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## MEMORANDUM

April 11, 2023  
Regular Board Meeting

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<b>TO</b>	Board of Trustees
<b>FROM</b>	Shauna Boyce, Superintendent
<b>ORIGINATOR</b>	Scott McFadyen, Associate Superintendent
<b>RESOURCE</b>	Jason Krefting, Director Financial Services
<b>GOVERNANCE POLICY</b>	Board Policy 2: Role of the Board Board Policy 12: Role of the Superintendent
<b>ADDITIONAL REFERENCE</b>	Board Annual Work Plan
<b>SUBJECT</b>	<b>QUARTERLY FINANCIAL REPORT – PERIOD ENDED FEBRUARY 28, 2023</b>

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### PURPOSE

For information. No recommendation required.

### BACKGROUND

The quarterly financial reports are part of the responsibility of the Board, as defined by Board Policy 2: Role of the Board. The fiscal year for Parkland School Division is September 1 to August 31. Administration provides three quarterly financial reports and an annual financial report as follows:

- First Quarterly Report (January)
- Second Quarterly Report (April)
- Third Quarterly Report (June)
- Audited Financial Statement (November of the subsequent school year)

The following report is in support of this responsibility.

**REPORT SUMMARY**

The financial statement included within this package is for the six months ended February 28, 2023. The audited financial statements for the current school year will be presented to the Board in November, 2023. The Management Discussion and Analysis includes an updated forecast and provides variance explanations from the budget.

As of February 28, 2023, revenues year to date were \$75.1M and expenditures year to date were \$73.0M resulting in a surplus of \$2.1M. A deficit of \$2.8M is currently forecast for the year ended August 31, 2023 which is higher than budget.

The Division is projecting an operating reserve before school generated funds of \$3.6M at August 31, 2023, which is \$763K below the cap of \$4.3M. This projection is pending Government of Alberta (GOA) approval of a transfer to capital reserves of \$1.6M.

Administration would be pleased to respond to any questions.

SM:rg



**PARKLAND**  
**SCHOOL DIVISION**

Management's Discussion and Analysis

February 28, 2023

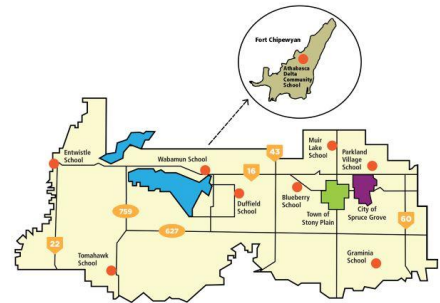
## Management’s discussion and analysis

The following is a discussion of the financial position and results of operations of Parkland School Division (the Division) for the six months ended February 28, 2023 and should be read with the Division’s annual financial statements. The statements have been prepared in accordance with Canadian public sector accounting standards (PSAS).

The Division had a total operating budget of \$139.3 million to provide public education services to over 12,400 students for the 2022-2023 school year. The Division is home to 25 distinct learning sites, including two high school outreach locations and a number of alternative learning options offered through the Connections for Learning.

As of the 2021 Canada Census, the Division’s area serves approximately 91,000 residents across a blend of urban and rural communities. Our families live within a 2,450 square kilometer area that extends across the Tri-Municipal Region, including Spruce Grove, Stony Plain, Parkland County and Paul First Nation. With the agreement to be the interim education authority for Athabasca Delta Community School, the northern remote community of Fort Chipewyan in Treaty 8 Territory was added to the mix beginning in the 2022-23 school year.

All jurisdictions are experiencing shifting trends in education, constraints of flat provincial funding and a heavily challenged economy. Yet still, the Division continues to thrive as an innovative and proactive school authority. We are dedicated to minimizing any further impact on schools and the effect on students. Regardless of what student learning looks like moving forward, we are dedicated to providing supportive environments, meaningful experiences and fostering healthy relationships that encourage student development.



At Parkland School Division, we always put students first and are dedicated to preparing youth to take their place in a rapidly changing world. This preparation happens through consistent, day-by-day collaborative efforts that lead to positive student outcomes.

Changes in Alberta’s economy have resulted in a noticeable population shift for the Division as more families move from rural areas to more urban centers, creating smaller rural communities with decreasing school populations. The Division believes in fiscal accountability and transparency through regular financial reporting to the Board. Ensuring effective stewardship of the Board’s resources is a responsibility that is legislated through the Education Act. Through resource stewardship student success and well-being are supported by ensuring equitable and sustainable use of our resources and ensuring financial responsibility remains a priority.

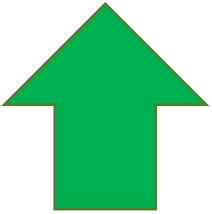
# 1. Budget to Actual at February 28, 2023 Analysis

Parkland School Division (the Division) is showing a surplus at Q2 primarily due to the timing of revenues and expenditures.

