



Audited Financial Statement Summary

For the Year Ended August 31st, 2025



The Foothills School Division

Management Discussion and Analysis Report

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EXECUTIVE SUMMARY

During the 2024-2025 academic year, the Foothills School Division (FSD) served over 7,900 students, ranging from junior kindergarten through to grade 12, in alignment with its Five-Year Education Plan [HERE](#).

The Division is committed to academic excellence in all areas of education, including but not limited to academics, the arts, athletics, and career and technology instruction. FSD is a place for all and promotes safe, caring, welcoming, and inclusive learning environments for its students while focusing on developing healthy and respectful relationships at all levels of the system.

The Division consists of twenty-five schools, which includes three colony schools and an Outreach and Online School¹. FSD delivers public education to students residing in the Okotoks, High River, Foothills County, and High-Country areas.

For the fiscal year, the Division reported total revenues of \$102,199,277 and total expenses amounting to \$100,210,149, resulting in a surplus of \$1,989,128. This outcome represents a favourable variance compared to the projected budgeted deficit of \$531,836. The factors contributing to this positive variance will be further examined within this report.

Appreciation is extended to the Financial Services Department for their assistance in preparing the Audited Financial Statements. The collaborative efforts of the Finance team have provided valuable insight into the Division's financial performance and contributed to the transparency and accountability reflected in this report.

A handwritten signature in black ink, appearing to read "Katelyn Nickel", with a stylized flourish at the end.

Katelyn Nickel, CPA

Assistant Superintendent of Corporate Services/Secretary Treasurer

¹ The Foothills School Division. (2025, July 16). *Our Schools*. [Our Schools](#)

GOVERNANCE – BOARD OF TRUSTEES

The Foothills School Division's Board of Trustees² are elected officials who are responsible for establishing the division's strategic direction and oversight, ensuring that policies and initiatives align with the priorities set out in the Five-Year Education Plan.

The Board is committed to effective governance, transparency, and community engagement, working collaboratively with administration and stakeholders to support student achievement and well-being throughout all schools in the division. The Board aims to foster inclusive, safe, and respectful learning environments.

2024-2025 SUMMARY OF SIGNIFICANT CHANGES

The Foothills School Divisions reviews and analyzes the criteria set out within the Alberta Education and Childcare's Funding Manual during each budgeting cycle. For the 2024-2025 school year, a summary of significant changes was as follows:

- Implementation of **Supplemental Enrollment Growth** grant
 - Provides additional per-student funding for authority enrollment growth based on either incremental enrollment growth or enrollment thresholds.
- Specialized **Learning Support, PUF, & Transportation Kindergarten** Grant
 - Included a second count date - December to February
 - Applicable for 50% Learning Supports and Kindergarten Severe funding
- July 2025 Funding Announcements
 - Alberta Education announced an additional injection of funding into education. The province provided an additional 1% increase to Base Instruction grant rates and 2% increase to Services & Supports grant rates.
- Stabilization Funding
 - The Division received an allocation of \$1,316,665. This temporary allocation of funding was provided to the Division to make necessary structural and organizational changes to mitigate funding decreases due to changes in grant structure and enrollment decline.
- Maximum Limits on **Operating Reserves**
 - The maximum operating reserve balance can equate up to six (6) per cent of the Total expenses reported on the August 31st, 2024, Audited Financial Statements.
 - School jurisdictions are **required** to maintain a one (1) per cent operating reserve balance.
- Provincial Priorities Funding:
 - **Curriculum Resource** Funding – To support curriculum implementation and the costs associated with resource and professional development opportunities.
 - **Low Incident** Funding - To assist students with low incidence disabilities.
 - **Dual Credit** Funding
 - Dual Credit Start-up Grant and Dual Credit Enhancement Grant
 - **Literacy and Numeracy Support** Funding - To assist at-risk students in literacy and numeracy.
 - **Mental Health in Schools Pilot** Grant - Mental Health in Schools Pilot Grant was provided to the Division to support the development of a school-based services model to integrate and expand access to mental health services for students. The 2024-2025 school year was the final year of the grant.

