

EDMONTON PUBLIC SCHOOLS

November 13, 2007

TO: Board of Trustees
FROM: Trustee G. Rice, Public School Boards' Council Representative
SUBJECT: Public School Boards' Association of Alberta Fall General Meeting
RESOURCE
STAFF: Anne Sherwood

RECOMMENDATION

That board support for the proposed PSBAA 2008 fee schedule and budget as outlined in Attachment #3 and #4 be approved.

* * * * *

The PSBAA Annual General Meeting business session is scheduled for Sunday, November 18, 2007 at the Sutton Place Hotel and will include

- Reports from the President and Executive Director
- Standing Committee Reports
- Adoption of the 2006 Financial Statements
- Appointment of the Financial Reviewer
- Approval of the Budget and Fee Schedule for 2008 (the board has one vote to be cast by the board's PSBC representative)
- Association Business and Resolutions: Membership offer for Non-Members
- Election of Officers (President, Vice-President)

It should be noted that voting is by board and one trustee must be designated to cast the board's ballot on any motions. Normally, the board's PSBC designate casts the board's ballot based on the views expressed by trustees present and the debate at the general meeting. The PSBAA has requested that boards reach a corporate decision with respect to the proposed budget and fee schedule prior to the meeting.

Financial Statements for December 31, 2002

The (unaudited) financial statements for December 2006 are attached as Attachment #2. A chartered accountant reviewed the financial statements. Our administration reviewed the statements and believes that they are in accordance with sound accounting principles.

Proposed Fee Schedule, 2008 – Draft Operating and Capital Budget, 2008 (Attachment #3 and #4)

The Management and Operations Committee is recommending the Fee Schedule for the fiscal year 2008, attached as Attachment #3. Both the basic annual fee and the supplementary fees have been increased by approximately 3%. The district's fee for 2008 will be \$47,837. The draft expenditure budget for 2008 (Attachment #4) is \$480,020 up \$56,261 from the 2007 approved budget. The increase reflects the revenue from new memberships.

Association Business and Resolutions

A resolution will be brought forward to offer non-member public boards provisional membership in the Association for the first ten months in 2008 (Attachment #5) as a means of encouraging them to join the Association. Ten public school boards in Alberta are currently not members of the Association. The same offer was made in 2006 and eight public school boards accepted the invitation with all but one board voting to continue as a regular member.

Elections

Nominations and elections for President, First Vice-President and Second Vice-President will be held as part of the Annual General Meeting. Trustee Fleming is the board's nominee for the position of President.

AS:mmf

- Attachment #1 - Minutes of the 2006 Annual General Meeting
- Attachment #2 - Financial Statements for the Year Ending December 31, 2006
- Attachment #3 - Proposed Fee Schedule 2008
- Attachment #4 - PSBAA Draft Operating and Capital Budget 2008
- Attachment #5 - Proposed Resolution – Membership Offer to Non-Members



**Minutes of the 2006 Annual General Meeting
of the Public School Boards' Association of Alberta
Sunday, November 19th, 2006
(Delta Edmonton Centre Suite Hotel, Edmonton)**

1. Welcome and Introductions by the President – Don Fleming

The President called the meeting to order at 10:00 a.m.

Following the singing of O Canada, the membership read the Foundation Statement. (The Foundation Statement was adopted at the 2004 AGM, and is read at the beginning of each Public School Boards Council meeting.) One minute of silence was observed to reflect and to remember those who have served with us.

The President thanked the jazz band from McKernan Elementary-Junior High School in Edmonton for their performance, and introduced the other Table Officers.

2. Adoption of Previous Meeting's Minutes

It was moved by Sharon Cornelius (Parkland School Division) and CARRIED, THAT the Minutes of the 2005 Annual General Meeting be approved and adopted as circulated.

3. Adoption of the Agenda

It was moved by Roy Brassard (Chinook's Edge School Division) and CARRIED, THAT the agenda proposed for the 2006 Annual General Meeting be adopted.

Gerry Martins (St. Albert P.S. School District) indicated he had a question relating to "Business Arising from the Minutes", and as this was not included as an item on the agenda, wanted to know where he could raise it. Mr. Martins' concern (whether the Association has purchased Directors' Liability Insurance) would be addressed in the Executive Director's report.

The President advised that, following the presentation of his report, Steve Noskey would take the Chair.

4. Report of the President – Don Fleming

The President gave his report (copy attached) and upon the conclusion asked for questions and/or comments from the floor.

Steve Noskey took the chair.

It was moved by Bill Stuebing (Red Deer School District) and CARRIED, THAT the report of the President be received.

Don Fleming returned as Chair. He asked the members of the Management and Operations Committee if they wished to make comments. Steve Noskey, 1st Vice President and Barb Johnson, 2nd Vice President reported briefly.

