



## **Lethbridge School District No. 51**

# Second Quarter Report

February 28th

# 2017

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This document is Management's Discussion and Analysis of the Second Quarter for the period September 1, 2016 to February 28<sup>th</sup>, 2017. *This financial information contained herein has not been audited.*

Report to the  
Board of Trustees  
March 28<sup>th</sup>, 2017



## **Lethbridge School District No. 51**

**Second Quarter Report  
September 1, 2016 to February 28, 2017**

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## Lethbridge School District No. 51

### Management Discussion and Analysis Report Second Quarter Report

#### Executive Summary

Lethbridge School District No. 51 has a total budget of \$123.7 million and provides public education services to the citizens of the City of Lethbridge, Alberta, Canada.

The School District was established in 1886 and has proudly served our community for over 130 years. Lethbridge School District No. 51 serves over 10,647 students from early education (pre-school) to grade twelve. The District provides high quality learning experiences for students through a broad range of educational programs in twenty one schools and four institutional programs.

The District experienced overall enrolment growth in 2016-2017 of 153 students (1.46%) over 2015-2016.

Lethbridge School District No. 51 believes in fiscal accountability and transparency through regular financial monitoring and reporting. Under *Policy 801.1 System Budgeting*, the Board directs that the expenditure of funds be within the guidelines established and be the responsibility of the designated District or school-based administrator. The executive summary presents highlights of the school district's financial operations for the period September 1, 2016 until February 28, 2017 to provide fiscal accountability within the established guidelines.



#### Dr. Probe School One School One Book launch

## **Financial Position**

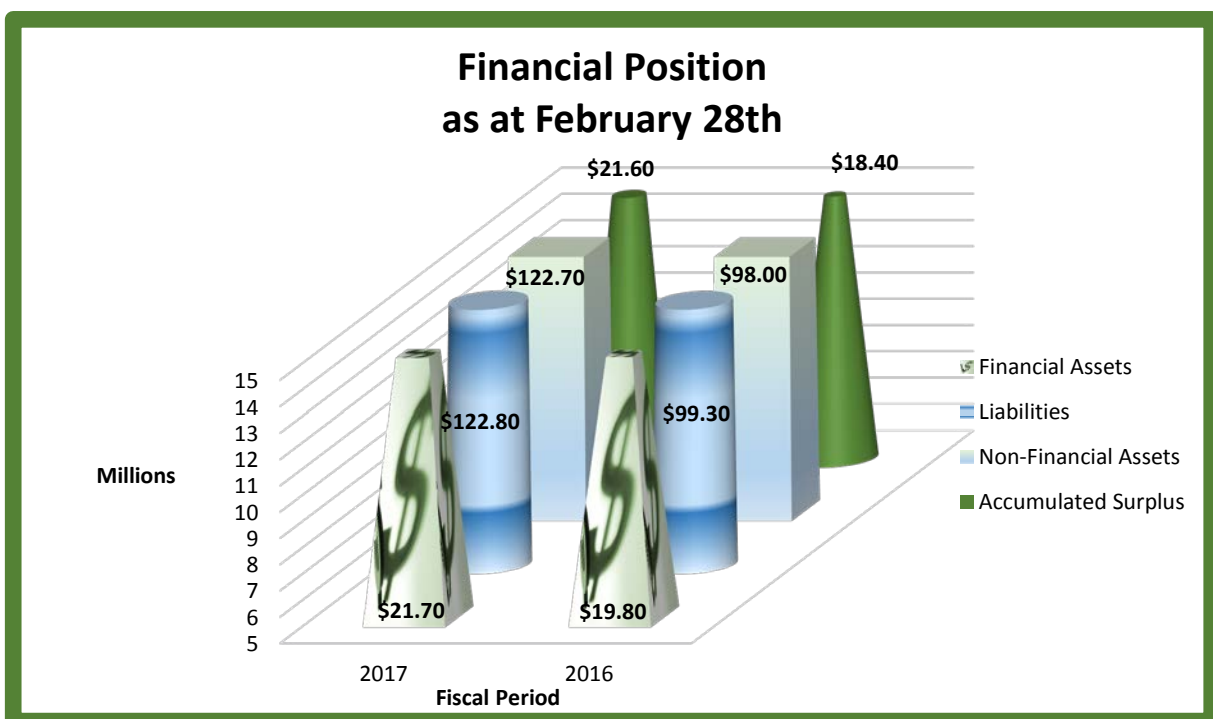
As at February 28, 2017 [Lethbridge School District No. 51](#) has total financial assets of \$21.7 million and liabilities of \$122.8 million for net financial debt of \$101.1 million. A net debt position is not necessarily an indication that a District is in financial difficulty.

Net financial debt includes \$117.1 million of deferred revenue related to the amortization of supported capital assets (Expended Deferred Capital Revenue), which will be amortized into revenues in subsequent years to offset the amortization cost of supported capital assets. Supported Capital Assets are those assets that have been funded by the Province of Alberta.

Before consideration of Expended Deferred Capital Revenue, the District had Net Assets of \$16 million. Of this \$16 million, \$12.9 million is in operating reserves which have been restricted for future use with the majority related to instructional programming and school generated activities. Net financial assets also relate to \$861,000 of unrestricted reserves, \$2.2 million of capital reserves and \$320,000 of endowment funds.

There is \$122.7 million of non-financial assets (tangible capital assets, other non-financial assets and prepaid expenses) which is represented mostly by Deferred Expended Capital Revenue of \$117.1 million as explained above, the District's investment in capital assets of \$5.4 million, other non-financial assets of \$194,000 and prepaid expenses of \$61,100.

Together the Net Financial Debt (Financial Assets less Liabilities) plus Non-Financial Assets equal the total Accumulated Surplus of \$21.6 million. The chart below compares the financial position of February 28th with the prior year.