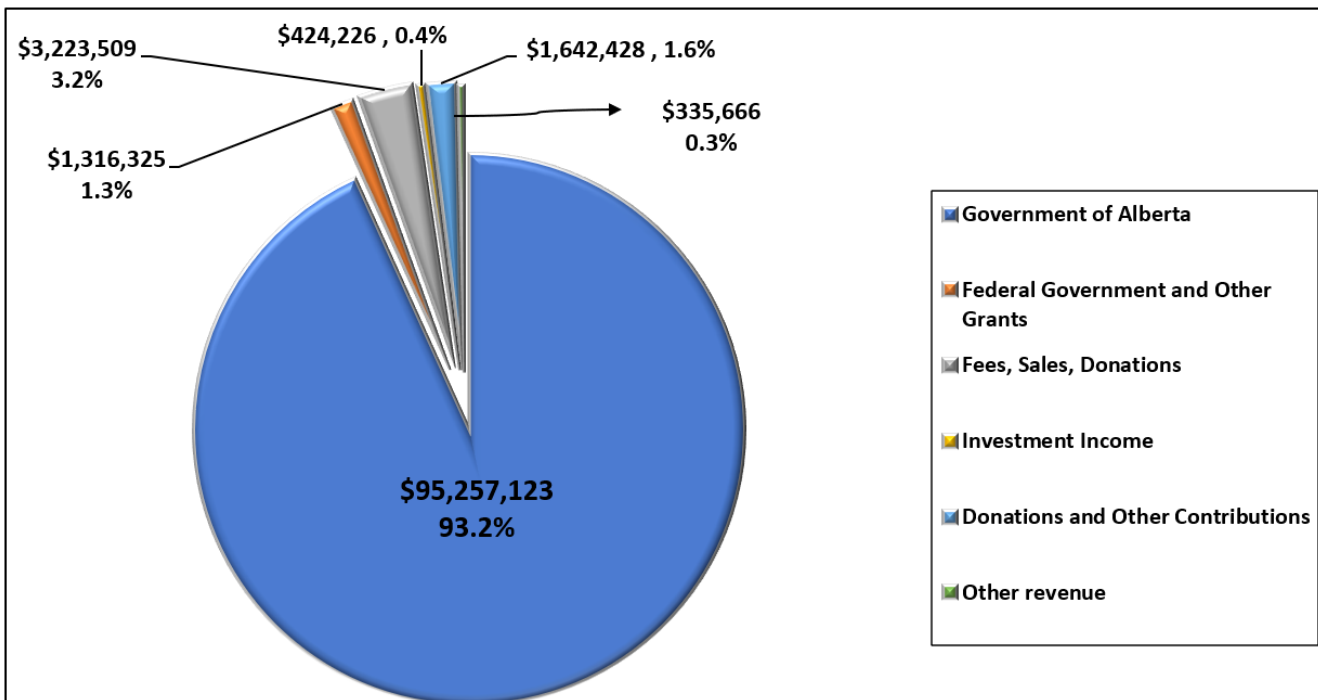
² The Foothills School Division. (2025, October 29). *Our Trustees*. [Our Trustees](#)

STATEMENT OF OPERATIONS

REVENUE

For the 2024-2025 year, the Alberta Education's funding model was based on a Three-Year Weighted Moving Average (WMA) model. In 24-25, FSD's funding was based on 20% of actual student enrollment figures based on the 2022-2023 year, 30% of the estimated enrollment based on the 2023-2024 year, and 50% of the projected enrollment provided to the province for the 2024-2025 fiscal year.

FSD's total revenue equated to \$102,199,277 for the 2025 Fiscal Year. As displayed below, the majority of the Division's revenue comes from the Government of Alberta. The Government of Alberta's revenue line item consists of revenue from various sources; including Alberta Education and Childcare, Alberta Infrastructure, and Other – Government of Alberta branches, such as Alberta Health Services.



Variance Analysis

DETAILED VARIANCE ANALYSIS

		Actual	Budget	Variance
		2024-2025	2024-2025	% Increase/(Decrease)
Government of Alberta	\$	95,257,123	\$ 94,975,942	0%
Federal Government and Other Grants	\$	1,316,325	\$ 315,000	318%
Fees	\$	2,564,271	\$ 1,866,260	37%
Sales of services and products	\$	659,238	\$ 774,250	-15%
Investment income	\$	424,226	\$ 350,000	21%
Donations and Other Contributions	\$	1,642,428	\$ 1,065,000	54%
Other revenue	\$	335,666	\$ 685,500	-51%
TOTAL REVENUES	\$	102,199,277	\$ 100,031,952	2%

Variance Explanation (Increase > 10% or \$500K; or lower than < -10% or -\$500K):

EXPLANATION

FEDERAL GOVERNMENT AND OTHER GOVERNMENT GRANTS

The budget did not account for Jordan's Principle Funding

FEES

The amounts were higher due to the increased number of activities compared to the budgeted total. Fee change requests were received throughout the year due to the increase in costs associated with these school based activities and programs.

