



Powering Hope and Possibilities



1st Quarterly Report 2024

For the three months from September to November 2023

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

I BUDGET BENCHMARKS

The first quarterly financial report lists revenues and expenditures recorded to **November 30, 2023**, representing the first **three** months of the fiscal year. As there are three (3) months expended in Q1, the normal benchmark for comparison is 25% (3/12 months). For some categories 30% (3/10 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 - November 30, 2023**

	Annual Budget	Q1 Prorated Budget	YTD Actuals	YTD Budget Variance	% Budget	Benchmark %
Revenues						
Alberta Education/Infrastructure	84,863,978	21,215,995	21,338,106	122,112	25%	25%
Federal government and/or First Nations	1,548,538	464,561	444,478	-20,083	29%	30%
Fees	1,608,087	482,426	702,681	220,255	44%	30%
Other revenues	9,692,665	2,423,166	4,606,260	2,183,094	48%	25%
Amortization	4,478,921	1,119,730	1,127,730	8,000	25%	25%
Total revenues	102,192,189	25,705,879	28,219,255	2,513,377	34%	27%
Expenses						
Certificated salaries & benefits	53,905,638	12,398,297	12,385,670	12,627	23%	23%
Non-certificated Salaries & benefits	18,937,480	4,923,745	5,285,397	-361,652	28%	26%
Sub-Total	72,843,118	17,322,042	17,671,067	-349,025	25%	25%
Supplies and services	23,482,897	7,044,869	8,515,244	-1,470,375	36%	30%
Amortization	5,816,174	1,454,044	1,547,912	-93,869	27%	25%
Interest charges	50,000	12,500	6,081	6,419	12%	25%
Total expenses	102,192,189	25,833,454	27,740,304	-1,906,850	25%	27%
Surplus/(Deficit)	-	-127,576	478,951	606,527		

The surplus of \$479K 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. Golden Hills also received additional funding from Alberta Education which were not included in original budget.

Supplies and services are 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 **\$479K** year-to-date surplus of revenues over expenses is due, in part, to when payments are received.



Additional payments from Alberta Education



School Generated Funds

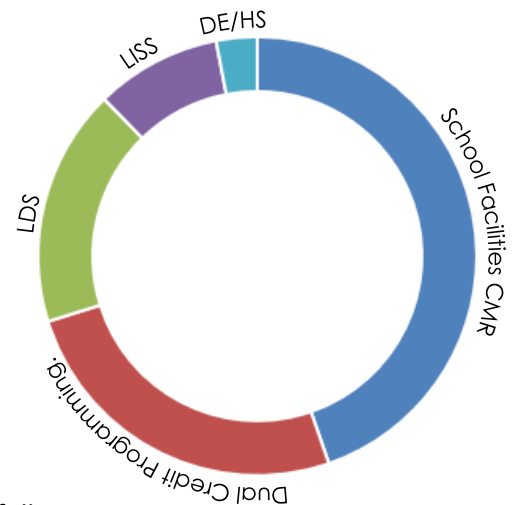


International Student Fees

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
■ School Facilities CMR	211,817
■ Dual Credit Programming	120,660
■ Learning Disruption Support (LDS)	82,960
■ Low Incident Support Services	43,972
■ Distance Ed/Online Ed/Home Ed	14,300
	<u>473,709</u>



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

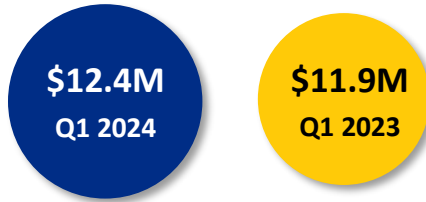
Category	SGF amounts collected - Q1	
	Current year	Prior year
Fees	1,163,418	1,373,210
Athletics	379,428	345,606
Trips	195,172	184,247
Cafeteria/Lunch Programs	169,099	181,743
FT Kindergarten	70,159	66,444
Total	<u>1,977,276</u>	<u>2,151,251</u>

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 Q1 were **\$12.4M** (23% of a \$53.9M budget) which is within the range of what the budget would permit by the 1st quarter.



Overall, certificated salary and benefit costs are within the budgeted amounts, management does not expect any significant variances in the subsequent Q2.

Non-Certificated Salaries and Benefits

Total non-certificated salaries and benefits for the Q1 were **\$5.3M** (26% 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, but that the annual totals will balance out at year-end.

