

# BUDGET REPORT FOR THE YEAR ENDING AUGUST 31, 2018

[School Act, Sections 147(2)(b) and 276]

**1175 Pembina Hills Regional Division No. 7**

Legal Name of School Jurisdiction

P:780-674-8500

F:780-674-3262

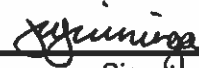
Email: TracyMeunier@pshschools.ca

Telephone & Fax Numbers, Email Address

## BOARD CHAIR

Jennifer Tuininga

Name



Signature

## SUPERINTENDENT

David Garbutt

Name

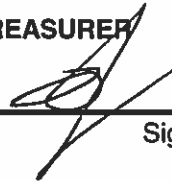


Signature

## SECRETARY TREASURER or TREASURER

Tracy Meunier, CPA, CGA

Name



Signature

**Certified as an accurate summary of the year's budget as approved by the Board**

**of Trustees at its meeting held on** June 28, 2017 .

Date

Version: 170615

c.c. Alberta Education  
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Color coded cells:

	blue cells: require the input of data/descriptors wherever applicable.		grey cells: data not applicable - protected
	salmon cells: contain referenced juris. information - protected		white cells: within text boxes REQUIRE the input of points and data.
	green cells: populated based on information previously submitted		yellow cells: to be completed when yellow only.

**HIGHLIGHTS, PLANS, ASSUMPTIONS AND RISKS SUMMARY- 2017/2018 BUDGET REPORT**

The following were presented to the Board and approved as underlying the budget. These key points and assumptions used in development of the budget take into consideration the economic environment of the jurisdiction, focus on anticipated changes from current year, and are realistic and consistent with the three year Education Plan. At a minimum, they disclose key budget assumptions, financial & business risks, and specific strategies explaining how this budget will support the jurisdiction's plans.

**Budget Highlights, Plans & Assumptions:**

Although enrolment in Vista Virtual School continues to grow, enrolment in the remaining schools continue to decrease. Pembina Hills Public Schools, excluding Vista Virtual School, is projecting a decline of 13 students in Kindergarten and 35 students in grades 1-12. Schools are projecting a further decline of 75 students since the spring projections. If this occurs, there will be a 3.16% decline in student enrolment over 2016-2017.

Provincial funding rates will remain the same as 2016-2017. However, given the projected enrolment decline, inflation, and full year implementation of the Carbon Levy (coupled with the increase to rates effective January 1, 2018), there will be less resources available in 2017-2018.

A 0% overall salary increase for employees is included in the budget.

Certificated staff fte is projected to decrease overall by 4.20 fte, largely due to decreased enrolment and a reduction in initiatives funded through operating reserves.

Non-certificated staff fte is projected to decrease overall by 7.80 fte, due to the projected enrolment decrease and less resources available.

The budget includes a net withdrawal from Accumulated Surplus from Operations of \$1,451,040 and a net withdrawal from Capital Reserves of \$108,106. Further details are available on the AOS sheets.

The revenue and expenses for Classroom Improvement Fund (\$797,000) is not included in the budget estimates. Pending approval for disbursement of the funds, it will be included in the November 2017 BR Update.

The introduction of S.4 (restrictions on fees and costs generally) of the School Fees and Costs Regulation on June 5 has created much concern within the Division and our schools. As a division, we strive to minimize fees to parents. We work with our communities to provide educational opportunities for our students. Various fundraising societies, as well as our parents and students, fundraise and perform community service in order to lower the cost to parents even further. We do not deny opportunities for students whose families are unable to afford the fee. Requiring such granular information and requiring schools to anticipate all activities that could potentially take place for the upcoming school year does not seem reasonable. Further, because of the restrictions of S.4, schools may over-estimate the fee and activities, for fear of not being able to participate. This will cause further confusion for parents and provide data that can be misinterpreted. For example, a high school basketball team does not know if they will be invited to tournaments at this time of year, let alone where the tournaments will be, how much they will cost, how much fundraising money they will have access to, etc - yet the school is expected to list the fee and estimate total revenue, for the event that may never occur.

**Significant Business and Financial Risks:**

The continual depletion of operating reserves and the dependency on them to sustain service levels.

