

Benchmarking of SCSBC School Financial Statements for 2014/2015 Fiscal Year

Tim Williams

Director of Finance, SCSBC



Summary of Schools

- 31 SCSBC school society financial statements and data reviewed
- 5 large school systems (>850 kids)
- 13 one-track schools (240 - 550kids)
- 7 small K-12 schools (< 240 kids)
- 6 K-8 schools (25 - 300 kids)

Summary of Teachers and Staff

	2015	2014	2013
Total FTE students including Int'l/First nations	11,111* (619)	9,744 (496)	9,563 (408)
Teachers / Support FTE including SN Staff	1,136 (316)	997 (255)	992 (227)
Total Office/Janitorial	195	174	163
Total Staff FTE	1,331	1,171	1,155

* 3 new schools in 2015

Purpose of Benchmarking

- To compare your school to averages, ratios and best practices
- To be informed of what other SCSBC schools are doing in the area of finances




[Benchmarking Report]

The benchmarks have been organized into the following categories:


1. Revenue and Students
2. Expenses and Salaries
3. Staffing Efficiency and Teaching Hours
4. Special Needs Department
5. Assets and Debt
6. Marketing and Development
7. International Department
8. Pre-School Department
9. Transportation
10. Facilities (new category added for 2014/15 !!)
11. Staffing FTE's....several years provided

[Benchmarking Report]

Your school's historical data for three years (new)



Statistical Categories	Your School	Your School	Your School	Large K-12	Medium K-12	Small K-12	K-8 Only	ALL
	2014-15	2013-14	2012-13	(>850 kids)	(240-550)	(100-220)		(Avg all SCS)



Categories have been selected based on perceived economies of scale and characteristics of these types of schools. The average of all schools is not always helpful.

1. Revenue and Students

Goal >100%

50/50 Balance

Statistical Categories	Your School	Your School	Your School	Large K-12	Medium K-12	Small K-12	K-8 Only	ALL
	2014-15	2013-14	2012-13	(+550 min)	(240-500)	(100-220)		(Avg of SCS)
K-12 Students FTE (per ES Audit)				870.3	343.7	126.0	131.6	338.4
International/First Nations Students				55.3	21.8	7.0	1.7	20.0
EL/Homeschooling Students				0.0	0.9	16.3	0.0	4.1
Total Students FTE				925.6	366.4	149.3	133.4	362.5
% Students Special Needs (funded)				5.4%	4.4%	4.3%	5.9%	4.9%
% Students International				5.6%	2.6%	3.0%	0.2%	3.7%
% Students First Nations				0.3%	3.3%	1.3%	1.1%	1.8%
Block Grant per FTE				\$3,630	\$3,778	\$4,019	\$4,063	\$3,763
Tuition Revenue per FTE				\$3,984	\$3,664	\$2,236	\$3,531	\$3,654
Tuition as % Block Grant excl. INT, SN, First Nations etc				109.5%	97.0%	55.6%	86.9%	97.1%
Total Operating Revenue per student (avg) excluding fundraising etc				\$9,497	\$9,067	\$7,809	\$8,907	\$9,116
Block Grants				\$3,367,780	\$1,384,162	\$600,165	\$542,020	\$1,364,075
Special Needs Grants				\$873,575	\$297,255	\$120,413	\$143,320	\$320,484
French Grants				\$5,865	\$1,317	\$376	\$278	\$1,637
Other Grants				\$9,066	\$8,569	\$29,348	\$4,253	\$12,505
Total Government Funding				\$4,256,286	\$1,691,304	\$750,200	\$689,871	\$1,698,701
Total Government Funding per student				\$4,598	\$4,616	\$5,025	\$5,172	\$4,686
Tuition Revenue excl International				\$3,687,494	\$1,342,637	\$333,887	\$470,968	\$1,324,347
International Tuition				\$913,995	\$136,611	\$51,695	\$6,000	\$201,412
First Nations Tuition				\$17,789	\$107,199	\$21,901	\$18,144	\$56,277
Other Fees excl transportation				\$16,280	\$44,528	\$8,268	\$3,122	\$23,609
Total Parent Funding				\$4,529,558	\$1,630,965	\$415,751	\$498,234	\$1,605,645
Total Parent Funding per student (avg)				\$4,899	\$4,451	\$2,784	\$3,735	\$4,430

1. Revenue and Students

The format of report is to create questions and to facilitate a deeper discussion. There are also warnings to prevent knee jerk reactions to benchmarks.

