincial funding per student than in the prior year (see page 28).
- Employee salaries and benefits represent 77.9 per cent of expenses. The expense increased year-over-year by \$12.2 million. This 1.3 per cent reflects an increase in school-based permanent positions due to increased enrolment and the negotiated salary and step increment increases for various employee groups, net of staffing reductions in Service Units and decisions that impacted schools.
- In 2013-14, the provincial government limited administrative expenses to 3.6 per cent of the operating budget and reduced CBE's grants by an equivalent of 0.4 per cent. For 2013-14, the CBE spent 3.1 per cent of its total operating expenses on administration, enabling more resources to be directed to the classroom and as a result Core programming supports are lean.
- CBE's accumulated surplus has increased by \$16.9 million due to favourable operating results and higher than expected investment gains.

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