



Powering Hope and Possibilities



2nd Quarterly Report 2024

For the six months from September 2023 to February 2024

Prepared by the Finance Department for the April 23, 2024 Board Meeting

I BUDGET BENCHMARKS

The second quarterly financial report lists revenues and expenditures recorded to **February 29, 2024**, representing the first **six** months of the fiscal year. As there are six (6) months expended in Q2, the normal benchmark for comparison is 50% (6/12 months). For some categories 60% (6/10 months) is used to reflect expenses incurred only during the instructional months.

The **Spring 2023-24 Budget** was prepared by GHSD and submitted to Alberta Education. All budget points referenced in this report are from this spring 2023-24 budget.

II ACTUALS AND COMPARISON TO BUDGET

A

**Golden Hills School Division
Statement of Revenue and Expenses
Budget vs. Actual Variance
Period - September 1, 2023 - February 29, 2024**

	Annual Budget	Q2 Prorated Budget	YTD Actuals	YTD Budget Variance	% Budget	Benchmark %
Revenues						
Alberta Education/Infrastructure	84,863,978	42,431,989	42,764,698	332,709	50%	50%
Federal government and/or First Nations	1,548,538	929,123	914,468	-14,655	59%	60%
Fees	1,608,087	1,125,661	5,899,352	4,773,691	367%	70%
Other revenues	9,692,665	4,846,333	4,285,477	-560,856	44%	50%
Amortization	4,478,921	2,239,461	2,474,785	235,325	55%	50%
Total revenues	102,192,189	51,572,566	56,338,780	4,766,214	115%	56%
Expenses						
Certificated salaries & benefits	53,905,638	26,952,819	25,310,735	1,642,084	47%	50%
Non-certificated Salaries & benefits	18,937,480	10,415,614	10,726,099	-310,485	57%	55%
Sub-Total	72,843,118	37,368,433	36,036,834	1,331,599	52%	53%
Supplies and services	23,482,897	14,089,738	13,469,327	620,411	57%	60%
Amortization	5,816,174	2,908,087	3,095,995	-187,908	53%	50%
Interest charges	50,000	25,000	7,758	17,242	16%	50%
Total expenses	102,192,189	54,391,258	52,609,914	1,781,344	44%	53%
Surplus/(Deficit)	-	-2,818,693	3,728,866	6,547,558		

The surplus of \$3.7M for the first quarter is due to higher than expected fees other revenues, which includes SGF funds collected by schools and enrolment of students in International Student Services. Spring enrolment numbers were conservatively estimated. Fall enrolment was higher.

Certificated Salaries and benefits are lower than projected. Supplies and services are variable, but typically higher in the first three quarters of the year and these expenses also variably increase in tandem with SGF and ISS revenue increases.

B NOTES ON COMPARISON TO BUDGET – REVENUES

The **\$3.7M** year-to-date **surplus of revenues over expenses** is due, to the different in enrolment numbers from the Spring to the Fall budget. Enrolment was conservatively estimated in the spring.



Additional payments from Alberta Education



School Generated Funds

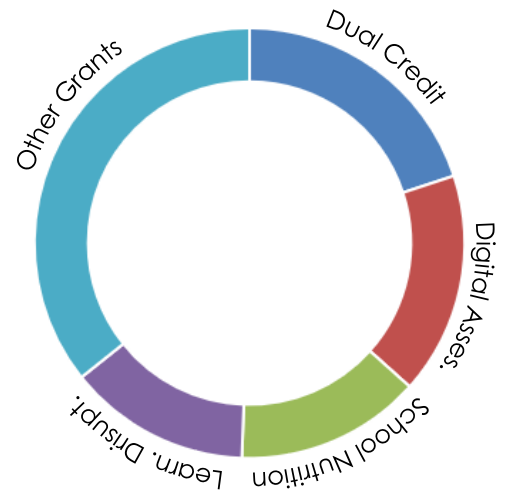


International Student Fees

In these categories, expenses typically lag behind revenue recognition, creating surpluses in the first quarter. We expect surpluses in the above categories to decrease in subsequent quarters as the full years’ expenses are incurred.

