

EDMONTON PUBLIC SCHOOLS

May 26, 2009

TO: Board of Trustees

FROM: E. Schmidt, Superintendent of Schools

SUBJECT: 2008-2009 Interim Financial Statement

ORIGINATOR: D. R. Power, Assistant Superintendent - Treasurer

RESOURCE
STAFF: Sultan Ibrahim, Eila Stenberg

INFORMATION

Attached is an update of the district's finances to the end of April, with projections to the end of August 2009. The projected revenue is \$30.4 million higher than budgeted. The increase is due to \$13.0 million additional grant revenue as a result of higher than projected enrolment. Based on the revenues received during the first eight months and taking into account the trends in prior years, the other revenue projections have been revised. The other \$17.4 million of increased revenue is due to projected funds being in excess of the amounts originally budgeted as follows:

- secondment of staff to Alberta Education of \$3.3 million
- other revenue from the province of \$1.3 million for various small grants
- other sales and services revenue of \$1.4 million for secondments of staff to outside organizations
- gifts and donations of \$4.9 million mostly from parent organizations
- the net revenue from school generated funds is also estimated to be higher by \$2.8 million, this amount is offset by a similar increase in school generated funds expenditure.

Your administration is forecasting an accumulated surplus of \$42.7 million based on the spending patterns of schools and central services to the end of April 2009. This amount is \$12.5 million less than the accumulated surplus balance at the end of 2007-08. In the preparation of the projected expenditures, your administration made the assumption that the savings from Alberta Health Care Premiums would not be utilized this year.

If the spending patterns for schools and decision units change during the next four months, the forecast for expenditures and accumulated surplus would change accordingly.

DRP/ej

ATTACHMENT – Interim Report to April 30, 2009

EDMONTON PUBLIC SCHOOLS
Interim Report to April 30, 2009
STATEMENT OF OPERATIONS
(in thousands of dollars)

	Actual 8 Months Ended April 30, 2009	Forecast For the Year Ending August 31, 2009	Annual Budget for the Year Ending August 2009	Variance	Note
REVENUES					
Government of Alberta	\$ 465,095	\$ 694,544	\$ 676,988	\$ 17,556	1-
Federal Government and/or First Nations	1,623	2,510	2,290	220	2
Other Alberta school authorities	2,725	5,745	5,287	458	2
Instruction resource fees	2,704	2,704	2,389	315	2
Transportation fees	7,313	8,334	8,334	-	-
Other sales and services	13,973	14,908	12,209	2,699	3
Investment income	2,680	4,000	3,500	500	4
Gifts and donations	4,011	6,449	1,502	4,947	5
Rentals of facilities	2,269	2,513	1,618	895	6
Net school generated funds	9,912	14,294	11,511	2,783	7
Gains on disposal of capital assets	-	-	-	-	-
Amortization of capital allocations	6,790	10,210	10,210	-	-
Total Revenues	\$ 519,095	\$ 766,211	\$ 735,838	\$ 30,373	
EXPENSES					
Certificated salaries	\$ 250,551	\$ 376,159	\$ 347,456	\$ 28,703	8
Certificated benefits	29,831	46,297	45,517	780	8
Uncertificated salaries and wages	109,433	139,800	126,305	13,495	8
Uncertificated benefits	21,450	31,462	30,108	1,354	8
Services, contracts and supplies	79,386	142,364	148,970	(6,606)	9
Net school generated funds	9,912	14,294	11,511	2,783	7
Capital and debt services					
Amortization of capital assets					
Supported	6,790	10,210	10,210	-	-
Unsupported	9,139	13,602	13,602	-	-
Interest on capital debt					
Supported	930	1,357	1,357	-	-
Unsupported	61	66	66	-	-
Other interest charges	335	500	500	-	-
Losses on disposal of capital assets	-	-	-	-	-
Total expenses	\$ 517,818	\$ 776,111	\$ 735,602	\$ 40,509	
SURPLUS(DEFICIT) FOR THE PERIOD	\$ 1,277	\$ (9,900)	\$ 236	\$ (10,136)	

Notes:

- 1 \$13 million of the increase is attributable to an increase in enrolment over the projected enrollment for the year. A major portion of the balance is accounted for by a \$3.3 million increase in secondment revenue.
- 2 The higher revenues under these headings are primarily because of the revision of revenue forecasts to take into account the higher than projected revenues received during the first eight months of the year.
- 3 Secondment revenue was \$1.4 million higher than budget and the unbudgeted amount or \$0.7 million was received from Alberta Foundation for the Art and Mental Health, the remainder of the increase was from increased other revenues remitted by the schools.
- 4 This increase is as a result of revised estimated cash flows and adjustment to take into account interest earned to date.
- 5 The estimate for donations has been revised taking into account the actual receipts for the first eight months and based on past trends for the remainder of the school year.
- 6 The budgetted revenue from leases has been revised taking into account the revenue received to April 2009 and projections based on past trends for the remainder of the year.
- 7 The Net revenue projections from school generated funds has been revised to take into account the actual revenue received during the first eight months of the year and taking into account the projected revenue for the remainder of the year. This increase in revenue is offset by a corresponding increase in expenditure.
- 8 Increase due to ATA and other contract settlements after preparation of the budget coupled with increases in the number of employees partially offset by a decrease in benefit costs attributable to the elimination of Alberta Health Care Premiums for the period from January 1, 2009 to August 31, 2009.
- 9 Decrease in projected expenditure over budget based on lower than budgeted proportionate expenditure during the first eight months of 2008-02009 and expenditure pattern for prior years.

**EDMONTON PUBLIC SCHOOLS
SUMMARY OF FORECASTED
OPERATING AND CAPITAL TRANSACTIONS**
(in thousands of dollars)

	CAPITAL RESERVES	ACCUMULATED OPERATING SURPLUS/(DEFICIT)
Balance, August 31, 2008	\$ 6,499	\$ 55,236
Operating Transactions:		
Deficit for the Year		(9,900)
Unsupported Capital Transactions:		
Board-Funded Capital Additions		(15,916)
Repayment of Unsupported Debt		(312)
Amortization of Unsupported Capital		13,602
Other (Including Transfers)	136	
Projected Balances August 31, 2009	\$ <u>6,635</u>	\$ <u>42,710</u>