SALES OF SERVICES AND PRODUCTS

Lower variance in cafeteria sales and sales of rentals of other supplies (optional)

INVESTMENT INCOME

Interest rates remained higher than anticipated compared to projected figures. Rates continue to decrease when comparing fiscal 2024 to 2025.

DONATIONS AND OTHER CONTRIBUTIONS

Donations and other contributions were higher due to increased fundraising campaigns and projects from our various school locations.

OTHER REVENUE

Reclassification of facility and transportation revenue.

EXPENDITURES

As per the Audited Financial Statement guidelines, the Foothills School Division identifies five (5) programs as identified in the Schedule of Program Operations.

Instruction - Direct delivery of educational services to Junior Kindergarten to Grade 12 students. These costs include certificated positions (teachers) and non-certificated positions (educational assistants, school secretaries, bus drivers etc.).

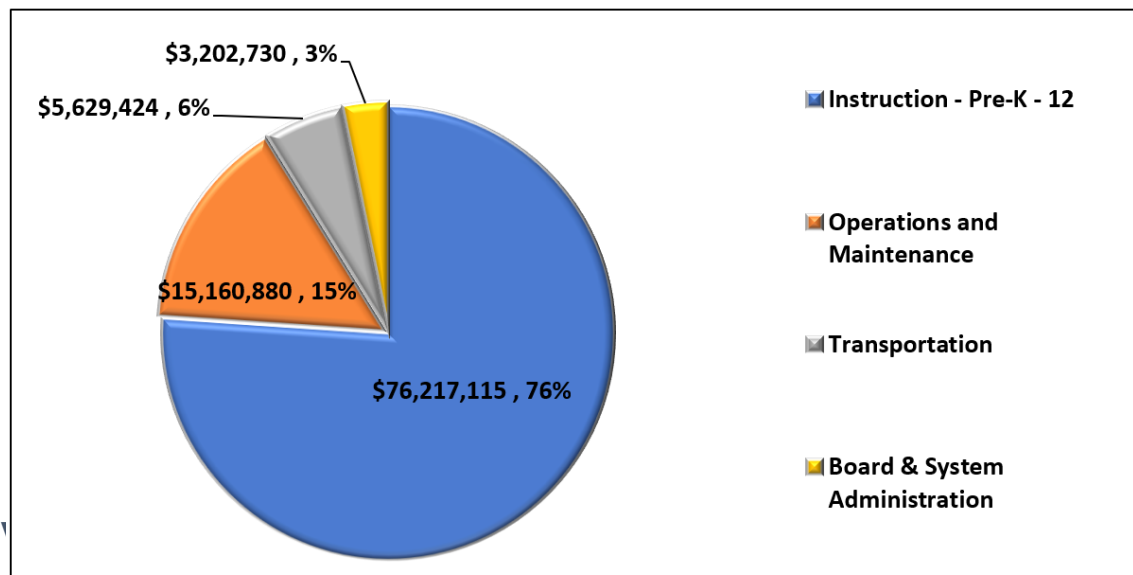
Operations and Maintenance - Operations and maintenance play an integral role in the management of our school infrastructure. These costs comprise of but are not limited to, supplies and services, utilities, insurance, ASAP Maintenance and Renewal Payments, and amortization (both supported and unsupported).

Transportation - Costs that pertain to transporting students to and from school. The Foothills School Division owns its own bus fleet and manages a large operational team of around 76 drivers.

System Administration - Governance and central division office-based administration. These funds are targeted in nature, and school divisions cannot exceed their designated maximum allotment.

External Services - Programs offered outside of the programs stated above.

FSD's total expenses equated to \$100,563,788 for the 2025 Fiscal Year.