Example p.4:

Some of the important questions to ask for your school in this section:

- Is our tuition per student equal to or greater than that of government grants received?
- Do we have too much reliance on donations and fundraising to balance our budget?
- Do we have too much reliance on international students to balance our budget?
- Is our tuition assistance program affordable for our school?

Warning: These questions may not always be applicable to some schools.....

2. Expenses and Salaries

Statistical Categories	Your School			Large K-12	Medium K-12	Small K-12	K-8 Only	ALL
	2014-15	2013-14	2012-13	(>850 kids)	(240-550)	(100-220)		(Avg all SCS)
Expenses per student (K-12)				\$10,283	\$9,499	\$8,384	\$9,516	\$9,719
Salary and Benefits / Total Expenses				73.8%	72.7%	74.6%	73.6%	73.4%
Amortization / Total Expenses				6.2%	3.6%	2.6%	6.0%	4.9%
Interest on LT Debt / Total Expenses				1.7%	0.9%	1.6%	3.2%	1.4%
Professional Development/Total Expenses				0.6%	0.7%	0.6%	0.4%	0.6%
Tuition Assistance / Total Expenses				0.7%	2.0%	1.8%	1.3%	1.4%
Facilities & Utilities / Total Expenses				4.7%	5.9%	6.5%	5.0%	5.4%
Operating Expenses per student (K-12) avg				\$10,283	\$9,499	\$8,384	\$9,516	\$9,719
% Expenses covered by Grants/Tuition		Goal >100%		92.4	95.5	93.1	93.6	93.8
SOPSOC Cost per Student		Goal < SD Cost		\$7,558	\$7,203	\$7,227	\$6,946	\$7,216
Public District Cost per student				\$8,336	\$8,783	\$10,125	\$9,657	\$9,183
Overall Religious % Calculation				30.2%	27.2%	26.4%	27.8%	27.6%
Avg Secular Cost per Student (for tax receipting purposes re IT75-23)				\$619	\$324	\$248	\$121	\$315
Excess Revenue over Expenses (incl all revenue and expenses)		\$\$ Billion Goal		\$157,410	\$286,911	\$213	\$61,656	\$157,668

3. Staff Efficiency

Statistical Categories	Your School			Large K-12	Medium K-12	Small K-12	K-8 Only	ALL
	2014-15	2013-14	2012-13	(>850 kids)	(240-550)	(100-220)		(Avg all SCS)
Educational Staff per school (excl SN, Int'l & FN)				65.3	24.5	9.7	9.6	24.9
Educational Staff per school (incl SN, Int'l, FN)				98.6	32.3	13.4	13.8	35.2
Non-Education Staff per School				13.1	6.9	3.0	2.4	6.1
Average Student to Teacher Ratio K-12 (see explanation below)		Goal 1:16		14.2	14.9	15.4	13.9	14.6
Instructional Days				178.0	176.7	176.9	175.8	176.8
Non-Instructional Days				18.0	19.4	19.1	18.9	19.0
Total Teacher Days		Goal 200 days		196.0	196.1	196.1	194.8	195.8
Reported total hours/day FTE Teacher				7.8	8.2	7.7	7.9	8.0
Reported total hours/year FTE Teacher (per Secular Cost Calculation purposes)		Goal 1900 hrs		1,534.7	1,616.4	1,512.1	1,538.9	1,564.7
Cost per Staff Member (Avg)		Too many factors to have a goal		\$62,917	\$64,545	\$57,127	\$57,790	\$62,659
Cost of Staff per FTE Student avg				\$7,593	\$6,906	\$6,255	\$7,002	\$7,135