	Budget 2022-23	Actual February 28, 2023	% of Budget	Q2 Forecast 2022 - 2023	Variance from Budget	% Change From Budget
<b>REVENUES</b>						
Government of Alberta	\$ 130,261,904	\$ 67,346,087	51.7%	\$ 135,843,909	\$ 5,582,005	4.3%
Federal Government and First Nations	1,823,434	2,948,005	161.7%	4,768,136	2,944,702	161.5%
Other Alberta school authorities	36,215	45,000	124.3%	45,000	8,785	24.3%
Fees	3,272,516	2,685,777	82.1%	3,421,693	149,177	4.6%
Other sales and services	985,570	902,843	91.6%	1,178,605	193,035	19.6%
Investment income	150,000	408,983	272.7%	750,000	600,000	400.0%
Gifts and donations	322,909	468,285	145.0%	521,003	198,094	61.3%
Rental of facilities	54,000	113,116	209.5%	162,537	108,537	201.0%
Fundraising	87,270	147,801	169.4%	162,510	75,240	86.2%
Gains on disposal of capital assets	-	-	0.0%	-	-	0.0%
<b>Total revenues</b>	<b>\$ 136,993,818</b>	<b>\$ 75,065,897</b>	<b>54.8%</b>	<b>\$ 146,853,393</b>	<b>\$ 9,859,575</b>	<b>7.2%</b>
<b>EXPENSES BY PROGRAM</b>						
Instruction	\$ 106,716,583	\$ 56,044,566	52.5%	\$ 115,889,728	\$ (9,173,146)	-8.6%
Operations and maintenance	17,115,302	9,156,374	53.5%	18,192,531	(1,077,228)	-6.3%
Transportation	10,991,218	5,472,518	49.8%	10,959,286	31,932	0.3%
Board & system administration	4,354,967	2,031,403	46.6%	4,296,202	58,765	1.3%
External services	84,638	260,882	308.2%	344,680	(260,042)	-307.2%
<b>Total expenses</b>	<b>\$ 139,262,708</b>	<b>\$ 72,965,743</b>	<b>52.4%</b>	<b>\$ 149,682,427</b>	<b>\$ (10,419,720)</b>	<b>-7.5%</b>
<b>Operating surplus (deficit)</b>	<b>\$ (2,268,890)</b>	<b>\$ 2,100,154</b>		<b>\$ (2,829,035)</b>	<b>\$ (560,145)</b>	
<b>EXPENSES BY CATEGORY</b>						
Salaries, wages and benefits	\$ 104,896,283	\$ 54,925,900	52.4%	\$ 109,743,563	\$ (4,847,280)	-4.6%
Services, contracts and supplies	24,912,158	12,972,932	52.1%	29,942,690	(5,030,532)	-20.2%
School generated Funds	1,115,001	812,470	72.9%	1,469,659	(354,658)	-31.8%
Infrastructure Maintenance Renewal	1,288,274	834,537	64.8%	1,288,274	-	0.0%
Amortization of capital assets and interest	7,050,992	3,419,904	48.5%	7,238,241	(187,249)	-2.7%
<b>Total expenses</b>	<b>\$ 139,262,708</b>	<b>\$ 72,965,743</b>	<b>52.4%</b>	<b>\$ 149,682,427</b>	<b>\$ (10,419,720)</b>	<b>-7.5%</b>
<b>SURPLUS/(DEFICIT) BY PROGRAM</b>						
Instruction	\$ (2,035,488)	\$ 1,596,375		\$ (2,963,535)	\$ (928,047)	
Operations and Maintenance	(233,402)	(723,780)		(259,135)	(25,733)	
Transportation	-	800,421		370,279	370,279	
Board and System Administration	-	166,092		74,386	74,386	
External Services	-	(86,388)		3,059	3,059	
<b>Surplus/(Deficit) from Operations</b>	<b>\$ (2,268,890)</b>	<b>\$ 1,752,720</b>		<b>\$ (2,774,949)</b>	<b>\$ (506,059)</b>	
School Generated Funds	-	347,436		(54,086)	(54,086)	
<b>Total Surplus/(Deficit)</b>	<b>\$ (2,268,890)</b>	<b>\$ 2,100,154</b>		<b>\$ (2,829,035)</b>	<b>\$ (560,145)</b>	

As of February 28, 2023, revenues to date were \$75.1M and expenditures were \$73.0M resulting in a surplus of \$2.1M. A deficit of \$2.8M is currently forecast for the year ended August 31, 2023. The increase in the deficit forecasted from budget is primarily due to additional spending on resources for the schools.

## Revenues
















**Overall increase in revenues of \$9.9 million**

Revenues increased by \$9.9 million or 7.2% from budget to \$146.9 million. \$5.0M of the increase is due to the addition of Athabasca Delta Community School (ADCS).

Key variances are:

Government of Alberta – increase of \$5.6M or 4.3% - Government of Alberta revenues increased:

-  • \$1.4M - Provincial revenues for ADCS
-  • \$1.1M - Teacher settlement related to the new collective agreement
-  • \$776K - Learning Loss and Curriculum Implementation funding
-  • \$537K – ADCS Education Service Agreement
-  • \$238K - Alberta Education revenues related to higher weighted moving average enrolments over budget (Grades 1 – 12 and regular High School funding)
-  • \$188K – Mental Health in School Pilot Programs funding
-  • \$352K – Transportation Fuel Initiative grant to assist with escalating fuel costs
-  • \$207K - Supplemental Enrolment Growth grant provides additional per student funding greater than between 2% and 5%
-  • \$113K – Additional secondments
-  • \$111K – Alberta Teachers Retirement Fund increased which is offset by the related expense
-  • \$74K – Low Incidence Supports and Services funding
-  • \$50K – Support for Ukrainian Students funding
-  • \$30K – Rural small schools due to a shift in enrolments between small schools