5. Report of the Executive Director - David King

The Executive Director gave his report (copy attached), following which he asked for questions and/or comments from the floor.

It was moved by Ernie Wynychuk (St. Albert P.S. School District) and CARRIED, THAT the report of the Executive Director be received.

6. **Approval of the Financial Statements for the Fiscal Year January 1st, 2005 to December 31st, 2005.**

Orville Borys, Chairman of the Financial Review Committee, was called upon to present the Financial Statements for the fiscal year January 1st, 2005 to December 31st, 2005.

It was moved by Orville Borys (Black Gold Regional Division) and CARRIED, THAT the Financial Statements for the Association, for the year January 1st, 2005 to December 31st, 2005 be received and approved as presented.

7. **Appointment of an External Financial Reviewer for the 2006 Fiscal Year**

It was moved by Orville Borys (Black Gold Regional Division), and CARRIED, THAT the firm of Dan Faber, Professional Corporation, be retained to conduct a review of the financial records of the Association for the Fiscal Year 2006 and to report on the same to the membership.

8. **Consideration of the Foundation Statement recommended by the Standing Committee on Values, Character Formation and Respect for Faith and Religion**

Greg Butt, Chair of the VCR Committee advised that a copy of the Foundation Statement was included in everyone's package. A revised copy was distributed with minor changes (mostly grammatical). A copy of the revised Statement is attached to these minutes.

It was moved, by Greg Butt (Wetaskiwin Regional Division) THAT the Foundation Statement on Values, Character Formation and Respect for Faith and Religion be adopted, as printed and distributed at the meeting.

The floor was open for discussion.

It was moved, by Terry Riley (Medicine Hat School District) THAT the Foundation Statement be amended to add "as members of" to the third paragraph (after the word "that" and before "our").

The Chair ruled the amendment out of order.

- Jane Neil (Canadian Rockies Public Schools) - spoke and was not in favor of adopting the statement. She expressed the view that it needed to be edited. In addition, she expressed concerns about the list of attributes, and what meaning(s) would be read in. Finally, she expressed concern about a "hidden agenda"
- Marie Anstey (Parkland School Division) - spoke in favour of adopting the Statement, noting that when someone makes the decision to send their child somewhere other than a public school, we need to take note. She expressed the view that there are people who believe public schools do not respect faith and religion.
- Greg Butt (Chair of the VCR Committee) - provided some background for the benefit of the new members. He spoke about the felt need to make an explicit commitment to healthy character formation and respect for religion and religious diversity. He acknowledged that we are in the very early stages and still learning. This Foundation Statement can be used however boards wish to at the local level, and we will all learn from the experience.
- Esme Comfort (Canadian Rockies Public Schools) – asked if there is a definition of a "Foundation Statement". The Executive Director replied that there is not.
- Rhonda Reich (Ft McMurray Public School District) – asked for clarification about the process through which the proposed Foundation Statement has come to the A.G.M.

(At the council level, each board had representation. This is the 3rd reading, and the statement should have gone to boards twice for further discussion: therefore, it should not be new to boards.)

The President provided additional time for Boards to discuss.

It was moved by Marie Anstey (Parkland School Division)
THAT the foundation statement on Values, Character Formation and Respect for Religion be referred back to the Public School Board Council's meeting in February for a rewrite of the statement.

The membership was asked to vote on the motion. Motion was DEFEATED

The President advised the membership they would be asked to vote on the main motion on the floor, which is:

THAT the Foundation Statement on Values, Character Formation, and Respect for Faith and Religion (that was distributed at the Business Meeting) be adopted.

The membership was asked to vote on the main motion. Motion was CARRIED

9. Adoption of the 2007 Fee Schedule

A copy of the 2007 proposed Fee Schedule was previously distributed to all members and a copy was provided in each registration package. The proposed 2007 Fee Schedule includes an increase in the supplementary fees by approximately 2%.

It was moved by Jeanette Smith (Parkland School Division) and CARRIED
THAT the 2007 Proposed Fee Schedule recommended by the Management & Operations Committee be approved.

10. Adoption of the 2007 Budget

A copy of the proposed 2007 Budget was previously distributed to all members and a copy was also provided in each registration package. Also included in the conference package was a copy of the Standing Rules Respecting the Budget.

It was moved by Grace Gruber (Parkland School Division)
THAT the proposed 2007 Budget be approved in principle.

Questions/Comments

- Gerry Martins (St. Albert P.S. School District) - asked what the expected deficit for 2006 is at this time. The Executive Director replied that the deficit is now expected to be approximately \$30,000 instead of the projected \$67,900.

The Executive Director took the opportunity to explain that the budget that has been presented to the membership was set before four new boards joined in October. The Association's bylaws don't make any provision for amendments to the proposed budget between the time of its initial distribution and the A.G.M.