4. Special Needs

Statistical Categories	Your School 2014-15	Your School 2013-14	Your School 2012-13	Large K-12 (>850 kids)	Medium K-12 (240-550)	Small K-12 (100-220)	K-8 Only	ALL (Avg all SCS)
Special Needs Grant Income				\$873,575	\$297,255	\$120,413	\$143,320	\$320,484
Special Needs Expenses per SOPSOC				\$1,164,841	\$359,729	\$129,250	\$183,433	\$403,421
Special Needs Costs / SN Grant Income	Goal 100-110%			133.3%	121.0%	107.3%	128.0%	125.9%
Total of Funded Special Needs Students				49.8	16.1	6.2	7.8	17.7
Students funded @ \$36,600				0.4	0.5	0.4	0.3	0.5
Students funded @ \$18,300				45.2	14.0	5.5	6.7	15.7
Students funded @ \$9,150				4.2	1.6	0.3	0.8	1.6
Special Needs Teachers FTE	1:20 vs 1:25			3.2	1.1	0.3	0.9	1.2
Special Needs Assistants FTE	0.5FTE/child			27.5	6.3	3.4	3.3	8.5
Special Needs Salaries / Total SN Costs				105.9%	91.7%	80.7%	88.2%	97.2%

5. Assets and Debt

Statistical Categories	Your School 2014-15	Your School 2013-14	Your School 2012-13	Large K-12 (>850 kids)	Medium K-12 (240-550)	Small K-12 (100-220)	K-8 Only	ALL (Avg all SCS)
Loan Debt per Student	Zero goal 😊			\$4,719	\$2,273	\$2,911	\$6,750	\$3,659
Net Debt per Student				\$2,597	\$-179	\$-509	\$4,869	\$1,293
Loan Debt / Revenue				45.1%	22.1%	34.7%	67.7%	36.0%
Accounts Receivable as % Tuition				5.5%	4.2%	4.1%	1.8%	4.6%
Months of Revenue to Pay Net Debt				3.0	-0.2	-0.7	5.9	1.5
Current Ratio	2:1 ratio goal			0.6	1.1	0.9	1.9	0.8
Loan Debt per 100 Students				\$471,920	\$227,272	\$291,115	\$675,048	\$365,862
Working Capital per 100 students				\$-2,286	\$110,750	\$267,725	\$109,043	\$78,675
Net Capital Assets per 100 Students				\$1,265,680	\$875,596	\$1,037,027	\$1,040,287	\$1,062,999
CAPEX Equipment per 100 students				\$21,404	\$27,553	\$8,326	\$31,312	\$23,500
CAPEX Land/Buildings per 100 students				\$15,545	\$81,512	\$34,602	\$19,544	\$45,566
Amortization per 100 students				\$64,218	\$34,614	\$21,669	\$57,026	\$47,199
Loan Debt				\$4,368,091	\$832,765	\$434,685	\$900,480	\$1,326,196
Net Debt				\$2,403,380	\$-65,505	\$-76,074	\$649,507	\$468,705
Net Capital Assets				\$11,715,138	\$3,208,344	\$1,548,459	\$1,387,691	\$3,853,210

6. Marketing and Development

Statistical Categories	Your School	Your School	Your School	Large K-12	Medium K-12	Small K-12	K-8 Only	ALL
	2014-15	2013-14	2012-13	(>850 kids)	(240-550)	(100-220)	K-8 Only	(Avg all SCS)
Donations				\$78,906	\$201,931	\$26,063	\$61,817	\$115,154
Fundraising				\$229,913	\$99,017	\$30,082	\$11,286	\$87,583
Total Fundraising & Donations				\$308,820	\$300,948	\$56,145	\$72,903	\$202,737
Total Fundraising & Donations Per 100 students				\$33,321	\$82,132	\$37,601	\$54,652	\$55,930
Promotion & Advertising Expense per 100 students				\$6,541	\$3,023	\$1,680	\$4,511	\$4,453
Scholarships & Tuition Assistance per 100 students				\$7,358	\$19,777	\$15,178	\$12,014	\$13,258
Fundraising Expenses per 100 students				\$899	\$10,718	\$2,023	\$2,670	\$5,292
Development Salaries per 100 students				\$11,042	\$11,636	\$1,769	\$6,231	\$10,089
Pre-School Students Total #				76.4	36.2	27.0	24.7	45.8
Pre-School Students FTE				29.5	19.3	13.5	17.3	21.9
Kindergarten Students FTE Prior Year				49.9	22.1	6.6	15.8	21.9
Kindergarten Students FTE				48.9	24.4	8.3	17.5	23.4
Kindergarten FTE % Increase/Decrease				-2.0%	10.4%	26.6%	10.7%	7.0%
Students FTE K-12 Prior year incl Int'l				894.3	349.5	127.5	131.9	345.1
Students FTE K-12 current year incl Int'l				925.6	366.4	149.3	133.4	362.5
Students FTE % Increase/Decrease				3.5%	4.8%	17.1%	1.2%	5.0%
Students FTE K-12 Prior year per ES Audit				850.2	330.1	121.9	130.9	328.4
Students FTE K-12 current year per ES Audit				870.3	343.7	126.0	131.6	338.4
Students FTE % Increase/Decrease per ES Audit				2.4%	4.1%	3.3%	0.6%	3.1%
Development Staff FTE				1.6	0.6	0.1	0.1	0.6

