

EDMONTON PUBLIC SCHOOLS

December 11, 2007

TO: Board of Trustees  
FROM: E. Schmidt, Superintendent of Schools  
SUBJECT: Fall 2007 Update to 2007/08 Budget  
ORIGINATOR: B. Tams, Assistant Superintendent  
RESOURCE  
STAFF: Sultan Ibrahim, Dean Power, Eila Stenberg

INFORMATION

This report provides an update to the 2007-08 district budget.

The audited financial statements that were presented to board on November 27, 2007 showed that the district ended the 2006-2007 year with a \$36.1 million accumulated surplus. \$22.7 million was transferred to an operating reserve, leaving \$13.4 million available to be utilized in 2007-2008.

The fall's review of projected revenue and expenditures for 2007-08 shows approximately \$3.5 million of interest revenue and \$2.0 million savings in debt services are available this year.

The total of the 2006-2007 accumulated surplus and the additional revenue and cost savings is \$18.9 million.

Based upon the priorities of the board, and the approved planning base, resources will be distributed as follows:

Requisite Allocation - \$4,040,154 (Table #1)

Supplementary allocations have been provided by the superintendent to fund projects and programs that are needed by the district in order to meet the board's priorities. Funds have not been available in the past to allow these programs to operate effectively. Table #1 reflects the programs that were provided funds.

Supplementary Allocation Approved by the Superintendent - \$3,177, 506 (Table #2)

Table #2 indicates allocations to schools and decision units to address specific circumstances in the district.

### Supplementary Allocations to Schools and Decision Units - \$7,000,264

The resources provided to schools and central decision units have been allocated with the principles of site based decision making in mind. That is, these resources are not targeted and can be used at the principal or decision unit manager's discretion to support the priorities as addressed in the school or decision unit plan.

The \$7 million funds are allocated on the traditional formula of 92 per cent (\$6,440,353) to schools and 8 per cent (\$559,911) to central decision units. The allocation to schools will be calculated using the weighted per pupil formula. The allocation to central decision units will be based on a \$7,500 flat amount plus \$341 per full time equivalent (F.T.E.) staff member.

### Resources Available - \$4,690,076

This amount represents 0.6% of the district budget and provides resources to meet district needs that arise during the year.

### Fall Update to Alberta Education

Alberta Education requires that an update of the 2007-08 budget be provided to them, which incorporates the latest information available to the district.

The attached report (Appendix II) informs both the board and Alberta Education of the updated district's finances. The report incorporates the 2006-07 year end results, additional allocations to schools and decision units provided in December 2007 and the recent teacher settlement proposal with the province.

Your administration believes that it is too early to project how much of the school's and decision unit's surpluses will be utilized this year. For that reason, the projected surplus assumes the same amount that existed on August 31, 2007.

DRP/ej

Appendix I – Supplementary Allocations

Appendix II – Update to 2007/08 Budget

## Requisite and Supplementary Allocations

Table #1 – Requisite allocations not yet funded

\$ 2,919,317	Holdback (DU 800)	resources that should not have been allocated because schools have already identified these resources in their School Generated Funds
\$ 24,735	Property Management (DU 307)	closed school maintenance for Newton School
\$ 16,978	Property Management (DU 307)	closed school maintenance for High Park School
\$ 529,124	Facilities (DU 373)	funding for specialty maintenance is intended for heating control maintenance district wide to improve the operation of thermostats and related control equipment in classrooms
\$ 250,000	Facilities (DU 373)	air systems maintenance is intended for cleaning heat exchange in schools
\$ 200,000	Facilities (DU 373)	air duct cleaning is a new program to clean the air ducts within schools to improve the air quality
\$ 100,000	Facilities (DU 373)	roof repair is a new program to fund minor roof repairs centrally to encourage schools to have repairs done while costs are low and to reduce problems related to mold caused by leaks
\$ 4,040,154	Total	

Table #2 – Supplementary allocations approved by the Superintendent

Amount	School/Decision Unit	Rationale
\$ 898,546	Schools	district Reading Recovery initiative
\$ 240,000	Building Operations (DU 312)	supplementary allocations to support district priority initiatives approved by the superintendent in 2006-07 not completed in that year
\$ 149,000	District Technology (DU 316)	
\$ 132,000	Personnel Support Services (DU 364)	
\$ 147,832	Stratford School (DU553)	a PO&M adjustment from \$52,980 to \$200,813
\$ 50,000	Transitions at the Y (DU 325)	Outreach Program Funding for the