### Budget Update as of September 30<sup>th</sup>

The revised budget for the 2016-2017 school year reflects changes to the district budget as of September 30<sup>th</sup>, 2016. Revenue in the revised budget increased by \$891,000 over preliminary budget projections developed in May 2016. This increase is due to increased student enrolment at September 30<sup>th</sup> of 74 students (.7%) above preliminary projections. An additional .5 full time equivalent teachers were hired as well as 8 additional support staff positions in the revised budget. In budget 2016-2017, \$5.4 million of one-time reserves will be utilized for staffing in Inclusive Education, resources for French Immersion programming, Coalbanks Elementary school start-up costs, Literacy resources, staffing for ESL, Literacy and Technology integration support, supporting K&E programming at Victoria Park and technology evergreening at elementary schools.

### Operations

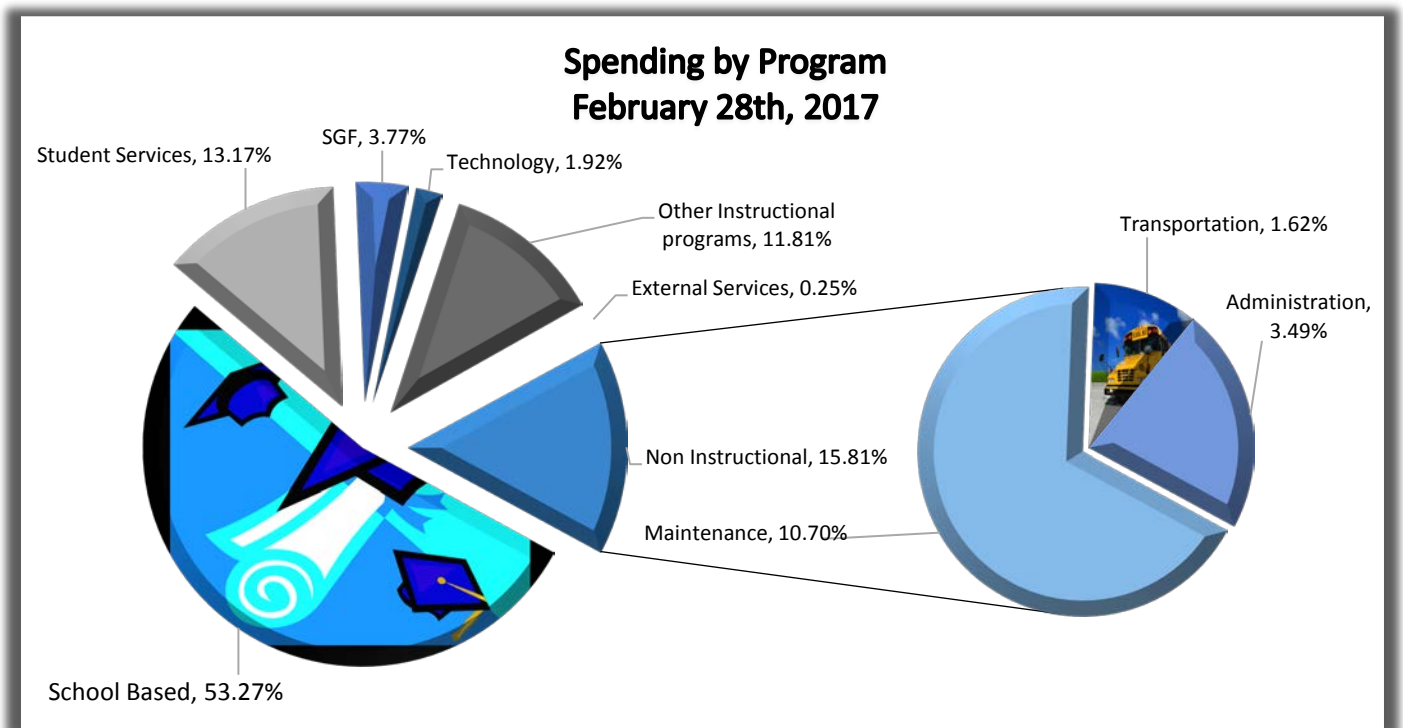
For the six months ended February 28, 2017, \$58.8 million of revenues have been recorded which is 50.02% of budget. Revenues are greater than budgeted due to increased investment revenue and fees and gifts and donation revenue for school generated activities.

The chart below illustrates the source of funding for every \$100 of revenue as at February 28, 2017.



\*used with the permission of the Bank of Canada

Expenditures are \$58 million as of February 28, 2017 which is 47.18% of the budget. Overall expenditures are as anticipated for the second quarter.



#### Forecasted Operations to Year End

At February 28, 2017, Alberta Education revenues are anticipated to increase. Additional revenue will be received under the Program Unit Funding (PUF) and the Inclusive Learning grants based on confirmed funding in February. Expenditures have been reduced in Instruction based on spending patterns and average teacher salary costs incurred as of February 28, 2017.

#### Capital Expenditures

During the period, capital expenditures mainly included construction costs for the modernization of Wilson Middle School, and the construction of Coalbanks Elementary School and New West Lethbridge Middle School.

#### Summary Comments

As of February 28, 2017, [Lethbridge School District No. 51](#) is operating financially as anticipated based on the approved budget. Operating expenditures would indicate that spending is occurring for the benefit of today's students while not compromising opportunities for future operations of the District.

