



**Powering Hope and Possibilities**



# 3rd Quarterly Report 2024

For the nine months from September 2023 to February 2024

Prepared by the Finance Department for the June 20, 2024 Board Meeting

**I BUDGET BENCHMARKS**

The second quarterly financial report lists revenues and expenditures recorded to **May 31, 2024**, representing the first **six** months of the fiscal year. As there are nine (9) months expended in Q3, the normal benchmark for comparison is 75% (6/12 months). For some categories 90% (9/10 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 - May 31, 2024**

	Annual Budget	Q3 Prorated Budget	YTD Actuals	YTD Budget Variance	% Budget	Benchmark %
<b>Revenues</b>						
Alberta Education/Infrastructure	84,863,978	63,647,984	64,443,297	795,314	76%	75%
Federal government and/or First Nations	1,548,538	1,393,684	1,673,762	280,078	108%	90%
Fees	1,608,087	1,447,278	437,253	(1,010,025)	27%	90%
Other revenues	11,369,533	8,527,150	12,943,899	4,416,749	114%	75%
Amortization	4,478,921	3,359,191	3,383,191	24,000	76%	75%
<b>Total revenues</b>	<b>103,869,057</b>	<b>78,375,287</b>	<b>82,881,402</b>	<b>4,506,116</b>	<b>80%</b>	<b>81%</b>
<b>Expenses</b>						
Certificated salaries & benefits	53,905,638	40,429,229	38,706,205	1,723,024	72%	75%
Non-certificated Salaries & benefits	18,937,480	16,096,858	16,276,955	(180,097)	86%	85%
<b>Sub-Total</b>	<b>72,843,118</b>	<b>56,526,087</b>	<b>54,983,160</b>	<b>1,542,927</b>	<b>79%</b>	<b>80%</b>
Supplies and services	25,159,765	18,869,824	19,591,066	(721,242)	78%	75%
Amortization	5,816,174	4,362,131	4,780,832	(418,702)	82%	75%
Interest charges	50,000	37,500	10,575	26,925	21%	75%
<b>Total expenses</b>	<b>103,869,057</b>	<b>79,795,541</b>	<b>79,365,633</b>	<b>429,908</b>	<b>65%</b>	<b>75%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>(1,420,254)</b>	<b>3,515,769</b>	<b>4,936,023</b>		

*The surplus of \$3.5M for the third quarter is due in part to higher than expected other revenues, which includes SGF funds collected by schools and enrolment of students in International Student Services. Spring enrolment numbers were conservatively estimated while fall enrolment was higher. Note that the decrease in fees versus budget is due to a reclassification of some extra curricular fees to the sales and services category per Alberta Education guidelines and was not a change in actual amounts collected by schools.*

*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 **\$3.5M** 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**

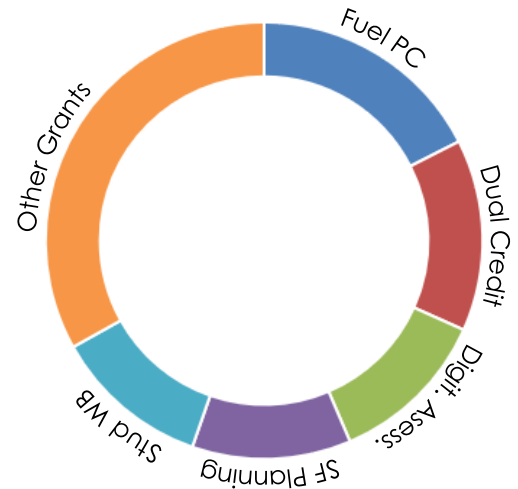


**International Student Fees**

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:

<b>Additional Payments Received Q3</b>	<b>Amount Received</b>
■ Fuel Price Contingency	148,864
■ Dual Credit Program	120,660
■ Digital Assessment	100,998
■ SF Planning Westmount	100,000
■ Student Well Being Mental Health	95,500
■ Other Irregular Grants < 85K	281,374
	<b>850,396</b>



- **School Generated Funds** Included in the Q3 operations are as follows:

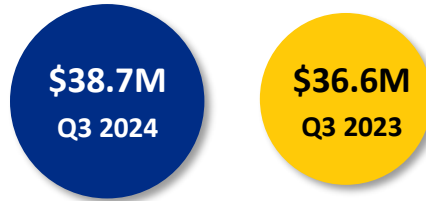
<b>Category</b>	<b>SGF amounts collected - Q3</b>	
	<b>Current year</b>	<b>Prior year</b>
Fees	3,650,595	2,373,134
Athletics	700,418	771,359
Trips	441,643	640,241
Cafeteria/Lunch Programs	555,418	526,754
FT Kindergarten	100,561	184,979
<b>Total</b>	<b>5,448,633</b>	<b>4,496,467</b>