Supplies and Services

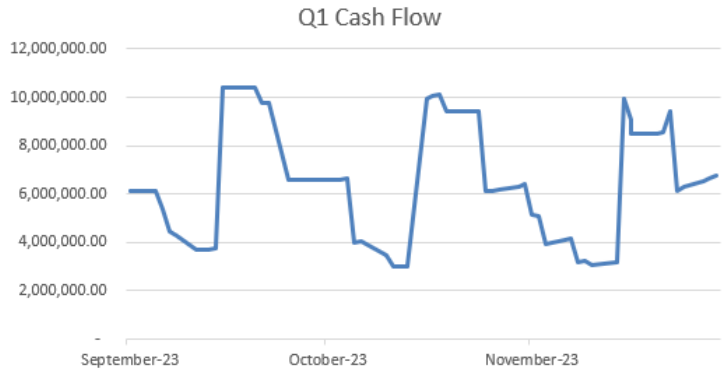
Supplies and services year-to-date are **\$8.5M** (36% of \$23.5M budget). Typically, many of these costs occur over a 10-month school year and not the 12-month fiscal year, resulting in higher costs in the first 3 quarters and lower costs in the 4th quarter. Department managers will continue to carefully monitor their budgets to ensure they stay within their spending limits.



Overall, supply costs year-to-date at November 30th are 15% higher compared to the Q1 benchmark. Because supplies and services are variable expenses, this amount has increased as SGF and ISS revenues have increased; representing the cost of implementing increased trips, activities, and co-curricular programming.

A APPROXIMATE AVERAGE MONTHLY CASH FLOW VALUES

Monthly Cash Flow Nov	
Grants	7,897,230
SGF Fees	632,282
Final TCA capital Payment	694,126
	9,223,638
Accounts Payable	3,752,486
Payroll	6,602,957
SGF amounts	700,029
Total Cash Out	11,055,472



Included in the grants and accounts payable totals are monthly operating grants and one-time expenses for capital projects.

B GOLDEN HILLS IS CURRENTLY IN A POSITIVE CASH POSITION.

As of Nov 30, 2024, **\$10.25M** of the cash balance has been invested into GIC’s with maturing dates ranging from December 11th, 2023 to July 18th, 2025, earning yields ranging from 4.05% - 5.85%. Of these investments, \$500K 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

A

**Golden Hills School Division
Revenue and Expenses by Envelope
From September 1, 2023 - November 30, 2023**

	SGF	ECS -Grade 12	Operations and Maintenance	Transportation	Board and System Admin	External Services	Total	Budget %	Benchmark %
Revenue									
Alberta Education/ Infrastructure	-	17,562,849	1,657,822	1,387,905	729,530	-	21,338,106	25%	25%
Federal Gov't/First Nations	-	444,478	-	-	-	-	444,478	29%	25%
Fees	656,867	45,814	-	-	-	-	702,681	44%	25%
Fundraising revenues -SGF	70,673	-	-	-	-	-	70,673	22%	25%
Other sales & services	1,236,260	671,741	-	-	-	2,330,810	4,238,811	50%	25%
Investment Income	-	-	-	-	185,956	-	185,956	100%	25%
Gifts & donations -SGF	13,476	-	-	-	-	-	13,476	5%	25%
Rental of facilities	-	1,200	38,419	-	-	2,500	42,119	42%	25%
Gain on disposal of Capital assets	-	-	-	1,100	-	-	1,100	100%	0%
Other revenues	-	54,125	-	-	-	-	54,125	10%	30%
Amortization of capital allocations	-	140,172	987,558	-	-	-	1,127,730	25%	25%
Total revenues	1,977,276	18,920,379	2,683,799	1,389,005	915,486	2,333,310	28,219,255	35%	23%
Expenditures									
Certificated salaries & wages	-	10,050,791	-	-	141,480	59,863	10,252,134	26%	25%
Certificated benefits	-	2,113,270	-	-	16,225	4,041	2,133,536	23%	25%
Non-certificated salaries & wages	-	2,565,284	542,782	553,025	319,637	239,367	4,220,095	29%	26%
Non-certificated benefits	-	727,975	144,810	70,121	76,161	46,235	1,065,302	30%	26%
Service, contracts and supplies	2,016,214	2,814,126	1,375,006	608,378	303,361	1,398,159	8,515,244	40%	25%
Amortization	-	171,356	1,121,669	144,360	71,468	39,059	1,547,912	27%	25%
Interest/bank charges	-	105	-	-	-	5,976	6,081	26%	25%
Total expenses	2,016,214	18,442,907	3,184,267	1,375,884	928,332	1,792,700	27,740,304	28%	25%
Positive/-Negative variance to date	(38,938)	477,472	(500,468)	13,121	(12,846)	540,610	478,951		

ECS -Grade 12 labour cost analysis	2023 Q1	2024 Q1	\$ Change	% Change
Certificated salaries	9,611,962	10,050,791	438,829	4.6%
Certificated benefits	1,985,355	2,113,270	127,915	6.4%
Non-certificated salaries & wages	2,324,774	2,565,284	240,510	10.3%
Non-certificated benefits	677,538	727,975	50,437	7.4%
Total ECS -Grade 12 labour cost	14,599,629	15,457,320	857,691	5.9%

