



Date: December 20, 2023 **Agenda Item:** 8.5

To: Board of Trustees

From: Shawna Warren, Superintendent

Originator(s): Sean Nicholson, Associate Superintendent, Corporate Services

Governance Policy: [Policy 405: Budget Development and Transparency](#)

Additional Reference: [AP415: Fiscal Reporting](#)
Education Act: Sections 139(1)(2), 143, 180, 183, 184

Assurance Domain: Governance

Superintendent Leadership Quality Standard (SLQS)
SLQS Competencies ([SLQS](#) / [Board Policy 700](#)):
School Division Operations and Resources
Supporting Effective Governance

Subject: **Quarterly Financial Report**

Purpose:

For information.

Background:

The Board annually approves a budget based on projected enrolments, revenues and expenses. The budget plots a course for the Board to provide educational services in its jurisdiction and to address local priorities. Responsible fiscal management requires the Board to monitor the Division's financial results to ensure that the organization operates according to its plan and to adjust operations if necessary.

This report provides the first quarter financial results as of November 30, 2023, as well as the year-to-date expenses as a percentage of the total annual and forecasted budget (see attachment). Target percentages as of November 30, 2023, for revenues and expenses, are between 25 percent (3/12 months) & 30 percent (3/10 months).

- Year-to-date revenues as of November 30, 2023: \$23.3 million or 25 percent of total forecasted revenues.
- Year-to-date expenses as of November 30, 2023: \$21.2 million or 26 percent of total forecasted expenses.
- Year-to-date operating surplus as of November 30, 2023: \$2.0 million.

The first quarter financial report shows a surplus position of \$2.1M. A first quarter deficit of approximately (\$1.5M) would be expected if the timing of all budget projections were perfect.

Overall Revenues (29%) are slightly higher than the benchmark. The Alberta Education/Infrastructure YTD Actual includes deferred revenue from 2022-2023 posted in the first quarter (\$2.3M) plus additional funding for the following:

- Dual credit enhancement funding
- School Bus Driver Grant
- Low incidence support services
- Learning disruption support funds

Fees, fundraising, and donations are recorded as revenue at the time of collection. Other Revenues include deferred ASBIE Proceeds (\$159K) and Gains on disposal of Capital Assets (\$34K).

Overall Expenses (25%) are slightly less than the Q1 Forecast.

Salaries and benefits are currently running slightly less than the budget, while services, contracts, and supplies are slightly higher than budgeted.

The Adjusted Budget – Fall 2023 corrected classification of Certificated and Non-certified Staff cost distributions. Staff recruitment challenges contribute to a variance in wages.

Conclusion:

As of November 30, 2023, the Division reported \$23.3 million in year-to-date revenues, \$21.2 million in year-to-date expenses, and \$2.0 million in year-to-date surplus.

Administration is prepared to respond to questions at the December 20, 2023, Public Board meeting.

Attachment(s):

1. Sturgeon Public School Division Quarterly Report Q1 November 30, 2023.

QUARTERLY FINANCIAL REPORT

FIRST QUARTER (Q1)

SEPTEMBER 1, 2023 – NOVEMBER 30, 2023

Purpose of Quarterly Report:

- Monitor Activity
- Review Variances
- Highlight Key Points

Fall Budget Adjustments

The following adjustments have been made to the 2023-2024 Budgeted Revenues:

Alberta Education

Sept 30 2023 Enrolment - Base Instruction Funding Impact Est.	(\$331,098)
Dual Credit Grant Proceeds Added	\$125,000
School Bus Driver Grant	\$8,000
Low Incidence Support Services	\$46,625
Learning Disruption - Support Funds	\$101,513
Grant Proceeds Deferred from 2022-2023 incl. Dual Credit Grants	\$390,414
	<hr/> \$340,454

Other Revenues

Mental Health Capacity Building Contract Increase	\$8,091
ASBIE Equity Proceeds Deferred from 2022-2023	\$158,954
Additional Interest Earned	\$300,000
Sales/External Services changes	\$189,888
	<hr/> \$656,933

TOTAL	<u><u>\$997,387</u></u>
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The following adjustments have been made to the 2023-2024 Budgeted Expenses:

Certificated & Non-Certified Salaries and Benefits	(\$31,982)
Services, Contract & Supplies	\$1,012,560
TOTAL	<u><u>\$980,578</u></u>

