

**2155 The Golden Hills School Division**

School Jurisdiction Code and Name

**FALL 2019 UPDATE TO THE 2019/2020 BUDGET: Page 1**

	Fall 2019 Update to the Budget 2019/2020	Spring 2019 Budget Report 2019/2020	Variance	% Variance
<b>OPERATIONS (SUMMARY)</b>				
<b>Revenues</b>				
Alberta Education	\$69,919,049	\$73,678,262	(\$3,759,213)	-5.1%
Alberta Infrastructure	\$4,174,254	\$327,000	\$3,847,254	1176.5%
Other - Government of Alberta	\$688,127	\$475,529	\$212,598	44.7%
Federal Government and First Nations	\$1,621,050	\$1,623,314	(\$2,264)	-0.1%
Other Alberta school authorities	\$0	\$0	\$0	0.0%
Out of province authorities	\$0	\$0	\$0	0.0%
Alberta municipalities - special tax levies	\$0	\$47,200	(\$47,200)	-100.0%
Property taxes	\$0	\$0	\$0	0.0%
Fees	\$1,632,290	\$1,499,165	\$133,125	8.9%
Other sales and services	\$7,066,947	\$7,463,852	(\$396,905)	-5.3%
Investment income	\$175,000	\$0	\$175,000	100.0%
Gifts and donation	\$260,000	\$100,000	\$160,000	160.0%
Rental of facilities	\$100,000	\$100,000	\$0	0.0%
Fundraising	\$425,000	\$425,000	\$0	0.0%
Gain on disposal of capital assets	\$0	\$0	\$0	0.0%
Other revenue	\$2,400,000	\$2,400,000	\$0	0.0%
<b>Total revenues</b>	<b>\$88,461,717</b>	<b>\$88,139,322</b>	<b>\$322,395</b>	<b>0.4%</b>
<b>Expenses By Program</b>				
Instruction - Early Childhood Services	\$3,177,562	\$3,408,835	(\$231,273)	-6.8%
Instruction - Grades 1 - 12	\$60,373,681	\$61,182,138	(\$808,457)	-1.3%
Plant operations and maintenance	\$13,082,919	\$11,208,394	\$1,874,525	16.7%
Transportation	\$4,053,510	\$3,967,667	\$85,843	2.2%
Board & system administration	\$2,889,273	\$2,705,530	\$183,743	6.8%
External services	\$6,730,425	\$6,448,000	\$282,425	4.4%
<b>Total Expenses</b>	<b>\$90,307,370</b>	<b>\$88,920,564</b>	<b>\$1,386,806</b>	<b>1.6%</b>
Annual Surplus (Deficit)	(\$1,845,653)	(\$781,242)	(\$1,064,411)	-136.2%
<b>Expenses by Object</b>				
Certificated salaries & wages	\$38,665,475	\$38,921,582	(\$256,107)	-0.7%
Certificated benefits	\$8,487,543	\$8,927,416	(\$439,873)	-4.9%
Non-certificated salaries & wages	\$13,347,424	\$12,541,875	\$805,549	6.4%
Non-certificated benefits	\$3,198,597	\$3,076,086	\$122,511	4.0%
Services, contracts and supplies	\$20,654,134	\$19,301,208	\$1,352,926	7.0%
Amortization expense - supported	\$4,337,887	\$4,439,887	(\$102,000)	-2.3%
Amortization expense - unsupported	\$1,535,310	\$1,565,010	(\$29,700)	-1.9%
Interest on capital debt - supported	\$0	\$0	\$0	0.0%
Interest on capital debt - unsupported	\$55,000	\$65,000	(\$10,000)	-15.4%
Other interest and finance charges	\$13,000	\$7,500	\$5,500	73.3%
Losses on disposal of tangible capital assets	\$13,000	\$0	\$13,000	100.0%
Other expenses	\$0	\$75,000	(\$75,000)	-100.0%
<b>Total Expenses</b>	<b>\$90,307,370</b>	<b>\$88,920,564</b>	<b>\$1,386,806</b>	<b>1.6%</b>
<b>Accumulated Surplus from Operations (Projected)</b>				
Accumulated Surplus from Operations - August 31, 2019	\$5,485,539	\$5,599,399	(\$113,860)	-2.0%
Accumulated Surplus from Operations - August 31, 2020	\$3,639,886	\$5,524,819	(\$1,884,933)	-34.1%
Capital Reserves - August 31, 2019	\$138,827	\$1,146,827	(\$1,008,000)	-87.9%
Capital Reserves - August 31, 2020	\$50,000	\$46,827	\$3,173	6.8%
<b>Certificated Staff FTE's</b>				
School based	375.0	385.0	(10.0)	-2.6%
Non-school based	5.0	8.0	(3.0)	-37.5%
<b>Total Certificated Staff FTE's</b>	<b>380.0</b>	<b>393.0</b>	<b>(13.0)</b>	<b>-3.3%</b>
<b>Non-Certificated Staff FTE's</b>				
Instructional	185.5	205.0	(19.5)	-9.5%
Plant operations & maintenance	38.0	37.0	1.0	2.7%
Transportation	77.5	76.5	1.0	1.3%
Other non-instructional	33.0	33.0	-	0.0%
<b>Total Non-Certificated Staff FTE's</b>	<b>334.0</b>	<b>351.5</b>	<b>(17.5)</b>	<b>-5.0%</b>

