



MEMORANDUM

November 28, 2023
Regular Board Meeting

| | |
|-----------------------------|--|
| TO | Board of Trustees |
| FROM | Shauna Boyce, Superintendent |
| ORIGINATOR | Scott McFadyen, Associate Superintendent |
| RESOURCE | Jason Krefting, Director Financial Services |
| GOVERNANCE POLICY | Board Policy 2: Role of the Board Board Policy 12: Role of the Superintendent |
| ADDITIONAL REFERENCE | BP 2: Stakeholder Engagement and Communication BP 2: Resource Stewardship BP 12: Fiscal Responsibility |
| SUBJECT | 2023-2024 FALL FORECAST |

PURPOSE

For information. No recommendation required.

BACKGROUND

The Division prepares a fall forecast based on the September enrolments each year. The Division updates revenue projections, staffing and other expenses based on these actual enrolments to provide sites with an updated operating plan based on their revised allocations.

REPORT SUMMARY

The October Forecast included within this package is an updated forecast for the year ended August 31, 2024. This report provides variance explanations for the changes from the approved budget for 2023-2024.

The forecasted revenues are \$153,556,315 a decrease of 0.3% from the budget. The forecasted expenditures are \$153,556,315 a decrease of 0.3% from the budget. The decreases in revenues and expenses are due to adjusting the revenues as a result of the decrease in enrolments from budget and adjusting expenditures to align with the updated revenue projections. The decrease due to lower enrolments was partially offset by new grants and revenues and the related expenditures.

The Division is forecasting a deficit of \$500,136 compared to a deficit of \$483,401 in the budget. The increase in the deficit is related to an increase in the amortization of the asset retirement obligations assets and does not impact the operating reserves. The Divisions forecasted operating reserves before school generated funds are below the cap set by Alberta Education.

Administration would be pleased to respond to any questions.

SM:kz



2023-2024 Fall Forecast

The Fall Forecast provides an update to the 2023-2024 budget that was approved in the spring. This forecast incorporates changes in revenues based on actual enrolments and other changes since the budget was approved. Expenditures have also been updated to include changes in staffing, and expenditures based on the updated revenue. The deficit forecasted is \$17K higher than budget due to an increase in the Asset Retirement Obligation (ARO) amortization. The operating deficit before ARO remains the same as the budget amount of \$250K.

School enrolments at September 29, 2023 were down 207 students or 1.6% over the 2023-2024 budget. School allocations have been updated in the fall forecast based on their actual September 29 enrolments and Division weighted moving average (WMA) revenues were updated to reflect these enrolments. WMA revenues are calculated using the WMA enrolment. WMA enrolment is a weighted moving average calculated using three years data. The WMA enrolment for 2023-2024 is calculated using 20% of 2021-2022 enrolments, 30% of 2022-2023 enrolments and 50% of 2023-2024 enrolments. Therefore, as enrolment increases funding lags behind as new growth is only funded in 50% the first year and 80% in the second year. The Division has updated its estimates and will receive the final calculations from Alberta Education in the spring.

Sites have updated their forecasts to reflect changes in their allocations based on their actual enrolments, staffing changes and new information.

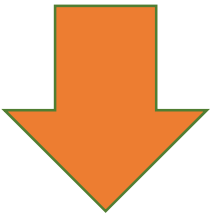
The Division's fall forecast is projecting a deficit of \$500,136 for the year. \$250,136 of this deficit is due to ARO amortization and does not impact the Division's operating reserves. The Division's operating reserve cap before school generated funds (SGF) is 3.20% of the 2022-2023 expenditures totaling \$4.7M. The Division is forecast to be below the reserve cap and have an operating reserve before SGF of \$4.1M at the end of the year.

Statement of Revenues and Expenses

| | Fall Forecast 2023-24 | | Budget 2023-24 | | Change | % Increase (decrease) |
|--------------------------------|--------------------------|-------------|-------------------|-------------|--------------|--------------------------|
| Revenues | | | | | | |
| Instruction (ECS to Grade 12) | \$ | 115,618,348 | \$ | 115,676,601 | \$ (58,253) | -0.1% |
| School Generated Funds | | 1,397,620 | | 1,362,840 | 34,780 | 2.6% |
| Operations & Maintenance | | 19,384,120 | | 19,829,930 | (445,810) | -2.2% |
| Transportation | | 11,900,214 | | 11,856,152 | 44,062 | 0.4% |
| Board & System Administration | | 4,531,119 | | 4,531,008 | 111 | 0.0% |
| External Services | | 224,758 | | 229,758 | (5,000) | -2.2% |
| Total Revenues | \$ | 153,056,179 | \$ | 153,486,289 | \$ (430,110) | -0.3% |
| Expenses | | | | | | |
| Instruction (ECS to Grade 12) | \$ | 115,881,235 | \$ | 115,926,601 | \$ (45,366) | 0.0% |
| School Generated Funds | | 1,397,620 | | 1,362,840 | 34,780 | 2.6% |
| Operations & Maintenance | | 19,619,252 | | 20,063,331 | (444,079) | -2.2% |
| Transportation | | 11,900,214 | | 11,856,152 | 44,062 | 0.4% |
| Board & System Administration | | 4,533,236 | | 4,531,008 | 2,228 | 0.0% |
| External Services | | 224,758 | | 229,758 | (5,000) | -2.2% |
| Total Expenses | \$ | 153,556,315 | \$ | 153,969,690 | \$ (413,375) | -0.3% |
| Surplus/(Deficit) | \$ | (500,136) | \$ | (483,401) | \$ (16,735) | |