\$250-\$1000 per student

Exp < Income?

Sticking?

K. Growing?

School Growing?

School Growing?

7. International Dept.

Statistical Categories	Your School	Your School	Your School	Large K-12	Medium K-12	Small K-12	K-8 Only	ALL
	2014-15	2013-14	2012-13	(>850 kids)	(240-550)	(100-220)	K-8 Only	(Avg all SCS)
International Students FTE				52.1	9.7	4.6	0.2	13.5
% Students International				5.6%	2.6%	3.0%	0.2%	3.7%
Tuition International				\$813,995	\$136,611	\$51,695	\$6,000	\$201,412
International Expenses				\$110,848	\$33,780	\$5,164	\$784	\$33,362
International Wages				\$184,051	\$23,565	\$0	\$0	\$39,568
Net Income International				\$519,096	\$79,266	\$46,531	\$5,216	\$128,482
Net Income per FTE International Student				\$9,956	\$8,180	\$10,220	\$21,005	\$9,483
Block Grant & Tuition per FTE non-Int'l Student				\$7,622	\$7,442	\$6,255	\$7,594	\$7,417

School culture and mission drift? Vs \$\$\$\$\$

Profitable?

Benchmarking

8. Pre-School Dept.

Statistical Categories	Your School 2014-15	Your School 2013-14	Your School 2012-13	Large K-12 (>850 kids)	Medium K-12 (240-550)	Small K-12 (100-220)	K-8 Only	ALL (Avg all SCS)
Students Total Number								
Age 3				25.8	13.6	0.0	9.7	16.0
Age 4				50.6	22.6	27.0	15.0	29.8
Pre-School Students Total #				76.4	36.2	27.0	24.7	45.8
Students FTE								
Age 3				9.3	6.9	0.0	6.5	7.4
Age 4				20.2	12.4	13.5	10.8	14.5
Total Pre-School FTE (1.0FTE = 5 mornings + 5 afternoons)				29.5	19.3	13.5	17.3	21.9
Tuition Pre-School				\$110,931	\$35,239	\$6,790	\$6,869	\$35,532
Grants Pre-School				\$9,477	\$3,480	\$640	\$642	\$3,257
Pre-School Expense				\$10,873	\$4,932	\$86	\$331	\$3,905
Pre-School Wages				\$95,487	\$31,368	\$7,670	\$27,986	\$35,704
Net Income(Loss) Pre-School				\$14,048	\$2,419	\$-325	\$-20,807	\$-820

Pipeline to K.....
Are they enrolling?

Breakeven?

9. Transportation Dept.

Statistical Categories	Your School 2014-15	Your School 2013-14	Your School 2012-13	Large K-12 (>850 kids)	Medium K-12 (240-550)	Small K-12 (100-220)	K-8 Only	ALL (Avg all SCS)
Transportation Income				\$81,631	\$15,950	\$1,606	\$7,258	\$21,622
Transportation Expenses				\$181,813	\$48,587	\$14,122	\$11,717	\$55,157
Transportation Salaries				\$26,000	\$25,182	\$2,356	\$5,682	\$16,385
Net Cost of Transportation Services				\$-126,182	\$-57,819	\$-14,872	\$-10,141	\$-49,920
Net Cost of Transportation Per Student (cost per student above user fees)				\$-136	\$-158	\$-100	\$-76	\$-138
% Cost re To and From School				48.0%	58.1%	34.6%	62.1%	52.0%
% Cost re Education Field Trips				52.0%	41.9%	65.4%	37.9%	48.0%

Loss leader for most schools....too many variables to have goals. Where is depreciation of buses being charged?

