



MEMORANDUM

November 26, 2024
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	2024-2025 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 ending August 31, 2025. This report provides variance explanations for the changes from the approved budget for 2024-2025.

The forecasted revenues are \$159.7M, an increase of 1.1% from the budget. The forecasted expenditures are \$159.1M an increase of 0.6% from the budget. The increases in revenues and expenses are due to adjusting the revenues due to grant rate increases offset by decrease in WMA enrolments from budget. Schools and departments adjusted expenditures to align with the updated revenue projections.

The Division is forecasting a surplus of \$602K compared to a deficit of \$250K in the budget. The change in the surplus/deficit is related to a surplus in maintenance to offset the program's negative operating reserve, \$500K of the additional revenue is allotted to replenish the capital reserve offset by an increase in ARO amortization.

Administration would be pleased to respond to any questions.

SM:kz



2024-2025 Fall Forecast

The Fall Forecast provides an update to the 2024-2025 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 surplus forecasted is \$852K higher than budget due to the maintenance program running a surplus to offset the deficit in their operating reserve and a \$500K surplus to be transferred to replenish the capital reserves offset by increase in ARO amortization expense.

School enrolments at September 27, 2024 were down 81 students or 0.6% from the 2024-2025 budget. School allocations have been updated in the fall forecast based on their actual September 27 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 of data. The WMA enrolment for 2024-2025 is calculated using 20% of 2022-2023 enrolments, 30% of 2023-2024 enrolments and 50% of 2024-2025 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 surplus of \$602K for the year. The Division's operating reserve cap before school generated funds (SGF) is \$9.2M (6% of the 2023-2024 expenditures). The Division is forecast to be below the reserve cap and have an operating reserve before SGF of \$5.4M at the end of the year.

	Budget 2024-2025	Fall Forecast 2024 - 2025	Variance from Budget	% Change From Budget
REVENUES				
Government of Alberta	\$ 143,603,230	\$ 144,430,809	\$ 827,579	0.6%
Federal Government and First Nations	8,207,497	9,051,110	843,613	10.3%
Fees	3,679,025	3,692,923	13,898	0.4%
Other sales and services	876,759	1,125,080	248,321	28.3%
Investment income	850,000	600,000	(250,000)	-29.4%
Gifts and donations	417,541	514,635	97,094	23.3%
Rental of facilities	154,250	130,250	(24,000)	-15.6%
Fundraising	131,865	134,365	2,500	1.9%
Gains on disposal of capital assets	-	-	-	0.0%
Total revenues	\$ 157,920,167	\$ 159,679,172	\$ 1,759,005	1.1%
EXPENSES BY PROGRAM				
Instruction - ECS	\$ 6,621,547	\$ 6,554,379	67,168	1.0%
Instruction - Grades 1 - 12	113,875,784	115,173,425	(1,297,641)	-1.1%
Operations and maintenance	19,667,351	19,278,435	388,916	2.0%
Transportation	12,937,287	12,952,219	(14,932)	-0.1%
Board & system administration	4,823,747	4,844,482	(20,735)	-0.4%
External services	244,587	274,587	(30,000)	-12.3%
Total expenses	\$ 158,170,303	\$ 159,077,527	\$ (907,224)	-0.6%
Operating surplus (deficit)	\$ (250,136)	\$ 601,645	\$ 851,781	
EXPENSES BY CATEGORY				
Salaries, wages and benefits	\$ 116,714,460	\$ 116,634,945	\$ 79,515	0.1%
Services, contracts and supplies	30,789,477	31,377,604	(588,127)	-1.9%
School generated Funds	1,290,680	1,528,405	(237,725)	-18.4%
Infrastructure Maintenance Renewal	1,477,642	1,479,456	(1,814)	-0.1%
Amortization of capital assets and interest	7,898,044	8,057,117	(159,073)	-2.0%
Total expenses	\$ 158,170,303	\$ 159,077,527	\$ (907,224)	-0.6%
SURPLUS/(DEFICIT) BY PROGRAM				
Instruction	\$ (112,888)	\$ 365,428	\$ 478,316	
Operations and Maintenance	(235,132)	155,598	390,730	
Transportation		-	-	
Board and System Administration	97,884	80,619	(17,265)	
External Services		-	-	
Surplus/(Deficit) from Operations	\$ (250,136)	\$ 601,645	\$ 851,781	
School Generated Funds	-	-	-	
Total Surplus/(Deficit)	\$ (250,136)	\$ 601,645	\$ 851,781	




Revenues












Overall increase in revenues of \$1.8M

Revenues increase by \$1.8M or 1.1% from budget to \$159.7 million.

