

Lethbridge School Division

Year End Report

August 31st

2022

This document is Management's Discussion and Analysis of the Audited Financial Statements for the year ended August 31, 2022. *This report should be read in conjunction with the Audited Financial Statements and the financial information contained herein has not been audited.*

Report to the Board of Trustees

November 29, 2022



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Lethbridge School Division
Management Discussion and Analysis Report
September 1, 2021 to August 31st, 2022

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Lethbridge School Division

Management Discussion and Analysis Report
Year End Report

Executive Summary

Lethbridge School Division has a total budget of \$134.0 million (including use of reserves) and provides public education services to the citizens of the City of Lethbridge, Alberta, Canada.

The School Division was established in 1886 and has proudly served our community for over 135 years. **Lethbridge School Division** serves over 11,680 students from early education (pre-school) to grade twelve. The Division provides high quality learning experiences for students through a broad range of educational programs in twenty-four (24) schools and four (4) institutional programs.

The Division has experienced an overall enrolment increase in 2021-2022 of 421 students (3.42%) over 2020-2021 enrolment. This increase is only a partial recovery on student enrolment because of the COVID-19 pandemic. The overall projected enrolment is still less than the student enrolment the Division had in 2019-2020 of 11,753.

Lethbridge School Division 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 Division or school-based administrator. The executive summary presents highlights of the School Division's financial operations for the period September 1, 2021 until August 31st, 2022 to provide fiscal accountability within the established guidelines.



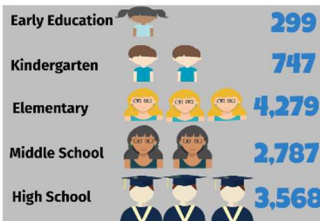
Nicholas Sheran Elementary School – Colour Run

2021-2022 Year in Review

11,680 STUDENTS

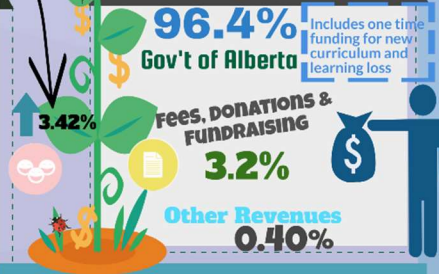
\$131.13 MILLION

Enrollment



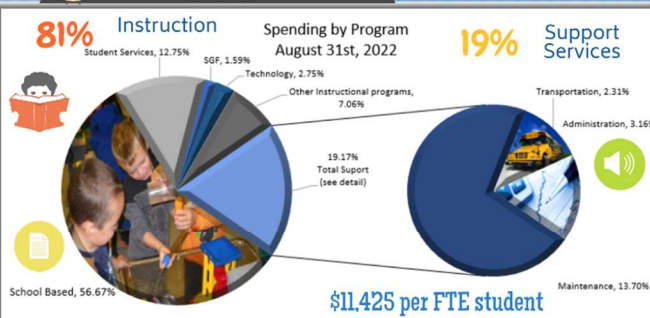
Funded on Weighted Moving Average (WMA) for 10,866 FTE Students (EPP & KG at 0.5 FTE)

Funding



Costs of Educating our Students

\$132.92 MILLION



Staffing
79%

\$104.9 Million

Teachers 648 FTE

Support Staff 474 FTE

Transporting Students

\$3.07 MILLION



\$4.90 Million
Spent on Capital Projects

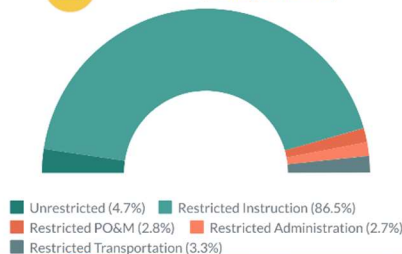
Technology evergreening, Capital Maintenance Renewal (CMR), & modular classrooms

Operating Deficit (\$1,789,651)

Planned use of savings

Accumulated Surplus From Operations

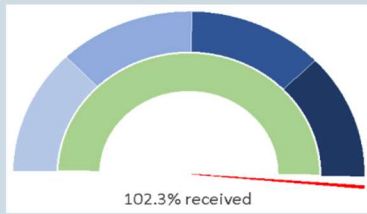
\$10.08 Million
(Including SGF reserves)



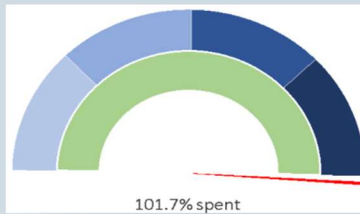
- 2022 / 2023 Planned Spending of Reserves to meet the 3.15% cap implemented by Alberta Education for August 31, 2023:
- \$1.73 million school based reserves
- \$1.20 million instructional based reserves
- \$220,000 plant operations and maintenance reserves
- \$300,000 transportation reserves