Statement of Revenues and Expenses with Breakdown of Athabasca Delta Community School (ADCS)

| | Fall Forecast 2023-24 | | Athabasca Delta PSD Without ADCS 2023-24 | | Athabasca Delta Community School 2023-24 |
|--------------------------------|--------------------------|-------------|---|-------------|---|
| Revenues | | | | | |
| Instruction (ECS to Grade 12) | \$ | 115,618,348 | \$ | 111,660,649 | \$ 3,957,699 |
| School Generated Funds | | 1,397,620 | | 1,388,620 | 9,000 |
| Operations & Maintenance | | 19,384,120 | | 18,372,518 | 1,011,602 |
| Transportation | | 11,900,214 | | 11,744,455 | 155,759 |
| Board & System Administration | | 4,531,119 | | 4,500,429 | 30,690 |
| External Services | | 224,758 | | 99,638 | 125,120 |
| Total Revenues | \$ | 153,056,179 | \$ | 147,766,309 | \$ 5,289,870 |
| Expenses | | | | | |
| Instruction (ECS to Grade 12) | \$ | 115,881,235 | \$ | 111,911,744 | \$ 3,969,491 |
| School Generated Funds | | 1,397,620 | | 1,388,620 | 9,000 |
| Operations & Maintenance | | 19,619,252 | | 18,607,650 | 1,011,602 |
| Transportation | | 11,900,214 | | 11,744,455 | 155,759 |
| Board & System Administration | | 4,533,236 | | 4,502,546 | 30,690 |
| External Services | | 224,758 | | 99,638 | 125,120 |
| Total Expenses | \$ | 153,556,315 | \$ | 148,254,653 | \$ 5,301,662 |
| Surplus/(Deficit) | \$ | (500,136) | \$ | (488,344) | \$ (11,792) |



Revenues

Overall decrease in revenues of \$430 thousand

Revenues decreased by \$430 thousand or 0.3% from budget to \$153.1 million.

Key variances are:



Alberta Education – decrease of \$718K or 0.5% - Alberta Education revenues decreased:



- (\$1.2M) – Weighted moving average revenues due to decrease in enrolments from budget



- (\$273K) – ADCS student-based funding due to decrease in ADCS enrolments from budget



- (\$118K) -Secondment funding due to less seconded staff from budget



- \$183K – Other Alberta Education revenues including dual credit grant (\$50K), French language project grant (\$90K)



- (\$264K) – Learning disruption grant – actual grant was lower than budgeted



- \$118K - Curriculum implementation – Unspent funds were carried forward from prior year



- \$155K – Mental Health in Schools Pilot increased over budget



- \$454K – Education service agreement for students attending a First Nations School



- \$274K – ADCS northern allowance – new allowance that provides additional compensation to staff in Fort Chipewyan to offset high cost of living



Other Government of Alberta (GOA) – decrease of (\$233K) due to amortization of supported capital allocations



Federal Government – increase of \$207K – Federal Government changes include:



- \$160K - First Nations tuitions due to an increase in students attending schools in PSD other than ADCS over budget



- \$331K - Increase in other Federal Government school-based revenues over budget including Jordan's Principle.



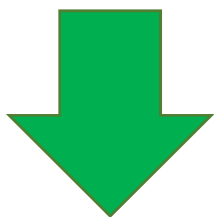
- (\$283K) – Federal tuitions at ADCS due to a decrease in First Nations students from budget



Fee Revenue – increase of \$48K – mainly due to an increase from budget in Extra-curricular fees and non-curricular travel



Other revenues – decrease of (\$17K) – includes sales and services, facility rentals, donations and fundraising. Decrease is primarily related to a special events and graduation revenues from budget.



Expenditures

Overall decrease in expenditures of \$413 thousand

Expenditures decreased by \$413 thousand or 0.3% from budget to \$153.6 million.

