

**North East School Division  
2024-25 Budget Report  
Annual Operating and Capital Budget Estimates**

**Proposed Board Motion:**

**That the Board of Education of the North East School Division approves the 2024-25 Budget as presented, including any future adjustments relating to the Provincial Collective Bargaining Agreement of the teachers and minor changes made after Ministry of Education's review and approval.**

**Subsequent to the Board Approval:**

**The Ministry of Education required the school division to reduce the grant revenues by \$407,000. The \$407,000 represents the additional dollars estimated to be provided to the school division based on the September 30, 2024 projected enrolment as determined by the Ministry. The North East School Division built the budget based on the estimated enrolment provided to the Ministry by the school division and not the Ministry of Education's estimate. As a result, the Ministry of Education is requiring a reduction of \$407,000 in grant revenues.**

**The original budget approved by the Board of Education included the \$407,000 in the grant revenues and then showed this money being returned to the province in the "Balancing the Budget" section of budget 2024-25. In the past, the Ministry of Education required school divisions to have the operating grant dollars that were announced on the provincial budget day agree to the school division's budget. For the 2024-25 budget, the Ministry of Education changed this practice but did not notify the school divisions until after the board had approved the original budget.**

**The net impact of all of the changes is zero.**

**North East School Division****Budget 2024-25****Statement of Operations****(Prepared using Public Sector Accounting Board (PSAB) Standards)**

	Notes	2024-25 Budget	2023-24 Budget	Variance
<b>Revenues</b>				
Grants	1	\$ 62,896,864	\$ 66,488,617	\$ (3,591,753)
Tuition and related fees		509,314	498,066	11,248
School generated funds		1,109,275	1,147,499	(38,224)
Complementary services		850,454	843,732	6,722
External services	2	990,865	838,655	152,210
Other	3	1,293,500	2,007,700	(714,200)
<b>Total revenues</b>		<b>\$ 67,650,272</b>	<b>\$ 71,824,269</b>	<b>\$ (4,173,997)</b>
<b>Expenses</b>				
Governance	4	\$ 310,700	\$ 281,000	\$ 29,700
Administration		2,886,213	2,808,936	77,277
Instruction	5	46,399,173	44,504,122	1,895,051
Plant	6	13,784,300	12,234,112	1,550,188
Transportation	7	5,606,641	5,327,152	279,489
Tuition and related fees		152,790	149,420	3,370
School generated funds	8	996,112	889,601	106,511
Complementary services		1,765,918	1,707,279	58,639
External services	9	1,069,171	905,075	164,096
Other expenses		227,558	246,983	(19,425)
<b>Total expenses</b>		<b>\$ 73,198,576</b>	<b>\$ 69,053,680</b>	<b>\$ 4,144,896</b>
<b>(Deficit)/surplus</b>		<b>\$ (5,548,304)</b>	<b>\$ 2,770,589</b>	<b>\$ (8,318,893)</b>

**North East School Division  
Budget 2024-25  
Conversion to Cash Basis**

	<b>2024-25 Budget</b>	<b>2023-24 Budget</b>	<b>Variance</b>
<b>PSAB surplus</b>	<b>\$ (5,548,304)</b>	<b>\$ 2,770,589</b>	<b>\$ (8,318,893)</b>
<b>Tangible capital assets:</b>			
Purchases	(2,815,635)	(11,012,218)	8,196,583
Proceeds from disposals	11,000	11,000	-
<b>Long term debt:</b>			
Repayments for the year	(477,522)	(458,097)	(19,425)
<b>Non-cash items:</b>			
Amortization expense	4,418,200	4,909,080	(490,880)
Gain on disposals of tangible capital assets	(11,000)	(11,000)	-
Employee Future Benefits expenses	45,000	45,000	-
<b>Other cash requirements:</b>			
Employee Future Benefits expected payments	(54,600)	(47,600)	(7,000)
<b>Deficit cash for the year</b>	<b>\$ (4,432,861)</b>	<b>\$ (3,793,246)</b>	<b>\$ (639,615)</b>

