



**DISTRICT EDUCATION COUNCIL
Superintendent's Monitoring Report**

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|---|---|-----------------------------------|----------|
| Policy Name | Budgeting / Forecasting | | |
| Policy Number | ASD-W-EL4 | Number of Reports per year | 4 |
| Date of Report | January 28, 2016 | | |
| Date of Previous Report (s) This School Year | September 25, 2015 | | |
| Date of Future Report (s) This School Year | March 17, 2016 June 16, 2016 | | |
| Report Filed by: | David McTimoney, Superintendent | | |
| Report Supported by: | Shawn Tracey, Director of Finance and Administration (DFA) Terri McKellar, Budget and Accounting Manager | | |

Current Situation

- **Policy calls for assurances that the Superintendent will not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Council priorities established in educational goals and priorities policies. The Superintendent will show a generally acceptable level of foresight in his strategic work with the budget, ensuring the financial health of the district remains intact.**
- **A district expenditure plan was created for the 2015-16 fiscal year that organizes the \$209 962 000 that has been assigned to ASD-W by the Department of Education and Early Childhood Development (EECD). With budget transfers, this amount is now \$211 104 606. 88% of this is used for staff salaries and benefits. 12% of this is used for operations.**
- **Through the attached "Third Quarter Report" (Appendix A and B), the Superintendent and DFA will ensure appropriate and adequate information is made available to the District Education Council (DEC), demonstrating accurate projections of expenses and revenues, as necessary.**
- **The Superintendent is not intentionally incurring a deficit. As of November 30, 2015, there is a projected surplus of \$527 634, which is one-quarter of one percent of the ASD-W global budget.**
- **The Superintendent and DFA monitor a self-sustaining dollars budget that exists as a carry forward account. The main sources of revenue for this budget area come from international student tuition payments, cafeteria earnings and rental fees. Donations are also made, most often for the disbursement as scholarships and awards. The budget allows for the purchasing of goods or services that are not covered sufficiently by the global budget and to allow for investment in the district. Some examples of investments include technology, school furniture, site improvement, and staffing. A safe portion of this budget needs to be maintained to offset unexpected large costs associated with cafeterias. The district follows a revenue sharing model**

that provides schools with a portion of this money. Schools have a similar discretion in how their money is expended, in line with purchasing policies. A financial update on these accounts was presented in September, 2015 and will be presented again in June, 2016.

- The Superintendent will ensure that the budget allotment to the DEC will meet their needs for Council development and Council and Committee meetings. The DEC Budget will be monitored through this report two times per year (June and January). The Superintendent is committed to sharing with the DEC the outline of a specific DEC budget that can be created based on historical costs, priorities and necessities associated with professional learning and meeting expenses. Appendix C shows a 2015-16 DEC Budget Report, to date.

Looking Ahead

- Financial considerations for capital improvement projects and major capital construction projects will remain a separate process and in accordance with provincial guidelines and the Education Act. DEC work associated with this occurs in the spring of each year. There is a process for emergency funding for facilities that incorporates the expertise and collaboration of EECD.
- The Superintendent will make responsible financial decisions related to system necessities and priorities that he believes will be covered through efficiencies in spending. This may involve the movement of dollars from one proposed budget line to another. As a last resort, self-sustaining dollars can be used to cover the cost.
- The Superintendent is committed to minimizing the effects of declining enrolment on school budgets. Strategies for this include a cap (2.5%) on budget changes from standardizing the school budgets across Anglophone West School District and providing a revenue sharing model with our self-sustaining dollars (\$723 156.43 shared with schools last year, \$482 047.85 shared with schools this year). Self-sustaining revenue shared with schools can carry forward from fiscal year to fiscal year.

Challenges

- Costs associated with replacement of employees and natural gas/heating/electricity are very unpredictable. The weather can have a significant impact on how district dollars are spent. Fortunately, these unpredictable costs have shown to be favorable, resulting in the projected surplus described above. It will be important to monitor closely for the last four months of the fiscal year.
- EECD has fully assigned district budgets and should not be counted on for top ups in order to avoid a deficit at the end of the fiscal year.
- Rising salaries for many employee groups are contributing to a shift of budget dollars being committed to salary costs instead of operations.

Addressing the Challenges

- The Superintendent, DFA, Budget and Accounting Manager and relevant Directors monitor budget spending carefully and adjust plans, as required.
- The Superintendent and DFA have noted "areas of concern" to monitor closely. It should be noted

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that the unexpected surplus has allowed the district some breathing room and an opportunity to invest in some long-term, strategic investment in technology as well as additional investment in education support services, curriculum and instruction, support for newcomers to ASD-W and community schools initiatives.

- There is a new attendance management program in our province for Part 2 (Education) that is looking to support employees with sick leave challenges and help save significant dollars in replacement costs. This program (In Education, Every Day Counts) has been rolled out by ASD-W.
- If needed, there is a contingency plan that includes the use of self-sustaining dollars for expenses we occur due to extra but necessary initiatives supporting our district. Sharing the dollars with schools, as noted above, provides for greater autonomy at the school level.
- Consistent monitoring of budgets by EECD and district staff allows for detection of financial concerns and the ability to adjust spending plans prior to the end of the fiscal year.