The Division has experienced operating deficits since 2014-2015. While these deficits have been planned for, and the Division has been careful in investing funds to build capacity that is sustainable, as the reserves deplete, our opportunities decrease. At the end of the 2017-2018 school year, the Division is projected to hold 6.81% of operating expenses (excluding school generated funds) in operating reserves. Although the province has suggested that reserve levels of 4% are adequate, smaller jurisdictions require a higher percentage level, given their smaller budgets. We would encourage the province to consider a sliding scale for reserve levels, based on a jurisdiction's enrolment, similar to the methodology of the Board and System Administration spending limit.

A further significant risk is the impact of the carbon levy. Not only will 2017-2018 see the impact of a full year implementation, on January 1, 2018 levy rates will increase a further 50%.

**BUDGETED STATEMENT OF OPERATIONS**  
for the Year Ending August 31

	Approved Budget 2017/2018	Fall Budget Update 2016/2017	Actual 2015/2016
<b>REVENUES</b>			
Alberta Education	\$55,519,363	\$52,883,510	\$56,136,789
Other - Government of Alberta	\$208,750	\$160,000	\$313,511
Federal Government and First Nations		\$29,500	\$18,648
Other Alberta school authorities		\$56,000	\$85,163
Out of province authorities		\$0	\$0
Alberta Municipalities-special tax levies		\$0	\$0
Property taxes		\$0	\$0
Fees	\$1,047,679	\$836,683	\$915,081
Other sales and services	\$503,318	\$368,337	\$665,855
Investment income	\$185,500	\$193,000	\$196,046
Gifts and donations		\$15,000	\$38,723
Rental of facilities	\$65,440	\$56,600	\$60,381
Fundraising	\$50,000	\$150,000	\$103,293
Gains on disposal of capital assets	\$1,000	\$1,000	\$41,335
Other revenue		\$240,000	\$156,182
<b>TOTAL REVENUES</b>	<b>\$57,581,050</b>	<b>\$54,989,630</b>	<b>\$58,731,006</b>
<b>EXPENSES</b>			
Instruction - Early Childhood Services	\$3,091,836	\$2,967,130	\$3,180,553
Instruction - Grades 1-12	\$43,174,182	\$40,907,192	\$42,644,018
Plant operations & maintenance	\$6,652,128	\$6,602,938	\$7,410,308
Transportation	\$4,690,933	\$4,628,687	\$4,758,202
Administration	\$1,953,258	\$2,033,203	\$2,075,927
External Services	\$0	\$0	\$118,876
<b>TOTAL EXPENSES</b>	<b>\$59,562,337</b>	<b>\$57,139,150</b>	<b>\$60,187,884</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(\$1,981,287)</b>	<b>(\$2,149,520)</b>	<b>(\$1,456,878)</b>

**BUDGETED ALLOCATION OF EXPENSES (BY OBJECT)**  
for the Year Ending August 31

	Approved Budget 2017/2018	Fall Budget Update 2016/2017	Actual 2015/2016
<b>EXPENSES</b>			
Certificated salaries	\$23,868,435	\$24,188,037	\$24,058,540
Certificated benefits	\$6,022,183	\$6,013,528	\$6,509,379
Non-certificated salaries and wages	\$11,799,468	\$11,149,841	\$11,405,049
Non-certificated benefits	\$3,316,272	\$3,117,321	\$3,068,031
Services, contracts, and supplies	\$12,149,487	\$10,179,366	\$13,004,637
<b>Capital and debt services</b>			
<b>Amortization of capital assets</b>			
Supported	\$1,701,967	\$1,789,424	\$1,461,071
Unsupported	\$692,141	\$681,322	\$646,427
<b>Interest on capital debt</b>			
Supported	\$4,784	\$12,711	\$34,751
Unsupported		\$0	\$0
Other interest and finance charges	\$7,600	\$7,600	\$0
Losses on disposal of capital assets		\$0	\$0
Other expenses		\$0	\$0
<b>TOTAL EXPENSES</b>	<b>\$59,562,337</b>	<b>\$57,139,150</b>	<b>\$60,187,884</b>