- \$12K – Alberta School Council Engagement grant



- \$9K – Other Alberta School Authorities



- \$1K – School Facilities Planning funding



- (\$23K) – Alberta Education School Based Revenues or Grants



- \$195K – Alberta Education Federal French Funding as unspent project money was distributed to school divisions



- \$147K – Alberta Health Helping Hands grant for ADCS



Federal Government – increase of \$2.9M or 161.5% - primarily due to funding designated to ADCS (\$2.7M) and increases in other grants such as Jordan's Principle (\$207K)



Fee Revenue – increase of \$149K or 4.6% – mainly due to higher ridership than budgeted as Covid restrictions were withdrawn and more students returned to school



Investment Income – increase of \$600K or 400% – due to the increase in interest rates



Other revenues – increase of \$575K – includes sales and services 19.6%, facility rentals 201.0% (includes ADCS teacherages), donations 61.3% and fundraising 86.2%

## Expenditures



**Overall increase in expenditures of \$10.4 million**

Expenditures increased by \$10.4 million or 7.5% from budget to \$149.7 million. \$4.9M of the increase is due to the addition of ADCS.

Key variances by category are:

Salaries, Wages and Benefits – increase of \$4.8 million or 4.6% - Salaries, wages and benefits increased:

- \$4.4M increase in certificated salaries and benefits
  - \$1.6M - increased enrolment due to the addition of ADCS
  - \$1.1M - teacher increases due to new collective agreement
  - \$754K - Curriculum Implementation and Learning Loss for substitute coverage
  - \$569K - Division initiatives - COVID Supplement for Instructional Services and Student Services
  - \$111K – additional costs for Alberta Teacher Retirement Fund
  - \$117K – additional secondments
  - \$137K – increase for substitutes regular coverage
- \$464 increase in support salary and benefits
  - The increase is due to the addition of ADCS partially offset by support positions that were budgeted and schools were unable to fill

Services, Contracts and Supplies – increase of \$5.0M or 20.2% – Services, Contracts and Supplies increased:

- \$2.6M - increase in supplies and services to support increased enrolment due to the addition of ADCS
- \$295K - increases are related to supplies for Curriculum Implementation expenditures for resource purchasing
- \$199K – increase related to Breakfast Club expenditures due to additional funding



- \$418K – increase to furniture and equipment as furniture purchased in the prior year did not arrive prior to year-end
- \$446K – increase for a central purchasing initiative to take advantage of economies of scale to evergreen technology, furniture and equipment in the schools and install heat pumps in all modular units in the Division.
- \$262K – increase to fuel costs for transportation services
- \$456K – increase to supplies and services for ADCS Education Service Agreement
- \$169K – increase to utility expenditures
- \$73K – increase to supplies and services for the Low Incidence Supports and Services grant
- \$50K – increase for services to support Ukrainian students
- \$12K – increase in expenditures related to the Alberta School Council Engagement grant

School Generated Funds – increase of \$355K or 31.8% - school generated funds increased due to the resumption of extracurricular activities and events that had been previously affected by Covid-19.

Amortization of Capital Assets and Interest – increase of \$187K or 2.7% - amortization of capital assets and interest increased due to the Woodhaven modernization and Prescott modular projects.

## Surplus/(Deficit) by Program

Instruction (Includes SGF)	Budget	Q2 Forecast	Variance
Revenue	\$ 104,681,095	\$ 112,872,109	\$ 8,191,014
Expenses	106,716,583	115,889,728	9,173,146
<b>Surplus/(Deficit)</b>	<b>(2,035,488)</b>	<b>(3,017,621)</b>	<b>(982,133)</b>
<b>Operations and Maintenance</b>			
Revenue	16,881,901	17,933,394	1,051,493
Expenses	17,115,302	18,192,531	1,077,228
<b>Surplus/(Deficit)</b>	<b>(233,402)</b>	<b>(259,135)</b>	<b>(25,733)</b>
<b>Transportation</b>			
Revenue	10,991,218	11,329,565	338,347
Expenses	10,991,218	10,959,286	(31,932)
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>370,279</b>	<b>370,279</b>
<b>Board and System Admin</b>			
Revenue	4,354,965	4,370,588	15,623
Expenses	4,354,965	4,296,202	(58,763)
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>74,386</b>	<b>74,386</b>
<b>External Services</b>			
Revenue	84,638	347,739	263,101
Expenses	84,638	344,680	260,042
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>3,059</b>	<b>3,059</b>
<b>Total Surplus/(Deficit) by Program</b>	<b>\$ (2,268,890)</b>	<b>\$ (2,829,035)</b>	<b>\$ (560,145)</b>

Instruction – deficit of \$982K – the increase in expenditures is due to the addition of revenues and related expenditures of ADCS, other GOA grants (listed above) and the Covid Supplement programs to support students.

Operations and Maintenance – deficit of \$26K – the increase in revenues and expenditures is primarily due to the addition of ADCS. The prior year surplus is being utilized for other inflationary increases.

Transportation – surplus of \$370K - the increase in revenues is due to fuel escalation funding, higher ridership and the addition of ADCS. The decrease in expenditures is due to routes that have not been filled due to driver and bus shortages.

Board and System Administration – increase of \$74K - the increase in revenues is due to the addition of ADCS. Expenditures are lower than budget primarily due to lower than budgeted legal costs.

External Services – Revenues and expenditures increased due to the addition of ADCS.