**Lethbridge School District No. 51**  
**STATEMENT OF FINANCIAL POSITION**  
As at February 28th, 2017

		February 28th, 2017	February 29th, 2016
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents		\$17,951,633	\$17,440,368
Accounts receivable (net after allowances)		\$3,685,774	\$2,241,220
Portfolio investments		\$84,037	\$83,395
<b>Total financial assets</b>		\$21,721,444	\$19,764,983
<b>LIABILITIES</b>			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$2,892,003	\$3,423,703
Deferred revenue		\$119,815,543	\$95,560,845
Employee future benefit liabilities		\$20,325	\$28,966
Other liabilities		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$119,413	\$316,186
Unsupported: Debentures and capital loans		\$0	\$0
Capital leases		\$0	\$0
Mortgages		\$0	\$0
<b>Total liabilities</b>		\$122,847,284	\$99,329,700
<b>Net Financial Assets (Net Debt)</b>		(\$101,125,840)	(\$79,564,717)
<b>NON-FINANCIAL ASSETS</b>			
Tangible Capital assets			
Land		\$1,715,118	\$1,715,118
Buildings	\$170,714,824		
Less: Accumulated amortization	(\$52,421,298)	\$118,293,526	\$93,990,267
Equipment	\$5,866,818		
Less: Accumulated amortization	(\$3,969,877)	\$1,896,941	\$1,527,269
Vehicles	\$1,127,177		
Less: Accumulated amortization	(\$530,770)	\$596,407	\$535,513
Total tangible capital assets		\$122,501,992	\$97,768,167
Prepaid Expenses		\$61,138	\$63,489
Other Non-Financial Assets		\$194,090	\$144,202
<b>Total non-financial assets</b>		\$122,757,220	\$97,975,858
<b>ACCUMULATED SURPLUS</b>			
Unrestricted Surplus		\$861,412	\$796,410
Operating reserves		\$12,865,166	\$11,048,454
<b>Accumulated Surplus from Operations</b>		\$13,726,578	\$11,844,864
Investment in capital assets		\$5,394,679	\$4,952,351
Capital reserves		\$2,190,249	\$1,294,052
Endowments		\$319,874	\$319,874
<b>Total Accumulated Surplus (Deficit)</b>		\$21,631,380	\$18,411,141



**Lethbridge School District No. 51**  
**Notes to the Statement of Financial Position**  
*As at February 28, 2017*

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**Financial Assets**

Financial assets consist of assets that are readily converted to cash.

**Cash and Cash Equivalents**

Cash at February 28, 2017 includes deferred operating revenue, endowment funds, and Accumulated Surplus from Operations.

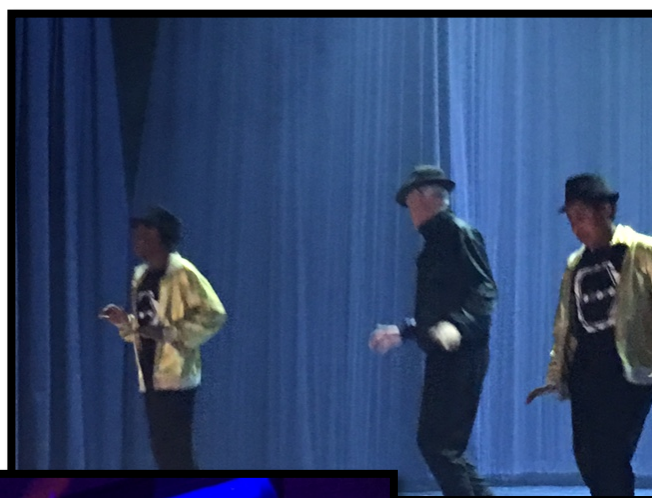
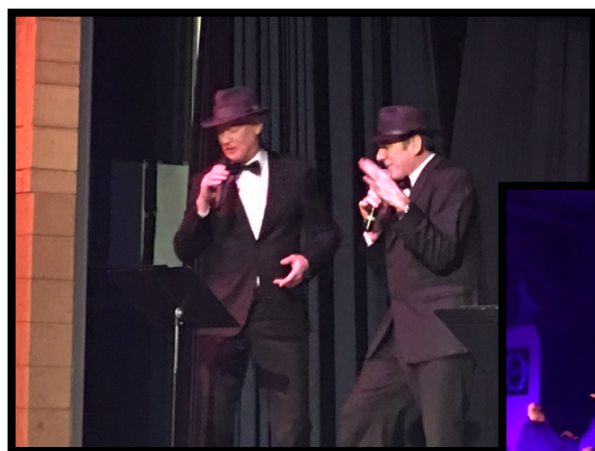
**Accounts Receivable**

Accounts receivable at February 28, 2017 includes supported debenture debt to be paid by the Province on the District's behalf, GST rebates receivable, funding owing on 16-17 modular facilities, funding on construction of Coalbanks Elementary School and West Lethbridge Middle School, Wilson Modernization, and other miscellaneous funds owing to the District.

**Portfolio Investments**

Portfolio investments represent one-year term savings certificates held at the school level for school generated activities.

**Total Financial Assets of the District at February 28th are \$21.7 million dollars.**



**G.S. Lakie Middle School  
Dance Production "Cypher"**





## **Liabilities**

### **Accounts Payable**

Accounts payable at February 28, 2017 mostly includes payments for construction holdbacks, and employee benefits such as remittances to the Canada Revenue Agency, Local Authorities Pension Plan, and to the Alberta School Employee Benefit Plan.

### **Deferred Revenue**

Included in Deferred Revenue is Unexpended Capital Revenue and Expended Capital Revenue. See the Statement of Capital Revenue.

Deferred revenue, excluding capital revenue noted above, is mainly unspent Infrastructure Maintenance and Renewal (IMR) grant funding. Funding is allocated to revenue as funds are expended. Deferred revenue also includes externally restricted School Generated Funds, such as student travel group deposits or school activity fees.

### **Employee Future Benefits**

Consists of benefits earned but not utilized that relate to banked time that will be utilized in a future period.

### **Debt**

Debt is debt supported by the Province of Alberta on school facilities.

**Total liabilities at February 28th are \$122.8 million.**

### **Net Financial Assets (debt)**

Net financial assets (debt), which is the funds available (owing) after discharging the District's financial obligations, is a **net debt position of 101.1 million**. A net debt position does not necessarily mean the District is in financial difficulty. Net financial debt includes \$117.1 million of deferred revenue related to supported capital from the Province of Alberta. These funds are related to the amortization of supported capital assets (Expended Deferred Capital Revenue), which will be amortized into revenues in subsequent years to offset the amortization cost of supported tangible capital assets. Supported tangible capital assets are those assets that have been funded by the Province of Alberta.

**Before consideration of Expended Deferred Capital Revenue, the District had Net Assets of \$16 million.**

### **Non-Financial Assets**

Non-financial assets are tangible assets that are used in the operations of the District and are not readily converted to cash.