Amount	School/Decision Unit	Rationale
		Transitions at the Y program was not accounted for during the distribution of allocations as being one of the sites eligible for this grant
\$ 87,567	Designated Receiving Schools	initial funds allocated were based on file(s) which reflected updated catchment area data intended for the 2008-2009 school year; this allocation was adjusted based on catchment area data for the 2007-2008 school year
\$ 4,700	Mayfield (DU 209) and Montrose (DU 151)	designated receiving schools (closed schools)
\$ 50,000	L.Y. Cairns (DU 702)	resources for the Transitional Support Program (TSP)
\$ 65,751	L.Y. Cairns (DU 702)	Woodside (North) guaranteed enrolment
\$ 362,110	Schools receiving Blended Allocations	the difference between projected blended allocations (calculated at 50% for all students) and the actual blended allocations (calculated individually for schools, at a higher percentage) for students partially home schooled
\$ 250,000	Personnel (DU 364)	resources for managing director and support staff
\$ 360,000	Consulting Services (DU 338)	funding to support multi-lingual services provided at no charge through the English Language Support Services Centre (ELSSC)
\$ 380,000	Early Education sites	a one time allocation provided as a result of provincial changes in Operation and Maintenance funding to Early Education sites; the allocation is intended to allow schools to make the necessary staffing adjustments
\$ 3,177,506	Total	

## 3020 Edmonton School District No. 7

School Jurisdiction Code and Name

## FALL 2007 UPDATE TO THE 2007/2008 BUDGET

	Fall 2007 Update to the Budget 2007/2008	Spring 2007 Budget Report 2007/2008	Variance
<b>OPERATIONS (SUMMARY)</b>			
<b>Revenues</b>			
Alberta Education revenue	\$648,358,674	\$642,370,572	\$5,988,102
Other government of Alberta revenue	\$4,117,347	\$4,117,347	\$0
Instruction resource fees and transportation fees revenue	\$10,138,148	\$10,138,148	\$0
Other sales and services revenue	\$11,159,698	\$11,647,712	(\$488,014)
Amortization of capital allocations revenue	\$10,686,000	\$10,686,000	\$0
All other revenues	\$25,427,608	\$20,880,257	\$4,547,351
<b>Total Revenues</b>	<b>\$709,895,475</b>	<b>\$699,838,036</b>	<b>\$10,047,439</b>
<b>Expenses</b>			
Certificated salaries, wages and benefits expense	\$398,643,537	\$386,493,880	\$32,149,657
Non-certificated salaries, wages and benefits expense	\$170,260,823	\$162,935,018	\$17,325,805
Services, contracts and supplies expense	\$107,071,726	\$134,412,945	(\$27,341,219)
Amortization expense	\$24,914,000	\$24,914,000	\$0
Interest on capital debt expense	\$2,094,000	\$2,094,000	\$0
All other expenses	\$11,980,090	\$11,325,090	\$655,000
<b>Total Expenses</b>	<b>\$714,364,176</b>	<b>\$692,174,733</b>	<b>\$22,189,443</b>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>(\$4,478,701)</b>	<b>\$7,663,303</b>	<b>(\$12,142,004)</b>
<b>CHANGES IN NET ASSETS (SUMMARY)</b>			
<b>Accumulated Operating Surplus</b>			
Accumulated Operating Surplus - Aug.31, 2007	\$36,108,159	\$5,605,644	\$30,502,515
Accumulated Operating Surplus - Aug.31, 2008	\$24,187,658	\$5,605,644	\$18,582,014
<b>Capital Reserves</b>			
Capital Reserves - Aug.31, 2007	\$6,087,955	\$3,702,966	\$2,384,989
Capital Reserves - Aug.31, 2008	\$6,287,955	\$3,702,966	\$2,584,989
<b>Investment in Capital Assets</b>			
Investment in Capital Assets - Aug.31, 2007	\$91,045,425	\$98,389,483	(\$7,324,058)
Investment in Capital Assets - Aug.31, 2008	\$99,211,725	\$106,032,786	(\$6,821,061)

Comments/Explanations of Variances: NOTE: ACCUMULATED OPERATING SURPLUS IS MADE UP OF:

	August 31, 2008	August 31, 2007
Operating Reserve	\$22,700,000	\$22,700,000
Accumulated Operating Surplus	1,487,658	13,408,159
<b>Total</b>	<b>\$24,187,658</b>	<b>\$36,108,159</b>

This update includes a provision for \$1,600.00 signing bonus for Certificated staff, which will be funded by Alberta Education.

**Attestation of Secretary-Treasurer/Chief Financial Officer:**

This information was formally received by the Board of Trustees at the meeting held on : \_\_\_\_\_