**BUDGETED SCHEDULE OF FEE REVENUE  
for the Year Ending August 31**

	Approved Budget 2017/2018	Fall Budget Update 2016/2017	Actual 2015/2016
<b>FEEs</b>			
<b>TRANSPORTATION</b>	\$323,000	\$343,575	\$308,828
<b>BASIC INSTRUCTION SUPPLIES (Instructional supplies, &amp; materials)</b>	\$40,020	\$388,108	\$405,651
<b>LUNCHROOM SUPERVISION &amp; ACTIVITY FEES</b>	\$0	\$0	\$0
<b>FEES TO ENHANCE BASIC INSTRUCTION</b>			
Technology user fees	\$0	\$0	\$0
Alternative program fees	\$0	\$0	\$0
Fees for optional courses	\$53,680	\$90,000	\$58,000
Students from other boards			\$0
Tuition from ineligible students			\$0
ECS enhanced program fees	\$0	\$0	\$72,673
<b>ACTIVITY FEES</b>	\$256,059	\$0	\$0
Other fees to enhance education	\$50,299		
Other enhancement fees <span style="float:right">Barrhead Adult Education</span>		\$0	\$33,402
Other enhancement fees		\$0	\$0
Other enhancement fees		\$0	\$0
Other enhancement fees		\$0	\$0
Other enhancement fees		\$0	\$0
<b>NON-CURRICULAR FEES</b>			
Extra-curricular fees	\$179,675	\$15,000	\$36,527
Non-curricular supplies, materials, and services	\$24,551	\$0	\$0
<b>NON-CURRICULAR TRAVEL</b>	\$120,395	\$0	
<b>OTHER FEES</b>	\$0		
Other non-curricular fees		\$0	\$0
Other non-curricular fees		\$0	\$0
Other non-curricular fees		\$0	\$0
Other non-curricular fees		\$0	\$0
Other non-curricular fees		\$0	\$0
<b>TOTAL FEES</b>	\$1,047,679	\$836,683	\$915,081

*\*PLEASE DO NOT USE "SCHOOL GENERATED FUNDS" AS A CATEGORY*

Please disclose amounts paid by parents of students that are recorded as "Other sales and services" (rather than fee revenue). Note that this schedule should include only amounts collected from parents and so it may not agree with the Statement of Operations.	Approved Budget 2017/2018	Fall Budget Update 2016/2017	Actual 2015/2016
Cafeteria sales, hot lunch, milk programs	\$55,000	\$0	\$53,949
Special events	\$0	\$0	\$0
Sales or rentals of other supplies/services	\$100,000	\$185,870	\$104,801
Out of district student revenue	\$0	\$0	
International and out of province student revenue	\$0	\$0	
Student travel (international, recognition trips, non-curricular)			\$0
Adult education revenue	\$0	\$0	\$0
Preschool	\$58,000	\$0	
Child care & before and after school care	\$0	\$0	\$0
Lost item replacement fees	\$0	\$0	
Other (describe)	\$0	\$0	\$0
Other (describe)	\$0	\$0	\$0
Other (describe)	\$0	\$0	\$0
Other (describe)	\$0	\$0	
Other (describe)	\$0	\$0	
<b>TOTAL</b>	\$213,000	\$185,870	\$158,750

**BUDGETED SCHEDULE OF SUPPLEMENTARY DETAILS OF FEE REVENUE**  
for the Year Ending August 31

(A)	(B)	(C)	(D)	(E)	(F)
	Explanation of Other Costs (Column "(C)")	Other Costs (Explain under (B))* 2017/2018	Transportation Component 2017/2018	Supplies & Materials** 2017/2018	Total 2017/2018
<b>FEES</b>					
	TRANSPORTATION	\$0	\$323,000	\$0	\$323,000
	LUNCH SUPERVISION & ACTIVITY	\$0	\$0	\$0	\$0
	<b>FEES TO ENHANCE BASIC INSTRUCTION</b>				
	Technology user fees	\$0	\$0	\$0	\$0
	Alternative program fees	\$0	\$0	\$0	\$0
	Fees for optional courses	\$0	\$0	\$53,680	\$53,680
	ECS enhanced program fees	\$0	\$0	\$0	\$0
	<b>ACTIVITY FEES</b>				
	Other fees to enhance education	\$0	\$0	\$256,059	\$256,059
	<b>NON-CURRICULAR FEES</b>				
	Extra-curricular fees	\$0	\$0	\$179,675	\$179,675
	Non-curricular supplies, materials, and services	\$0	\$0	\$24,551	\$24,551
	<b>NON-CURRICULAR TRAVEL</b>				
		\$0	\$120,395	\$0	\$120,395
	<b>OTHER FEES***</b>				
	Instructional Supplies & Materials - refer to individual school fee schedules for details	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0
		\$0	\$0	\$40,020	\$40,020
	<b>TOTAL FEES</b>	\$0	\$443,395	\$604,284	\$1,047,679

\*\*Supplies and Materials may include consumables (one-time use such as paper), reusable supplies, equipment rental, workbooks).