### **Capital Assets**

Capital assets include land, buildings, equipment and vehicles used in the operations of the District. These assets are amortized over their estimated useful lives to arrive at a net value of \$122.5 million as of February 28, 2017. Capital activity during the period included construction costs associated with the modernization of Wilson Middle School and construction of Coalbanks Elementary School and the new west Lethbridge middle school.

### **Other Non- Financial Assets**

Other financial assets represent inventories of supplies and materials on hand to be used in a subsequent fiscal period.

### **Prepaid Expenses**

Prepaid expenses represent insurance, licenses, and materials that are for a subsequent fiscal period.

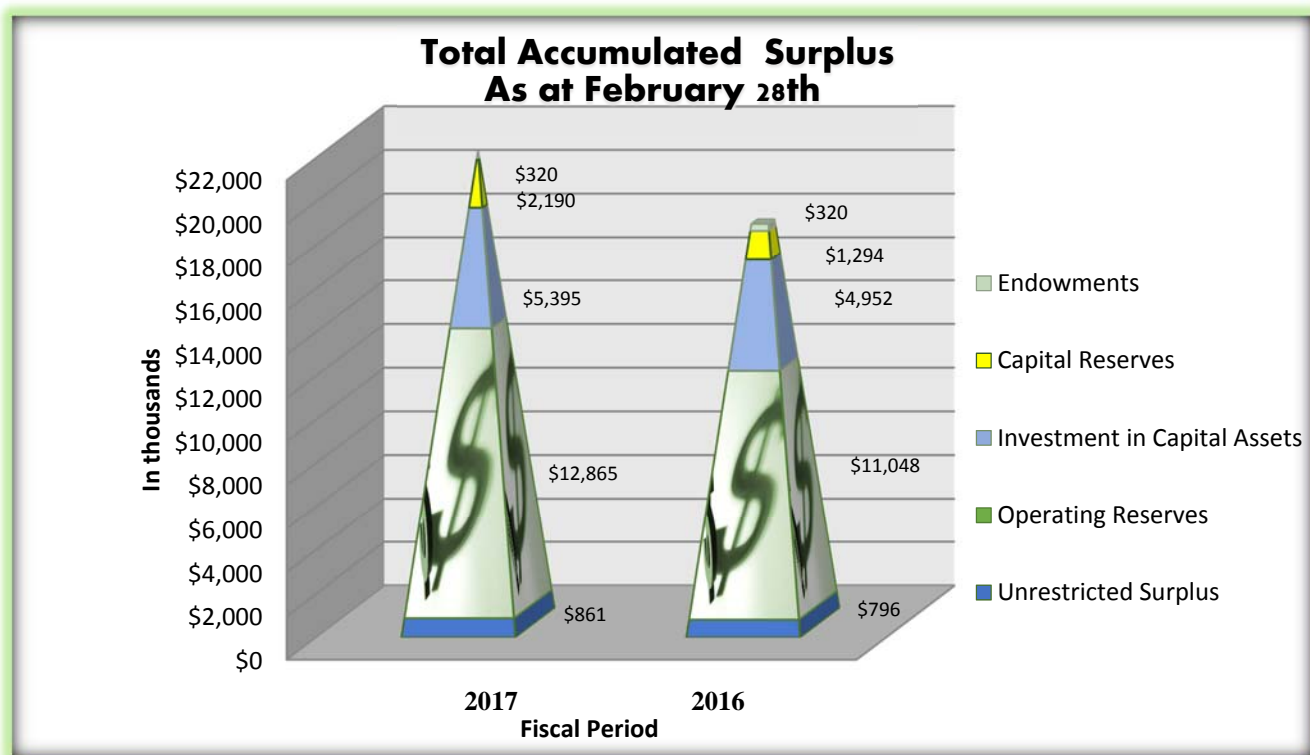
**Total non-financial assets as of February 28th are \$122.7 million.**

### **Accumulated Surplus**

Accumulated surplus is represented by accumulated surplus from operations which is made up of unrestricted reserves and operating reserves. Also included in accumulated surplus are capital funds which include investment in capital assets and capital reserves. Funds held by the District, where the principal must be maintained permanently, called endowments, are also included in accumulated surplus.



**Community Support  
RBC donates to Gay-Straight  
Alliance Conference**



Unrestricted surplus are funds that are not designated for a specific purpose and operating reserves are funds that have been designated for a specific program of the District.

Investment in capital assets represents the net book value of capital assets that have been paid from District revenues and are not supported by the Province or external contributions.

Capital reserves are funds that have been set aside for future replacement of District assets that are not supported by the Province or external contributions. The District contributes the budgeted amount of amortization on unsupported assets into the capital reserve fund, as per the approved budget, to fund future asset replacement.

**The total accumulated surplus for the District which consists of both operating and capital funds is \$21.6 million. The total of net financial assets (debt) plus total non-financial assets equates to the total accumulated surplus at February 28<sup>th</sup>, 2017.**