The majority of SGF fees are received and recorded in the first three 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**

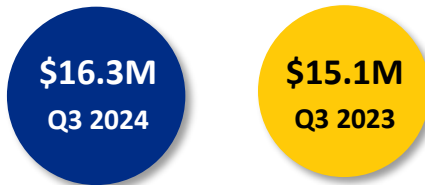
Total certificated salaries and benefits for the Q3 were **\$38.7** (72% of a \$53.9M budget) which is within the range of what the budget would permit by the 2<sup>nd</sup> quarter.



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

**Non-Certificated Salaries and Benefits**

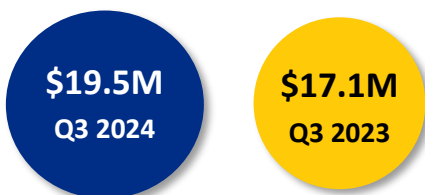
Total non-certificated salaries and benefits for the Q3 were **\$16.3M** (86% of an \$18.9M budget) which is higher than the pro-rated budget. A significant portion of non-certificated staff is paid over 10 months and not 12 months; therefore, the expenditure is typically higher for first 10 months but 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 **\$19.5M** (78% of \$25.2M 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 4<sup>th</sup> quarter. Department managers will continue to carefully monitor their budgets to ensure they stay within their spending limits.

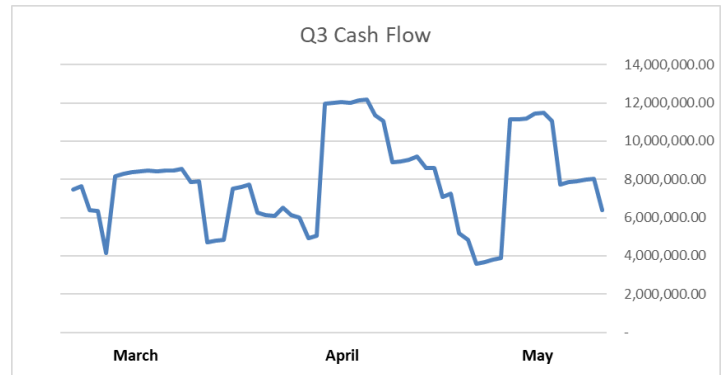


*Overall, supply costs year-to-date are higher than the prior year, and within an acceptable range of the Q3 benchmark. Because supplies and services are variable expenses, we typically expect an increase in tandem with SGF and ISS revenues increases; representing the cost of implementing increased trips, activities, and co-curricular programming.*

**III AVERAGE SOURCE AND USE OF CASH**

**A APPROXIMATE AVERAGE MONTHLY CASH FLOW VALUES**

Monthly Cash Flow May	
Grants	7,836,684
ISS Revenue	1,337,547
SGF Revenue	460,762
	<b>9,634,993</b>
Accounts Payable	2,191,367
Payroll	6,977,367
SGF amounts	486,058
Board Funded Capital Payments	563,423
Total Cash Out	<b>10,218,215</b>



**B GOLDEN HILLS TAKES ADVANTAGE OF HIGH INTEREST EARNING INVESTMENT VEHICLES.**

As of May 31, 2024, **\$13.75M** of the cash balance has been invested into GIC's with maturing dates ranging from July 20, 2024 to April 25, 2027, earning yields averaging 5.24%. Of these investments, **\$3.5M** are cashable within 90 days.

As at the end of Q3 2024 \$540K was earned on short and long term 100% guaranteed investments.