Variance Analysis

DETAILED VARIANCE ANALYSIS	Actual		Budget		Variance
		2024-2025		2024-2025	% Increase/ (Decrease)
Instruction Pre-K to Grades 12	\$	76,217,115	\$	76,837,116	-1%
Operations & Maintenance	\$	15,160,880	\$	14,802,753	2%
Transportation	\$	5,629,424	\$	5,782,193	-3%
System Administration	\$	3,202,730	\$	3,141,726	2%
TOTAL EXPENSES	\$	100,210,149	\$	100,563,788	0%

Variance Explanation (Increase > 10% or \$500K; or lower than < -10% or - \$500K):

EXPLANATION

Instruction Pre-K to Grades 12

Overestimation of the Alberta Teacher Retirement Fund. Nil Impact on overall financial position as the Government manages corresponding contributions.

FINANCIAL POSITION

The Statement of Financial Position indicates the Division's overall assets, liabilities, and equities and contains a summary of both financial and non-financial assets. This statement provides a comprehensive overview of the Division's fiscal health and capacity to meet its obligations.

For the year ended August 31st, 2025, The Foothills School Division's total financial assets equated to \$10.933 million and liabilities of \$10.371 million. These amounts result in a Net Financial Asset total of \$561,806. It is important to note that the liability total contains an Asset Retirement Obligation (ARO) of \$5.135 million³ in relation to retiring hazardous material. Currently the ARO is reflected as an unsupported asset; however, it is assumed that the Government of Alberta will fund the remediation portion of a building project, should a funded modernization and/or demolition occur.

Non-financial assets, consisting of tangible capital assets, inventory of supplies, and prepaid expenses, equates to \$92.264 million and Spent Deferred Capital Contributions (SDCC) equates to \$83.945 million. SDCC represents supported funds that have been spent on capital supported projects and are reflected on the Schedule of Deferred Contributions.

The total Accumulated Net Asset Surplus of \$8.880 million is comprised of Net Financial Assets, Non-Financial Assets, and Spent Deferred Capital Contributions. FSD's net financial asset position indicates that the school division has sufficient assets to cover its financial obligations.

FSD's cash position for the year ended August 31st, 2025, resulted in an ending balance of \$9,815,511. The province issues monthly payments to school divisions throughout the year to ensure they have sufficient cash flow on hand to meet regular operational needs.

It is important to note that the cash balance contains funds for restricted purposes. Sustainable and effective cash flow management is essential in ensuring appropriate business continuity. Management will review ways to strategically invest funds with the overall objective of maximizing returns for reinvestment into educational programming.

RESERVE MANAGEMENT AND FISCAL PLANNING

In August 2023, Alberta Education implemented a maximum limit for operating reserves. This maximum percentage is based on each School Division's system administration percentage, which equates to 3.20% for the Foothills School Division.

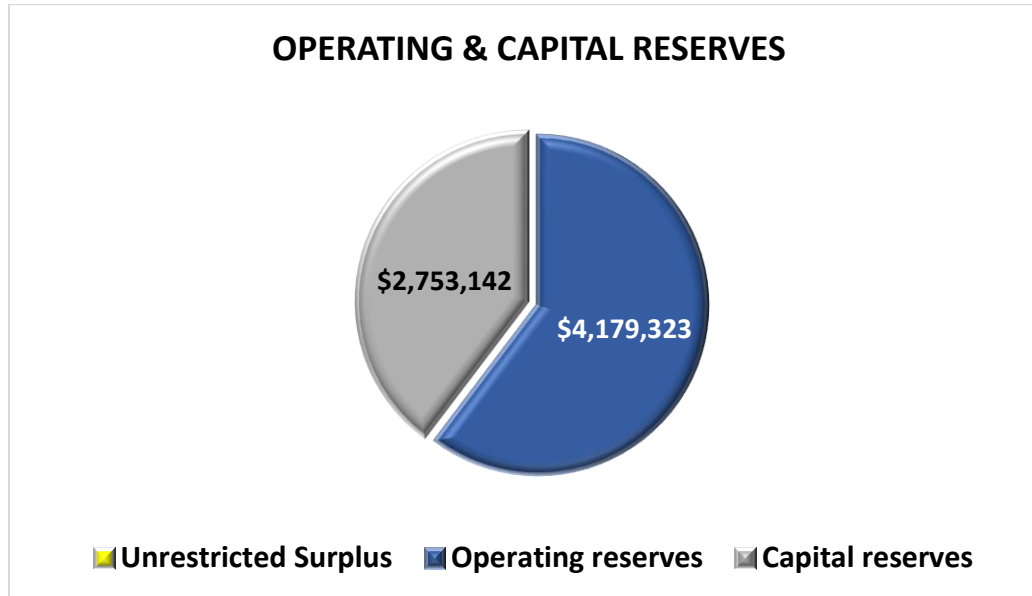
Accumulated Surplus from Operations (ASO) consists of Foothills School Division's unrestricted and operating reserve balances as per the Schedule of Net Assets.