- Wendy Keiver (Edmonton Public Schools) - The President, in his report referred to the Association's Intervener status in the Aspen View case, and he advised that it is anticipated to cost a further \$15,000. Is this amount separate from the request that individual boards contribute?

The Executive Director replied "yes". When the Association applied for Intervenor status, an expenditure not to exceed \$15,000 was approved – the funds to come from the accumulated surplus. This amount has been spent. Our lawyers have advised that an additional \$15,000 will, in all likelihood, be needed to continue through to the end of the Court of Queen's Bench trial. Whether or not we should continue with this will need to be considered by the PSBC at the next

Council meeting in February. It is proposed that funds would come from the accumulated surplus, if the membership decides to continue.

- Grace Gruber (Parkland School Division) - Is there a line item for expenses that will be incurred by the *Ad Hoc* Committees the Executive Director referred to in his report?

The Executive Director replied that the two committees each have a very limited budget. It is expected that they will meet mostly by email or by telephone conference calls. Any expenses would come out of the amount budgeted for office operations expenses.

It was moved by Terry Riley (Medicine Hat School District)
THAT the Budget be referred to the PSBC for study and action.

The Bylaws specifically state that the Budget needs to be adopted at the AGM. It will therefore be necessary to deal with the budget as presented.

Mr. Riley withdrew his motion.

The motion to approve the budget in principle was put to a vote and ADOPTED.

It was moved by Joan Trettler (St. Albert P.S. School District) and CARRIED,
THAT the Budget as a whole be adopted.

It was moved by Kim Leenders (Parkland School Division) and CARRIED,
THAT the Executive Director is directed not to exceed any amounts approved by this assembly for expenditures to advance the work of the Association except on the authority of the Management and Operations Committee as evidenced by a motion duly made, and adopted

It was moved by Wendy Keiver (Edmonton Public Schools) and CARRIED,
THAT as of January 1, 2007, the rate paid by the Association as an honorarium in recognition of time spent at the work of the Association shall be:

- for time up to and including four hours in any one day, \$73.75;
 - for more than four hours and up to eight hours in any one day, \$147.50;
 - for telephone conference calls which are less than one hour in length, \$25.00;
 - for telephone conference calls which are one to two hours in length, \$36.88; and
 - for telephone conference calls which are two to four hours in length, \$73.75
- according to the operational policies of the Association.

(This does not apply to jurisdiction representatives on the Public School Boards Council. The Association does pay jurisdictions transportation/travel costs according to a formula but does not pay an honorarium to these representatives for attendance at Council meetings.)

It was moved, by Terry Riley (Medicine Hat School District) and CARRIED
THAT the extra revenue generated by increased membership be expended in a manner as determined by the PSBC.

10. Receive and Refer a Report from the *Ad Hoc* Committee on Development

A copy of the final report of the *Ad Hoc* Committee to Review Programs for Trustee, Board and Leadership Development was distributed to each member.

It was moved by Karen Prokopowich (Grande Prairie School District) and CARRIED
THAT the Report of the *Ad Hoc* Committee on Development be received and referred to the February 2007 meeting of the Public School Board Council for discussion and action.

- Barb Johnson (Wetaskiwin Regional Division) - commended the Committee for their work.

- Karen Prokopowich (Grande Prairie School District) - acknowledged and thanked the other members of the Committee: Dianne Macauley (Red Deer Public Schools), Don Zech (Palliser Regional Division and Barry Wowk (St. Albert PS School District)

11. Proposal to Extend the Fee-free trial membership

Ten non-member boards sent a trustee to the first PSBC meeting. Eight of those boards took full advantage of the fee-free trial offer, and seven of those boards have voted to join the Association on an on-going basis. The new members are:

- Battle River School Division
- Canadian Rockies Public Schools
- Golden Hills School Division
- High Prairie School Division
- Medicine Hat School District
- Northern Lights School Division
- Wolf Creek School Division

Based on this success the Management and Operations is recommending that the fee free trial membership be extended to those jurisdictions that did not participate in 2006.

It was moved, by Glenn Doonanco (Ft McMurray Public School District)

THAT the Association offer all public school jurisdictions in Alberta which are not currently members of the Association and which did not participate in a similar offer last year, the opportunity to join the Association, on the following basis:

- a) the membership fee for the invited jurisdictions would be waived for 10 months (January 1 to October 31, 2007), and a jurisdiction would be entitled to all of the benefits of membership and to participate in all of the activities of the Association as a full member, except that the Association would not make travel pool payments to such jurisdictions when they participate in the meetings of the PSBC; and,
- b) the association would consider acceptance of the offer as acceptance of the Objects of the Association and agreement to be bound by the bylaws of the Association; and,
- c) jurisdictions that accept this offer and notify the Association by October 1, 2007 of their intention to continue as members, and pay 15% of the applicable fee for 2007 by October 31, 2007, shall continue as full members for the duration of 2007 including the AGM.