\*\*\*Describe purpose of fees. DO NOT use blanket names such as "Kindergarten", "Instructional Fees", "School Division Fees", "Registration Fees", etc.

\*\*\*Where possible, use predefined categories as described on Pages 14 & 15 of the Budget Guidelines 2017/2018.

PROJECTED SCHEDULE OF CHANGES IN ACCUMULATED OPERATING SURPLUS (SUMMARY)

for the Year Ending August 31

	(1) ACCUMULATED OPERATING SURPLUS (2+3+4+7)	(2) INVESTMENT IN TANGIBLE CAPITAL ASSETS	(3) ENDOWMENTS	(4) ACCUMULATED SURPLUS FROM OPERATIONS (5+6)	(5) UNRESTRICTED SURPLUS	(6) INTERNALLY RESTRICTED OPERATING RESERVES	(7) CAPITAL RESERVES
<b>Actual balances per AFS at August 31, 2016</b>	\$13,034,401	\$4,940,161	\$0	\$7,279,873	\$903,066	\$6,376,807	\$814,368
<b>2016/2017 Estimated impact to AOS for:</b>							
Prior period adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated surplus(deficit)	(\$1,958,305)			(\$1,958,305)	(\$1,958,305)		
Estimated board funded capital asset additions		\$472,396		\$0	\$0	\$0	(\$472,396)
Estimated disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0	\$0	\$0
Estimated amortization of capital assets (expense)		(\$2,470,746)		\$2,470,746	\$2,470,746		
Estimated capital revenue recognized - Alberta Education		\$1,789,424		(\$1,789,424)	(\$1,789,424)		
Estimated capital revenue recognized - Other GOA		\$0		\$0	\$0		
Estimated capital revenue recognized - Other sources		\$0		\$0	\$0		
Estimated changes in Endowments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated unsupported debt principal repayment		\$0		\$0	\$0	\$0	\$0
Estimated reserve transfers (net)				\$0	\$0	\$0	\$0
Estimated assumptions/transfers of operations (explain)	\$0	\$0	\$0	(\$573,887)	\$1,276,983	(\$1,850,870)	\$573,887
<b>Estimated Balances for August 31, 2017</b>	<b>\$11,076,096</b>	<b>\$4,731,235</b>	<b>\$0</b>	<b>\$5,429,003</b>	<b>\$903,066</b>	<b>\$4,525,937</b>	<b>\$915,859</b>
<b>2017/2018 Budget projections for:</b>							
Budgeted surplus(deficit)	(\$1,981,287)			(\$1,981,287)	(\$1,981,287)		
Projected board funded capital asset additions	\$0	\$720,000		(\$25,000)	\$0	(\$25,000)	(\$695,000)
Budgeted disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0	\$0	\$0
Budgeted amortization of capital assets (expense)		(\$2,394,108)		\$2,394,108	\$2,394,108		
Budgeted capital revenue recognized - Alberta Education		\$1,701,967		(\$1,701,967)	(\$1,701,967)		
Budgeted capital revenue recognized - Other GOA		\$0		\$0	\$0		
Budgeted capital revenue recognized - Other sources		\$0		\$0	\$0		
Budgeted changes in Endowments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budgeted unsupported debt principal repayment		\$0	\$0	\$0	\$0	\$0	\$0
Projected reserve transfers (net)				\$0	\$0	\$0	\$0
Projected assumptions/transfers of operations (explain)	\$0	\$0	\$0	(\$586,894)	\$639,146	(\$1,426,040)	\$586,894
<b>Projected Balances for August 31, 2018</b>	<b>\$9,094,809</b>	<b>\$4,759,094</b>	<b>\$0</b>	<b>\$3,527,963</b>	<b>\$453,066</b>	<b>\$3,074,887</b>	<b>\$807,753</b>