2023-2024 Revised Budget

	BUDGET - Approved May 2023	REVISIONS	ADJUSTED BUDGET - QUARTER 1
REVENUES			
Alberta Education/Infrastructure	\$74,734,338	\$340,454	\$75,074,792
Other - Government of Alberta	\$1,299,797	\$10,069	\$1,309,866
Federal Government/First Nations	\$1,086,100	\$0	\$1,086,100
Fees	\$1,940,675	\$4,200	\$1,944,875
Fundraising	\$54,000	\$0	\$54,000
Other Revenues	\$933,060	\$642,664	\$1,575,724
TOTAL REVENUES	\$80,047,970	\$997,387	\$81,045,357
EXPENSES			
Certificated Salaries & Benefits	\$43,447,868	\$920,409	\$44,368,277
Non-certified Salaries & Benefits	\$19,558,258	(\$952,391)	\$18,605,867
<i>Subtotal</i>	\$63,006,126	(\$31,982)	\$62,974,144
Services, Contracts & Supplies	\$16,492,044	\$1,012,557	\$17,504,601
Amortization	\$4,765,992	\$2	\$4,765,994
TOTAL EXPENSES	\$84,264,162	\$980,578	\$85,244,740
SURPLUS/(DEFICIT)	(\$4,216,192)	\$16,809	(\$4,199,383)

A detailed line by line review of the Budget was completed. Budget revisions were necessary to reflect significant changes in revenue and expense estimates made after the Board approved 2023-2024 Budget on May 24, 2023. The Adjusted Budget – Fall 2023 corrected Certificated and Non-certified Staff cost distributions.

Statement of Operations

As of November 30, 2023 (Q1)

Revenues	Approved Budget	Adjusted Budget	Q1 Forecast	Year-to-Date As of November 30, 2023 (Q1)	% Actual to Adjusted Budget	% Actual to Q1 Forecast
Government of Alberta	\$ 76,034,135	\$ 76,440,363	\$ 19,110,091	\$ 21,197,662	28%	25%
Federal Government and First Nations	\$ 1,086,100	\$ 1,086,100	\$ 271,525	\$ 325,830	30%	25%
Other Alberta school authorities	\$ -	\$ -	\$ -	\$ 5,800	0%	25%
Fees	\$ 1,940,675	\$ 1,944,875	\$ 583,463	\$ 1,053,357	54%	30%
Sales of services and products	\$ 189,904	\$ 373,614	\$ 93,404	\$ 92,624	25%	25%
Investment income	\$ 620,000	\$ 920,000	\$ 230,000	\$ 232,735	25%	25%
Gifts and donations, Fundraising	\$ 121,450	\$ 121,450	\$ 36,435	\$ 137,806	113%	30%
Other revenues - incl. rentals, misc. revenues, gains on disposals	\$ 55,706	\$ 158,955	\$ 39,739	\$ 223,533	141%	25%
Total revenues	\$ 80,047,970	\$ 81,045,357	\$ 20,364,656	\$ 23,269,347	29%	25%

Expenses by Category

Certificated salaries and benefits	\$ 43,447,868	\$ 44,368,277	\$ 11,092,069	\$ 10,718,559	24%	25%
Non-certificated salaries, wages and benefits	\$ 19,558,258	\$ 18,605,867	\$ 5,023,584	\$ 4,813,540	26%	27%
Services, contracts, supplies, interest & finance charges	\$ 16,492,044	\$ 17,504,602	\$ 4,551,197	\$ 4,516,989	26%	26%
Amortization of tangible capital assets - supported, unsupported, ARO	\$ 4,765,992	\$ 4,765,994	\$ 1,191,499	\$ 1,162,913	24%	25%
Total expenses	\$ 84,264,162	\$ 85,244,740	\$ 21,858,348	\$ 21,212,001	25%	26%
Annual operating surplus (deficit)	\$ (4,216,192)	\$ (4,199,383)	\$ (1,493,693)	\$ 2,057,346	-49%	0%

Expenses by Program

Instruction - ECS - Grade 12	\$ 64,700,156	\$ 65,529,064	\$ 16,697,920	\$ 16,176,097	25%	25%
Operations and maintenance	\$ 10,536,442	\$ 10,761,089	\$ 2,690,272	\$ 2,470,620	23%	25%
Transportation	\$ 5,825,109	\$ 5,787,732	\$ 1,678,442	\$ 1,711,344	30%	29%
System administration	\$ 2,842,693	\$ 2,881,344	\$ 720,336	\$ 740,456	26%	25%
External services	\$ 359,762	\$ 285,511	\$ 71,378	\$ 113,484	40%	25%
Total expenses	\$ 84,264,162	\$ 85,244,740	\$ 21,858,348	\$ 21,212,001	25%	26%
Annual operating surplus (deficit)	\$ (4,216,192)	\$ (4,199,383)	\$ (1,493,693)	\$ 2,057,346	-49%	0%

Expenses by Category

In thousands

Expenses by Category	Adjusted Budget	Q1 Forecast	Year-to-Date As of Nov 30, 2023
Certificated salaries and benefits	44,368,277	11,092,069	10,718,559
Non-certificated salaries, wages and benefits	18,605,867	5,023,584	4,813,540
Services, contracts and supplies	17,504,602	4,551,197	4,516,989
Amortization of tangible capital assets	4,765,994	1,191,499	1,162,913
Total expenses	\$ 85,244,740	\$ 21,858,349	\$ 21,212,001