Questions/Comments:

- Wendy Keiver (Edmonton Public Schools) - At the 2005 AGM the indication was that the fee free trial membership would a one-time decision and that it would only apply to 2006.

- Joan Trettler (St. Albert P.S. School District) - The decision made one year ago was strong and the right one. October 2007 is an election year and it is questionable whether boards would make a decision to join in an election year. Judges that the timing is not right and therefore reluctant to support the motion.

- Grace Gruber (Parkland School Division) – agrees with the above statement. It was a good offer to make once, and it may be good to make the offer again, but perhaps not at this time.

- Lawrence Lee (Red Deer Public Schools) – not the right time, but keep non-members in the loop.

- Kelly Lowry (Wolf Creek School Division) - do not put a time on the fee free membership. Allow boards always to have their first year of membership free.

It was moved by Wendy Keiver (Edmonton Public Schools)

THAT this issue of fee free membership be referred to the Management and Operations Committee to report for consideration at the 2007 AGM.

There was discussion about the nature of the motion, and the process.

- Svend Hansen (Edmonton Public Schools) – motion to refer is debatable.
- Terry Riley (Medicine Hat School District) – a motion to table is not debatable.

Wendy Keiver (Edmonton Public Schools) withdrew her motion to refer.

It was moved, by Terry Riley (Medicine Hat School District)
THAT this motion be tabled to the 2007 AGM).

After further discussion, Mr. Riley withdrew his motion to table.

- Bill Stuebing (Red Deer Public Schools) – if the membership is not in favour of the motion that is on the floor they should defeat it.
- Larry Maerz (Golden Hills School Division) – it is too soon to offer another fee free membership. If you offer it again it devalues membership in the Association.

The motion to extend free membership for 2007 was put to a vote and **DEFEATED**

12. Other Business/Comments

- Rhonda Reich (Ft. McMurray Public School District) – need to have a process in place for 1st, 2nd and 3rd Readings.
- Svend Hansen (Edmonton Public Schools) – suggests that reports be printed and distributed before the meeting to give boards a change to review before hand.

13. Recognition, Presentations and Closing

The President asked Loreen Lennon, Communications Director to come forward and accept a small token of appreciation for her five years of employment with the Association.

A draw was made from the returned evaluation forms. The winner of a PSBAA briefcase and toiletry bag was Gitta Hashizume from Medicine Hat School District.

14. Adjournment

There being no other business, the meeting was adjourned at 1:20 p.m.

**PUBLIC SCHOOL BOARDS'
ASSOCIATION OF ALBERTA**

Financial Statements

Year Ended December 31, 2006

(Unaudited)

PUBLIC SCHOOL BOARDS' ASSOCIATION OF ALBERTA

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Year Ended December 31, 2006

(Unaudited)

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REVIEW ENGAGEMENT REPORT

To the Members of Public School Boards' Association of Alberta

We have reviewed the statement of financial position of Public School Boards' Association of Alberta as at December 31, 2006 and the statements of operations, net assets and cash flow for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Association.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
April 17, 2007

CHARTERED ACCOUNTANTS

PUBLIC SCHOOL BOARDS' ASSOCIATION OF ALBERTA

Statement of Financial Position

December 31, 2006

(Unaudited)

	2006	2005
ASSETS		
CURRENT		
Cash	\$ 45,222	\$ 115,432
Term deposits	650,000	500,000
Accounts receivable	1,750	4,580
Accrued interest receivable	4,339	1,349
Goods and services tax recoverable	-	291
Prepaid expenses	604	610
	701,915	622,262
PROPERTY AND EQUIPMENT (Note 3)	41,082	30,949
	\$ 742,997	\$ 653,211
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 9,120	\$ 9,447
Employee deductions payable	5,143	5,011
Goods and services tax payable	1,738	-
RRSP contribution payable	8,000	8,000
Deferred revenue (Note 4)	381,451	299,204
	405,452	321,662
NET ASSETS		
INVESTED IN PROPERTY AND EQUIPMENT	41,083	30,949
INTERNALLY RESTRICTED (Note 5)	65,937	78,391
UNRESTRICTED	230,525	222,209
	337,545	331,549
	\$ 742,997	\$ 653,211

ON BEHALF OF THE BOARD

Director

Director

The accompanying notes are an integral part of these financial statements.