**North East School Division  
Budget 2024-25  
Balancing the Budget**

	2024-25 Budget	2023-24 Budget	Variance
<b>Deficit cash for the year</b>	<b>\$ (4,432,861)</b>	<b>\$ (3,793,246)</b>	<b>\$ (639,615)</b>
<b>Changes to the accumulated surplus (use of reserves):</b>			
<i>Internally restricted accumulated surplus (major capital project):</i>			
New School in Carrot River	-	678,381	(678,381)
<i>Externally restricted accumulated surplus (school controlled):</i>			
School Generated Funds (net change)	248,337	158,702	89,635
<i>Externally restricted accumulated surplus:</i>			
Tisdale Early Years Family Resource Centre	88,291	-	88,291
Federal capital tuition	138,000	-	138,000
Carrot River - playground equipment	-	239,727	(239,727)
	<u>226,291</u>	<u>239,727</u>	<u>(13,436)</u>
<i>Unrestricted accumulated surplus:</i>			
<i>Annual purchases:</i>			
Technology (capital)	331,098	-	331,098
<i>Not annual purchases:</i>			
School decentralized carry forward	42,135	4,000	38,135
15-passenger vans	80,000	-	80,000
School buses - higher fuel costs	-	320,000	(320,000)
	<u>453,233</u>	<u>324,000</u>	<u>129,233</u>
<i>Internally restricted accumulated surplus:</i>			
School bus replacement	965,000	821,106	143,894
Additional school buses	490,000	-	490,000
Tisdale Early Years Family Resource Centre	(25,000)	(30,000)	5,000
New School in Carrot River	-	75,000	(75,000)
Vehicle Replacement	70,000	-	70,000
	<u>1,500,000</u>	<u>866,106</u>	<u>633,894</u>
<i>Preventative Maintenance and Renewal (PMR):</i>			
PMR projects - operating expenditures	3,705,000	2,325,000	1,380,000
PMR projects - Carrot River Valley School	-	901,910	(901,910)
PMR funding	(1,700,000)	(1,700,580)	580
	<u>2,005,000</u>	<u>1,526,330</u>	<u>478,670</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**North East School Division**  
**Budget 2024-25**  
**Notes (to Statement of Operations)**

1. The operating grant from the province is expected to increase by approximately \$2.7 million. Approximately \$1.7 million of this relates to the estimated additional cost of a new collective bargaining agreement for the teachers. The Classroom Support Funding increased by approximately \$205,000. There were also increases due to the following: adjustment to the funding rates of the operating grant and the CommunityNet contribution increasing.

The 2023-24 budget included approximately \$6.2 million for grants from the province for the new school in Carrot River. The school should be completed by August 31, 2024; therefore, no capital grant revenue is reported in the 2024-25 budget.

2. There is more funding anticipated for the Tisdale and Area Early Years Family Resource Centre in 2024-25 compared to 2023-24. An estimated administrative fee has been included with the funding from SGI for the driver education program.

3. The 2023-24 budget included a \$1 million donation from a third party to expand the size of the new school in Carrot River and also provide funding for the outside space of the school. There is no similar amount in the 2024-25 budget. The estimated interest income for 2024-25 is more than 2023-24.

4. The 2024-25 budget includes the estimated cost of the school board elections that will occur during the fall of 2024.

5. The estimated teachers' salary increase as a result of the anticipated new collective bargaining agreement has been included in the 2024-25 budget. The estimated additional cost in 24-25 is approximately \$1.7 million and is funded by the province. Additional costs in the 2024-25 budget are also included for the following: cyber security, an additional programmer analyst and the negotiated CUPE wage increases. Amortization expense has decreased compared to the 2024-25 budget and this is a non-cash expense.

6. There are additional Preventative Maintenance and Renewal projects included in the 24-25 budget totaling approximately \$1.4 million. In 2024-25, facility projects totaling \$138,000 will be funded with the externally restricted accumulated surplus - federal capital tuition. Estimated salary increases have also been included in the 24-25 budget. Amortization expense has decreased compared to the 2024-25 budget and this is a non-cash expense.

7. The increase primarily relates to the estimated salary increases for the staff of Transportation Services, anticipated increase in fuel costs and also the parts necessary to repair the school buses.

8. The principals at the schools develop the budgets for the school generated funds. In the 2024-25 budget, there are anticipated to be more fundraising costs compared to the prior year budget.

9. In 2024-25, the costs associated with the Tisdale and Area Early Years Family Resource Centre have increased. This program is fully funded by the province. 2024-25 will be the first full year of operations for the program.

**North East School Division  
Budget 2024-25  
Tangible Capital Assets**

	Notes	2024-25 Budget	2023-24 Revised Budget	Variance
Computer hardware	1	\$ 693,500	\$ 156,000	\$ 537,500
School buses	2	1,455,000	945,000	510,000
15-Passenger vans	3	162,135	-	162,135
Furniture and equipment		144,300	141,900	2,400
Playground equipment and other land improvements		289,500	299,500	(10,000)
Vehicles		70,000	214,000	(144,000)
Computer software		1,200	73,200	(72,000)
Carrot River Valley School:				
Construction	4		6,584,068	(6,584,068)
Site Work			1,551,000	(1,551,000)
Furniture and equipment			397,550	(397,550)
Computer hardware			120,000	(120,000)
Playground and related land improvements			530,000	(530,000)
<b>Total tangible capital assets</b>		<b>\$ 2,815,635</b>	<b>\$ 11,012,218</b>	<b>\$ (8,196,583)</b>

**Notes:**

1. As of September 1, 2024, the administrative procedure for tangible capital assets will change. Purchases made by the Information Technology Department are capitalized. In the past, only assets with an individual cost of more than \$1,000 were capitalized.
2. Nine school buses will be purchased.
3. Two schools plan to purchase 15-passenger vans.
4. Carrot River Valley School is expected to be completed by August 31, 2024.

**North East School Division  
Budget 2024-25**