10. Facilities Dept.

Statistical Categories	Your School 2014-15	Your School 2013-14	Your School 2012-13	Large K-12 (>850 kids)	Medium K-12 (240-550)	Small K-12 (100-220)	K-8 Only	ALL (Avg all SCS)
Janitorial Staff				1.4	0.7	0.7	0.4	0.7
Janitorial Contractors				2.5	1.0	0.3	0.3	1.0
Janitorial/Maintenance Volunteers (Hours)				0.0	48.8	60.7	115.3	56.5
Janitorial Staff Salaries	\$111,787	\$31,000	\$23,432	\$6,244	\$37,530			
Janitorial Contract Salaries	\$58,590	\$40,569	\$11,845	\$19,966	\$37,530			
Janitorial Cost per sq ft	\$1.48	\$1.43	\$2.20	\$0.00	\$1.52			
Janitorial Cost per FTE Student	\$184.07	\$195.32	\$236.26	\$196.48	\$194.58			
Energy Usage:								
Gas Cost per sq ft	\$0.39	\$0.24	\$0.60	\$0.34	\$0.33			
Electricity Cost per sq ft	\$0.67	\$0.63	\$0.77	\$0.60	\$0.65			
Water Cost per sq ft	\$0.06	\$0.08	\$0.08	\$0.16	\$0.08			
Garbage Cost per sq ft	\$0.07	\$0.08	\$0.05	\$0.05	\$0.07			
Gas Cost per FTE Student	\$48.40	\$32.48	\$64.66	\$42.06	\$42.71			
Electricity Cost per FTE Student	\$82.82	\$85.93	\$82.39	\$74.62	\$83.52			
Water Cost per FTE Student	\$7.95	\$11.19	\$8.28	\$19.25	\$10.16			
Garbage Cost per FTE Student	\$8.42	\$11.34	\$5.87	\$6.49	\$9.29			

Janitorial costs?

Energy costs?

10. Facilities Dept.

Statistical Categories	Your School 2014-15	Your School 2013-14	Your School 2012-13	Large K-12 (>850 kids)	Medium K-12 (240-550)	Small K-12 (100-220)	K-8 Only	ALL (Avg all SCS)
Facility & Equipment Costs:								
Amortization	\$594,399	\$126,833	\$32,355	\$76,070	\$171,088			
Long term Interest	\$21,889	\$7,028	\$7,184	\$1,475	\$8,386			
Facility Rental Expenses	\$14,890	\$56,053	\$0	\$0	\$25,908			
Insurance	\$59,798	\$18,036	\$11,496	\$14,370	\$22,586			
Facilities Expense	\$447,048	\$206,968	\$81,039	\$64,077	\$189,598			
Total Facilities Cost per sq ft	\$3.89	\$4.14	\$5.04	\$3.87	\$4.09			
Facilities Cost per FTE Student	\$483	\$565	\$543	\$480	\$523			
Facility Asset Information:								
Facility Size (sq ft)	114,896	50,037	16,070	16,563	46,349			
Land Size (acres)	8.8	5.3	2.7	0.5	4.4			
Tax Assessment Value of Buildings	\$10,906,140	\$3,343,915	\$1,366,600	\$1,358,567	\$3,732,877			
Tax Assessment Value of Land	\$7,566,649	\$2,230,338	\$326,571	\$711,167	\$2,367,118			
Insurance Replacement Valuation of Buildings	\$23,948,276	\$7,595,719	\$3,755,413	\$2,218,083	\$8,325,229			
Fixed Assets	\$11,462,740	\$3,479,203	\$1,580,061	\$1,378,349	\$3,931,415			
Asset Purchases - Property	\$143,888	\$298,674	\$51,667	\$26,071	\$165,171			
Asset Purchases - Equipment	\$198,113	\$100,958	\$12,433	\$41,768	\$85,182			
Insurance Valuation of Buildings per FTE Student	\$25,873	\$20,730	\$25,151	\$16,628	\$22,967			
Insurance Replacement Valuation of Buildings per sq ft	\$208	\$152	\$234	\$134	\$180			

Facility Costs excl insurance?