The Foothills School Division remains diligent in monitoring its reserve levels to ensure that both emerging and unforeseen needs of the division can be addressed promptly. By regularly reviewing reserves, the division can respond effectively to unexpected situations while maintaining operational stability.

³ Asset Retirement Obligation - **PS 3280** – A standard that reflects the accounting and reporting of legal obligations associated with the retirement of an asset.

In addition, the Division conducts ongoing evaluations to confirm that capital reserve balances are sufficient for the future replacement of unsupported assets. This proactive approach demonstrates Foothills School Division's commitment to strong fiscal management and the establishment of a robust business continuity plan.

Reserve Breakdown by Category:



*Unrested Surplus = Nil balance. This total is distributed into the operating reserve and/or capital reserve category.

SUPPORTED & UNSUPPORTED CAPITAL PROJECTS

SUPPORTED PROJECTS

The Foothills School Division receives funding to maintain its school facilities through Alberta Education and Childcare's Infrastructure Maintenance and Renewal (IMR) grant, Capital Maintenance Renewal (CMR) grant, and through the Government of Alberta's Ministry, Alberta Infrastructure (AI).

Throughout the 2024-2025 school year, the Division received and spent funding from these various funding sources. A breakdown is as follows:

- Capital Maintenance and Renewal (CMR) - \$648,916
 - Larger capital projects include the following: Roofing Replacement, Waterless Urinal Upgrades, LED Lighting Upgrades, BMS System Upgrades

- Infrastructure Maintenance and Renewal (IMR) – \$1,329,934
 - Funding is allocated to ensure our facilities comply with codes, meet health and safety standards, remain accessible, and support students' educational needs through well-maintained spaces.

The Division received a funding announcement for a new 10-12 High School in Okotoks. This school project is well underway and is anticipated to open its doors in April of 2029.

- **Alberta Infrastructure**
 - AI – 10 -12 New High School – Okotoks
 - \$564,400



Every year, the Division submits a Three-Year Capital Plan to Alberta Education and Childcare by the 1st of April⁴. The capital plan aims to justify projects and show their feasibility to the provincial government through detailed planning and management. It also helps share local priorities, providing the government with well-defined project goals, estimated costs, and clear scope descriptions.

UNSUPPORTED PROJECTS

During the 2024-2025 school year, The Foothills School Division utilized its capital reserves to acquire assets within the following categories:

- Vehicle Replacements – Thirteen (13) new school buses. A portion of these buses were funded through a conditional grant received from Alberta Education and Childcare.
- Furniture & Equipment
- Unsupported Building Assets - Leasehold Improvements & Additions

The Division will continue to follow its Capital Plan to ensure resources are allocated appropriately across all areas of the school division. This is essential for business continuity and ongoing operations. The Division must equip both students and staff with the necessary support and resources to succeed in classroom learning.

⁴ The Foothills School Division. (2025, March 27). *Capital Plan*. [Capital Plan](#)