**Lethbridge School District No. 51**  
**STATEMENT OF OPERATIONS**  
For the six months ended February 28th, 2017

	Budget Information		Actual Results	Forecast	Variances	
	Preliminary Budget 2016-2017 (May 2016)	Revised Budget 2016-2017 (Sept 30th 2016)	Actual Six Months February 28th, 2017	Forecasted To August 31, 2017	% Expended Revised Budget	% Expended Forecast to August 31, 2017
<b>REVENUES</b>						
Alberta Education	\$110,643,265	\$111,494,936	\$55,163,600	\$111,965,388	49.48%	49.27%
Other - Government of Alberta	\$498,453	\$498,453	\$249,397	\$498,453	50.03%	50.03%
Federal Government and First Nations	\$170,312	\$288,928	\$198,502	\$288,928	68.70%	68.70%
Fees	\$1,420,219	\$1,342,368	\$1,288,296	\$1,342,368	95.97%	95.97%
Other sales and services	\$950,226	\$950,226	\$433,579	\$950,226	45.63%	45.63%
Investment income	\$143,000	\$143,000	\$94,099	\$143,000	65.80%	65.80%
Gifts and donations	\$390,000	\$390,000	\$308,649	\$390,000	79.14%	79.14%
Rental of facilities	\$35,900	\$34,704	\$17,952	\$34,704	51.73%	51.73%
Fundraising	\$2,461,000	\$2,461,000	\$1,076,854	\$2,461,000	43.76%	43.76%
<b>Total Revenues</b>	\$116,712,375	\$117,603,615	\$58,830,928	\$118,074,067	50.02%	49.83%
<b>EXPENSES</b>						
Instruction-Early Childhood Services	\$5,952,585	\$5,788,244	\$2,833,566	\$5,788,244	48.95%	48.95%
Instruction - Grades 1-12	\$93,305,148	\$95,889,593	\$45,856,716	\$94,313,663	47.82%	48.62%
Plant operations and maintenance	\$14,473,006	\$14,578,030	\$6,208,943	\$14,578,030	42.59%	42.59%
Transportation	\$2,499,462	\$2,499,462	\$942,442	\$2,499,462	37.71%	37.71%
Administration	\$3,953,550	\$3,960,850	\$2,026,988	\$3,960,850	51.18%	51.18%
External services <i>[International Services]</i>	\$253,000	\$253,000	\$145,395	\$253,000	57.47%	57.47%
<b>Total Expenses</b>	\$120,436,751	\$122,969,179	\$58,014,050	\$121,393,249	47.18%	47.79%
<b>Operating surplus (deficit)</b>	(\$3,724,376)	(\$5,365,564)	\$816,878	(\$3,319,182)		
Accumulated Surplus from Operations beginning of Year	\$11,684,183	\$12,909,700	\$12,909,700	\$12,909,700		
<b>Accumulated operating surplus (deficit) at end of period</b>	\$7,959,807	\$7,544,136	\$13,726,578	\$9,590,518		
<b>AOS as a % of Expenditures</b>	6.61%	6.13%	11.16%	7.90%		

**Lethbridge School District No. 51**  
**Notes to the Statement of Operations**  
*For the six months ended February 28<sup>th</sup>, 2017*

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**About The Statement**

This statement includes four main areas:

- The first area highlighted in blue is budget Information. The first budget information is the preliminary budget that was approved by the Board of Trustees in May 2016. The second column of budget information is the budget that has been revised after September 30<sup>th</sup> enrolment counts and is used as the new operating budget for the fiscal year.
- The second area highlighted in pink is the actual results for the period.
- The third area highlighted in yellow is the forecast. This information is the forecasted revenue and expenditures to August 31, 2017. The forecast will be changed each quarter based on best estimates given current and past financial information. Rationale will be provided when the forecast has been changed from the original budget.
- The fourth area highlighted in green is the variance area. This area provides information on the percent received/expended as compared to the September 30<sup>th</sup> operating budget and the percent received/ expended as compared to the updated forecast information.

**REVENUES**

**Government of Alberta**

Grants have been received as expected at the second quarter. Forecasted revenue has been increased to reflect additional Inclusive Learning grant revenue and funding for early learners who require additional support under the PUF grant.

**Other Government of Alberta**

Other Government of Alberta revenue has been received as expected at the second quarter. Other Government of Alberta Revenue includes interest on supported debenture debt, and grant funding for the Making Connections program.

### **Federal Government and First Nations**

Represents amounts billed for tuition for students living on the Kainai reserve. Funds are as anticipated at the second quarter.

### **Fees**

Reflects fees that are collected for optional programming fees, school generated activity fees, Preschool Fees and tuition for foreign students. Most school fees and tuition fees are collected at the beginning of the school year, while school activity fees are collected throughout the school year; therefore the amount collected is greater than 50% at the second quarter.

### **Other Sales and Services**

Other sales and services are mainly from school generated activities. Also includes funds received for staff that are seconded to the University of Lethbridge .

### **Investment Income**

Interest earned on operating revenue which is performing better than anticipated at the second quarter.



**Hands on Experience  
LCI students at Southland International**

### **Gifts and donations**

Gifts and donations that have been received for school generated activities and donations for the District's poverty intervention and Ready Set Go programs.

### **Rental of Facilities**

Funds charged for use of facility space for external programs and operations such as the Southern Alberta Professional Development Consortia and the Boys and Girls Club of Lethbridge.

### **Fundraising**

Funds raised for the benefit of school generated activities that are co-curricular in nature. Fundraising may include a-thons, and fundraising sales.

**Overall, revenues are slightly higher at February 28th due to fees, fundraising and donations from school generated activities, and increased investment income.**



## **EXPENSES**

Expenditures are reported as a total for each functional area within the District. For further information on types of expenditures and spending in these functional areas please see the *Schedule of Program Operations* that follows in this document.

### **Instruction - ECS**

Instruction ECS, represents expenditures from early education to kindergarten, which includes the early education program, program unit funding for early learners requiring specialized supports, and the kindergarten program at elementary schools. ECS expenditures are as anticipated for the second quarter.

### **Instruction- Grades 1 - 12**

Instruction Grades 1 – 12, represent expenditures from grade one to grade twelve, school generated activities and supporting programs such as Inclusive Education, Technology, Instructional support, counselling, First Nations Metis and Inuit programming, and Institutional programs. A breakdown of spending in these instructional programs may be found in the *Schedule of Instructional Program Expenditures* later in this report.

Instructional expenditures are less than 50% at the second quarter due to spending on one-time resources and technology evergreening that will not occur until the 3<sup>rd</sup> quarter. Due to new hires in the budget average teacher salary costs will be lower than originally budgeted. Forecasted expenditures have been reduced to reflect savings in average salary costs and some spending that may not occur as originally intended.

### **Plant Operations and Maintenance**

Plant operations and maintenance expenditures represent spending on operating and maintaining the District's schools and facilities. These expenditures include maintenance and caretaking personnel, utilities, contracted maintenance, and Infrastructure Maintenance and Renewal (IMR) projects.

Maintenance expenditures are as anticipated at the second quarter. Significant expenditures on IMR projects will occur in the fourth quarter.