**SCHEDULE OF USES FOR ACCUMULATED SURPLUSES AND RESERVES**  
for the Year Ending August 31

	Unrestricted Surplus Usage			Operating Reserves Usage			Capital Reserves Usage		
	Year Ended			Year Ended			Year Ended		
	31-Aug-2018	31-Aug-2019	31-Aug-2020	31-Aug-2018	31-Aug-2019	31-Aug-2020	31-Aug-2018	31-Aug-2019	31-Aug-2020
Projected opening balance	\$903,066	\$903,066	\$903,066	\$4,525,937	\$3,074,897	\$2,086,407	\$915,859	\$807,753	\$823,402
Projected excess of revenues over expense (surplus only)	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Explanation - add'l space on ACSI / ACSI									
Budgeted amortization of unimproved tangible capital assets	\$2,394,108	\$2,338,751	\$2,289,948				\$0	\$0	\$0
Explanation - add'l space on ACSI / ACSI									
Budgeted amortization of capital assets (expense)	(\$1,701,967)	(\$1,701,967)	(\$1,681,460)						
Explanation - add'l space on ACSI / ACSI									
Budgeted capital revenue recognized	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Budgeted changes in Endowments	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Budgeted unsupported debt principal repayment	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Projected reserves transfers (net)	\$899,146	\$387,841	\$245,762	(\$1,426,040)	(\$963,490)	(\$795,115)	\$586,894	\$575,649	\$549,353
Explanation - add'l space on ACSI / ACSI									
Projected assumptions/transfers of operations	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Increase in (use of) school generated funds	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
New school start-up costs	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Decentralized school reserves	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Non-recurring certificated remuneration	(\$696,538)	(\$494,600)	(\$468,725)						
Explanation - add'l space on ACSI / ACSI									
Non-recurring non-certificated remuneration	(\$125,460)	(\$157,025)	(\$157,025)						
Explanation - add'l space on ACSI / ACSI									
Non-recurring contracts, supplies & services	(\$307,848)	(\$113,000)	(\$90,000)						
Explanation - add'l space on ACSI / ACSI									
Professional development, training & support	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Salary negotiation expenses	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Full-day kindergarten	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
English language learners	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
First nations, Metis, Inuit	(\$10,000)	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
OHAS / wellness programs	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
B & S administration organization / reorganization	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Debt repayment	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Fort McMurray wild fire related costs (unbudgeted)	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Non-salary related programming costs (explain)	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Repairs & maintenance - School building & land	(\$87,000)	(\$133,000)	(\$24,500)						
Explanation - add'l space on ACSI / ACSI									
Repairs & maintenance - Technology	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Repairs & maintenance - Vehicle & transportation	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Repairs & maintenance - Administration building	(\$25,000)	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Repairs & maintenance - POM building & equipment	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Repairs & maintenance - Other (explain)	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Capital costs - School land & building	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Capital costs - School modular & additions	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Capital costs - School modernization	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Capital costs - School building partnership projects	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Capital costs - Technology	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Capital costs - Vehicle & transportation	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Capital costs - Administration building	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Capital costs - POM building & equipment	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Capital costs - Other	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Building leases	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Projected further enrollment decline	(\$279,441)	(\$45,000)	(\$74,000)						
Explanation - add'l space on ACSI / ACSI									
Westcoast SFO pilot	\$0	(\$40,000)	\$0						
Explanation - add'l space on ACSI / ACSI									
Other 3 - please use this row only if no other row is appropriate	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
Other 4 - please use this row only if no other row is appropriate	\$0	\$0	\$0						
Explanation - add'l space on ACSI / ACSI									
<b>Estimated closing balance for operating contingency</b>	<b>\$903,066</b>	<b>\$903,066</b>	<b>\$903,066</b>	<b>\$3,074,897</b>	<b>\$2,086,407</b>	<b>\$1,291,292</b>	<b>\$807,753</b>	<b>\$823,402</b>	<b>\$812,755</b>

Out of Balance  
 8.03% 5.05%  
 8.68% 5.02%  
 Total surplus as a percentage of 2018 Expense  
 ASD as a percentage of 2018 Expense

**ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS (SUPPLEMENTARY DETAIL)  
for the Year Ending August 31**

The following provides further explanation of the anticipated changes to each component of AOS for the 2016/2017, 2017/2018, 2018/2019, and 2019/2020 years as outlined on pages 6 and 7. Please provide information on the acquisition of significant unsupported capital, non-recurring project expenditures, and intended use of funds to August 31, 2020. Note that unrestricted surplus, operating reserves, and/or capital reserves should include the jurisdiction's contingency for unexpected or emergent issues.

