



Palliser Regional Schools

Palliser Centre

#101, 3305 - 18 Avenue North, Lethbridge, AB T1H 5S1

Phone: 403-328-4111 Toll-free: 877-667-1234

Fax: 403-380-6890 www.pallisersd.ab.ca

The facts about Palliser's accumulated surplus

During the last few weeks, much has been said about school surpluses. The key question is whether school boards have the cash to reduce the impact of proposed budget reductions next year.

In the case of Palliser Regional Schools, the answer is no. Palliser Regional Schools' [audited financial statements](#) for the year ended Aug. 31, 2014 show Palliser has \$9.4 million in accumulated surplus. Of that money, only \$1.4 million is not already committed to school needs. Based on a further analysis of the impact of the budget announcement, Palliser would need \$2.85 million additional funding to maintain current practice, service, program and staffing levels next year. The division's accumulated surplus would not cover half of the anticipated budget shortfall in 2015-2016, assuming Palliser received ministerial approval for spending the surplus in this manner. Here is a breakdown of what's included in the accumulated surplus amount, as required by financial reporting standards prescribed by Alberta Education:

\$4.1 million	Investment in tangible capital assets	This is the net book value of capital assets purchased by Palliser, including the administration building in Lethbridge, our school buses, computer servers and other equipment purchased for more than \$5,000. The only way to access this value is to sell these items to recapture their value.	
\$86,000	Endowments	These are endowment funds that provide scholarships to Palliser students. These are held by Palliser in trust by the donors and cannot be touched except to provide the student awards.	
\$730,000	Capital Reserves	This is money set aside for identified upcoming needs. This might include software upgrades, Palliser's cost of installing requested modular classrooms, and bus purchases.	
\$1.58 million	Operating Reserves	\$1.1 million	This is money from previous years' school budgets. The money is from Palliser's education grants that was allocated for school use to cover substitute teacher costs, materials and other resources. If there is money left over at the end of the year, the school is encouraged to use that money to support school needs and priorities.
		\$400,000	This money is earmarked for facility needs, including a four-year plan for desk replacement.
\$3 million	Unrestricted Surplus	\$1.6 million	This will cover the deficit budget for 2014-2015. It reflects the loss of enrolment related to one school leaving Palliser. The board approved a deficit budget to cushion the blow of this loss to retain teachers, support small class sizes and to keep resources in the classroom. That money is invested in our teachers and our students this year.
		\$1.4 million	This is a contingency fund or rainy day fund to address unexpected and unbudgeted needs. It is a very small contingency on an \$81 million budget and, if needed, it would cover only four days of Palliser school operations.
TOTAL: \$9.4 million (rounded)			

Palliser's resources are invested in our classrooms to support students, as evidenced by our consistently strong results and our consistently small class size averages. This is what's at stake without predictable and sustainable funding.

***Together we will ensure learning success for all students
to develop their unique potential as caring citizens in a changing world.***