STUDENT ENROLLMENT MONITORING AND GROWTH PLANNING

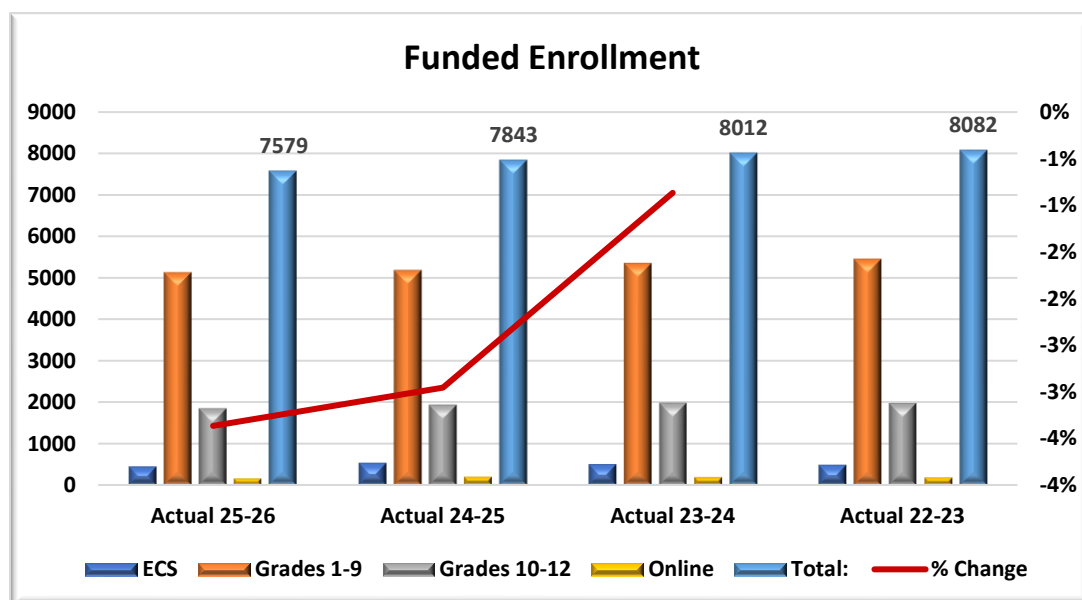
The Foothills School Division has experienced decline in enrollment over the past five years.

Student STATS	FUNDED STUDENT COUNT			
	Actual 25-26	Actual 24-25	Actual 23-24	Actual 22-23
ECS	445	529	499	484
Grades 1-9	5138	5195	5361	5459
Grades 10-12	1843	1927	1968	1961
Online	153	192	184	178
Total:	7579	7843	8012	8082
% Change	-3%	-3%	-1%	

The Foothills School Division (FSD) remains committed to closely monitoring student enrollment levels. As part of this effort, FSD regularly reviews and assesses municipality and Town Growth Strategy plans. This process involves analyzing key data points such as local growth rates, the number of new housing units, and projections for school-aged children in our various communities.

While recent trends have shown declines in student enrollment within surrounding FSD rural communities, FSD is preparing for anticipated growth in the Town of Okotoks. This forecasted increase is closely linked to the construction of the new water line, which is expected to attract community growth and lead to a rise in school-aged children within the community.

To ensure readiness, FSD is proactively considering the potential scale and nature of this growth and its impacts. FSD must ensure it can manage this growth in a sustainable manner and accommodate the Division's future needs.



CERTIFICATED AND NON-CERTIFICATED STAFFING STATISTICS

Certificated & Non-Certificated Statistics

	2025		2024		2023	
Certificated	Total	Average	Total	Average	Total	Average
FTE	410.4	1	416.49	1	420.18	1
Salary	\$ 45,072,738	\$ 109,840	\$ 45,796,814	\$ 109,959	\$44,461,693	\$105,816
Benefits	\$ 10,481,708	\$ 25,543	\$ 10,783,656	\$ 25,892	\$10,235,878	\$ 24,361
Total	\$ 55,554,446	\$ 135,383	\$ 56,580,470	\$ 135,851	\$54,697,571	\$130,177

	2025	2024	2023
Non-Certificated	Total	Total	Total
FTE	305.4	306.4	295.8
Salary	\$ 14,941,811	\$ 15,106,790	\$ 13,863,483
Benefits	\$ 4,859,016	\$ 5,032,887	\$ 4,319,233
Total	\$ 19,800,827	\$ 20,139,677	\$ 18,182,716

Analysis

Seventy-five (75) percent of Foothills School Division's operating budget consists of salary and benefit costs. The reduction in certificated and non-certificated staffing aligns with declining student enrollment. In response to the decline, the Division finds it necessary to implement staffing adjustments to safeguard its financial sustainability while also taking a balanced approach to ensure these changes minimize impacts on student learning.

The majority of FSD's certificated teachers are members of the Alberta Teachers' Association, and a significant number of FSD's non-certificated positions are members of the Canadian Union of Public Employees (CUPE).

The Division's bus drivers are members of the Bus Driver Association, and certain individuals on its Facility Services team are members of the Maintenance Association.

FINANCIAL IMPACTS, RISKS & RESERVES

Assessment: Certificated and non-certificated salaries increase.

Impacts: Unfunded support staff increases pose a significant risk to the Division if they remain unfunded. These are critical roles that allow the Division to operate in an effective manner.