- **Additional Payments from Alberta Education** are normally disbursed on a monthly basis. Exceptions to this are those payments which are received either annually, bi-annually or as a one-time-payment:

Additional Payments Received Q3	Amount Received
■ Dual Credit Program	120,660
■ Digital Assessment	100,998
■ School Nutrition	84,349
■ Learning Disruption	82,960
■ Other Irregular Grants < 60K	216,139
	<u>605,106</u>



- **School Generated Funds** Included in the Q1 operations are as follows:

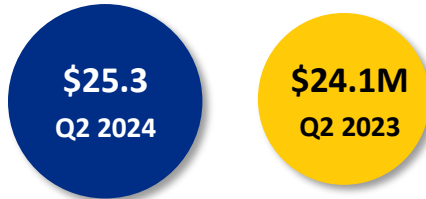
Category	SGF amounts collected - Q2	
	Current year	Prior year
Fees	2,787,616	2,122,495
Athletics	629,250	565,755
Trips	397,045	380,361
Cafeteria/Lunch Programs	371,452	361,512
FT Kindergarten	119,146	110,730
Total	4,304,509	3,540,853

The majority of SGF fees are received and recorded in the first two quarters of the school year and represent current programs for students. All fees charged by schools are cost neutral.

C **NOTES ON COMPARISON TO BUDGET –EXPENSES**

Certificated Salaries and Benefits

Total certificated salaries and benefits for the Q2 were **\$25.3M** (47% of a \$53.9M budget) which is within the range of what the budget would permit by the 2nd quarter.



Overall, certificated salary and benefit costs are under the budgeted amounts.

Non-Certificated Salaries and Benefits

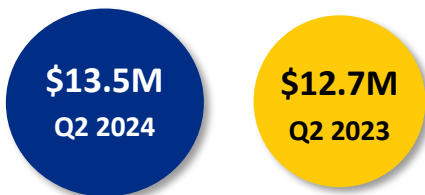
Total non-certificated salaries and benefits for the Q2 were **\$10.7M** (57% of an \$18.9M budget) which is higher than the pro-rated budget. A significant portion of non-certificated staff is paid over 10 months and not 12 months; therefore, the expenditure is typically higher for first 10 months but decreases in the last two months of the fiscal year.



Enrolment fluctuations in the fall may require staffing adjustments. As a result the budgeted amounts are often higher until June and balance out by the end of the year. Also, payroll costs trend lower over the summer months: we anticipate some fluctuation in quarterly labour costs.

Supplies and Services

Supplies and services year-to-date are **\$13.5M** (57% of \$23.5M budget). Typically, many of these costs occur over a 10-month school year and not the 12-month fiscal year, resulting in higher costs in the first 3 quarters and lower costs in the 4th quarter. Department managers will continue to carefully monitor their budgets to ensure they stay within their spending limits.



Overall, supply costs year-to-date are higher than the prior year, but remain 3% lower compared to the Q2 benchmark. Because supplies and services are variable expenses, we typically expect an increase as SGF and ISS revenues have increased; representing the cost of implementing increased trips, activities, and co-curricular programming.

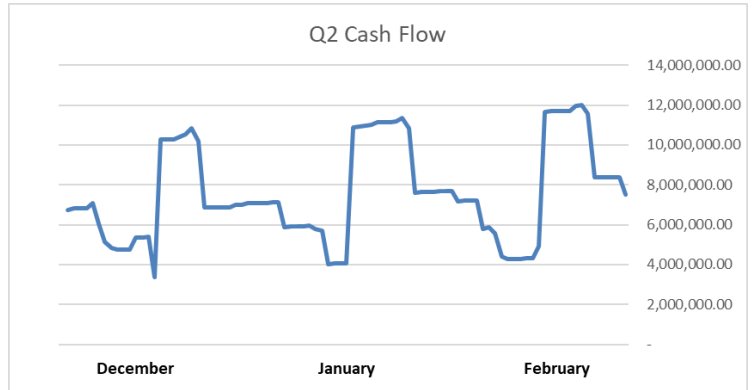
III AVERAGE SOURCE AND USE OF CASH

A APPROXIMATE AVERAGE MONTHLY CASH FLOW VALUES

Monthly Cash Flow Feb

Grants	7,996,410
ISS Revenue	1,742,480
SGF Fees	467,895
	10,206,785

Accounts Payable	1,005,294
Payroll	6,844,623
SGF amounts	389,186
Board Funded Capital Payments	204,630
Total Cash Out	8,443,733



B GOLDEN HILLS IS CURRENTLY IN A POSITIVE CASH POSITION.

As of February 28, 2024, **\$9.75M** of the cash balance has been invested into GIC’s with maturing dates ranging from March 4, 2024 to August 31, 2025, earning yields ranging from 4.61% - 5.50%. Of these investments, **\$2.25M** are cashable within 90 days.

With the latest inflation numbers coming out today at 3.1%, many financial institutions have begun to lower their longer-term rates in anticipation of cuts.