### **Transportation**

Transportation expenditures represent mainly the cost of contracted bussing to bus students who reside more than 2.4 km away from their resident school. These costs include the operation of buses, cost sharing arrangements between the City of Lethbridge and Holy Spirit Catholic Schools, and the future replacement of yellow school buses. Costs include the provision of specialized bussing needs for students with disabilities.

Expenditures are lower than 50% in the second quarter due to billing adjustments for transportation costs to date to be received.

### **Administration**

Administration expenditures represent the cost of the Board of Trustees, Finance, Human Resources, System Instructional Support, and the Office of the Superintendent.

Administration costs are higher at the second quarter due to costs that are paid for the whole year, such as memberships, audit costs, insurance, and computer licensing.



Education Centre Administration take over Grade 3  
Science at Galbraith Elementary School

### **External Services**

An external service represents costs that are outside regular provincially mandated instruction and operations. For the District, the International Services program provides programming to students who attend District schools from other countries and pay a tuition fee to attend our schools. Costs include costs of homestay providers, student insurance, student recruitment and administration of the program. Tuition fees are collected from international students in this program.

**Overall, expenditures are lower than 50% of budgeted figures at the second quarter due to lower teacher salary costs and spending from one-time reserves to occur in future fiscal periods.**

### **Operating Surplus**

The operating surplus is shown for the budget figures, the current period and adjusted based on changes to the forecast to August 31, 2017.

Lethbridge School District No. 51

Schedule of Program Operations

For the Six Months Ended February 28th, 2017

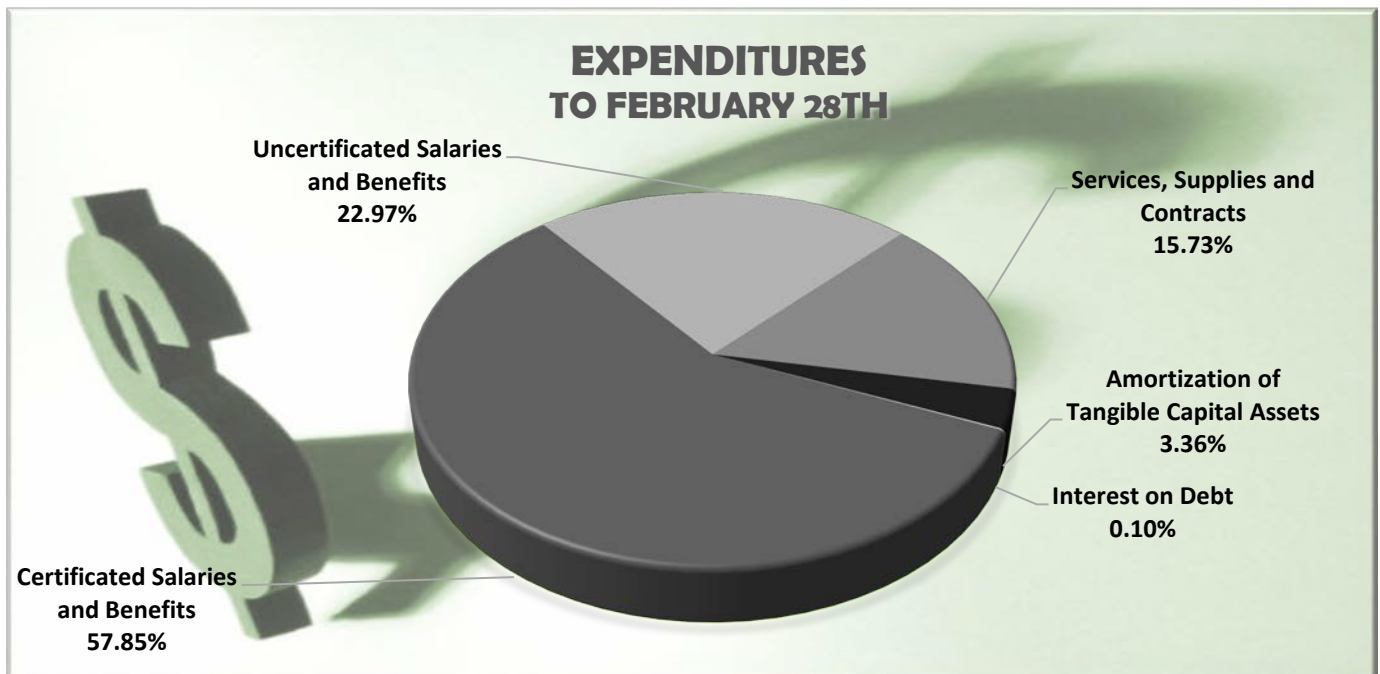
	Instruction (ECS)	Instruction (Grades 1-12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL Budget	% Expended of Budget
<b>REVISED BUDGET 2016-2017 (September 30th)</b>	<b>\$5,788,244</b>	<b>\$95,889,593</b>	<b>\$14,578,030</b>	<b>\$2,499,462</b>	<b>\$3,960,850</b>	<b>\$253,000</b>	<b>\$122,969,179</b>	\$122,969,179	
<b>EXPENSES</b>									
<b>Certificated salaries and benefits</b>	\$1,138,636	\$32,026,854			\$353,148	\$40,907	<b>\$33,559,545</b>	\$68,136,372	<b>49.25%</b>
<b>Non-certificated salaries and benefits</b>	\$1,621,852	\$8,376,102	\$2,212,167	\$50,637	\$1,062,909		<b>\$13,323,667</b>	\$26,218,086	<b>50.82%</b>
<b>SUB - TOTAL</b>	\$2,760,488	\$40,402,956	\$2,212,167	\$50,637	\$1,416,057	\$40,907	<b>\$46,883,212</b>	\$94,354,458	<b>49.69%</b>
<b>Services, contracts and supplies</b>	\$73,078	\$5,117,215	\$2,392,892	\$891,805	\$544,174	\$104,488	<b>\$9,123,652</b>	\$24,730,312	<b>36.89%</b>
<b>Amortization of capital assets</b>		\$294,290	\$1,586,997		\$66,757		<b>\$1,948,044</b>	\$3,860,256	<b>50.46%</b>
<b>Interest and charges</b>		\$42,255	\$16,887				<b>\$59,142</b>	\$24,153	<b>244.86%</b>
<b>TOTAL EXPENSES</b>	\$2,833,566	\$45,856,716	\$6,208,943	\$942,442	\$2,026,988	\$145,395	<b>\$58,014,050</b>	\$122,969,179	<b>47.18%</b>
<b>Total unexpended funds period to date</b>	\$2,954,678	\$50,032,877	\$8,369,087	\$1,557,020	\$1,933,862	\$107,605	<b>\$64,955,129</b>	\$122,969,179	<b>52.82%</b>
<b>% Expended of Budget</b>	48.95%	47.82%	42.59%	37.71%	51.18%	57.47%	<b>47.18%</b>	100.00%	<b>47.18%</b>