**Attestation of Secretary-Treasurer/Treasurer:**

This information was formally received by the Board of Trustees at the meeting held on :

November 26, 2019

**\*\*Please complete the attached Comment Sheet to provide information regarding any material (>5% for revenues, expenses, fees, reserves, and surpluses, or >3% for staffing & enrolment) changes from the Spring Budget to the Fall forecast as identified in yellow above as well as any other pertinent information.**

**2155 The Golden Hills School Division**

School Jurisdiction Code and Name

**FALL 2019 UPDATE TO THE 2019/2020 BUDGET: Page 2**

	Fall 2019 Update to the Budget 2019/2020	Spring 2019 Budget Report 2019/2020	Variance	% Variance
<b>FEE &amp; SALES TO PARENTS &amp; STUDENTS</b>				
<b>Fees</b>				
Transportation	\$0	\$0	\$0	0.0%
Basic instruction supplies	\$0	\$0	\$0	0.0%
Lunchroom Supervision & Activity Fees	\$0	\$0	\$0	0.0%
Technology user-fees	\$9,415	\$9,415	\$0	0.0%
Alternative program fees	\$336,875	\$336,875	\$0	0.0%
Fees for optional courses	\$155,220	\$155,220	\$0	0.0%
ECS enhanced program fees	\$30,000	\$30,000	\$0	0.0%
Activity fees	\$546,467	\$546,467	\$0	0.0%
Other fees to enhance education	\$120,000	\$3,875	\$116,125	2996.8%
Extra-curricular fees	\$229,000	\$229,000	\$0	0.0%
Non-curricular supplies, materials, and services	\$162,463	\$162,463	\$0	0.0%
Non-curricular travel	\$22,850	\$22,850	\$0	0.0%
Other fees	\$20,000	\$3,000	\$17,000	566.7%
<b>Total fees</b>	<b>\$1,632,290</b>	<b>\$1,499,165</b>	<b>\$133,125</b>	<b>8.9%</b>
<b>Other Sales to Parents &amp; Students</b>				
Cafeteria sales, hot lunch, milk programs	\$525,000	\$525,000	\$0	0.0%
Special events	\$95,000	\$95,000	\$0	0.0%
Sales or rentals of other supplies / services	\$100,000	\$75,000	\$25,000	33.3%
Out of district student revenue	\$0	\$0	\$0	0.0%
International and out of province student revenue	\$5,800,000	\$6,665,975	(\$865,975)	-13.0%
Adult education revenue	\$15,000	\$15,000	\$0	0.0%
Preschool	\$45,000	\$45,000	\$0	0.0%
Child care & before and after school care	\$1,500	\$1,500	\$0	0.0%
Lost item replacement fees	\$2,500	\$2,500	\$0	0.0%
Bulk Supply Sales	\$10,000	\$0	\$10,000	100.0%
Cosmetology Client Services	\$5,000	\$5,000	\$0	0.0%
Other (Describe)	\$0	\$0	\$0	0.0%
Sponsorship for Events	\$20,000	\$20,000	\$0	0.0%
Other sales (describe here)	\$0	\$0	\$0	0.0%
Other sales (describe here)	\$0	\$0	\$0	0.0%
<b>Total other sales</b>	<b>\$6,619,000</b>	<b>\$7,449,975</b>	<b>(\$830,975)</b>	<b>-11.2%</b>
<b>Grades 1 - 12</b>				
Eligible funded students - Grades 1 to 9	4,021.0	3,946.0	75.0	1.9%
Eligible funded students - Grades 10 to 12	1,558.0	1,518.0	40.0	2.6%
Other students	420.0	410.0	10.0	2.4%
Home ed and blended program students	541.0	518.0	23.0	4.4%
<b>Total Enrolled Students, Grades 1-12</b>	<b>6,540.0</b>	<b>6,392.0</b>	<b>148.0</b>	<b>2.3%</b>
<b>Early Childhood Services (ECS)</b>				
Eligible funded children - ECS	423.0	410.0	13.0	3.2%
Other children	-	-	-	0.0%
Program hours	475.0	475.0	-	0.0%
ECS FTE's Enrolled	211.5	205.0	6.5	3.2%
<b>Attestation of Secretary-Treasurer/Treasurer:</b>				
This information was formally received by the Board of Trustees at the meeting held on :		November 26, 2019		