Appendices:

- A – Third Quarter Power Point
- B – Third Quarter Spreadsheet Report
- C – DEC Budget, 2015-16 fiscal year

Superintendent's Signature: _____

DEC Chair Signature: _____

Date: _____

2015-2016 Fiscal Year

Anglophone West School District 3rd Quarter Report

Appendix A

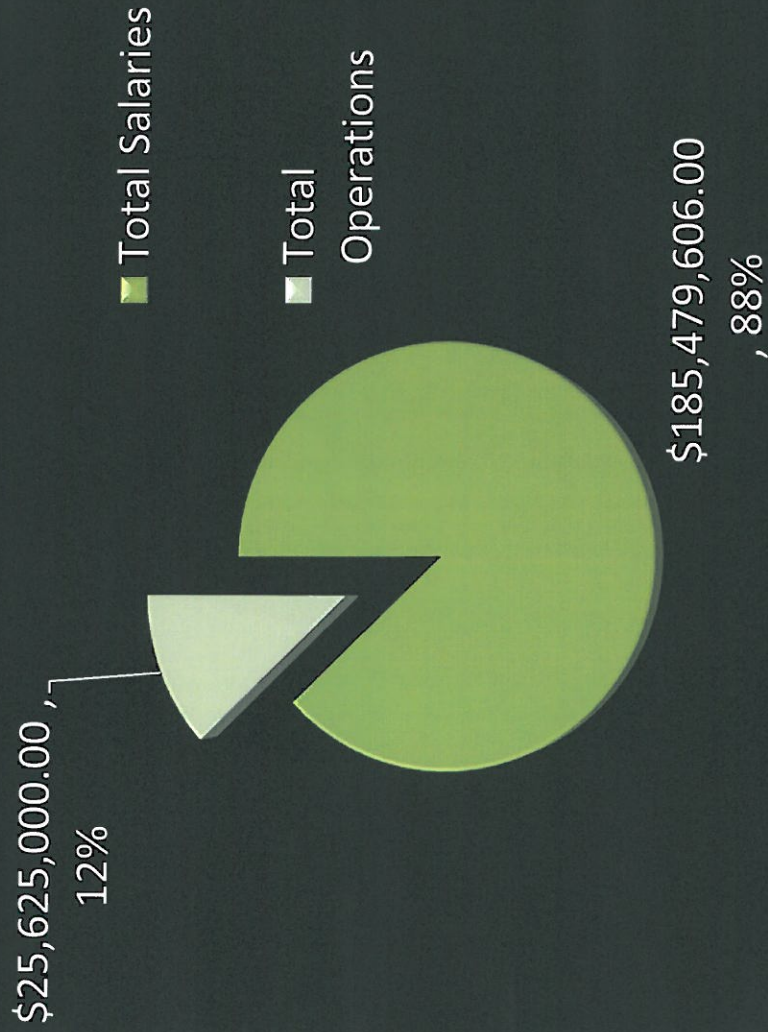
- We are projecting a Surplus for the third quarter period \$527,634 as at November 30, 2015.
- Our Total Revised Budget is \$211,104,606 this fiscal.

Third Quarter

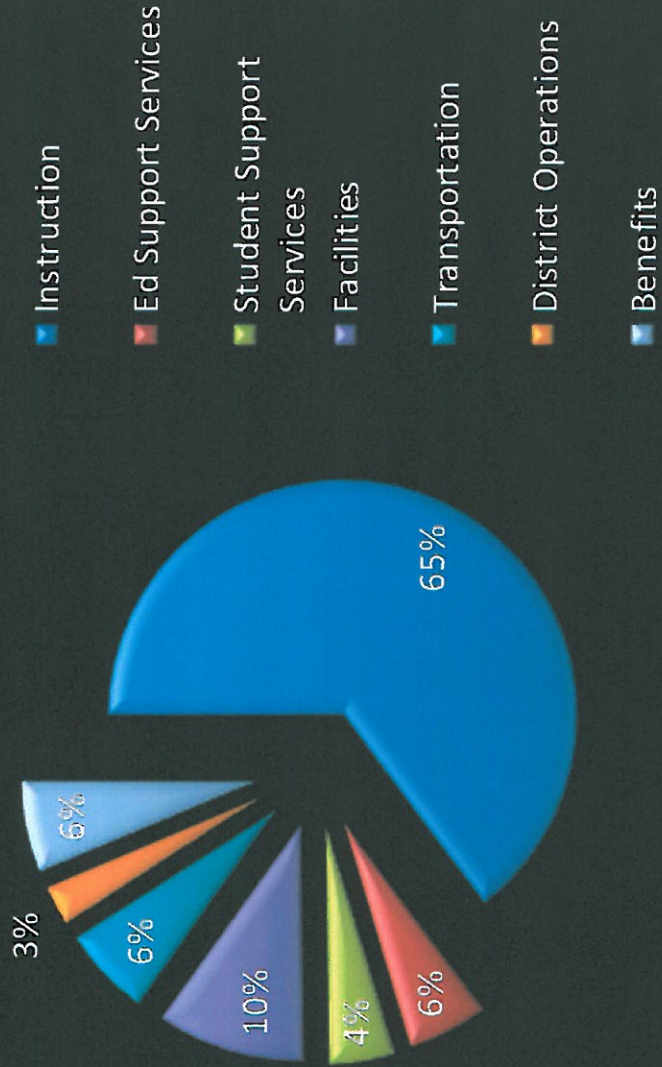
- Budget Surpluses occurring due to:
- Better than expected replacement costs
- Better than expected Energy and Fuel Costs
- Efficiencies realized in Transportation portfolio