Golden Hills School Division has timed investments well during the peak of the interest rate market and locked in investments into multiple 1-year fixed-term GICs that are yielding [up to] 5.85% which we believe will look attractive in your portfolio by Q2 of next [calendar] year.

We have since seen declines in long-term investment options and are slowly seeing declines in short-term rates. Should Golden Hills School Division have additional funds to invest, and as current investments mature, we recommend continuing to monitor your cash flow and lock in funds for as long as possible before we see interest rates decline further.

-William Dorr, Senior Investment Advisor, Canaccord Genuity Corp.

IV REVENUE AND EXPENSES BY ENVELOPE

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**Golden Hills School Division
Revenue and Expenses by Envelope
From September 1, 2023 - February 29, 2024**

	SGF	ECS -Grade 12	Operations and Maintenance	Transportation	Board and System Admin	External Services	Total	Budget %	Benchmark %
Revenue									
Alberta Education/ Infrastructure	-	35,068,391	3,442,931	2,793,731	1,459,645	-	42,764,698	50%	50%
Federal Gov't/First Nations	-	914,468	-	-	-	-	914,468	59%	60%
Fees	1,187,637	74,944	-	-	-	4,636,771	5,899,352	367%	70%
Fundraising revenues -SGF	124,999	-	-	-	-	-	124,999	39%	50%
Other sales & services	2,947,066	677,631	-	-	-	-	3,624,697	43%	50%
Investment Income	-	-	-	-	315,291	-	315,291	100%	50%
Gifts & donations -SGF	44,807	48,800	-	-	-	-	93,607	36%	50%
Rental of facilities	-	1,437	61,846	-	-	5,000	68,283	68%	50%
Gain on disposal of Capital assets	-	-	-	1,100	-	-	1,100	100%	50%
Other revenues	-	57,500	-	-	219,324	-	276,824	53%	60%
Amortization of capital allocations	-	280,345	1,975,116	-	-	-	2,255,461	50%	50%
Total revenues	4,304,509	37,123,516	5,479,893	2,794,831	1,994,260	4,641,771	56,338,780	87%	54%
Expenditures									
Certificated salaries & wages	-	20,250,987	-	-	282,961	119,726	20,653,674	52%	50%
Certificated benefits	-	4,609,267	-	-	36,563	11,231	4,657,061	50%	50%
Non-certificated salaries & wages	-	5,184,215	1,098,324	1,158,465	638,214	492,215	8,571,433	58%	50%
Non-certificated benefits	-	1,464,916	294,956	144,932	155,536	94,326	2,154,666	60%	55%
Service, contracts and supplies	3,909,840	3,949,483	1,776,969	1,017,780	439,840	2,375,415	13,469,327	63%	50%
Amortization	-	342,875	2,243,337	288,721	142,942	78,120	3,095,995	53%	50%
Interest/bank charges	-	210	-	-	-	7,548	7,758	33%	50%
Total expenses	3,909,840	35,801,953	5,413,586	2,609,898	1,696,056	3,178,581	52,609,914	53%	51%
Positive/-Negative variance to date	394,669	1,321,563	66,307	184,933	298,204	1,463,190	3,728,866		

ECS -Grade 12 labour cost analysis	2023 Q2	2024 Q2	\$ Change	% Change
Certificated salaries	19,267,627	20,250,987	983,360	5.1%
Certificated benefits	4,303,047	4,609,267	306,220	7.1%
Non-certificated salaries & wages	4,748,166	5,184,215	436,049	9.2%
Non-certificated benefits	1,350,132	1,464,916	114,784	8.5%
Total ECS -Grade 12 labour cost	29,668,972	31,509,385	1,840,413	6.2%

B ANALYSIS OF REVENUE/EXPENSES BY ENVELOPE

1. INSTRUCTION

School Generated Funds are allowable fees collected and held by individual schools and are associated with non-curricular supplies and travel as well as other fees to enhance education.

2. PLANT OPERATIONS AND MAINTENANCE (PO&M)

Golden Hills School Division
Statement of Revenue and Expenses - Comparison to Budget
Plant Operations and Maintenance
Period - September 1 2023 - February 29, 2024

	Annual Budget	Q2 Prorated Budget	Q1 Actuals	Budget \$ Remaining	Q2 % Budget	Q2 Benchmark
Revenues						
Alberta Education	7,014,366	3,507,183	3,442,931	3,571,435	49%	50%
Other revenues	121,000	60,500	61,846	59,154	51%	50%
Amortization	4,032,264	2,016,132	1,975,116	2,057,148	49%	50%
Total revenues	11,167,630	5,583,815	5,479,893	5,687,737	50%	50%
Expenses						
Non-certificated salaries & benefits	2,759,604	1,379,802	1,393,280	1,366,324	50%	50%
Supplies and services	4,768,016	2,384,008	1,776,969	2,991,047	37%	50%
Amortization	4,070,157	2,035,079	2,243,337	1,826,820	55%	50%
Total expenses	11,597,777	5,798,889	5,413,586	6,184,191	48%	50%
Surplus/(deficit)	(430,147)	(215,074)	66,307			