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**FALL 2019 UPDATE TO THE 2019/2020 BUDGET**

**Comments/Explanations of changes from original Spring 2019/2020 Budget Report:**

**Explain any changes in revenue or fee items >5% (any highlighted items in cells S10-S25 on Page 1 or cells S10 - S22 and S26 - S40 on Page 2):**

Cells S10 - S22 and S26 - S40 on Page 2: As the school division continues to develop and refine its SGF reporting, we are better able to report more accurate actuals. The "Other Fees to Enhance Education", "Other Fees", "Sales or Rentals of Other Supplies/Services", "International and Out of Province Student Revenue" and "Bulk Supply Sales" changes have been made in the Fall Update to better reflect the trends that have been occurring in the actuals (e.g. 2018-2019 actuals in the audited financial statements).

Page 1 - S10-S25 - Adjusted for changes in October 24th budget announcement. Internally reduced by 2% - approximately \$1.9M - but kept those funds within the budget as a contingency earmarked for staffing. We held off hiring staff and reduced by 2% in the Spring anticipating a reduction in October 2019. We did earmark dollars to hire staff based on the fall budget announcement. We also conservatively estimated enrolment and in the fall gained 135 students from projected.

The reduced 5% in revenue represents the reallocation of Alberta Infrastructure change pursuant to Alberta Education guidelines. The increased 1,177% represents the revenue recognition from Alberta Education to Alberta Infrastructure.

**Explain any changes in program expenses >5% (any highlighted items in cells S28 - S33 on Page 1):**

In the Spring we anticipated not to receive the Classroom Improvement Fund grant and we also reduced base instruction and class size grants by 2% in the Spring. In the budget submission they were included in a contingency but to be conservative we did not hire teachers & staff. As a result of these anticipated reductions, we were able to manage the staffing reductions through attrition (maternity leaves, retirements, mobility) in the spring. **No cuts were made in the fall.** The guess of a 2% reductions in the Spring and our site based model for projecting enrolment was extremely helpful as well. Projected enrolment, by our principals, in the spring was very conservative and as a result we gained 135 students from the projected budget and 60 students from the prior year. The combination of a 2% reduction estimated in the spring and the conservative approach of projecting our enrolment helped us avoid "lay offs" and staff reductions in the fall.

The almost 17% variance in the spring is due to the unknown insurance premium hike, which tripled our insurance expense. This was completely unexpected and we are currently sorting through that process and our options.

Actual Administration budget is more aligned with actual Administration expense from 2018/2019 Audited Financial Statements. In anticipation of reductions in the fall and potentially further reductions in the future we have reduced administration staff and expenses further. We already run an extremely lean Administration budget, this was difficult, but necessary given the economic landscape and anticipated budget reductions.

**Explain any changes in expenses by object >5% (any highlighted items in cells S38 - S49 of Page 1):**

The increase in non certificated staffing is contracted services changed to employees for our International program, more specifically our dorm supervisors.

A cost benefit analysis was prepared to determine the most efficient way to manage.

**Explain any changes in projected Accumulated Operating Surplus and Capital Reserves as at August 31, 2019 or August 31, 2020 by >5% (any highlighted items in cells S53 - S56 on Page 1):**

Reserves are being depleted due to insurance premiums tripling. We have not paid the premiums yet and we are currently exploring all our options before we pay. We will have to use our reserves which are earmarked already, however this is our only alternative. Recently we have received notice that we could potentially use some of our IMR. We will continue to explore all our options.

**Explain change in total certificated staff >3% (if cell S59 or S60 on Page 1 is highlighted) or non-certificated staff >3% (any highlighted items in cells S64 - S67 on Page 1):**

In the spring we had a staff contingency and did not hire staff as we were unsure of what the budget announcement would be. In effect, it shows staff numbers going down but the reality is vacancies were not filled and held off on hiring until the budget announcement.

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November 26, 2019