**Lethbridge School District No. 51**  
**Notes to the Schedule of Program Operations**  
For the six months ended February 28<sup>th</sup>, 2017

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**About The Statement**

The Schedule of Program Operations shows the type of expenditure by each functional area of the District and the expenditures in these areas for the fiscal period and as compared to the September 30<sup>th</sup> operational budget. The expenditures are noted as a total for each functional area on the previous statement, the *Statement of Operations*. The percentage expended by each functional area as well as by type of expenditure is also provided to gauge expenditures for the fiscal period reported.



**Certificated Salaries and Benefits**

Certificated salaries and benefits are expended as lower than budget at the second quarter due to new hires lowering the average cost of teachers from original projections.

**Non-Certificated Salaries and Benefits**

Spending on support staff salaries is as anticipated for the second quarter.



### Services, Contracts and Supplies

At the second quarter, spending on services, contracts and supplies is less than 50% due to spending on new school start up, technology evergreening, and IMR projects that will not occur until later in the fiscal year.

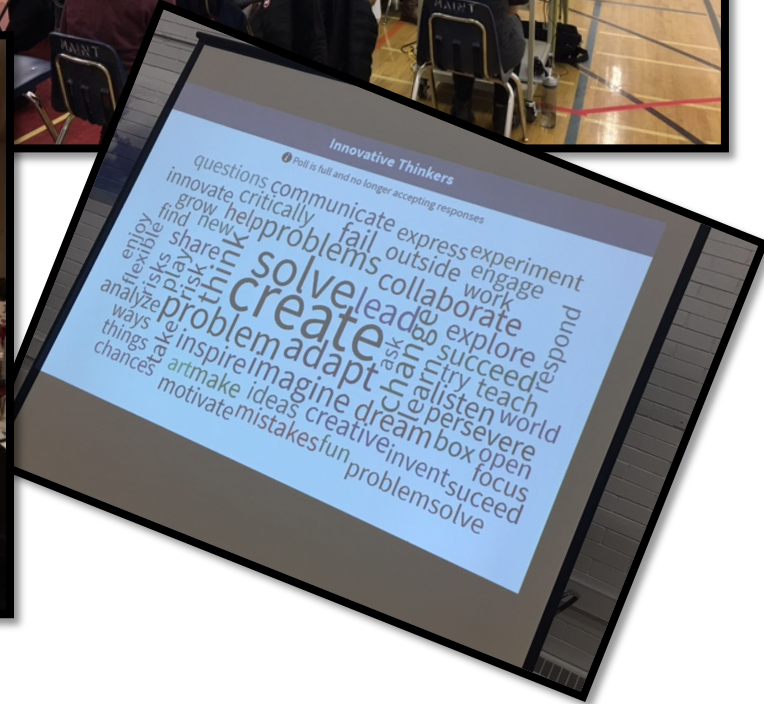
### Amortization of Tangible Capital Assets

The amortization of capital assets reflects the September 30<sup>th</sup> budget at the second quarter.

### Interest and Charges

Interest charges are mainly based on debenture debt that is paid on behalf of the District by the Province of Alberta. Other charges include foreign exchange costs on US purchases, and service charges related to the on-line payments system. Charges are as anticipated for the period to February 28<sup>th</sup>, 2017.

Town Hall 2017  
February 7<sup>th</sup>, 2017



## Canada 150 Innovation Creativity Entrepreneurship (ICE) Scholarship Breakfast

# Lethbridge School District No. 51

## Schedule of Instructional (Grades 1-12) Program Expenditures

For the Six Months Ended February 28th, 2017

<b><u>PROGRAM</u></b>	<b>Revised Budget 2016-2017 (Sept 30th 2016)</b>	<b>Actual Six Months February 28th, 2017</b>	<b>% Expended Revised Budget</b>
School Based Instruction	\$64,635,651	\$30,905,191	47.81%
Inclusive Learning Supports	\$13,162,884	\$6,564,136	49.87%
Shared Instructional Services	\$3,981,080	\$2,389,757	60.03%
School Generated Funds Activities	\$4,050,000	\$2,189,622	54.06%
Technology	\$4,577,056	\$1,113,651	24.33%
Institutional Programs	\$991,364	\$495,682	50.00%
Division of Instructional Services	\$1,629,468	\$813,209	49.91%
FNMI Programming	\$711,149	\$307,558	43.25%
Counselling Program	\$2,150,941	\$1,077,910	50.11%
<b>Total Instructional (Grades 1 -12) Program Expenditures</b>	<b>\$95,889,593</b>	<b>\$45,856,716</b>	<b>47.82%</b>



**Lethbridge School District No. 51**  
**Notes to Schedule of Instructional Program Expenditures**  
*For the six months ended February 28<sup>th</sup>, 2017*

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**About the statement**

This statement provides further information about expenditures in programs that are within the Instruction functional area that is shown on the *Statement of Operations* and *Schedule of Program Operations*.

**School Based Instruction**

These expenditures represent expenditures at school sites and for programs and initiatives that support early learning to grade 12 instruction other than those programs specifically listed below.

Spending at school sites is less than 50% at second quarter due to the lower actual cost of average salaries and spending not as originally planned in site budgets.