## Financial Position at February 28, 2023

	Actual Balance at February 28, 2023	Actual Balance at August 31, 2022
<b>Financial Assets</b>		
Cash	\$ 21,019,412	\$ 18,134,355
Accounts Receivable	1,628,383	1,860,648
<b>Total Financial Assets</b>	<b>22,647,795</b>	<b>19,995,003</b>
Accounts Payable and Accrued Liabilities	5,400,289	4,911,530
Unspent Deferred Contributions	2,390,972	2,083,544
Employee Future Benefits	398,486	447,700
<b>Total Liabilities</b>	<b>8,189,747</b>	<b>7,442,774</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets	165,661,486	159,895,409
Inventory	-	-
Prepaid Expenses	875,524	531,885
<b>Total Non-Financial Assets</b>	<b>166,537,010</b>	<b>160,427,294</b>
<b>Spent Deferred Capital Contributions</b>	<b>\$ 155,654,221</b>	<b>\$ 152,477,262</b>


The following section is based on a comparative of the annual budget to actuals.



As at February 28, 2023 the Division has total financial assets of \$22.6 and liabilities of \$8.2M resulting in net financial assets of \$14.5M.

Financial assets include



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 • \$21.0M in cash – increase of \$2.9M - the increase in cash related to additional funding received from the government of Alberta (Learning Loss, Supplemental Enrolment growth, support for Ukrainian Students, Mental Health in Schools) partially offset by IMR spending that has occurred since the year end.
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 • \$1.6M in accounts receivable – decrease of \$232K - includes GST receivable, receivables for secondments to other organizations, supported capital receivables and other general receivables. Accounts receivable decreased primarily due to a decrease in grants receivable for CMR and Prescott modulars partially offset by an increase in general accounts receivable.

Liabilities include


- 
 • \$5.4M in accounts payable and accrued liabilities – increase of \$489K - includes vendor invoices for amounts incurred but not yet paid for supplies and services and accrued liabilities including payroll withholdings and unearned revenues. Accounts payable decreased due to an increase in payroll withholdings partially offset by lower accrued payables to vendors.

-  • \$2.4M unspent deferred contributions – increase of \$307K - is comprised of both restricted operational funding not expended which primarily includes unexpended IMR and Capital Maintenance Renewal (CMR) funding and small grants from other external sources. Unexpended deferred capital revenue is for contributions received for supported capital projects that has not been spent. The increase in the current year is primarily the result of the Curriculum Implementation and other wellness grants that have been spent since the prior year end partially offset by additional funding received such as Breakfast Club, support for Ukrainian Students funding and Supplemental Enrolment Growth funding.
-  • \$398K in future benefit liabilities – decrease of \$49K - is an executive retirement plan (SERP) for some current and former senior executives based on contributions and actuarial valuations offset by payments to retired employees during the year.

#### Non-financial assets including

-  • \$165.7M in capital assets – increase of \$5.8M - increases to capital assets this year include Stony Plain Central replacement school and modular units for Prescott and Millgrove schools.
-  • \$876K in prepaid expenses – increase of \$344K - for items and services paid in advance and not yet received. The increase over the prior year is primarily due to a timing difference last year. The insurance premium is renewed November 1<sup>st</sup> annually.

#### Spent deferred capital contributions

-  • \$155.7M spent deferred capital contributions – increase of \$3.2M - are recorded when a supported asset such as a school is acquired. The contribution is then recognized over the life of the asset in an amount equal to the amortization on the asset. The increase in spent deferred capital contributions is attributed primarily to the Alberta Infrastructure projects at the Stony Plain Central replacement school and the modular projects at Prescott and Millgrove schools which are partially offset by amortization.