**Additional detail on uses of Accumulated Operating Surplus:**

**2016/2017**

Provide an explanation of material changes from the fall budget update originally submitted in November, 2016 for annual operating surplus (deficit), capital acquisitions, endowments, and/or other changes affecting unrestricted surplus, operating reserves, and capital reserves.

The projected deficit for 2016-2017 has been updated from the November 2016 BR update form to reflect a more current estimate of the ASO at August 31, 2017.

2016-2017 capital purchases include: 3 buses and 4 fleet vehicles.

**2017/2018**

Please provide additional detail regarding uses of unrestricted surplus, operating reserves, and capital reserves not described on pages 6 and 7.

In support of the Education Plan, with a focus on literacy, numeracy, diversity of student needs and student-teacher relationships, approximately \$600,000 of co-op pool operating reserves will be used to support initiatives, including:

- A literacy coordinator to advise and support school administrators in monitoring the fidelity of literacy programs and interventions; guide literacy interventions and develop staff knowledge
- A part-time lead teacher to advise and support school administrators and coordinate new teacher supports
- Two mentor program assistants to develop and sustain the capacity of support staff who work with classroom teachers and other student services staff
- Creating a pool of release time for staff who are learning about literacy, numeracy, diversity of student needs and student-teacher relationships

Other budgeted uses of reserve funds include:

- funds to continue to build FNMI awareness
- technology evergreening - both network and equipment replacement
- additional certificated fte required to accommodate some smaller class sizes on a temporary basis
- additional supports for student needs
- election costs
- fleet vehicle replacements

At the end of the 2017-2018 school year, it is anticipated that accumulated surplus and operating reserves will be the equivalent of 6.81% of operating expenses (excluding school generated funds); capital reserves will represent 1.38% of operating expenses (excluding school generated funds).



**ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS (SUPPLEMENTARY DETAIL)  
for the Year Ending August 31**

The following provides further explanation of the anticipated changes to each component of AOS for the 2016/2017, 2017/2018, 2018/2019, and 2019/2020 years as outlined on pages 6 and 7. Please provide information on the acquisition of significant unsupported capital, non-recurring project expenditures, and intended use of funds to August 31, 2020. Note that unrestricted surplus, operating reserves, and/or capital reserves should include the jurisdiction's contingency for unexpected or emergent issues.

**Additional detail on uses of Accumulated Operating Surplus:**

**2018/2019**

Please provide additional detail regarding uses of unrestricted surplus, operating reserves, and capital reserves not described on pages 6 and 7.

The majority of the projected deficit in 2018-2019 is the continued investment of operating reserves to develop professional capital within Pembina Hills Public Schools and support student diversity. Barring unforeseen circumstances, approximately 3 years of funding is available for this purpose. Initiatives to be funded will be reviewed each spring by school administrators and the board of trustees.

**Other uses include:**

- planning for continued enrolment decline
- additional certificated fte required to accommodate some smaller class sizes on a temporary basis
- technology evergreening - both network and equipment replacement
- funds to support CTF programs
- funds to support a potential SRO pilot program for the schools within the Westlock ward
- vehicle replacements

At the end of the 2018-2019 school year, it is anticipated that accumulated surplus and operating reserves will be the equivalent of 5.12% of operating expenses (excluding school generated funds); capital reserves will represent 1.41% of operating expenses (excluding school generated funds).

**2019/2020**

Please provide additional detail regarding uses of unrestricted surplus, operating reserves, and capital reserves not described on pages 6 and 7.

The majority of the projected deficit in 2018-2019 is the continued investment of operating reserves to develop professional capital within Pembina Hills Public Schools and support student diversity. Barring unforeseen circumstances, approximately 3 years of funding is available for this purpose. Initiatives to be funded will be reviewed each spring by school administrators and the board of trustees.