**Student Services**

Student Services includes expenditures for the Early Education Program, Program Unit Funding, and Inclusive Education. Inclusive Education provides all students with the most appropriate learning environment and opportunities for them to achieve their potential. Inclusion is about ensuring each student receives a quality education no matter their ability, disability, language, cultural background, gender or age.

Spending is within budget at the second quarter.

**Shared Instructional Services**

Shared Instructional Services includes programs and expenditures that provide support to schools within the District. Expenditures include administrative allowances, the provision for sick leave, elementary counseling, staff professional development and the employer share of teacher retirement fund costs that are supported by the province.

This program is showing slightly overspent due to full year allocations for the Employee Assistance fund, and the teacher's and support staff's professional development funds. The over spend is also attributed to teacher replacement costs exceeding budget at February 28, 2017.

**School Generated Funds Activities**

School Generated Funds activities includes activities at the school level for students that are not of a curricular nature, such as clubs, international travel, groups, athletics, and the arts. These activities are normally funded through user fees, fundraising, and

donations. School generated activities are higher than budgeted for the second quarter due to the amount of activities taking place early in the school year.

### **Technology**

The Technology program is based on a standards-driven plan to provide the infrastructure to support current and future needs, trends, and applications in the school district for the implementation of information and communication technology.



Technology is underspent at the second quarter due funds allocated for evergreening of computers at elementary schools that will not be expended until later in the fiscal year.

### **Institutional Programs**

Spending on the District's schools that are housed in institutions is within budget at the second quarter.

### **Ecole Agnes Davidson Elementary Winter Carnival Hockey Day**

which provides curriculum and instructional support to schools and instructional programs is as anticipated at the second quarter.

### **Division of Instructional Services**

The Division of Instructional Services

### **First Nations Métis and Inuit (FNMI) Program**

The FNMI program provides ongoing support for aboriginal students in their efforts to obtain an education, and provides opportunities for aboriginal students to study and experience their own and other aboriginal cultures and lifestyles.

The FNMI program is underspent at the second quarter due to planned staffing additions not occurring in the first and second quarter.

### **Counselling Program**

A comprehensive guidance and counselling program promotes the holistic development of students. The three-fold focus of counselling includes educational planning, personal and social development, and career preparation. Counsellors work with parents, teachers and community agencies to help students acquire the knowledge, skills, attitudes, and habits that enable students to reach their potential.

Spending is as anticipated at the second quarter.

**Lethbridge School District No. 51**  
**SCHEDULE OF CAPITAL REVENUE**  
**(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)**  
for the Period Ended February 28th, 2017 (in dollars)

	Unexpended Deferred Capital Revenue				
	Provincially Approved & Funded Projects <sup>(A)</sup>	Surplus from Provincially Approved Projects <sup>(B)</sup>	Proceeds on Disposal of Provincially Funded Tangible Capital Assets <sup>(C)</sup>	Unexpended Deferred Capital Revenue from Other Sources <sup>(D)</sup>	Expended Deferred Capital Revenue
<b>Balance at August 31, 2016</b>	\$537,547	\$0	\$0	\$0	\$109,048,230
Prior period adjustments	\$0	\$0	\$0	\$0	\$0
Adjusted balance, August 31, 2016	\$537,547	\$0	\$0	\$0	\$109,048,230
<b>Add:</b>					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$6,218,999				
Infrastructure Maintenance & Renewal capital related to school facilities	\$0				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$250,000	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$0				
Unexpended capital revenue receivable from other than Alberta Education	\$2,760,013			\$0	
Interest earned on unexpended capital revenue	\$0	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$0
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$0
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$9,516,559)	\$0	\$0	(\$250,000)	\$9,766,559
Surplus funds approved for future project(s)	\$0	\$0			
<b>Deduct:</b>					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognized					\$1,707,480
<b>Balance at February 28th, 2017</b>	\$0	\$0	\$0	\$0	\$117,107,309
	(A)	(B)	(C)	(D)	
<b>Balance of Unexpended Deferred Capital Revenue at February 28th, 2017 (A) + (B) + (C) + (D)</b>				\$0	

**Lethbridge School District No. 51**  
**Notes to the Schedule of Capital Revenue**  
*For the six months ended February 28<sup>th</sup>, 2017*

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**Unexpended Deferred Capital Revenue**

This column shows restricted capital revenue that is unspent from the prior year, new capital contributions received by the district during the period, capital revenue that is still owing to the District, and funds expended on capital projects during the period.

Unexpended Capital Revenue Received

In the period September 1, 2016 to February 28, 2017, the district received \$ 6.2 million of funding from the province related to the Wilson Middle School modernization, construction of Coalbanks Elementary School and new Westside middle school. During the quarter funds were also expended to install modular facilities at four elementary schools.

Unexpended Capital Revenue Receivable

At February 28, 2017 there is \$2.7 million of capital revenue receivable. These are funds related to the final 10% on Coalbanks Elementary School construction and modular facilities and progress payments for Wilson Modernization and West Lethbridge Middle School construction.

Expended Capital Revenue

In the period September 1, 2016 to February 28, 2017, the District expended \$9.8 million on capital projects. These funds were expended on construction costs for Wilson Middle School Modernization, Coalbanks Elementary School, and new Westside middle school. This amount also appears as an addition in the Expended Deferred Capital Revenue column.



**Coalbanks Elementary School**  
**Ready for furniture, equipment, resources, staff and**  
**students**  
**Opening August 2017**



## Expended Deferred Capital Revenue

Expended Deferred Capital Revenue shows the amount of supported capital funds that have been spent but have yet to be amortized over the useful life of the supported tangible capital assets purchased.

### Capital Revenue Recognized

The amount of capital allocations recognized as revenue in the period September 1, 2016 to February 28, 2017 is \$1.7 million. This revenue is included under revenues from Alberta Education. This amount is equal to amortization expense charged on supported capital assets. The purpose of this allocation is to create a revenue/expense neutral situation as the assets are supported by an external party.



**Basketball**  
**Winston Churchill High School**