Third Quarter Issues

Salaries & Benefits vs Operations



Redistributed Budgets



Appendix B

ANGLOPHONE SCHOOL DISTRICT - WEST
FINANCIAL REPORT
FOR THE YEAR ENDING MARCH 31, 2016
AS OF NOVEMBER 30, 2015

| Coding Description | FUNDING | | BUDGET | | | EXPENSES | | | VARIANCE | | | |
|--|---------|----------|------------------|---------------------------|---------------------------|-------------------------|------------------------|--------------|---------------|-----------------|-------------|-----------|
| | Funded | Variance | Original Funding | District Expenditure Plan | Budget Transfers Received | Oracle Budget 30-Nov-15 | Year-to-Date 30-Nov-15 | Forecast | Total | % Spent to-Date | Amount | % |
| TOTAL INSTRUCTION & SCHOOL SERVICES | 0.00 | 1,632.36 | 1,632.36 | 1,632.36 | 1,632.36 | 1,632.36 | \$89,624,704 | \$47,294,518 | \$136,919,222 | 65.46% | (\$430,804) | (0.32%) |
| TOTAL EDUCATION & SUPPORT SERVICES | 0.00 | 533.08 | 533.08 | 533.08 | 533.08 | 533.08 | \$7,043,420 | \$4,849,010 | \$11,892,430 | 59.23% | (\$13,140) | (0.11%) |
| TOTAL SCHOOL MANAGEMENT & SUPPORT | 0.00 | 156.00 | 156.00 | 156.00 | 156.00 | 156.00 | \$4,076,838 | \$2,720,452 | \$6,797,290 | 59.98% | \$97,745 | 1.42% |
| TOTAL PROGRAMS | 0.00 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 | \$555,393 | \$1,156,839 | \$1,712,232 | 32.44% | \$392,532 | 18.65% |
| TOTAL INFORMATION TECHNOLOGY | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$253,537 | \$582,363 | \$835,900 | 30.33% | (\$500,000) | (148.85%) |
| TOTAL FACILITIES | 0.00 | 180.91 | 180.91 | 180.91 | 180.91 | 180.91 | \$11,098,782 | \$10,163,460 | \$21,262,242 | 52.20% | \$958 | 0.00% |
| TOTAL TRANSPORTATION | 0.00 | 272.00 | 272.00 | 272.00 | 272.00 | 272.00 | \$6,666,954 | \$5,591,433 | \$12,258,387 | 54.39% | \$765,513 | 5.88% |
| TOTAL DISTRICT OPERATIONS | 0.00 | 69.00 | 69.00 | 69.00 | 69.00 | 69.00 | \$3,471,518 | \$2,320,941 | \$5,792,459 | 59.93% | (\$11,659) | (0.20%) |
| TOTAL BENEFITS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$10,067,187 | \$3,039,624 | \$13,106,811 | 76.81% | \$226,489 | 1.70% |
| TOTAL | 0.00 | 2,849.85 | 2,849.85 | 2,849.85 | 2,849.85 | 2,849.85 | \$133,006,337 | \$77,570,635 | \$210,576,972 | 63.16% | \$527,634 | 0.25% |
| Transfer(s) to Self-sustaining Funds | | | 209852900 | | | | \$0 | | | | | |
| ADJUSTED SURPLUS / (DEFICIT) | | | | | | | | | | | \$527,634 | 0.25% |

Information required from District.

**Fiscal 2015-2016
January Update
DEC Budget Summary Report**

| | | |
|----------------------|--------------------------------|---------------------|
| Budget: | Initial Budget Load | \$ 42,000.00 |
| | Total budget | <u>\$ 42,000.00</u> |
| Expenditures: | Business Meeting Expenses | \$ 7,266.32 |
| | Education Services: J St Amand | \$ 2,764.86 |
| | Travel | \$ 21,241.56 |
| | Office Supplies | \$ 3,575.44 |
| | Computer Hardware | <u>\$ 65.45</u> |
| | Total expenditures | <u>\$ 34,913.63</u> |
| Balance: | | \$ 7,086.37 |