PUBLIC SCHOOL BOARDS' ASSOCIATION OF ALBERTA

Statement of Operations

Year Ended December 31, 2006

(Unaudited)

	2006	2005
REVENUES		
Contract revenue	\$ 1,809	\$ 8,439
General meeting revenue	76,872	38,070
Interest	12,609	10,124
Leadership development	34,788	42,634
Membership	367,309	356,080
Public school boards' council	13,143	11,263
	506,530	466,610
EXPENSES		
Amortization	9,320	8,151
Committees	9,088	6,892
Communications	3,568	18,244
Computer repair	4,247	5,946
Dues and subscriptions	1,296	620
Insurance	2,905	610
Interest and bank charges	48	33
Management and Operations Committee	22,984	9,685
Meeting expenses (Schedule 1)	101,768	86,525
Office supplies	5,989	7,986
Public school boards' council	42,531	50,740
Professional fees	5,419	17,501
Rent	12,444	10,900
Staff travel and hospitality	11,772	7,887
Sub-contracts	-	738
Telephone and utilities	5,578	5,645
Wages and employee benefits	261,560	252,558
	500,517	490,661
INCOME (LOSS) FROM OPERATIONS	6,013	(24,051)
OTHER LOSS		
Loss on disposal of property and equipment	(17)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 5,996	\$ (24,051)

The accompanying notes are an integral part of these financial statements.

PUBLIC SCHOOL BOARDS' ASSOCIATION OF ALBERTA

Statement of Changes in Net Assets

Year Ended December 31, 2006

(Unaudited)

	Invested in Property and Equipment	Internally Restricted	Unrestricted	2006	2005
BALANCE - BEGINNING OF YEAR	30,949	78,391	222,209	331,549	355,600
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(9,320)	-	15,316	5,996	(24,051)
INVESTMENT IN PROPERTY AND EQUIPMENT	19,454	(19,454)	-	-	-
INTERNALLY IMPOSED RESTRICTIONS (Note 5)	-	7,000	(7,000)	-	-
BALANCE - END OF YEAR	\$ 41,083	\$ 65,937	\$ 230,525	\$ 337,545	\$ 331,549

The accompanying notes are an integral part of these financial statements.

PUBLIC SCHOOL BOARDS' ASSOCIATION OF ALBERTA

Statement of Cash Flow

Year Ended December 31, 2006

(Unaudited)

	2006	2005
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 5,996	\$ (24,051)
Items not affecting cash:		
Amortization of property and equipment	9,320	8,151
Loss on disposal of property and equipment	17	-
	15,333	(15,900)
Changes in non-cash working capital:		
Accounts receivable	2,830	2,829
Prepaid expenses	6	(193)
Accrued interest receivable	(2,990)	(893)
Accounts payable and accrued liabilities	(340)	4,522
Director's honorarium payable	-	(500)
Employee deductions payable	132	(168)
Goods and services tax payable (recoverable)	2,030	(2,710)
RRSP contribution payable	-	2,000
Deferred income	82,247	34,243
	83,915	39,130
Cash flow from operating activities	99,248	23,230
INVESTING ACTIVITIES		
Purchase of property and equipment	(20,621)	(7,311)
Proceeds on disposal of equipment	1,163	-
Cash flow used by investing activity	(19,458)	(7,311)
INCREASE IN CASH FLOW	79,790	15,919
Cash - beginning of year	615,432	599,513
CASH - END OF YEAR	\$ 695,222	\$ 615,432
CASH FLOW SUPPLEMENTARY INFORMATION		
Interest paid	\$ 45	\$ 34
CASH CONSISTS OF:		
Cash	\$ 45,222	\$ 115,432
Term deposits	650,000	500,000
	\$ 695,222	\$ 615,432

The accompanying notes are an integral part of these financial statements.

1. PURPOSE

The Association is organized to support and promote the special interests of the public school boards of Alberta. Pursuant to paragraph 149(g) of the Income Tax Act, the Association is classified as a non-profit organization and is exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30%	declining balance method
Computer software	100%	declining balance method
Furniture and fixtures	20%	declining balance method
Video equipment	20%	declining balance method
Leasehold improvements	20%	declining balance method

The Association regularly reviews its property and equipment to eliminate obsolete items.

Revenue recognition

The Association uses the deferral method for reporting revenue. Funds received during the current period that pertain to a subsequent period are classified as deferred revenue. Other unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed Services

Volunteers contribute a substantial number of hours per year to assist the Association in carrying out its services. The contributed services are not recognized in these financial statements.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization of property and equipment. Actual results could differ from these estimates.

PUBLIC SCHOOL BOARDS' ASSOCIATION OF ALBERTA

Notes to Financial Statements

Year Ended December 31, 2006

(Unaudited)

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2006 Net book value	2005 Net book value
Computer equipment	\$ 30,346	\$ 21,411	\$ 8,935	\$ 11,089
Computer software	4,258	4,258	-	-
Furniture and fixtures	25,944	20,614	5,330	7,554
Video equipment	15,975	1,598	14,377	-
Leasehold improvements	44,611	32,171	12,440	12,306
	\$ 121,134	\$ 80,052	\$ 41,082	\$ 30,949

4. DEFERRED REVENUE

Deferred revenue consists of memberships received in the current operating year that are related to the subsequent year.