Insurance adequate?

Assistance

- We trust this Benchmarking tool will be helpful for your school
- Please contact me if you have any question: tim.williams@scsbc.ca
- Findings of our research for 2015 and suggestions for best practice are in the following slides...

Financial Overview

Revenue (Million)	2015	2014	2013	2012	2011
Total tuition	50.9M	42.2	39.4	35.7	34.8
Total gov't grants	52.8M	45.5	43.2	42.4	42.4
Total donations and fundraising	6.3M	6.1	6.1	4.5	4.0
Other	4.1M	*6.8	3.8	3.8	2.5
Total revenue	\$114.1M	\$99.9	\$92.5	\$86.4	\$83.7

Note: Other income in 2014 includes profits on sale of land

Financial Overview

Expenses (million)	2015	2014	2013	2012	2011
All compensation	80.2M	68.5	65.5	56.7	59.3
All other expenses	23.7	20.5	20.2	25.0	19.9
Depreciation	5.3	4.5	4.3	4.4	4.4
Total expenses	109.2	93.5	90.0	86.1	83.6
Excess of revenues over expenses	\$4.9M	\$6.4	\$2.5	\$0.3	\$0.1

- ### Financial Overview
- In 2015 23% (2014 28% 2013 38%, 2012 35%) of schools have losses after including depreciation
 - In 2015 20 of 31 schools are in a loss position if donations are excluded.
 - Without donations and fundraising revenues, schools would have operating shortfall of \$3.25Mil (2014 \$2.5 Mil, 2013 \$3.5Mil)
 - Potential IC75-23 issues for the majority of schools.

Summary of Concern

Stewardship 101

- Operating income (tuition/grants excl. donations)
- Less: Operating Expenses (incl. depreciation)
- = Operating Surplus/(Deficit)

- Is your school in “operating surplus” position?
- The majority of Christian BC schools are not and this has huge implications.
- How do we best warn boards of the danger?

Ratios and Averages

Ratio of tuition fees to government grants = 96% (119% excl SN Grants)

- The best practice would be that tuition and government grants fund operations as government grant funds half of operating costs of public school district
- Approximately 65% of schools have set average tuition fees below the block grant funding level (rural schools with higher block grants may be able to sustain this)

[Cost per FTE student]

	2015	2014	2013	2012	2011
Revenues per FTE					
Tuition fees	4,430	4,192	4,114	3,724	3,638
Gov't grant	4,686	4,613	4,505	4,602	4,564
Cost per student	(9,719)	(9,497)	(9,380)	(8,979)	(8,728)
Shortfall from other sources	\$603	\$692	\$761	\$653	\$526

Note: on average schools need to ask for \$603 per child donation or borrow \$603 or raise it from other sources in order to fund their operations

[Ratios and Averages]

Special Needs Dept.	2015	2014	2013	2012
■ Special needs grants (\$Mil)	\$9.9 Mil	\$8.6	\$7.6	\$6.7
■ Special needs costs (\$Mil)	\$12.5 Mil	\$10.4	\$8.7	\$7.5
■ Grant to cost ratio	79%	83%	87%	89%
■ Average grant	\$320K	\$308K	\$261K	\$239K
■ Highest	\$1.07M	\$1.13M	\$942K	\$769K

Note: MoE is starting to request refunds from schools that report SOPSOC SpEd expenses less than SpEd grants. Most spend 20% more than they receive as a grant.

Ratios and Averages

Average religious portion of education per Sheet 4 = 27.6%

(2014 27.39% 2013 26.42% 2012 24.6%)

- Some schools as low as 21.0%
- Some schools as high as 34.0%
- If religious percentage too low: risk of too smaller IC75-23 donation receipt

Ratios and Averages

Secular cost of education per student for charitable receipting purposes

(Sheet 4)

- Average of all schools \$ 315
(2014 \$303 2013 \$471 2012 \$515)
- Lowest secular cost \$ zero
- Highest secular cost \$ 1,084
(2014 \$1396 2013 \$ 1,650 2012 \$2,097)

Ratios and Averages

- If religious percentage too high: risk of CRA audit and reassessment of all parents
- Schools need to be diligent, honest and precise about determination of secular cost per student and resulting donation receipt.