	Prior Year Q2	Current Year Q2	% Change
Expenses			
Non-certificated salaries & wages	1,070,214	1,098,324	2.6%
Non-certificated benefits	276,112	294,956	6.8%
Total Labour expenses	1,346,326	1,393,280	3.5%
Services, contracts & supplies	2,485,535	1,776,969	-28.5%
Amortization	2,126,531	2,243,337	5.5%
Total service & supplies	4,612,066	4,020,306	-12.8%
Total expenses	5,958,392	5,413,586	-9.1%

The annualized bottom line agrees to the estimated budget for the year, with some timing variations in revenue and spending. Management anticipates PO&M to meet its budget target at year-end.

3. TRANSPORTATION

Golden Hills School Division
Statement of Revenue and Expenses - Comparison to Budget
Transportation
Period - September 1, 2023 to February 29, 2024

	Annual Budget	Q2 Prorated Budget	Q2 Actuals	Budget \$ Remaining	Q2 % Budget	Q2 Benchmark
Revenues						
Alberta Education	5,375,685	2,687,843	2,793,731	2,581,954	52.0%	50.0%
Other revenues	190,000	95,000	1,100	188,900	0.6%	50.0%
Total revenues	5,565,685	2,782,843	2,794,831	2,770,854	50.2%	50.0%
Expenses						
Non-certificated salaries & benefits	2,190,926	1,314,556	1,303,397	887,529	59.5%	60.0%
Contracted Bus Services	100,000	60,000	17,476	82,524	17.5%	60.0%
Fuel	925,000	462,500	184,783	740,217	20.0%	50.0%
Other Supplies and services	1,727,427	863,714	815,521	911,906	47.2%	50.0%
Amortization	622,332	311,166	288,721	333,611	46.4%	50.0%
Total expenses	5,565,685	3,005,470	2,609,898	2,955,787	46.9%	54.0%
Surplus/(deficit)	-	(222,627)	184,933			

	Prior Year Q2	Current Year Q2	% Change
Expenses			
Non-certificated salaries & wages	1,070,214	1,158,465	8.2%
Non-certificated benefits	276,112	144,932	-47.5%
Total Labour expenses	1,346,326	1,303,397	-3.2%
Services, contracts & supplies	2,375,545	1,017,780	-57.2%
Amortization	2,109,568	288,721	-86.3%
Total service & supplies	4,485,113	1,306,501	-70.9%
Total expenses	5,831,439	2,609,898	-55.2%

Overall, with careful monitoring of expenses throughout the year, management anticipates Transportation to meet its budget target by year-end.

4. BOARD AND SYSTEM ADMINISTRATION

Board and System Administration currently has a negative variance of **(\$298K)** for the 2nd quarter of the current year. As anticipated, expenses are weighted more heavily in the first half of the year. No other unusual changes in budgeted to actual expenses have been experienced, it is anticipated that revenues and expenses will reach a breakeven point by year end.

Note: Alberta Education makes a provision for a separate System Administration Targeted Grant. The 2.8K grant amount has remained static since 2019.

**Golden Hills School Division
Statement of Revenue and Expenses - Comparison to Budget
Board of Trustees
Period - September 1, 2023 to February 29, 2024**

	Annual Budget	YTD Actuals	Budget Remaining	% Budget Used
Revenues				
Budgeted Revenues	283,700	283,700	-	100%
Total revenues	283,700	283,700	-	100%
Expenses				
Trustee Earnings and Benefits	210,700	75,490	135,210	36%
Trustee Travel & Supplies	73,000	45,514	27,486	62%
Total expenses	283,700	121,004	162,696	43%

To date, Board expenses are in line with the range of projected expenditure amounts.