Key variances are:



Salaries, Wages and Benefits – decrease of (\$156K) or 0.1% - Salaries, wages and benefits decreased:

Certificated Salaries and Benefits



- (\$338K) decrease in certificated Staff (decrease of 0.47 FTE)



- \$148K - increased due to new ADCS allowance to address cost of living offset by new revenues



- (\$150K) – difference in average certificated cost estimate used in budget to compared to actual



- (\$72K) – decrease of 0.47 FTE in certificated staff from budget



- (\$264K) – decrease in substitute costs related to decrease in learning disruption grant

Support Salaries, Wages and Benefits



- \$182K increase in support salary and benefits (increase of 5.15 FTE)



- \$126K - increased due to new ADCS allowance to address cost of living offset by new revenues



- \$250K – Increase in Salaries and Benefits due to negotiated union agreements and contracts.



- (\$230K) -Decrease in average support cost estimates used in budget compared to actual



- \$36K – increase due to additional FTE offset by decreases related to changes in positions from budget.



Services, Contracts and Supplies – decrease of (\$137K) or 0.5% – Services, Contracts and Supplies decreased to offset decrease in students from budget.



School Generated Fund (SGF) expenditures – increase of \$35K or 2.6% due to updated estimates by schools. Increase in expenditures is offset by increase in SGF revenues.



Amortization of property and equipment – decrease of (\$156K) or 2.5% estimates of new amortization in the year decreased from budget.

2023-2024 Fall Forecast

Accumulated Surplus from Operations

| | Projected Operating Reserves at Aug 31, 2023 | Projected Surplus (Deficit) | Transfers | Projected Operating Reserves at Aug 31, 2024 |
|--|---|--------------------------------|-------------------|---|
| Instruction | \$ 2,936,331 | \$ (262,888) | \$ 12,888 | \$ 2,686,331 |
| Board & System Administration | 1,515,597 | (2,116) | 2,116 | 1,515,597 |
| Operations & Maintenance | (64,657) | (235,132) | 235,132 | (64,657) |
| Transportation | 470 | - | - | 470 |
| External Services | - | - | - | - |
| Total | \$ 4,387,741 | \$ (500,136) | \$ 250,136 | \$ 4,137,741 |
| Unrestricted | \$ - | \$ - | \$ - | \$ - |
| Total Accumulated Surplus from Operations (Excluding SGF) | \$ 4,387,741 | | \$ | \$ 4,137,741 |
| SGF | 707,659 | | | 707,659 |
| Accumulated Surplus from Operations | \$ 5,095,400 | | \$ | \$ 4,845,400 |
| A.S.O. before SGF to expense Ratio | 2.85% | | | 2.69% |

The Accumulated Surplus from Operations before SGF and ADCS is \$3,926,376

Accumulated Surplus from Operations before SGF and ADCS to Expense Ratio Cap (144,549,920 x .032) \$ 4,625,597