Tax recovery received directly by parents

- NB: Parents of SCSBC schools receive **\$14.15** million in donation tax credits from conversion of tuition fees to charitable donations through SCSBC Charitable Receipting Formula approved by Canada Revenue Agency (\$36.3M est. net receipts)
- Reviewed 54 schools in BC, AB and MB plus 3 CIS diocese and 2 SDA regions

Salaries

- Salaries and benefits as a percentage of total expenses for SCSBC schools **73.4%** (2014 73.3% 2013 72.8% 2012 74.6%)
- Range is **57.1%** to **85.7%** of expenses
- Government funding is unlikely to rise as much as educational inflation and there will be pressure to achieve greater efficiencies ie., **student/teacher ratios.**

Students per FTE Professional Staff Ratio

	2015	2014	2013	2012
■ ES Audit FTE students	10,491	9,248	9,185	9,226
■ Intl.Ed. / First Nations	620	496	410	366
■ Total FTE	11,111	9,744	9,595	9,592
■ FTE teachers/TAs (excl SN/Pre)	820	739	749	
■ Ratio students to staff	13.6	13.2	12.9	
■ High	16.8	16.9	17.2	
■ Low	8.3	9.3	7.6	

Depreciation of Capital Assets

- Total depreciation charged to income statements \$5.3 million (2014 \$4.5 Mil 2013 \$4.2Mil)
- Two schools do not record depreciation of capital assets
- Depreciation is a non-cash item that should fund future capital expansion since your bank balance will increase
- Set aside more than just depreciation since buildings will cost 10 times more to replace in 50 years

Transportation

- Transportation income of all SCSBC schools \$0.67 million (16 schools)
- Transportation expenses of all SCSBC schools \$1.7 million (27 schools /10 employ drivers)
(2014 \$2.1 Mil 2013 \$1.8Mil, 2012 \$1.8 Mil, 2011 \$1.5 Mil)
- Consider separate user fee for home to school transportation
- Cannot receive charitable donation receipt for transportation fees

Professional Development

- Professional development expenses SCSBC Schools **\$696,000** (2014 \$544K, 2013 \$555K, 2012 \$428K, 2011 \$449K)
- Average of **0.87%** (2014 0.79%, 2013 0.85%, 2012 0.6%, 2011 0.75%) of total salary expenses (does not include wages for ProD days)
- Hallmark of quality Christian education
- SCSBC suggested goal is to invest 1% of wages

Net Debt (million)

	2015	2014	2013	2012	2011
■ Total loan debt	41.1M	43.4	42.4	38.1	44.9
■ Total cash	(26.5)	(21.1)	(14.0)	(13.7)	(15.2)
■ Total net debt	14.6M	22.3	28.4	24.4	29.7
Net debt / revenue ratio	13%	23%	31%	28%	36%
Net debt per student	\$1,308	\$2,242	2,963	2,547	3,099

Long Term Debt

- Relatively manageable debt structure – represents **1.5 months** of revenue (2014 2.7; 2013 3.9; 2012 3.4; 2011 4.3)
- Debt structure should allow for repayment of principal no longer than 25 years but preferably 20 years for school buildings
- Some schools have significant capacity to borrow

Working Capital

- Current assets less current liabilities of all SCSBC Schools = \$22.3 Mil (excl loans) (2014 \$8.6Mil, 2013 \$6.4 Mil, 2012 \$6.3 Mil)
- Getting more healthy...but \$(6.7)Mil including current portion of loans
- Only eight schools had negative working capital and many with healthy current ratios ie., 2:1