	Beginning	Additions	Allocated	Ending
Memberships	\$ 299,204	\$ 381,451	\$ 299,204	\$ 381,451

5. INTERNALLY RESTRICTED NET ASSETS

Staff compensation reserve: Terminated in 2005, pursuant to Board Directive.

Property and Equipment Reserve: The Board has made provision for a property and equipment reserve. The annual allocation to the reserve was \$7,000 for 2005 and this amount was allocated in 2006. All property and equipment acquisitions (including leasehold improvements) are to be made from the reserve. (Computer software is not purchased using funds from this reserve). During the year, an amount of \$19,454 was paid to acquire computer equipment and video conferencing equipment.

	2006	2005
Staff Compensation Reserve		
Balance, beginning of year	\$ -	\$ 1,667
Funds allocated to reserve	-	(1,667)
	\$ -	\$ -
Property and Equipment Reserve		
Balance, beginning of year	\$ 78,391	\$ 78,702
Funds allocated to reserve	7,000	7,000
Funds utilized	(19,454)	(7,311)
	\$ 65,937	\$ 78,391
	\$ 65,937	\$ 78,391

6. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, term deposits, accounts receivable, accrued interest receivable, accounts payable and accrued liabilities, and RRSP contribution payable. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

7. COMMITMENTS

The Association has a rental agreement for their facility with the Board of Trustees of the Edmonton School District No.7. The agreement requires monthly payments in the amount of \$1,112 and expires on July 31, 2007.

PUBLIC SCHOOL BOARDS' ASSOCIATION OF ALBERTA

Meeting Expenses (Schedule 1)

Year Ended December 31, 2006

(Unaudited)

	2006	2005
EXPENSES		
General meeting	\$ 67,374	\$ 41,368
Inspirations	1,041	6,617
Leadership development	33,353	38,540
	\$ 101,768	\$ 86,525



PROPOSED FEE SCHEDULE, 2008

In this proposal both the Basic Annual Fee and the Supplementary Fees are increased by approximately 3%.

	2007	Proposal 2008
A. The basic annual fee:	\$3,252	\$3,350
The basic annual fee applies to all boards, except those with enrolments of fewer than 500 pupils -- Section D would apply.		
B. In addition, each member pays a supplementary fee based on enrolment the preceding September 30th. The supplementary fee would be one of the following:		
a. for jurisdictions with an enrolment of 501 to 1,000 pupils:	\$2,435	\$2,508
b. for jurisdictions with an enrolment of 1,001 pupils to 2,500 pupils:	\$4,234	\$4,361
c. for jurisdictions with an enrolment of 2,501 pupils to 4,000 pupils:	\$6,669	\$6,869
d. for jurisdictions with an enrolment of 4,001 pupils to 6,500 pupils:	\$9,633	\$9,922
e. for jurisdictions with an enrolment of 6,501 pupils to 10,000 pupils:	\$15,349	\$15,809
f. for jurisdictions with an enrolment of 10,001 pupil to 14,000 pupils:	\$21,066	\$21,698
g. for jurisdictions with an enrolment of 14,001 to 20,000 pupils:	\$28,581	\$29,438
h. for jurisdictions with an enrolment of 20,001 to 26,000 pupils:	\$35,145	\$36,200
i. for jurisdictions with an enrolment of 26,001 pupils or more:	\$43,191	\$44,487
C. Any "mixed" regional board would only pay the proportion of the basic annual and supplementary fee that corresponds to the proportion of the total enrolment that is not Roman Catholic. (A "mixed" regional board is one that includes one or more of the pre-existing separate school jurisdictions.)		
D. Any board with an enrolment of fewer than 500 pupils would not pay the basic annual fee, and would pay a fee of \$3.50 per pupil.		

**Public School Boards' Association of Alberta
DRAFT Operating and Capital Budget, 2008**

	2007 Approved	2007 Actual	2008 Budget	Note #
	Budget Revenue	Revenue	Revenue - +3%	
	(28 members)	(32 members)	32 members	
OPERATING INCOME				
1. Membership Fees	405,240	457,626	473,874	1
2. Contract & License Revenue	6,000	9,360	5,000	2
3. Recovery of Event Related Expenses	10,000	10,000	10,000	3
4. Interest Income	3,000	6,500	5,000	4
TOTAL OPERATING REVENUE	424,240	483,486	493,874	
	2007 Approved	2007 Actual	2008 Budget	
OPERATING EXPENSES	Budget Expenses	Expenses	Expenses	
A. Employment				
1. Full & Part Time Salaries	262,859	240,387	265,120	5
2. Staff Contract Expenses & GST	20,655	20,462	50,000	6
3. Non-statutory Employee Benefit	8,000	11,500	24,000	7
Total Employment (VOTE #1)	291,514	272,349	339,120	
B. Office Related Expenses				
1. Rent & Parking & Custodial	15,145	14,000	16,500	8
2. Telecommunication Charges	7,000	6,250	6,000	9
3. Web Site - Content Update	2,000	1,000	2,000	
4. Liability Insurance	700	700	800	10
5. Miscellaneous Office Expenses	4,000	4,872	4,500	
6. Computer/Equipment Repair & Service	4,000	2,600	4,000	
7. Memberships & Subscriptions	800	950	1,000	
8. Books & Software	2,000	300	1,000	11
9. Banking Service Charges	100	50	100	
10. Staff Professional Development	1,000	600	2,000	12
Total Office Related (VOTE #2)	36,745	31,322	37,900	
11. Professional Services				
a. Accounting	3,300	3,816	4,500	13
b. Legal (general & administration)	0	747	0	
Total Professional Services (VOTE #3)	3,300	4,563	4,500	
12. Staff Travel, Hospitality (VOTE #4)	8,000	6,000	10,000	14