**Other uses include:**

- planning for continued enrolment decline
- additional certificated fte required to accommodate some smaller class sizes on a temporary basis
- technology evergreening - both network and equipment replacement
- funds to support a potential School Resource Officer (SRO) pilot program for the schools within the Westlock ward
- vehicle replacements

At the end of the 2019-2020 school year it is anticipated that accumulated surplus and operating reserves will be the equivalent of 3.76% of operating expenses (excluding school generated funds); capital reserves will represent 1.39% of operating expenses (excluding school generated funds).

**August 31, 2020**

Describe the jurisdiction's intended use of unrestricted surplus, operating reserves, and capital reserves balances expected as at August 31, 2020.

The remaining accumulated surplus and operating reserve funds at August 31, 2020 (3.76% of operating expenses, excluding school generated funds) will be used for contingency purposes.

The capital reserve fund will continue to be used to fund vehicle/bus replacements.

**PROJECTED STUDENT STATISTICS  
FULL TIME EQUIVALENT (FTE) ENROLLED STUDENTS**

	Budgeted 2017/2018 (Note 2)	Actual 2016/2017	Actual 2015/2016	Notes
<b>GRADES 1 TO 12</b>				
<b>Eligible Funded Students:</b>				
Grades 1 to 9	2,822	2,784	2,808	Head count
Grades 10 to 12	1,381	1,439	1,314	Note 3
<b>Total</b>	<b>4,203</b>	<b>4,223</b>	<b>4,122</b>	Grades 1-12 students eligible for base instruction funding from Alberta Education.
Percentage Change	-0.5%	2.5%		
<b>Other Students:</b>				
<b>Total</b>			-	Note 4
<b>Total Net Enrolled Students</b>	<b>4,203</b>	<b>4,223</b>	<b>4,122</b>	
<b>Home Ed and Blended Program Students</b>			-	Note 5
<b>Total Enrolled Students, Grades 1-12</b>	<b>4,203</b>	<b>4,223</b>	<b>4,122</b>	
Percentage Change	-0.5%	2.5%		
<b>Of the Eligible Funded Students:</b>				
Students with Severe Disabilities	195	195	186	FTE of students with severe disabilities as reported by the board via PASI.
Students with Mild/Moderate Disabilities	443	443	434	FTE of students identified with mild/moderate disabilities as reported by the board via PASI.

**EARLY CHILDHOOD SERVICES (ECS)**

<b>Eligible Funded Children</b>	347	360	366	ECS children eligible for ECS base instruction funding from Alberta Education.
<b>Other Children</b>			-	ECS children not eligible for ECS base instruction funding from Alberta Education.
<b>Total Enrolled Children - ECS</b>	<b>347</b>	<b>360</b>	<b>366</b>	
<b>Program Hours</b>	475	475	475	Minimum: 475 Hours
<b>FTE Ratio</b>	0.500	0.500	0.500	Actual hours divided by 950
<b>FTE's Enrolled, ECS</b>	174	180	183	
Percentage Change	-3.6%	-1.6%		
<b>Of the Eligible Funded Children:</b>				
Students with Severe Disabilities	104	104	106	FTE of students with severe disabilities as reported by the board via PASI.
Students with Mild/Moderate Disabilities	107	107	35	FTE of students identified with mild/moderate disabilities as reported by the board via PASI.

**NOTES:**

- Enrolment is to be completed WHEREVER APPLICABLE and are 'as at September 30th' for each year.
- Budgeted enrolment is to be based on best information available at time of the 2016/2017 budget report preparation.
- The # of FTE grade 10-12 students is determined by taking the total # of students' credits / 35; where 35 CEU's = 1 FTE.
- Other Grade 1-12 students that are not eligible for base instruction funding from Alberta Education include First Nations students living on reserves for which tuition fee payments are made from Band or AANDC (Code 330), students younger than 5 1/2 or older than 20, and out-of-province and foreign students.
- Because they are funded separately, Home Education students are not included with total net enrolled students. In the blended program, funding per student is pro-rated on the percentage of the student's program which is taken at school and at home; home education students are assigned a weighting of 0.25 FTE for base funding.