Risk Level: High. 76 percent of the Division's expenses relate to salary and benefit costs. Due to FSD's certificated and non-certificated unionized environment, it is critical that increases are funded to ensure the long-term financial feasibility and financial health of the Division.

Assessment: Enrollment Fluctuations

Impacts: The Division has seen a significant fluctuation in enrollment over the past four years and has been working towards adjusting its operations accordingly. As the province moves from

the Weighted Moving Average model to the Adjusted Enrollment model in the 2025-2026 year, the funding impacts will be more severe for boards with declining enrollment. The AEM model provides funding based on 70% of student projections and 30% of current student enrollment. **Risk Level:** Medium to High. This funding model change resulted in a negative impact for FSD due to its declining enrollment. The Division does, however, anticipate growth in and around the Okotoks area due to the construction of the new water pipeline project.

Assessment: Operating & Capital Reserves

Impacts: Over the past few years, the Division utilized its reserves to meet the provincial minimum reserve level requirements established by the Government of Alberta. Over the years, the Division has been spending down its reserves to meet this requirement due to the significant and unanticipated reduction in the Geographical grant, enrollment decline, inflationary pressures, and due to the change to the funding model.

Risk Level: Medium to High. Although the Division increased its operating reserve level at the end of Fiscal 2025, it is critical that it establishes a sustainable approach that will allow all functions of the Division to operate in an effective and sustainable matter. A reliance on operating reserves is not sustainable long-term, and various aspects of running a school division need to be considered. This includes the acquisition and maintenance of student resources, buildings, technology, and buses, as all these factors play a critical role in the effective operations of a school division.

Assessment: Stabilization Funds

Impacts: Stabilization funding was provided to the Division to help reduce the impacts tied to the Geographical grant census adjustment, enrollment decline, and due to the change in the funding model.

Risk Level: High. The Division will need to discuss additional operating adjustments/efficiencies if the funding model does not change, enrollment remains in decline and the province does not provide additional stabilization funding into the future.

Assessment: Classroom Complexity Funding Impacts

Impacts: There has been a rise in student complexities within the classroom. These complexities pose an additional risk due to the temporary nature of the grant. Although the increase in funding has allowed the Division to support staff, the uncertainty surrounding the sustainability of this funding is a concern.

Risk Level: Medium to High. Alberta Education and Childcare is currently working on obtaining information through the use of the Classroom Insight survey. School divisions are hopeful that this data will provide insights into some of the challenges teachers and support staff are facing on a regular basis.

Assessment: Insurance Premiums

Impacts: Due to the catastrophic floods that occurred in 2013, the Division experienced unprecedented insurance cost increases. In 2020, the Division worked toward forming the Alberta Risk Managed Insurance Consortium (ARMIC) with the support of the provincial government. Despite the establishment of this consortium, the Division experienced significant premium increases that has resulted in a reduction of resources in the area of instruction. Risk

Level: Medium. The Division continues to work hard to foster a risk intelligent culture and find ways to mitigate risk to work toward a decline in our premium rates.

Other:

Advancement of Artificial Intelligence (AI)

- FSD needs to plan for the future by evaluating expenses related to digital assessments, AI platforms, and division technology. It is essential that the school division equips its students with the necessary skillsets and resources needed to thrive in the evolving world of technology. This approach supports both teaching and learning objectives, enabling staff and students to benefit from modern digital solutions while maintaining a competitive edge in education.

SUMMARY & OVERVIEW

Overall, the Foothills School Division will continue to align its priorities as stated within its Five-Year Education Plan. The Division will continue to find a balance between re-establishing its reserve levels while providing a strong and effective learning environment for its students.

To achieve this, the Division will seek innovative approaches to resource management, carefully evaluating expenditures to support educational objectives without compromising fiscal stability. Proactive planning for evolving student needs will be integrated into financial decisions, ensuring that investments are both strategic and sustainable. By fostering collaboration among leadership, staff, and stakeholders, the Division aims to maintain an adaptable financial framework that aligns with educational priorities and responds effectively to future challenges, positioning Foothills School Division for continued academic excellence and resilience.

Emphasis on fiscal responsibility, coupled with a focus on student achievement, well-being, and adaptability to changing enrollment and funding models, will be essential. By aligning financial decisions with educational priorities, the Division will continue to ensure long-term sustainability and the ongoing fulfillment of its commitment to excellence in education for all its learners.