5. EXTERNAL SERVICES

Golden Hills School Division
Statement of Revenue and Expenses - Current to Prior Year Comparison
External Services
Period - Q2 2023 vs Q2 2024

	Q2 2023	Q2 2024	\$ Change	% Change
Total revenues	4,532,220	4,641,771	109,551	2%
Expenditures				
Certificated salaries & wages	155,527	119,726	(35,801)	-23%
Certificated benefits	14,973	11,231	(3,742)	-25%
Non-certificated salaries & wages	463,320	492,215	28,895	6%
Non-certificated benefits	91,896	94,326	2,430	3%
Service, contracts and supplies	2,429,639	2,375,415	(54,224)	-2%
Amortization	76,786	78,120	1,334	2%
Interest/bank charges	3,766	7,548	3,782	100%
Total expenses	3,235,907	3,178,581	(57,326)	-2%
Net Surplus/(deficit) to date	1,296,313	1,463,190	166,877	-

External Services has generated more revenue in 2024 due to an increase in fees charged across all programs. External services continues to see strong demand, including on line students, despite some changes with external operator partnerships.

Q2 ISS REVENUE

\$4.6M

Up 2% from prior year

ENROLMENT

279

STUDENTS



Students represent 28 countries and territories around the world

DORM OCCUPANCY

91%

Strathmore dorm capacity – 96
 Drumheller dorm capacity - 88

HOMESTAY

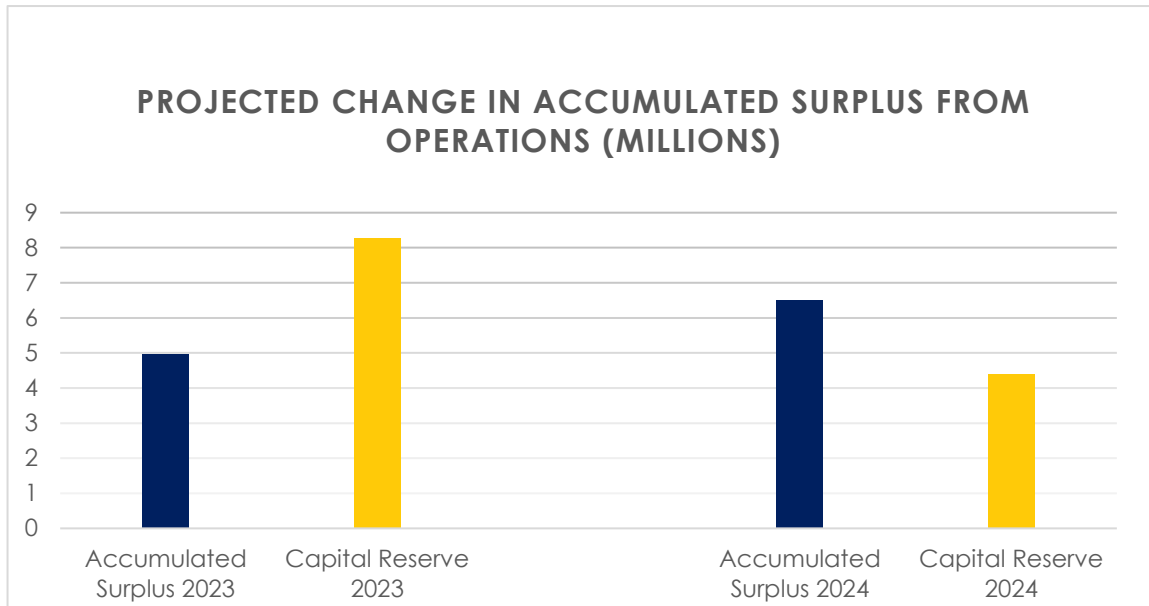
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External Services includes International Services, joint-use agreements, and external contract service agreements. Included within this period is the recognition of **\$3.6M** of **ISS tuition fees** revenue, out of the total **\$5.5M** unearned revenue as at Aug 31, 2023. ISS Revenues are received in unequal amounts throughout the year, and most international students prepay tuition several months in advance. As a result, this unearned tuition revenue related to the 2022/2023 fiscal year is pro-rated to each quarter based on an estimation of related expenses (35%/30%/25%/10%), while expenses are recognized when they occur.

GHSD charges a fixed 3.6% admin fee to the ISS and Siksika programs to recognize the administrative costs that these programs use, but which are otherwise not directly charged to the program accounts.

Expenses are expected to increase in Q3 versus revenues and management expects external services to continue to remain in a surplus position to year-end. These dollars will allow us to invest in our dorm facilities which will see increased capital maintenance in 2024.

6. SUMMARY AND ACCUMULATED SURPLUS



QUARTERLY SUMMARY

Golden Hills continues to manage expenses in line with expected funding despite higher cost inflation in some areas. At the end of Q2 Golden Hills is in a surplus position for the year.

Overall, GHSD is keeping expenditures within the parameters of the Board's May 25, 2023 approved and submitted 2023-24 budget.

We continue to fund programs that are in alignment with our goals and vision of inspiring confident, connected, caring citizens of the world.