**PROJECTED STAFFING STATISTICS  
FULL TIME EQUIVALENT (FTE) PERSONNEL**

	Budgeted 2017/2018	Actual 2016/2017	Fall Budget 2016/2017	Actual 2015/2016	Notes
<b>CERTIFICATED STAFF</b>					
School Based	244.7	247.8	244.7	243.0	Teacher certification required for performing functions at the school level.
Non-School Based	3.0	4.0	4.0	4.0	Teacher certification required for performing functions at the system/central office level.
<b>Total Certificated Staff FTE</b>	<b>247.7</b>	<b>251.8</b>	<b>248.7</b>	<b>247.0</b>	<b>FTE for personnel possessing a valid Alberta teaching certificate or equivalency.</b>
Percentage change from prior period	-1.6%	2.0%	-0.4%	0.7%	
If an average standard cost is used, please disclose rate:	\$ 103,500	\$ 103,500		\$ 103,500	
Student F.T.E. per certificated Staff	17.7	17.5		17.4	
Certificated Staffing Change due to:	Please Allocate	Please Allocate			
	(4.2)	3.1			
Enrollment Change	(2.3)	-	1.7	-	If negative change impact, the small class size initiative is to include any/all teachers retained.
Small Class Size Initiative	-	-	n/a	-	If enrollment change impact on teacher FTEs is negative, include any/all teachers retained.
Other Factors	(1.8)	3.1	n/a	n/a	Discretionary expense - investment of operating reserve to build capacity - refer to AOS3 for further detail. 17/18 includes reduction of 1.0 for central office level staff
Total Change	(4.2)	3.1	n/a	n/a	Year-over-year change in Certificated FTE
<b>Breakdown, where total change is Negative:</b>					
Continuous contracts terminated	-	-	n/a	n/a	FTEs
Non-permanent contracts not being renewed	-	-	n/a	n/a	FTEs
Other (retirement, attrition, etc.)	-	-	n/a	n/a	Discretionary expense
Total Negative Change in Certificated FTEs	-	-	n/a	n/a	Breakdown required where year-over-year total change in Certificated FTE is 'negative' only.
	Please Allocate				
<b>NON-CERTIFICATED STAFF</b>					
Instructional	191.0	185.6	189.2	200.7	Personnel providing instruction support for schools under 'instruction' program areas.
Plant Operations & Maintenance	5.7	7.7	7.7	7.7	Personnel providing support to maintain school facilities
Transportation	72.8	72.8	74.3	74.3	Personnel providing direct support to the transportation of students to and from school
Other	20.6	21.7	21.4	20.8	Personnel in Board & System Admin. and External service areas.
<b>Total Non-Certificated Staff FTE</b>	<b>280.1</b>	<b>287.8</b>	<b>292.6</b>	<b>303.6</b>	<b>FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.</b>
Percentage Change	-2.7%	-5.2%	-4.3%	-3.6%	
<b>Explanation of Changes:</b>					
[Enrollment decline in schools, excepting Vista Virtual School - less students to serve					
<b>Additional Information</b>					
Are non-certificated staff subject to a collective agreement? <input type="checkbox"/> <b>Some are</b>					
Please provide terms of contract for 2017/18 and future years for non-certificated staff subject to a collective agreement along with the number of qualifying staff FTE's.					
[35 non-certificated staff members are subject to a CUPE collective agreement. The agreement expires August 31, 2017.					

BOARD AND SYSTEM ADMINISTRATION 2017/2018 EXPENSES UNDER (OVER) MAXIMUM LIMIT	
TOTAL EXPENSES (From "Total" column of Line 28 of Schedule of Program Operations)	\$59,562,337
Enter Number of Net Enrolled Students:	4,203
Enter Number of Funded (ECS) Children:	347
Enter "C" if Charter School	
<b>STEP 1</b>	
Calculation of maximum expense limit percentage for Board and System Administration expenses	4.41%
if "Total Net Enrolled Students" are 6,000 and over	= 3.6%
if "Total Net Enrolled Students" are 2,000 and less	= 5.4%
<p>The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .00045 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .00045 = 0.675% plus 3.6% = maximum expense limit of 4.28%).</p>	
<b>STEP 2</b>	
<b>A. Calculate maximum expense limit amounts for Board and System Administration expenses</b>	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,625,895
<b>B. Considerations for Charter Schools and Small School Boards:</b>	
If charter schools and small school boards,	
The amount of Small Board Administration funding ( <i>Funding Manual</i> Section 1.13)	\$0
2017/2018 MAXIMUM EXPENSE LIMIT (the greater of A or B above)	\$2,625,895
Actual Board & System Administration from G31 of "Budgeted Statement of Operations"	\$1,953,258
Amount Overspent	\$0