

Ministry Financial Information

FINANCIAL RESULTS AND PERFORMANCE

FINANCIAL RESULTS

ACCOUNTABILITY

Financial results of the Ministry of Learning for the year ended March 31, 2000 include the activities of the Department of Learning, the Alberta School Foundation Fund and the disbursement from the Alberta Heritage Scholarship Fund. More detailed information can be found in the ministry's financial statements (pages 71-97).

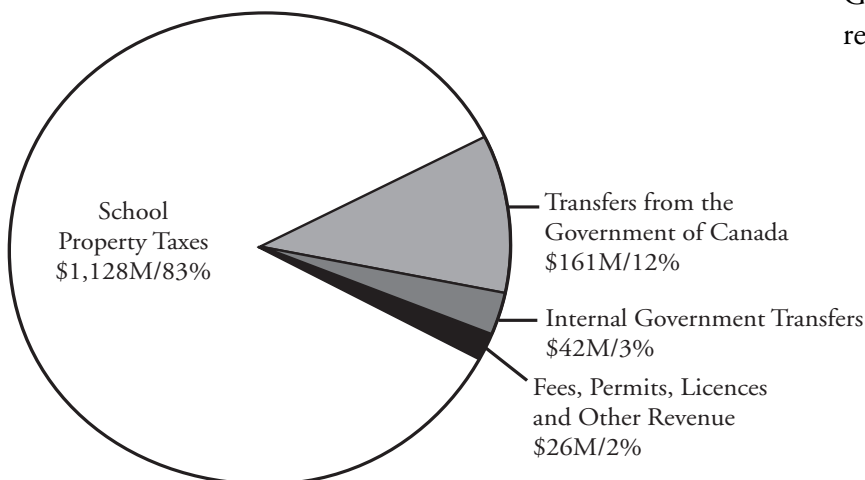
	In millions		
	2000		1999
	Budget	Actual	Actual
REVENUES			
School property taxes	\$ 1,145	\$ 1,128	\$ 1,118
Transfers from the Government of Canada	176	161	164
Internal government transfers	42	42	12
Fees, permits, licenses and other revenue	24	26	28
	<u>1,387</u>	<u>1,357</u>	<u>1,322</u>
EXPENSES			
Voted:			
Ministry support services	30	28	28
Financial assistance to schools	1,782	1,890	1,608
Support for adult learning	989	996	853
Support for adult learners	33	27	25
Development, monitoring and evaluation	25	25	24
	<u>2,859</u>	<u>2,966</u>	<u>2,538</u>
Statutory and valuation adjustments:			
Alberta School Foundation Fund	1,146	1,141	1,113
Teachers' pension liability	146	110	43
Provision for student loans	68	76	66
Alberta Heritage Scholarships	17	17	12
Education Revolving Fund	-	-	23
	<u>1,377</u>	<u>1,344</u>	<u>1,257</u>
Total expenses	4,236	4,310	3,795
(Gain) loss on disposal of capital assets	(33)	(46)	1
	<u>4,203</u>	<u>4,264</u>	<u>3,796</u>
NET OPERATING RESULTS	<u>\$ (2,816)</u>	<u>\$ (2,907)</u>	<u>\$ (2,474)</u>

REVENUES

Total revenues for the Ministry of Learning amounted to \$1,357 million for 1999/2000, as follows:

- \$1,128 million of the Ministry's revenues were derived from school property taxes which are collected by the provincial government through the Alberta School Foundation Fund.
- \$161 million of revenues related to revenues from the Government of Canada which consisted of:
 - \$159 million in Canada Health and Social transfers, and
 - \$2 million in support of Canada student loans administration.
- \$42 million of revenues were the result of internal government transfers which consisted of:
 - \$25 million from the Lottery Fund, and
 - \$17 million from the Alberta Heritage Scholarship Fund.
- \$26 million of revenues related to fees, permits, licenses and other revenues which consisted of:
 - \$18 million in the sales of learning resource material and
 - \$8 million from various programs such as Marketing Apprenticeship, high school transcripts, teacher certification fees as well as other income sources such as investment income.

Sources of Revenue – \$1,357 million



Comparison of 1999/2000 actuals to budget

Revenues were \$30 million less than budgeted as a result of the following:

- school property taxes were \$17 million less than budget due to increased refunds to municipalities for assessment adjustments and appeals,
- revenues associated with the Canada Health and Social Transfer agreement were \$15 million less than budget, offset by
- fees, permits, licenses and other revenues were \$2 million more than budget due to increased activity in programs such as apprenticeship, international qualification assessment services and teacher certification.

Comparison of 1999/2000 actuals to prior year

Revenues for the Ministry increased \$35 million as a result of the following increases:

- \$25 million relating to the introduction of funding from the Lottery Fund,
- \$10 million in school property taxes due to higher assessment growth,
- \$5 million in transfers from the Alberta Heritage Scholarship Fund, offset by
- decreases of \$3 million in transfers from the Government of Canada and \$2 million in revenue from other sources.