Key variances are:



Government of Alberta – Increase of \$828K or 0.6%

-  • (\$426K) – Weighted moving average revenues due to decrease in enrolment from budget
-  • \$1.1M – Alberta Education Grant increases
-  • \$229K -Supplemental Enrolment Growth grant increase
-  • \$46K – Increase due to Curriculum Implementation grants carried over from prior year
-  • \$94K – Increase due to Mental Health in Schools grant carried over from prior year
-  • \$30K - Increase in Low Incidence Supports and Services Grant
-  • (\$71K) – ATRF Government contribution
-  • \$150K – Increase due to Digital Assessment Grant carried over from the prior year
-  • (\$409K) – Decrease in ADCS Student based funding due to a decrease in provincially funded students
-  • \$30K- Increase in Revenue for funded students attending a First Nations school on a reserve
-  • (\$9K) – Decrease in Ft McMurray Allowance Revenue due to lower staffing than budgeted



Federal Government – increase of \$844K – Federal Government changes include:



- \$109K - First Nations tuitions due to an increase in students attending schools in PSD, other than ADCS.



- \$860K - Increase in Jordan's Principle Funding.



- \$120K – New Tuition Agreement to provide courses through CFL to students from a First Nation.



- (\$250K) – Federal tuitions at ADCS due to a decrease in federally funded students from budget



Fee revenue – increase of \$14K – mainly due to an increase from budget in option fees and extra-curricular fees offset by decreases in activity fees, My Path fees, and non-curricular travel fees.



Other sales and services – increase of \$248K – includes sales and services, facility rentals, donations and fundraising. The increase is primarily related to sales to non-students and adult tuition fees.



Investment income – decrease of (\$250K) – decrease is due to decreasing interest rates



Gifts and Donations – increase of \$97K – Schools updated their estimates based on last year's experience and new information they have this fall



Rental of facilities – decrease of (\$24K) – decrease in ADCS teacherage revenues due to lowering rental rates.



Fundraising – increase of \$3K – Schools updated forecasts based on prior year actuals and new information.



Expenditures

Overall increase in expenditures of \$0.9M

Expenditures increased by \$0.9M or 0.6% from budget to \$159.1 million.

Key variances are:

- ↓ Salaries, Wages and Benefits – decrease of (\$80K) or 0.1% - Salaries, wages and benefits decreased:
 - ↓ ○ (\$896K) decrease certificated staff salaries and benefits
 - ↓ ▪ (\$406K) – decrease due to 3.73FTE decrease in certificated Staff due to lower enrolments than budget
 - ↓ ▪ (490K) – decrease due to lower average cost than budgeted
 - ↑ ○ \$806K – increase in support salaries and benefits
 - ↑ ▪ \$1.2M - increase in 19.7 FTE (includes 17.3 FTE for Educational Assistants)
 - ↓ ▪ (\$500K) – Facility salaries being capitalized as part of capital projects
 - ↑ ▪ \$61K – increase in leave costs and overtime
- ↑ ○ \$588K – increase in services, contracts and supplies
 - ↑ ▪ \$340K – increase in contingency to deal with emergent items
 - ↑ ▪ \$175K – increase in technology and furniture
 - ↑ ▪ \$71K – increase in Insurance premiums
- ↑ ○ \$238K – increase in School Generated fund expenditures offset by additional revenues.
- ↑ ○ \$159K – increase in Amortization of capital assets due to an increase in ARO amortization

Accumulated Surplus from Operations

	Operating Reserves at Aug 31, 2024	Forecasted Surplus (Deficit)	Transfers for ARO	Transfers	Forecasted Operating Reserves at Aug 31, 2025
Instruction	\$ 3,756,338	\$ 365,428	\$ 1,870	\$ (500,000)	\$ 3,623,636
Board & System Administration	1,634,585	80,619	2,936		1,718,140
Operations & Maintenance	(501,140)	155,598	404,403		58,861
Transportation	-	-		-	-
External Services	-	-		-	-
Total	\$ 4,889,783	\$ 601,645	\$ 409,209	\$ (500,000)	\$ 5,400,637
Unrestricted	\$ -		\$ -	\$ -	-
Total Accumulated Surplus from Operations (Excluding SGF)	\$ 4,889,783			\$ -	\$ 5,400,637
SGF	807,225				807,225
Accumulated Surplus from Operations	\$ 5,697,008				\$ 6,207,862

A.S.O. before SGF to expense Ratio 3.18% 3.39%

Accumulated Surplus from Operations before SGF to Expense Ratio Cap (153,950,505 x 6%) \$ 9,237,030

Transfers include a transfer from investment in TCA for ARO of \$409,209 offset by a transfer to capital reserves of \$500,000.