Adjusted ASO Ratio of 5.29%

Accumulated Surplus from Operations (less SGF) compared to total expenses



Total Revenues



Total Expenditures

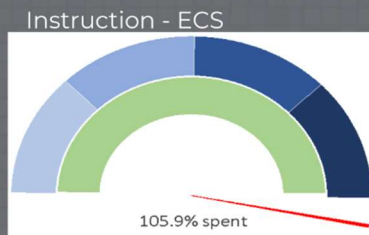
Overview:

The following is an overview of the yearend reporting on the operations of Lethbridge School Division. This report is the yearend report (up to August 31, 2022).

The graphs/charts compare the year-to-date amounts to the budget for the year. The budget included in this report is the Division's 2021/2022 operating budget (updated fall budget - may differ from legally adopted budget as included in the financial statements)

The blue half-circle represents the total budget for the year (divided into four quarters). The green section below represents the projected forecast of the budget. The red line indicates the total year-to-date amount recorded.

DEPARTMENTS



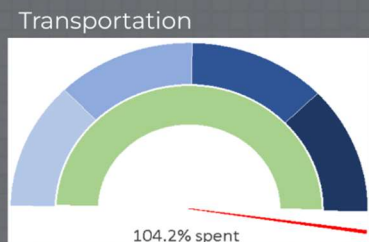
Budget: \$ 6,209,776
Year-to-date: \$ 6,573,479 (105.9%)



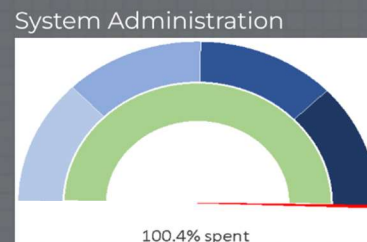
Budget: \$ 99,533,953
Year-to-date: \$ 100,541,603 (101.0%)



Budget: \$ 17,460,660
Year-to-date: \$ 18,212,893 (104.3%)



Budget: \$ 2,950,797
Year-to-date: \$ 3,074,335 (104.2%)



Budget: \$ 4,181,196
Year-to-date: \$ 4,198,952 (100.4%)

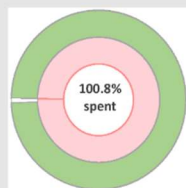


Budget: \$ 300,000
Year-to-date: \$ 315,268 (105.1%)



Salaries, Benefits & Professional Development

For all the Departments

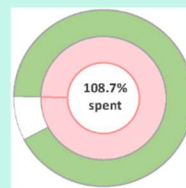


Budget: \$ 103,963,160
Year-to-date: \$ 104,791,235 (100.8%)



Contracted Services

Audit/legal, Consulting, Utilities, Transportation, Maintenance, Safety/Wellness

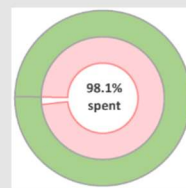


Budget: \$ 7,760,394
Year-to-date: \$ 8,437,429 (108.7%)



Other Services

Insurance, International Programs, Memberships, Printing/Rentals, Advertising

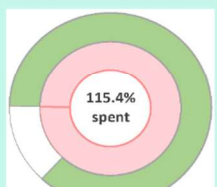


Budget: \$ 2,577,465
Year-to-date: \$ 2,527,558 (98.1%)



Supplies

General supplies, Technology, Maintenance, Small Equipment

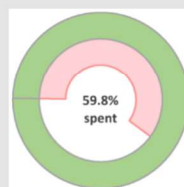


Budget: \$ 5,773,600
Year-to-date: \$ 6,663,251 (115.4%)



Other Expenditures

Contingency, Travel, Car Allowances, Renovations

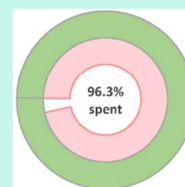


Budget: \$ 712,906
Year-to-date: \$ 426,161 (59.8%)



Transfers, SGF, & Capital/IMR

Bank Charges, SGF Expenses, Amortization, IMR expenditures, Modular/Capital



Budget: \$ 9,848,857
Year-to-date: \$ 9,485,025 (96.3%)



TYPES OF EXPENSES

Operations Overview

As shown in the Finance at a Glance report, [Lethbridge School Division](#) is operating financially as anticipated based on the approved budget.



As shown in this report, each department is either under budget at year-end, or over budget but the deficit is being covered by additional revenues received in the year, or by reserves. Additional information for each department's budget is within this report.