*The Bank of Canada has cut rates from 5.00% to 4.75%. The majority of rate cuts (66%) in the last 50 years have been followed by consecutive reductions, creating a unique window of opportunity.*

*We believe GHSD's strategy over the last 12 month period of locking in 1-2 year GIC investments will present favorably over the next fiscal year as those investments mature and should help avoid the expected diminishing returns of variable-rate high-interest savings accounts and extend the higher returns in your portfolio.*

*We recommend reviewing your cash flow needs and locking into longer-term investments/deposits to continue to secure favorable rates prior to any further declines.*

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

**IV REVENUE AND EXPENSES BY ENVELOPE**

**A**

**Golden Hills School Division  
Revenue and Expenses by Envelope  
From September 1, 2023 - May 31, 2024**

	SGF	ECS -Grade 12	Operations and Maintenance	Transportation	Board and System Admin	External Services	Total	Budget %	Benchmark %
<b>Revenue</b>									
Alberta Education/ Infrastructure	-	53,052,827	5,121,816	4,079,479	2,189,175	-	64,443,297	76%	75%
Federal Gov't/First Nations	-	1,554,187	119,575	-	-	-	1,673,762	108%	90%
Fees	251,878	185,375	-	-	-	-	437,253	27%	90%
Fundraising revenues -SGF	344,720	-	-	-	-	-	344,720	108%	75%
Other sales & services	4,852,035	1,366,231	-	44,000	-	5,274,172	11,536,438	118%	75%
Investment Income	-	-	-	-	543,475	-	543,475	100%	75%
Gifts & donations -SGF	-	55,865	-	-	-	-	55,865	18%	75%
Rental of facilities	-	7,672	89,924	-	-	10,000	107,596	81%	75%
Gain on disposal of Capital assets	-	-	-	1,100	-	-	1,100	100%	75%
Other revenues	-	81,125	-	-	273,580	-	354,705	68%	75%
Amortization of capital allocations	-	420,517	2,962,674	-	-	-	3,383,191	76%	75%
<b>Total revenues</b>	<b>5,448,633</b>	<b>56,723,799</b>	<b>8,293,989</b>	<b>4,124,579</b>	<b>3,006,230</b>	<b>5,284,172</b>	<b>82,881,402</b>	<b>78%</b>	<b>78%</b>
<b>Expenditures</b>									
Certificated salaries & wages	-	30,614,794	-	-	424,441	179,589	31,218,824	72%	75%
Certificated benefits	-	7,409,742	-	-	57,643	19,996	7,487,381	73%	75%
Non-certificated salaries & wages	-	7,855,451	1,660,749	1,764,497	961,234	753,887	12,995,818	86%	85%
Non-certificated benefits	-	2,231,238	444,157	222,726	237,936	145,080	3,281,137	87%	85%
Service, contracts and supplies	4,690,827	6,015,300	3,356,763	1,582,451	635,951	3,309,774	19,591,066	78%	75%
Amortization	-	515,315	3,314,361	632,333	202,709	116,114	4,780,832	82%	75%
Interest/bank charges	-	315	-	-	-	10,260	10,575	100%	75%
<b>Total expenses</b>	<b>4,690,827</b>	<b>54,642,155</b>	<b>8,776,030</b>	<b>4,202,007</b>	<b>2,519,914</b>	<b>4,534,700</b>	<b>79,365,633</b>	<b>82%</b>	<b>78%</b>
<b>Positive/-Negative variance to date</b>	<b>757,806</b>	<b>2,081,644</b>	<b>(482,041)</b>	<b>(77,428)</b>	<b>486,316</b>	<b>749,472</b>	<b>3,515,769</b>		

<b>ECS -Grade 12 labour cost analysis</b>	<b>Prior Yr Q3</b>	<b>Current Yr Q3</b>	<b>\$ Change</b>	<b>% Change</b>
Certificated salaries	29,040,057	30,614,794	1,574,737	5.4%
Certificated benefits	6,871,749	7,409,742	537,993	7.8%
Non-certificated salaries & wages	7,212,871	7,855,451	642,580	8.9%
Non-certificated benefits	2,037,674	2,231,238	193,564	9.5%
<b>Total ECS -Grade 12 labour cost</b>	<b>45,162,351</b>	<b>48,111,225</b>	<b>2,948,874</b>	<b>6.5%</b>

**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. To follow Alberta Education guidelines, some amounts have been reclassified from "Fees" category to "Other Sales and Services" revenue.*

**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 - May 31, 2024**

	Annual Budget	Q3 Prorated Budget	Q3 Actuals	Budget \$ Remaining	Q3 % Budget	Q3 Benchmark
<b>Revenues</b>						
Alberta Education	7,014,366	5,260,775	5,121,816	1,892,550	73%	75%
Other revenues	121,000	90,750	209,499	-88,499	173%	75%
Amortization	4,032,264	3,024,198	2,962,674	1,069,590	73%	75%
<b>Total revenues</b>	<b>11,167,630</b>	<b>8,375,723</b>	<b>8,293,989</b>	<b>2,873,641</b>	<b>107%</b>	<b>75%</b>
<b>Expenses</b>						
Non-certificated salaries & benefits	2,759,604	2,069,703	2,104,906	654,698	76%	75%
Supplies and services	4,768,016	3,576,012	3,356,763	1,411,253	70%	75%
Amortization	4,070,157	3,052,618	3,314,361	755,796	81%	75%
<b>Total expenses</b>	<b>11,597,777</b>	<b>8,698,333</b>	<b>8,776,030</b>	<b>2,821,747</b>	<b>76%</b>	<b>75%</b>
<b>Surplus/(deficit)</b>	<b>(430,147)</b>	<b>(322,610)</b>	<b>(482,041)</b>			