September 25, 2007

**Public School Boards' Association of Alberta
DRAFT Operating and Capital Budget, 2008**

	2007 Approved Budget Expenses	2007 Actual Expenses	2008 Budget Expenses	Note #
C. M & O Committee, PSBC & Standing Committees				
1. Management & Operations Committee				15
a. honoraria	8,000	6,000	8,000	
b. travel & accommodation	8,000	7,000	8,000	
c. directors' liability insurance	2,300	2,367	2,500	16
d. telephone conference calls	400	100	400	
e. Miscellaneous appointments	3,000	2,300	3,600	17
Total M & O (VOTE #5)	21,700	17,767	22,500	
2. Public School Boards Council				
a. costs of conducting business	9,000	9,000	13,000	18
b. travel (based on 3mtgs-08)	22,500	28,000	30,000	19
Total PSBC (VOTE #6)	31,500	33,000	43,000	
3. Standing Committees				
a. Funding & the Education Database	4,000	0	0	
b. Values, Character Formation...	4,000	600	0	
c. Local Public & Separate...	0	0	0	
d. Necessary Conditions, Foundations...	0	0	0	
Total Standing Committees (VOTE #7)	8,000	600	0	
D. Communications Budget				
1. Communications Projects	5,000	5,550	5,000	21
2. Fraternal Relations	1,000	0	1,000	22
3. Development Projects	5,000	20,000	5,000	23
Total Communications (VOTE #8)	11,000	25,550	11,000	
E. Major Projects (VOTE #9)	5,000	0	5,000	24
F. Capital Reserve (VOTE #10)	7,000	7,000	7,000	25
TOTAL OPERATING INCOME	424,240	483,486	493,874	
LESS TOTAL EXPENDITURES	423,759	398,151	480,020	
Surplus (Deficit)	481	85,335	13,854	

September 25, 2007



Notes for the DRAFT Operating & Capital Budget, 2008

1. **Membership Fees** -- We anticipate that the enrollment of pupils with member boards will remain substantially the same as in 2007. The budget is based on a membership base of 32 boards, with an increase of 3% in both the supplementary fees and the basic annual fee. The actual fee payable by a member may be affected by an enrolment change that moves the member from one level to another on the fee schedule. The budget does not reflect any change in a board's location on the enrolment grid.
2. **Contract & License Revenue** -- The Association will do contract work with public school boards (both members and non-members) as requested and subject to the priorities and resources of the Association.
3. **Recovery of Event Related Expenses** -- The Executive Committee has authorized staff to plan events on the basis of cost recovery plus 10% with cost recovery to include staff time and other indirect costs. The intention is to provide a revolving fund for events.
4. **Interest Income** -- Interest income depends upon interest rates at financial institutions, and the timeliness with which fees are paid.
5. **Full & Part Time Salaries** -- The budget includes a salary increase of 3% for the Executive Director, pursuant to a 3-year contract signed in June, 2007. (That contract is available for viewing by any member.) The budget also includes a salary increase of 4%, for the Secretary and Administrator positions; and a 2% increase (September, 2008) for the Director of Learning and Development position.
Full Time – two positions: Executive Director; Director, Learning & Development
Part Time – two positions – Secretary (.9 fte); and Administrator (.8 fte – up from .6 fte in 2007).
6. **Staff Contract Expenses & GST** -- The current position became vacant on July 1st, 2007 (with the retirement of Dick Baker). The budget includes funds for contract work in 2008, primarily in support of intra-governmental political relations.
7. **Non-Statutory Employee Benefit** -- The Association will make a contribution for each employee to an RRSP. The Association makes a contribution of \$15,000 p.a. on behalf on the Executive Director (as per the contract) and \$4,000 p.a. on behalf of each employee who has been with the Association for more than one year. A partial payment is made for new employees. NOTE: No benefits package is currently provided for any salaried staff, and there is no intention to provide any benefit package in 2008, other than the RRSP contribution. Staff will look into the feasibility of a benefits package for the future.
8. **Rent & Parking** -- The Association is located in Braemar School and our landlord is the Edmonton Public School District. Cost for rent has increased and includes minimal custodial services.
9. **Telecommunication Charges** -- The Association has 4 incoming telephone lines, including one nation-wide WATS line. The Association has a fax machine and high speed Internet including video-conferencing capability.
10. **Liability Insurance** -- The Association is required by its landlord to carry \$2,000,000 of public liability and property damage insurance.
11. **Books & Software** -- This item includes the increased cost of upgrading software in 2008.
12. **Staff Professional Development** -- The appointment of new staff and/or related staff changes will necessitate staff professional development.
13. **Professional Services** -- This item includes the cost of professional services in support of general and administration activities. Extra-ordinary consultations are not contemplated. The cost for professional accounting services is based on a financial review for 2007 FY, conducted by an independent professional accountant. The policy of the Association is to have an audit, rather than a review, once every 5 years, and the last audit was performed in 2004.
14. **Staff Travel, Hospitality & Misc. Expenses** -- This item reflects the travel of the Executive Director and office staff (principally, but not exclusively, throughout Alberta), meeting with members and accepting public speaking engagements. The 2008 kilometrage rate is \$0.45/km. This item also includes hospitality expenses.
15. **Management & Operations Committee** -- This item is calculated on the basis of 5 meetings per year of the Management and Operations Committee (the President, and 2 Vice-Presidents).
16. **Director's Liability Insurance** -- The Association provides Directors and Officers Liability Insurance.