Transfer of \$250,136 is a transfer from investment in TCA for ARO

2023-2024 Fall Forecast
Revenues and Expenses By Program

| | Total | Instruction | System Administration | Operations & Maintenance | Transportation | External Services |
|--|-----------------------|-----------------------|--------------------------|-----------------------------|----------------------|-------------------|
| Revenues | | | | | | |
| Alberta Education | \$ 135,029,679 | \$ 107,174,047 | \$ 4,433,421 | \$ 12,761,831 | \$ 10,660,380 | \$ - |
| Alberta Infrastructure (Amortization of Capital Alloc) | 5,644,455 | - | - | 5,628,817 | - | 15,638 |
| Alberta Finance | - | - | - | - | - | - |
| Other - Government of Alberta | 235,061 | 235,061 | - | - | - | - |
| Federal Government and/or First Nations | 5,906,984 | 4,716,186 | 97,698 | 912,472 | 155,759 | 24,870 |
| Other Alberta school authorities | 36,215 | 36,215 | - | - | - | - |
| Out of province authorities | - | - | - | - | - | - |
| Alberta Municipalities | - | - | - | - | - | - |
| Instruction resource fees | - | - | - | - | - | - |
| School based course material fees | 2,302,990 | 2,302,990 | - | - | - | - |
| Transportation fees | 1,051,575 | - | - | - | 1,051,575 | - |
| Other Student Fees | 330,500 | 330,500 | - | - | - | - |
| Other sales and services | 856,993 | 794,492 | - | - | 32,500 | 30,000 |
| Investment income | 800,000 | 800,000 | - | - | - | - |
| Gifts and Donations | 584,611 | 503,611 | - | 81,000 | - | - |
| Fundraising | 122,865 | 122,865 | - | - | - | - |
| Rentals of facilities | 154,250 | - | - | - | - | 154,250 |
| Total Revenues | \$ 153,056,179 | \$ 117,015,968 | \$ 4,531,119 | \$ 19,384,120 | \$ 11,900,214 | \$ 224,758 |
| Expenses | | | | | | |
| Certificated salaries | \$ 67,344,654 | \$ 66,793,302 | \$ 521,352 | \$ - | \$ - | \$ 30,000 |
| Certificated benefits | 15,503,071 | 15,352,332 | 150,739 | - | - | - |
| Non-certificated salaries and wages | 23,446,972 | 16,415,784 | 1,967,678 | 4,279,617 | 755,893 | 28,000 |
| Non-certificated benefits | 6,989,799 | 5,042,792 | 519,068 | 1,236,295 | 191,644 | - |
| Sub-total | 113,284,496 | 103,604,211 | 3,158,837 | 5,515,912 | 947,537 | 58,000 |
| Services, contracts and supplies | 32,499,584 | 12,817,979 | 1,221,715 | 7,408,869 | 10,899,900 | 151,120 |
| Cost recoveries between programs | - | 155,004 | (20,933) | (120,363) | (13,708) | - |
| Amortization of capital assets | - | - | - | - | - | - |
| Supported | 6,433,640 | - | - | 6,418,002 | - | 15,638 |
| Unsupported | 1,088,459 | 688,774 | 171,500 | 161,700 | 66,485 | - |
| Supported ARO | - | - | - | - | - | - |
| Unsupported ARO | 250,136 | 12,888 | 2,116 | 235,132 | - | - |
| Total Amortization | 7,772,235 | 701,662 | 173,616 | 6,814,834 | 66,485 | 15,638 |
| Interest on capital debt | - | - | - | - | - | - |
| Supported | - | - | - | - | - | - |
| Unsupported | - | - | - | - | - | - |
| Other interest charges | - | - | - | - | - | - |
| Losses on disposal of capital assets | - | - | - | - | - | - |
| Total Expenses | \$ 153,556,315 | \$ 117,278,856 | \$ 4,533,235 | \$ 19,619,252 | \$ 11,900,214 | \$ 224,758 |
| Excess(Deficiency) of Revenues Over Expenses | \$ (500,136) | \$ (262,888) | \$ (2,116) | \$ (235,132) | \$ - | \$ - |

| | | | | | | |
|---|--------------------|--------------------|-------------------|-------------------|-------------|-------------|
| 2023-2024 Budget | | | | | | |
| Budgeted Excess(Deficiency) of Revenues Over Expenses | (483,401) | (250,000) | - | (233,401) | - | - |
| Change from 2023-2024 Budget | \$ (16,735) | \$ (12,888) | \$ (2,116) | \$ (1,731) | \$ - | \$ - |

2023-2024 Fall Forecast Expenses

| | | Fall Forecast 2023-24 | | Budget 2023-24 | | Change | % Increase (decrease) |
|------------------------------------|-----------|--------------------------|-----------|--------------------|-----------|------------------|--------------------------|
| By Program | | | | | | | |
| Instruction | \$ | 117,280,971 | \$ | 117,289,441 | \$ | (8,470) | 0.0% |
| Board & System Administration | | 4,531,119 | | 4,531,008 | | 111 | 0.0% |
| Operations & Maintenance | | 18,113,857 | | 18,557,936 | | (444,079) | -2.4% |
| Infrastructure Maintenance Renewal | | 1,505,395 | | 1,505,395 | | - | 0.0% |
| Transportation | | 11,900,214 | | 11,856,152 | | 44,062 | 0.4% |
| External Services | | 224,758 | | 229,758 | | (5,000) | -2.2% |
| Total Expenses | \$ | 153,556,315 | \$ | 153,969,690 | \$ | (413,375) | -0.3% |

| | | Fall Forecast 2023-24 | | Budget 2023-24 | | Change | % Increase (decrease) |
|--|-----------|--------------------------|-----------|--------------------|-----------|------------------|--------------------------|
| By Category | | | | | | | |
| Salaries, wages and benefits | \$ | 113,284,496 | \$ | 113,440,211 | \$ | (155,715) | -0.1% |
| Services, contracts and supplies | | 29,596,569 | | 29,733,415 | | (136,846) | -0.5% |
| School Generated Funds | | 1,397,620 | | 1,362,840 | | 34,780 | 2.6% |
| Infrastructure Maintenance Renewal | | 1,505,395 | | 1,505,395 | | - | 0.0% |
| Amortization of property and equipment | | 7,772,235 | | 7,927,829 | | (155,594) | -2.0% |
| Total Expenses | \$ | 153,556,315 | \$ | 153,969,690 | \$ | (413,375) | -0.3% |