## Accumulated Operating Surplus

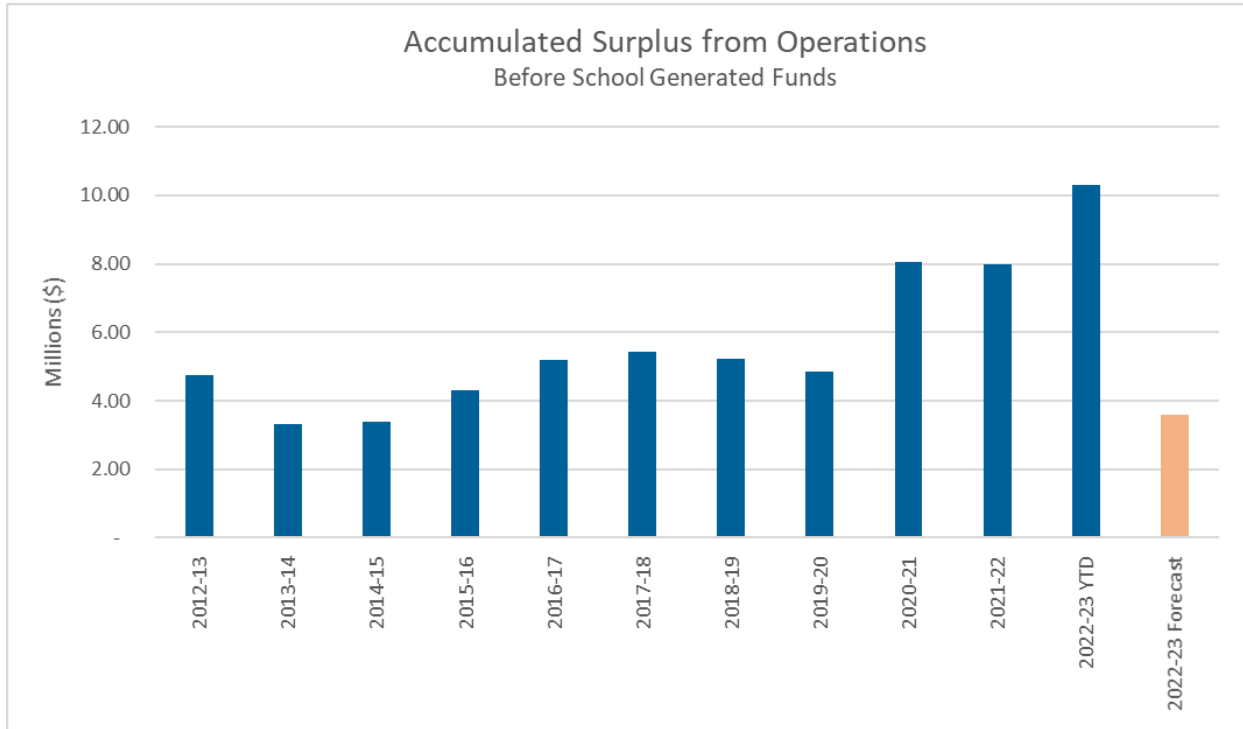
	Audited Balance at Sep 1, 2022	Forecasted Q2 Balance at February 28, 2023	Transfer/Capital Purchases	Q2 Projected Balance at Aug 31, 2023	Operating Reserves Cap 2023
<b>Operating Surplus (deficit)</b>					
Instruction	\$ 5,358,546	\$ (2,963,534)	\$ (656,231)	\$ 1,738,781	
Administration	1,463,117	74,386	-	1,537,503	
Operations and Maintenance	120,610	(259,135)	197,841	59,316	
Transportation	107,150	370,279	(265,689)	211,740	
External Services	-	3,059	-	3,059	
<b>Total Restricted Operating Surplus before SGF</b>	<b>7,049,423</b>	<b>(2,774,945)</b>	<b>(724,079)</b>	<b>3,550,398</b>	
Unrestricted Surplus	943,768	-	(943,769)	-	
Accumulated Surplus from Operations (Excluding SGF)	7,993,191	(2,774,945)	(1,667,848)	3,550,398	<b>4,313,391</b>
School Generated Funds	647,362	(54,086)	-	593,276	
<b>Accumulated Surplus from Operations</b>	<b>\$ 8,640,553</b>	<b>\$ (2,829,031)</b>	<b>\$ (1,667,848)</b>	<b>\$ 4,143,674</b>	
<b>Capital Reserves</b>					
Instruction	\$ 3,542,195	\$ -	\$ 562,909	\$ 4,105,104	
Operations and Maintenance	486,682	-	(225,461)	261,221	
Administration	1,020,701	-	(114,699)	906,002	
Transportation	366,655	-	44,374	411,029	
External Services	28,385	-	-	28,385	
<b>Total Capital Reserves</b>	<b>\$ 5,444,618</b>	<b>\$ -</b>	<b>\$ 267,123</b>	<b>\$ 5,711,741</b>	
<b>Investment in Capital Assets</b>	<b>\$ 6,417,090</b>	<b>\$ -</b>	<b>1,400,725</b>	<b>\$ 7,817,815</b>	
<b>Total Accumulated Surplus</b>	<b>\$ 20,502,261</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,673,230</b>	

The projected operating surplus balance at August 31, 2023 is \$3.6M excluding SGF. This is \$763K below the cap of \$4.3M. The cap is 3.15% of the prior year's total expenses. \$1.6M is assumed to be transferred from operating reserves to capital reserves to fund the CFL Outreach pending Ministerial approval.

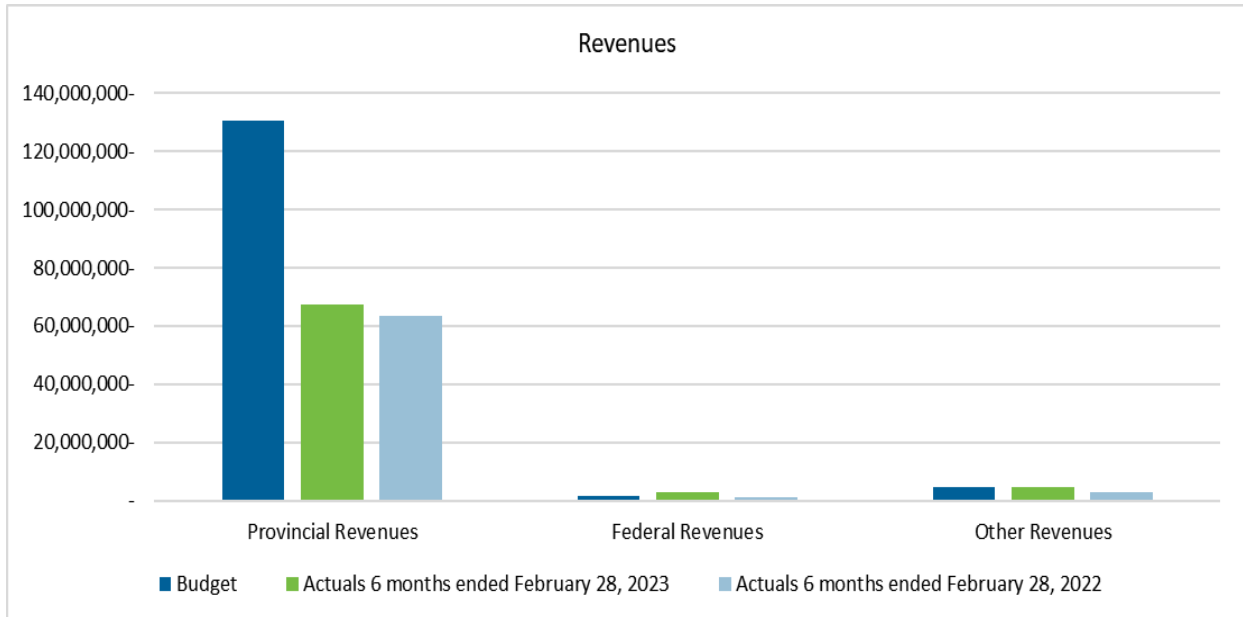
Accumulated surplus includes:

- Accumulated Surplus from Operations are reserves designated for operating purposes by the Board and include operating reserves by program.
- The Unrestricted Surplus is a reserve that the Board has not reserved for a specific purpose.
- School Generated Funds are reserves within the school that are reserved for specific projects within the schools.
- Capital Reserves are designated for future capital purchases by the Board.
- Investment in Capital Assets represents the Division's amortized investment in Board supported capital assets.

### 3. Results from Operations



#### 3.1 Revenues – comparator to Budget and Actuals to February 28, 2023



### 3.1.1 Revenue from Provincial Government

	<b>Annual Budget</b>	<b>For the 6 months Ended February 28, 2023</b>	<b>% of Budget</b>	<b>For the 6 months Ended February 28, 2022</b>	<b>% Change</b>
\$	130,316,119	\$ 67,391,086	51.7%	\$ 63,583,229	6.0%

The Alberta government is the key revenue source for the Division providing 95% of its revenues. Revenue received from the Government of Alberta was 51.7% of budget. The increase in revenue is primarily due to a one time grant for ADCS. Basic instruction grant rates are paid on a 3-year WMA enrolment based on the budget, cash adjustments are made in the following year for any differences in enrolment. The 6.0% increase from the prior year is primarily due to the ADCS grant, ADCS Education Service Agreement, Supplemental Enrolment grant, Federal French funding through Alberta Education and the teacher salary settlement.

### 3.1.2 Revenue from Federal Government

	<b>Annual Budget</b>	<b>For the 6 months Ended February 28, 2023</b>	<b>% of Budget</b>	<b>For the 6 months Ended February 28, 2022</b>	<b>% Change</b>
\$	1,823,434	\$ 2,948,005	161.7%	\$ 1,059,141	178.3%

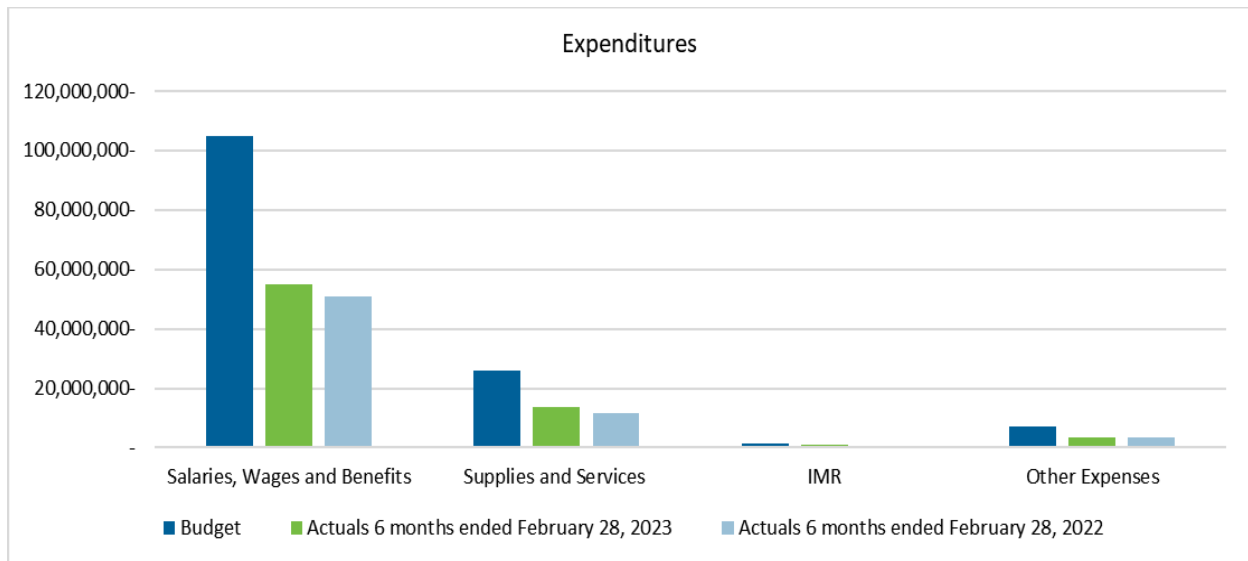
The federal government provides funding for First Nation students living on the Reserve. Actual revenues are 161.7% of budget due to the addition of ADCS students and an increase in Jordan's Principle grants which is also the basis for the change from the prior year.