17. **Miscellaneous Appointments** – Individual trustees are occasionally asked to represent the Association at meetings of fraternal organizations such as the ASBA Board Meetings, ATA Joint Stakeholder Committee on Children & Poverty, ESL Symposium, etc. This item covers the per diem and expenses associated with their attendance.
18. **Public School Boards Council** – This item covers the meeting venue and refreshments for 3 meetings of the Public School Boards Council. The PSBC has made the decision to have one meeting each year in a different area of the province. There will be additional costs associated with taking one meeting "on the road".
19. **Travel Pool** – The Association pays the partial cost of travel related to the 3 meetings of the PSBC. For budget purposes, payments would be a fixed rate based on the Travel Pool for meetings in Edmonton, Red Deer, and Nisku. The kilometrage rate is \$0.45/km.
20. **Standing Committees** – The PSBC will be asked to consider the future of the Standing Committees.
21. **Communications Projects** – This item includes the production of material for members, especially related to public school education and the local community.
22. **Fraternal Relations** -- The Association has undertaken to host PSBAA Caucus Meetings during the ASBOA and CASS annual conferences. This item covers the cost of meeting rooms and refreshments.
23. **Development projects** -- The Association will contract with a company to redesign the web site.
24. **Major Projects** – No major projects are planned for 2008, although funds are available.
25. **Capital Reserve** -- The Association usually sets aside funds each year to establish and maintain a capital reserve. This reserve is intended to provide funds for office and computer equipment, as well as leasehold improvements as required.

**The Public School Boards' Association of Alberta
2007 Annual General Meeting**

Membership Offer to Non-Members

(For consideration at the Annual General Meeting, Sunday, November 18th)

Be it resolved THAT

The Public School Boards' Association of Alberta offer all public school jurisdictions in Alberta which are not currently members of the Association the opportunity to join the Association, on the following basis:

- a) the membership fee for the invited jurisdictions is waived for ten (10) months (January 1st, 2008 to October 31st, 2008), and an invited jurisdiction would be entitled to all the benefits of membership and to participate in all the activities of the Association as a full member, except that the Association would not make travel pool payments* to such jurisdictions when they participate in meetings of the Public School Boards Council;
- b) the Association would consider acceptance of the offer as acceptance of the Objects of the Association** and agreement to be bound by the bylaws of the Association; and,
- c) jurisdictions that accept this offer and notify the Association by October 1st, 2008 of their intention to continue as members, and pay 15% of the applicable fee for 2008 shall continue as full members for the duration of 2008 including the A.G.M.***

Background

The same offer was made in 2006. Eight public school boards accepted the invitation. One voted against continuing as a member. Experience suggests that involving a non-member in the work of the Association is the best marketing tool we have.

Ten public school boards in Alberta are currently not members of the Association. The resolution would have the Association invite those ten boards to participate.

* The Association reimburses member boards for a substantial portion of the travel cost incurred to have a Representative attend a meeting of the Public School Boards Council. The rationale is that it is important to have all members represented at the Council table.

The boards invited to participate in this offer are not paying a membership fee, which more than offsets the cost to them of travel.

** The Objects of the Association will be included in the invitation package.

*** When this proposal was originally put forward, in 2005 (for 2006) the argument was made that these provisional members should make an on-going commitment to the Association by the time of the Annual General Meeting, in order to be able to vote on the Fee Schedule and the Budget, etc.