Tuition fees receivable, tuition assistance and bad debts

- Tuition receivable at fiscal year end represents % of tuition revenue **4.6%** (2014 6.3%, 2013 5.4%, 2012 5.1%, 2011 4.3%)
- Total **\$1.9** million owing at year end (but interestingly prepayments were \$12.7Mil)
- Bad debt and tuition assistance averages **4.6%** of tuition fees (2014 4.8%, 2013 3.2%, 2012 1.8%, 2011 4.0%) amounts to **\$1.89Mil** (2014 \$1.65Mil, 2013 \$1.07Mil, 2012 \$660K)
- Assistance stats obscured by netting off method used by many schools to tuition

Tuition fees receivable, tuition assistance and bad debts

- True numbers are emerging with T4A rules for discounts and scholarships (some school still ignoring CRA ruling)
- Many schools provide for assistance to those families who cannot afford full fees
- Be generous and prudent in assisting families with financial needs

Donations and Fundraising

- Donations and fundraising in all SCSBC schools is \$6.3 Mil (2014 \$6.1Mil, 2013 \$6.1 Mil, 2012 \$4.5, 2011 \$3.9, 2010 \$4.2)
- Average per student \$565 (prior year \$626/student)
- Some schools into capital campaigns
- Some of these funds are used to cover operating shortfall and some for capital infrastructure and debt repayment

Development Expenses

- Development expenses total \$500,000 (2014 \$463K, 2013 \$470K, 2012 \$406K)
- Development staff salaries total \$1,133,000 (2014 \$838K, 2013 \$810K, 2012 \$875K)
- Average per school \$147 per student (2014 \$132, 2013 \$133, 2012 \$133 per student)
- Many schools doing an amazing job in getting donations with no spending

Development Expenses

- Development is more than fundraising and capital campaigns
- Development includes student recruitment, public relations, retention strategies and spiritual growth for schools
- Are you in contact with your alumni? Grandparents? Will giving? Membership of Christian Stewardship Services?

Development Expenses

- Given the rise of the echo generation and new student population will likely continue to rise
- Given the large capital infrastructure costs many schools are experiencing, a long term school business plan may be required to understand effects of changing enrollment

External Accountant Year End Financial Reporting

- Several schools issue financial statements which are not in accordance with generally accepted accounting principles in Canada; specifically for not depreciating assets or revenue recognition policies for donations
- Banks may require review or audit through bank loan covenants

External Accountant Year End Financial Reporting

- Constitution or bylaws will require review and change due to new BC legislation
- All schools must have operating costs and student FTE's audited for reporting to BC Inspector of Independent Schools – ES Audit

Overall Comments and Considerations

- Overall in an operational break-even position and not earning enough to sustain infrastructure and debt repayment
- Pleasing to see many schools discussing with core issues eg., staff efficiency, low fee structure, etc. Very optimistic for growth.

Overall Comments and Considerations

- Schools should move towards a tuition structure that results in tuition revenue being close to or equal to government grant.
- The exception may be some schools which are in public school districts with unusually high public school cost.

Overall Comments and Considerations

- Some schools reviewing their tuition models
- Be generous where needed to assist families in financial need, but do your homework
- Presently schools, on average, provide tuition assistance of 4.6% through tuition assistance, bursaries and bad debts.
- Future development work should focus more on student recruitment and estate planning

Overall comments and considerations

- Much more time needs to be spent on budgeting appropriate staff levels (75% of expenses)
- Student to teaching staff ratio of 13.6 to 1 (avg) leaves room for improvement

Overall Comments and Considerations

- Move towards budgeting for 1% of wage budget for professional development
- Be diligent in using SCSBC Charitable Receipting Framework; it is worth \$14.15 million to parents

Overall Comments and Considerations

- Schools should move towards user fee for transportation from home to school
- Schools should bill separately for transportation costs rather than include with tuition (it may not be used for charitable receipting)

Overall Comments and Considerations

- Schools should all move towards providing for replacement of capital infrastructure through depreciation charges
- Schools should use donations and fundraising for school property and buildings and debt reduction (not operations)

Overall Comments and Considerations

- Schools should plan and budget for positive working capital (excess of current assets over current liabilities); match current and long term A/L
- Schools should not have long term debt terms exceeding 25 years but preferably 20 years or less
- Consider fixing long term debt rather than maintain floating interest rate

Benchmarking and Best Practices

- Questions?
- Comments?