### 3.1.3 Other Revenues

	<b>Annual Budget</b>	<b>For the 6 months Ended February 28, 2023</b>	<b>% of Budget</b>	<b>For the 6 months Ended February 28, 2022</b>	<b>% Change</b>
\$	4,854,265	\$ 4,726,806	97.4%	\$ 3,146,538	50.2%

Other Revenues for the year are 97.4% of budget as many of the fees are collected up front at the beginning of the year. The 50.2% increase from the prior year is primarily due to the resumption of extracurricular activities, facilities rentals, fundraising and donations as the risk of Covid-19 has lessened. Investment income has also increased due to rising interest rates.

### 3.2 Expenditures - comparator to Budget and Actuals to February 28, 2023



#### 3.2.1 Salaries, Wages and Benefits

	<b>Annual Budget</b>	<b>For the 6 months Ended February 28, 2023</b>	<b>% of Budget</b>	<b>For the 6 months Ended February 28, 2022</b>	<b>% Change</b>
\$	104,896,282	\$ 54,925,900	52.4%	\$ 51,055,544	7.6%

Salaries, Wages and Benefits are sitting at 52.4% of budget due to the addition of staff for ADCS. The 7.6% increase over the prior year is to support the additional enrolments at ADCS, the teacher salary settlement, other grants from Alberta Education and Division initiatives. Enrolments increased 471 students over the prior year at September 30.

#### 3.2.2 Service, Contracts and Supplies

	<b>Annual Budget</b>	<b>For the 6 months Ended February 28, 2023</b>	<b>% of Budget</b>	<b>For the 6 months Ended February 28, 2022</b>	<b>% Change</b>
\$	26,027,159	\$ 13,785,402	53.0%	\$ 11,812,987	16.7%

The Service, Contracts and Supplies (including SGF) are sitting at 53.0% of budget. This year, expenditures are sitting slightly higher than budget due to the addition of ADCS and other funding expenditures such as Curriculum Implementation and Fuel Price Contingency. The 16.7% increase from the prior year is largely due to additional expenses to support the increase in students and additional funding expenditures.



### 3.2.3 Infrastructure Maintenance Renewal (IMR)

	<b>Annual Budget</b>	<b>For the 6 months Ended February 28, 2023</b>	<b>% of Budget</b>	<b>For the 6 months Ended February 28, 2022</b>	<b>% Change</b>
\$	1,288,274	\$ 834,537	64.8%	\$ 776,472	7.5%

Infrastructure, Maintenance and Renewal expenditures were 64.8% of budget. IMR expenditures do not occur evenly over the year and many projects are done when students are not in the buildings. IMR expenditures were 7.5% higher than the prior year due to the completion of summer projects (Memorial Composite High School) that were late due to supply chain issues and the installation of heat pumps in Division modular units.

### 3.2.4 Other Expenses

	<b>Annual Budget</b>	<b>For the 6 months Ended February 28, 2023</b>	<b>% of Budget</b>	<b>For the 6 months Ended February 28, 2022</b>	<b>% Change</b>
\$	7,050,992	\$ 3,419,904	48.5%	\$ 3,323,318	2.9%

Other Expenses include amortization of capital assets and are 48.5% of budget. The 2.9% increase compared to the prior year is primarily the result of the completion of Woodhaven modernization project and the Prescott modular project.

## 3.3 Excess of Revenues over Expenses

Overall, the Division has a surplus of \$2.1M at the end of the second quarter.

<b>Program</b>	<b>Budget 2022-23</b>	<b>February 28, 2023</b>	<b>February 28, 2022</b>
Instruction	\$ (2,035,488)	\$ 1,596,374	\$ 1,041,252
Administration	-	166,092	133,243
Operations and Maintenance	(233,402)	(723,780)	(692,107)
Transportation	-	800,421	253,348
External Services	-	(86,388)	-
<b>Total</b>	<b>\$ (2,268,890)</b>	<b>\$ 1,752,719</b>	<b>\$ 735,733</b>
Add: SGF		347,435	84,853
<b>Total</b>	<b>\$ (2,268,890)</b>	<b>\$ 2,100,154</b>	<b>\$ 820,586</b>

The Instructional Program had a surplus of \$1.6M as a result of receiving the ADCS provincial funding at the beginning of the year and the timing of expenditures that will occur later in the year.

The Administration program was in a surplus position of \$166K as the result of the timing of expenditures during the year.

Operations and Maintenance is currently in a deficit of \$723K as a result of the timing of expenditures and transfers to other programs.

The Transportation program is operating at a surplus of \$800K as fee revenue is recognized in the first quarter of the year.

## **4. Significant Changes and Events**

### **4.1 ADCS**

The Division became the interim authority by Ministerial Order of ADCS effective September 1, 2022. PSD is working with the prior school division that held ADCS to adjust any assets, liabilities and reserves necessary, after prior year end results became available. The current operating results for PSD include ADCS.

### **4.2 Labour Relations**

The Alberta Teachers Association (ATA) collective agreement expired on August 31, 2020. ATA/Central Bargaining concluded in June 2022 with a new collective agreement for September 1, 2020 to August 31, 2024. June 27, 2022 ATA served PSD notice to open local bargaining.

The Central Alberta Association of Municipal and School Employees (CAAMSE) collective agreement expires August 31, 2023.

The International Union of Operating Engineers (IUOE) collective agreement expires August 31, 2023.

### **4.3 Provincial Funding**

The provincial government introduced a new funding model based on WMA enrolment across three years.