	Prior Year Q3	Current Year Q3	% Change
<b>Expenses</b>			
Non-certificated salaries & wages	1,606,655	1,660,749	3.4%
Non-certificated benefits	419,482	444,157	5.9%
<b>Total Labour expenses</b>	<b>2,026,137</b>	<b>2,104,906</b>	<b>3.9%</b>
Services, contracts & supplies	3,522,431	3,356,763	-4.7%
Amortization	3,170,341	3,314,361	4.5%
<b>Total service &amp; supplies</b>	<b>6,692,772</b>	<b>6,671,124</b>	<b>-0.3%</b>
<b>Total expenses</b>	<b>8,718,909</b>	<b>8,776,030</b>	<b>0.7%</b>

*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 - May 31, 2024**

	Annual Budget	Q3 Prorated Budget	Q3 Actuals	Budget \$ Remaining	Q3 % Budget	Q3 Benchmark
<b>Revenues</b>						
Alberta Education	5,375,685	4,031,764	4,079,479	1,296,206	75.9%	75.0%
Other revenues	190,000	142,500	45,100	144,900	23.7%	75.0%
<b>Total revenues</b>	<b>5,565,685</b>	<b>4,174,264</b>	<b>4,124,579</b>	<b>1,441,106</b>	<b>74.1%</b>	<b>75.0%</b>
<b>Expenses</b>						
Non-certificated salaries & benefits	2,190,926	1,971,833	1,987,223	203,703	90.7%	90.0%
Contracted Bus Services	100,000	75,000	70,875	29,125	70.9%	75.0%
Fuel	925,000	693,750	660,633	264,367	71.4%	75.0%
Other Supplies and services	1,727,427	1,295,570	850,943	876,484	49.3%	75.0%
Amortization	622,332	466,749	632,333	-10,001	101.6%	75.0%
<b>Total expenses</b>	<b>5,565,685</b>	<b>4,341,234</b>	<b>4,202,007</b>	<b>1,363,678</b>	<b>75.5%</b>	<b>78.0%</b>
<b>Surplus/(deficit)</b>	-	<b>(166,971)</b>	<b>(77,428)</b>			

	Prior Yr Q3	Current Yr Q3	% Change
<b>Expenses</b>			
Non-certificated salaries & wages	1,546,119	1,764,497	14.1%
Non-certificated benefits	165,980	222,726	34.2%
<b>Total Labour expenses</b>	<b>1,712,099</b>	<b>1,987,223</b>	<b>16.1%</b>
Services, contracts & supplies	1,413,142	1,582,451	12.0%
Amortization	493,557	632,333	28.1%
<b>Total service &amp; supplies</b>	<b>1,906,699</b>	<b>2,214,784</b>	<b>16.2%</b>
<b>Total expenses</b>	<b>3,618,798</b>	<b>4,202,007</b>	<b>16.1%</b>

*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 positive variance of **517** for the 2<sup>nd</sup> quarter of the current year compared to the annual budget. The majority of this variance is due to investment income earned to date which was significantly higher than budgeted, excluding this line item revenues and expenses are expected to 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 - May 31, 2024**

	Annual Budget	YTD Actuals	Budget Remaining	% Budget Used
<b>Revenues</b>				
Budgeted Revenues	283,700	283,700	-	100%
<b>Total revenues</b>	<b>283,700</b>	<b>283,700</b>	<b>-</b>	<b>100%</b>
<b>Expenses</b>				
Trustee Earnings and Benefits	210,700	148,545	62,155	71%
Trustee Travel & Supplies	73,000	69,329	3,671	95%
<b>Total expenses</b>	<b>283,700</b>	<b>217,874</b>	<b>65,826</b>	<b>77%</b>