EXPENSES:

Expenses for the Ministry of Learning amounted to \$4,310 million for 1999/2000, as follows:

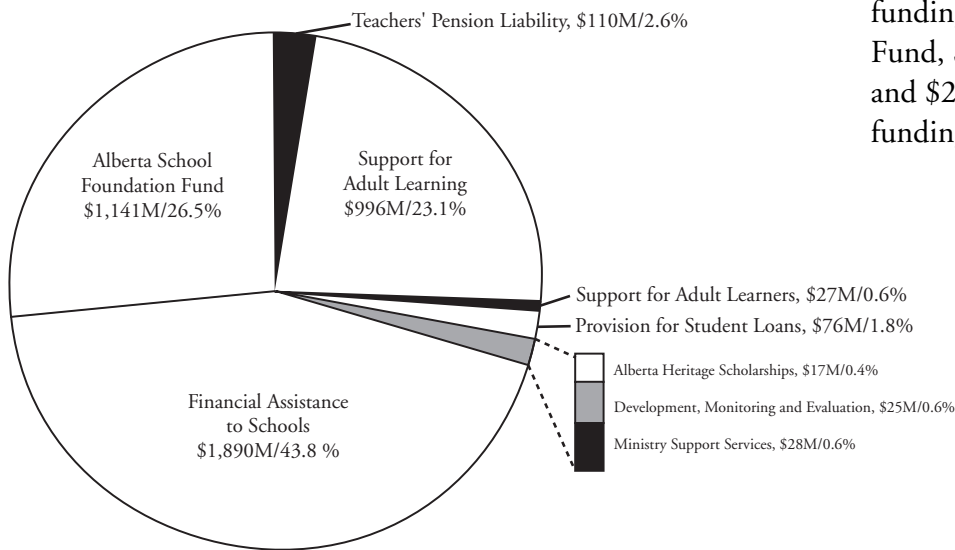
- \$3,166 million of the Ministry's expenses related to basic education and consisted of:
 - financial assistance to schools of \$1,890 million from General Revenues and \$1,141 million from

Alberta School Foundation Fund

- \$110 million in teacher's pension liability funding and
- \$25 million relating to program development, monitoring and student evaluation.
- \$1,116 million of the Ministry's expenses related to adult education and consisted of:
 - \$996 million in support for adult learning,
 - \$76 million in provisions for student loans,
 - \$27 million in support for adult learners and
 - \$17 million in grants funded from the Alberta Heritage Scholarship Fund.
- \$28 million of the Ministry's expenses related to ministry support services.

- \$3 million increase in funding for early childhood services, offset by:
 - \$25 million decrease in school board support due to lower than expected enrollments,
 - \$3 million decrease in required funding for the current service portion of the teacher's pension and
 - \$2 million decrease in expected purchases by the Learning Resources Distributing Centre.
- \$8 million increase in the provision for student loans due to a change in estimates, such as higher interest rates, higher risk premiums, and an increase in demand for remission.

Expenses by Program – \$4,310 million
(Program represents services to Albertans)



- \$7 million increase in support for adult learning and apprenticeship training due to:
 - \$12 million increase in performance funding envelopes (\$7 million Access Fund, \$3 million infrastructure support and \$2 million in other performance funding),

- \$4 million increase in the program delivery support for apprenticeship and industry training, offset by
- \$7 million decrease in program delivery support to adult learning initiatives other than apprenticeship and industry training, and
- \$2 million decrease in grants in kind to the Alberta Vocational Colleges

Comparison of 1999/00 actuals to budget

Expenses were \$74 million more than budgeted as a result of the following:

- \$108 million increase in financial assistance to schools consisting of:
 - \$135 million in one-time supplementary funding for deficit elimination,

- offset by
- \$36 million decrease in the teacher's pension liability due to an increase in the value of the assets in the pension fund beyond what was anticipated.

- \$6 million decrease in support to adult learners resulting from:
 - \$4 million decrease in demand for the Alberta Opportunity Bursary due to the introduction of the Canadian Millennium Scholarship program, and
 - \$2 million decrease in maintenance grants.
- \$5 million decrease in funding from the Alberta School Foundation Fund due to lower than expected enrollment levels, and
- \$2 million decrease in ministry support services.