The new provincial funding model is broken down into 5 categories using the WMA model:

- Base Instruction
  - Funding for early learning and Grades 1 – 9
  - High school funding using a base rate 10% higher than the Grade 1 – 9 base rates to account for the increased cost of high school programming
  - Rural small schools funding based on various enrolment thresholds for schools between 35 and 155 students
- Services and Supports
  - Specialized learning support funding supports the learning needs of students within an inclusive learning environment (includes funding for kindergarten students with severe disabilities and delays)
  - Program Unit Funding allocated using the WMA enrolment of children ages 2 years 8 months to 4 years 8 months with severe disabilities and delays

- First Nations, Métis and Inuit funding to assist school authorities to improve education outcomes for First Nations, Métis and Inuit students
- School
  - Operations and Maintenance uses WMA enrolment funding as well as considerations for utilized space and under-utilized space
  - Transportation grant funding increased by 5% over 2019-20 as Alberta Education is currently developing a new model
- Community
  - These grants are designed to address socio-economic contexts and geographic locations which pose unique challenges to the operation of schools and delivery of educational services
    - Socio-economic status funding
    - Geographic
    - Nutrition
- Jurisdiction
  - System Administration Grant (SAG)
    - Funding to cover governance (Board of Trustees) and central administration costs
    - Targeted grant to support System Administration
    - Amounts can be transferred from the SAG to other grants, but cannot utilize funds from other grants for system administration

The Division will receive bridge funding of \$6.4M for 2022-2023. This is funding that the government held back from the funding model to fund future enrolment across the province.

#### **4.4 Asset Retirement Obligations (ARO)**

ARO is a new accounting standard that will impact the Division and other school boards in the 2022-23 school year. An asset retirement obligation is a legal obligation to record a liability for costs related to the retirement of an asset at the end of its useful life (i.e. remediation of a building containing asbestos). The Division is working with the auditors to determine the ARO liability amount that will be recorded on PSD's books prior to the yearend.

## 2022-2023

### Statement of Revenues and Expenses - Athabasca Delta Community School

	Q2 Forecast 2022-23	Actuals 2022-23	Variance	% Forecast Used
<b>Revenues</b>				
Instruction ( ECS to Grade 12)	\$ 3,612,756	\$ 2,720,456	\$ 892,300	75.30%
School Generated Funds	500	500	-	100.00%
Operations & Maintenance	1,023,298	642,958	380,340	62.83%
Transportation	112,697	65,051	47,646	57.72%
Board & System Administration	26,940	15,866	11,074	58.89%
External Services	225,217	73,765	151,451	32.75%
<b>Total Revenues</b>	<b>\$ 5,001,408</b>	<b>\$ 3,518,596</b>	<b>\$ 1,482,812</b>	<b>70.35%</b>
<b>Expenses</b>				
Instruction ( ECS to Grade 12)	\$ 3,505,086	\$ 1,519,720	\$ 1,985,366	43.36%
School Generated Funds	500	-	500	0.00%
Operations & Maintenance	1,013,189	300,234	712,955	29.63%
Transportation	109,705	54,567	55,137	49.74%
Board & System Administration	61,838	25,009	36,830	40.44%
External Services	225,326	173,703	51,623	77.09%
<b>Total Expenses</b>	<b>\$ 4,915,644</b>	<b>\$ 2,073,233</b>	<b>\$ 2,842,411</b>	<b>42.18%</b>
<b>Surplus/(Deficit)</b>	<b>\$ 85,764</b>	<b>\$ 1,445,364</b>		

## 2022-2023

### Statement of Revenues and Expenses - Excluding Athabasca Delta Community School

	Q2 Forecast 2022-23	Actuals 2022-23	Forecast Remaining	% Forecast Used
<b>Revenues</b>				
Instruction ( ECS to Grade 12)	\$ 107,843,779	\$ 54,108,016	\$ 53,735,764	50.17%
School Generated Funds	1,415,073	1,159,405	255,668	81.93%
Operations & Maintenance	16,910,096	7,789,636	9,120,460	46.07%
Transportation	11,216,868	6,207,887	5,008,981	55.34%
Board & System Administration	4,343,645	2,181,629	2,162,016	50.23%
External Services	122,523	100,728	21,795	82.21%
<b>Total Revenues</b>	<b>\$ 141,851,985</b>	<b>\$ 71,547,301</b>	<b>\$ 70,304,684</b>	<b>50.44%</b>
<b>Expenses</b>				
Instruction ( ECS to Grade 12)	\$ 110,914,983	\$ 53,712,377	\$ 57,202,606	48.43%
School Generated Funds	1,469,159	812,470	656,689	55.30%
Operations & Maintenance	17,179,342	8,856,140	8,323,202	51.55%
Transportation	10,849,582	5,417,950	5,431,632	49.94%
Board & System Administration	4,234,364	2,006,395	2,227,969	47.38%
External Services	119,354	87,179	32,175	73.04%
<b>Total Expenses</b>	<b>\$ 144,766,783</b>	<b>\$ 70,892,510</b>	<b>\$ 73,874,273</b>	<b>48.97%</b>
<b>Surplus/(Deficit) Excluding ADCS</b>	<b>\$ (2,914,799)</b>	<b>\$ 654,790</b>		
<b>Surplus/(Deficit) ADCS</b>	<b>-</b>	<b>1,445,364</b>		
<b>Total Surplus/(Deficit) PSD</b>	<b>\$ (2,829,035)</b>	<b>\$ 2,100,154</b>		