*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 - Q3 2023 vs Q3 2024**

	Q3 2023	Q3 2024	\$ Change	% Change
<b>Total revenues</b>	<b>5,624,059</b>	<b>5,284,172</b>	<b>(339,887)</b>	<b>-6%</b>
<b>Expenditures</b>				
Certificated salaries & wages	187,256	179,589	(7,667)	-4%
Certificated benefits	26,255	19,996	(6,259)	-24%
Non-certificated salaries & wages	730,925	753,887	22,962	3%
Non-certificated benefits	140,082	145,080	4,998	4%
Service, contracts and supplies	3,183,763	3,309,774	126,011	4%
Amortization	115,181	116,114	933	1%
Interest/bank charges	5,837	10,260	4,423	76%
<b>Total expenses</b>	<b>4,389,299</b>	<b>4,534,700</b>	<b>145,401</b>	<b>3%</b>
<b>Net Surplus/(deficit) to date</b>	<b>1,234,760</b>	<b>749,472</b>	<b>(485,288)</b>	<b>-</b>

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.

**Q3 ISS REVENUE**

**\$5.3M**

Down 6% from prior year

**ENROLMENT**

**272**

**STUDENTS**



Students represent 28 countries and territories around the world

**DORM OCCUPANCY**

**91%**

Strathmore dorm capacity – 96  
Drumheller dorm capacity - 88

**HOMESTAY**

**23**

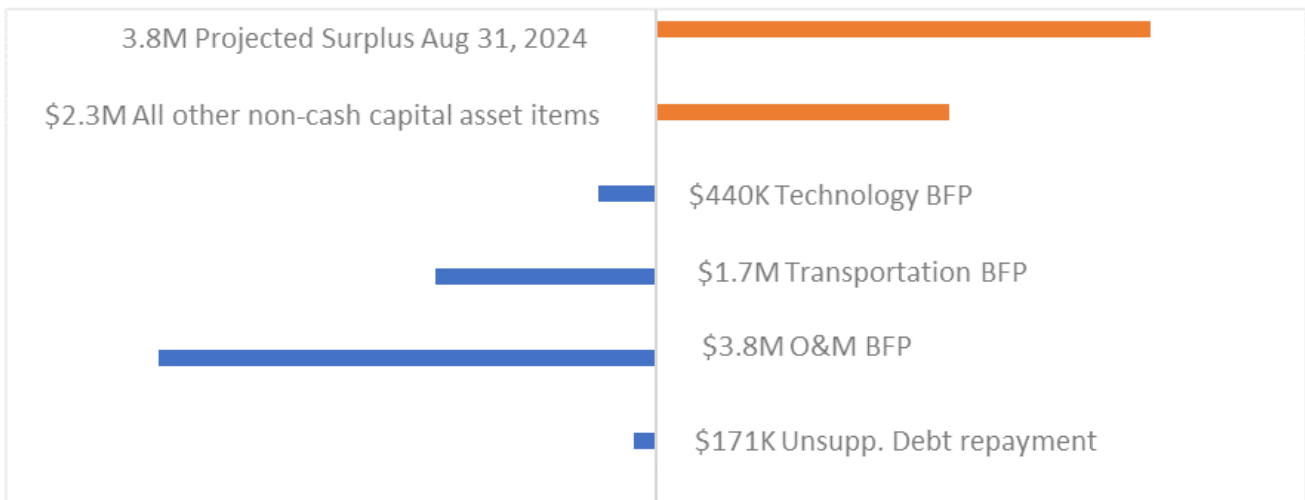
External Services includes International Services, joint-use agreements, and external contract service agreements. Included within this period is the recognition of **\$4.9M** of **ISS tuition fees** revenue, out of the total **\$5.5M** unearned revenue as at Aug 31, 2023. ISS Revenues are received in 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 2023/2024 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**

**ASO will be used/added to as follows**



**Capital Asset items include; amortization, and capital revenue recognition  
BFP - Board Funded Purchase**

As at September 1, 2023 the ASO – Accumulated Surplus from Operations totalled \$4.97M. Added to this surplus will be our projected \$3.8M 2024 surplus, as well as \$2.3M in net non-cash revenue. These non-cash items include adjustments to recognize Alberta Infrastructure revenue on supported capital projects for accounting purposes. The projected ASO will be reduced by \$5.94M of projected Board funded expenses, as well as \$171K in unsupported debt repayments. Ending ASO is expected to decrease to 4.96M by year end.

**QUARTERLY SUMMARY**

*Golden Hills continues to manage expenses in line with expected funding despite higher cost inflation in some areas. At the end of Q3 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.*