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 2023 - November 2023

	Annual Budget	Q1 Prorated Budget	Q1 Actuals	Budget \$ Remaining	Q1 % Budget	Q1 Benchmark
Revenues						
Alberta Education	7,014,366	1,753,592	1,657,822	5,356,544	24%	25%
Other revenues	121,000	30,250	38,419	82,581	32%	25%
Amortization	4,032,264	1,008,066	987,558	3,044,706	24%	25%
Total revenues	11,167,630	2,791,908	2,683,799	8,483,831	27%	25%
Expenses						
Non-certificated salaries & benefits	2,759,604	689,901	687,592	2,072,012	25%	25%
Supplies and services	4,768,016	1,192,004	1,375,006	3,393,010	29%	25%
Amortization	4,070,157	1,017,539	1,121,669	2,948,488	28%	25%
Total expenses	11,597,777	2,899,444	3,184,267	8,413,510	27%	25%
Surplus/(deficit)	(430,147)	(107,537)	(500,468)			

	Prior Year Q1	Current Year Q1	% Change
Expenses			
Non-certificated salaries & wages	527,651	542,782	2.9%
Non-certificated benefits	136,166	144,810	6.3%
Total Labour expenses	663,817	687,592	3.6%
Services, contracts & supplies	1,299,132	1,375,006	5.8%
Amortization	1,055,432	1,121,669	6.3%
Total service & supplies	2,354,564	2,496,675	6.0%
Total expenses	3,018,381	3,184,267	5.5%

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 2023 - November 2023

	Annual Budget	Q1 Prorated Budget	Q1 Actuals	Budget \$ Remaining	Q1 % Budget	Q1 Benchmark
Revenues						
Alberta Education	5,375,685	1,343,921	1,387,905	3,987,780	25.8%	25.0%
Other revenues	190,000	47,500	0	190,000	0.0%	25.0%
Total revenues	5,565,685	1,391,421	1,387,905	4,177,780	24.9%	25.0%
Expenses						
Non-certificated salaries & benefits	2,190,926	657,278	623,146	1,567,780	28.4%	30.0%
Contracted Bus Services	100,000	30,000	17,476	82,524	17.5%	30.0%
Fuel	925,000	231,250	184,783	740,217	20.0%	25.0%
Other Supplies and services	1,727,427	431,857	406,119	1,321,308	23.5%	25.0%
Amortization	622,332	155,583	144,360	477,972	23.2%	25.0%
Total expenses	5,565,685	1,502,735	1,375,884	4,189,801	24.7%	27.0%
Surplus/(deficit)	-	(111,314)	12,021			

	Prior Year Q1	Current Year Q1	% Change
Expenses			
Non-certificated salaries & wages	516,986	553,025	7.0%
Non-certificated benefits	54,689	70,121	28.2%
Total Labour expenses	571,675	623,146	9.0%
Services, contracts & supplies	519,749	608,378	17.1%
Amortization	182,391	144,360	-20.9%
Total service & supplies	702,140	752,738	7.2%
Total expenses	1,273,815	1,375,884	8.0%

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 **(\$12K)** for the quarter of the current year. As anticipated, expenses are weighted more heavily in Q1. 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- November 30, 2023**

	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	46,219	164,481	22%
Trustee Travel & Supplies	73,000	24,099	48,901	33%
Total expenses	283,700	70,318	213,382	25%

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

Golden Hills School Division
Statement of Revenue and Expenses - Current to Prior Year Comparison
External Services
Period - Q1 2023 vs Q1 2024

	Q1 2023	Q1 2024	\$ Change	% Change
Total revenues	1,899,158	2,333,310	434,152	23%
Expenditures				
Certificated salaries & wages	79,370	59,863	(19,507)	-25%
Certificated benefits	5,600	4,041	(1,559)	-28%
Non-certificated salaries & wages	238,760	239,367	607	0%
Non-certificated benefits	48,367	46,235	(2,132)	-4%
Service, contracts and supplies	1,481,596	1,398,159	(83,437)	-6%
Amortization	38,394	39,059	665	2%
Interest/bank charges	2,509	5,976	3,467	138%
Total expenses	1,894,596	1,792,700	(101,896)	-5%
Positive/-Negative variance to date	4,562	540,610	536,048	-

5. EXTERNAL SERVICES

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.

Q1 ISS REVENUE

\$2.3M

Up 21% from prior year

ENROLMENT

279

STUDENTS



Students represent 28 countries and territories around the world

DORM OCCUPANCY

97%

HOMESTAY

26

External Services includes International Services, joint-use agreements and external contract service agreements. Included within this period is the recognition of **\$2.3M** of **ISS tuition fees** revenue, of which **\$1.9M** was 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 Q2 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.



QUARTERLY SUMMARY

Golden Hills continues to manage expenses in line with expected funding despite higher cost inflation in some areas. At the end of Q1 Golden Hills is in a surplus position for the year. In the following Q2 management expects expenses to begin to outpace revenues.

Overall, GHSD is keeping expenditures within the parameters of the Board's May 25, 2023 approved and submitted 2023-24 budget and our accumulated surplus from operations will be reduced by planned unsupported capital additions in Q2-Q4.

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