Comparison of 1999/00 actuals to prior year

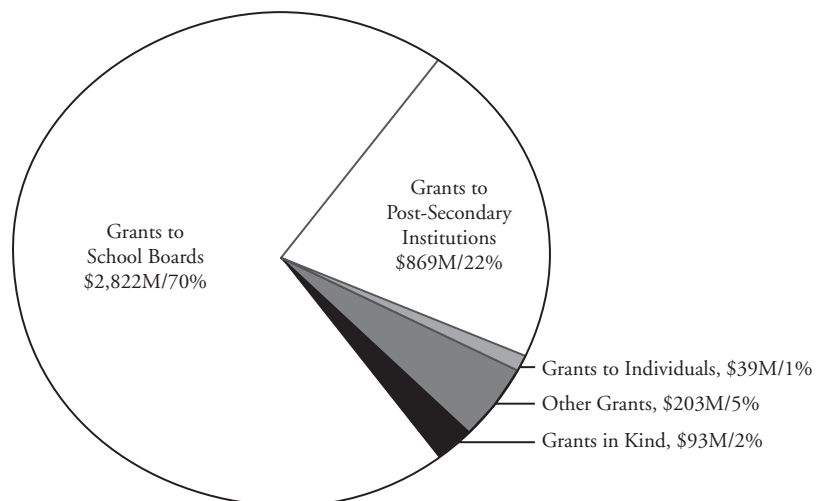
Expenses increased \$515 million from 1998/99.

This is a result of:

- \$259 million increase in financial assistance to schools due to:*
 - \$234 million increase in operating support for basic education,
 - \$15 million increase due to the introduction of the student health services program,
 - \$7 million increase for early childhood services,
 - \$3 million increase for instruction grants,
 - \$1 million increase in school technology funding, offset by
 - \$1 million decrease in funding for learning resources.
- \$143 million increase in support for adult learning due to:
 - \$129 million increase in funding to public and private post secondary institutions and
 - \$14 million increase in the performance funding envelopes.
- \$2 million increase in various programs that support adult learners.
- \$1 million increase in the development, monitoring and evaluation of education programs.

- \$110 million increase in statutory and valuation adjustments due to:
 - \$67 million increase in the teachers' pension liability due to a contribution rate increase for past service contributions and changes made to the method used to calculate the provision,
 - \$28 million increase in funding from the Alberta School Foundation Fund resulting from a per student rate increase, enrollment growth, and an increase in interest expense,
 - \$10 million increase in the provision for student loans due to higher interest rates and risk premiums associated with dealing with financial institutions, and
 - \$5 million increase in scholarships from the Alberta Heritage Scholarship Fund.

Grants – \$4,026 million



GRANTS

Grants accounted for \$4,026 million or 93% of the total amount of the Ministry's expenses.

- Grants to school boards totaled \$2,822 million and consisted of:
 - \$2,800 million for instruction and support block funding,
 - \$151 million in one time grants which were used to assist in the elimination of

* For comparability purposes, Education Revolving Fund's expenses in 1998/99 are classified as financial assistance to schools consistent with 1999/00.

-
- school boards' accumulated deficit and other one-time priorities,
 - \$19 million for technology funding,
 - \$15 million in support of the cross-government initiative on student health, offset by
 - \$163 million school property taxes already collected by opted out separate school boards who have the authority to requisition and collect levies on their residential and non-residential properties.
 - Grants to post secondary institutions totaled \$869 million and consisted of:
 - \$795 million in operational and conditional grant funding,
 - \$36 million in support through the Access Fund,
 - \$17 million in performance funding,
 - \$10 million in support through the Learning Enhancement Fund,
 - \$8 million in other funding such as inmate education programs and apprenticeship and industry training, and
 - \$3 million in infrastructure support which includes the purchase or replacement of equipment.
 - Grants to individuals totaled \$39 million and consisted of :
 - \$22 million in assistance to learners in the form of maintenance grants, special needs bursaries, Alberta opportunity bursaries and athletic scholarships, and
 - \$17 million in scholarships funded through the Alberta Heritage Scholarship Fund.
 - Other grants in the amount of \$203 million consisted of:
 - \$106 million in current service contributions to the teachers' pension,
 - \$80 million in financial assistance to private schools such as support for basic education, early childhood services, instruction grants and learning resource subsidies, and
 - \$17 million in support of adult learning to municipalities and not-for-profit organizations for programs such as community education, learning television and program delivery support.
 - Grants in kind totaled \$93 million and resulted from the transfer of certain land and buildings from Alberta Learning to the Alberta Vocational Colleges.
-

MINISTRY OF LEARNING

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2000

Auditor's Report

Consolidated Statement of Operations

Consolidated Statement of Changes in Financial Position

Consolidated Statement of Financial Position

Notes to the Consolidated Financial Statements

Schedule 1 - Budget

Schedule 2 - Revenues

Schedule 3 - Expenses by Object Detail

Schedule 4 - Funding Provided to School Boards

Schedule 5 - Funding Provided to Post-Secondary Institutions

Schedule 6 - Statement of Alberta Heritage Scholarship Fund Expenses

Schedule 7 - Purchase of Capital Assets

Schedule 8 - Non-Budgetary Disbursements by Program

Schedule 9 - Liability for Student Loans Issued

Schedule 10 - Related Party Transactions