The Finance at a Glance report also breaks down expenses by type. Each type of expense is discussed below:

- **Salaries, Benefits & Professional Development** costs at year-end were 100.8% of budget. Increased usage of substitutes due to sick days was offset by decreased professional development costs (more virtual than in person throughout the year).
- **Contracted Services** are more than operating budget. This is mostly due to inflationary costs such as utilities and transportation costs. For example, transportation costs were higher than budgeted due to additional bus routes being added for the increased number of eligible riders and rising fuel costs throughout the year. The deficit will be covered by operating reserves at year-end.
- **Other Services** are less than the operating budget. This is mostly related to that rentals costs and insurance costs being less than projected.
- **Supplies** are more than the operating budget. However, during the 2021-2022 school year, additional one-time funding for new curriculum resources was received and spent. This had not been accounted for in the creation of the operating budget as it was announced throughout the year.
- **Other Expenditures** are less than the operating budget. This is due to a large portion is for the contingency accounts. These contingency accounts are typically only used if unexpected expenditures are incurred. Otherwise, any unspent contingency funds are carried forward to the following budget year.
- **Transfers, SGF & Capital** are less than the operating budget. This mostly relates to the Infrastructure, Maintenance and Renewal (IMR) operating expenditures being less than projected as many of these costs were on IMR capital projects.

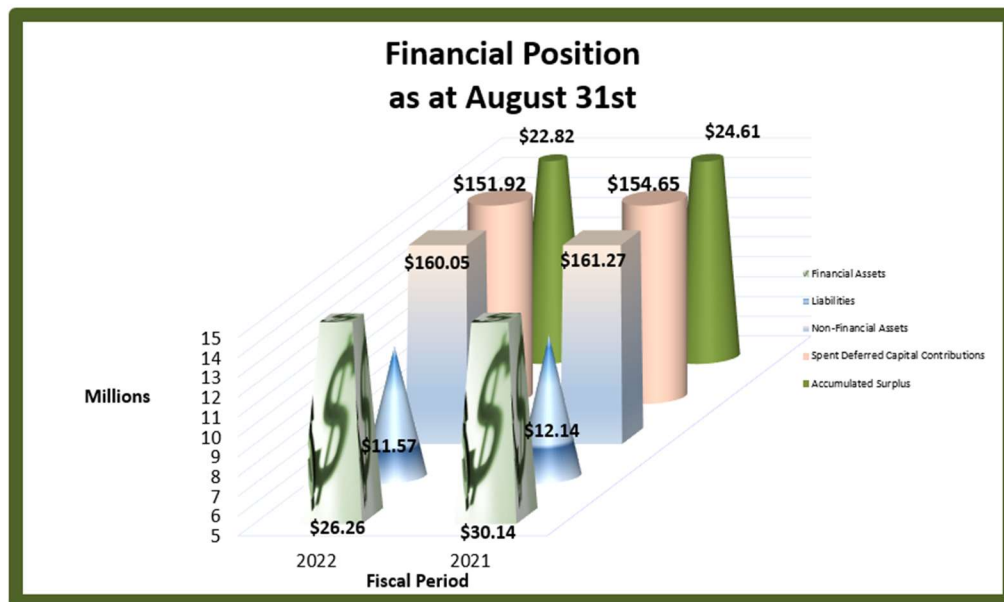
Financial Position

As at August 31, 2022, [Lethbridge School Division](#) has total financial assets of \$26.26 million and liabilities of \$11.57 million for net financial assets of \$14.69 million. A net financial asset position indicates that the Division has sufficient assets to cover its financial obligations.

There is \$160.05 million of non-financial assets (tangible capital assets, inventory of supplies, and prepaid expenses) which are represented mostly by supported capital assets of \$151.92 million, the Division's investment in capital assets of \$6.40 million, prepaid expenses, and other non-financial assets.

The Statement of Financial Position has specifically excluded the deferred contributions related to the unamortized portion of supported capital assets (referred to as Spent Deferred Capital Contributions), 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 and other external sources.

Together the Net Financial Assets, Non-Financial Assets, and Spent Deferred Capital Contributions (SDCC) equal the total Accumulated Surplus of \$22.82 million. The chart below compares the financial position of August 31st with the prior year.



Lethbridge School Division
STATEMENT OF FINANCIAL POSITION
As at August 31, 2022

	August 31, 2022	August 31, 2021
FINANCIAL ASSETS		
Cash and cash equivalents	\$10,485,801	\$14,118,244
Accounts receivable (net after allowances)	\$5,622,462	\$6,017,328
Portfolio investments	\$10,154,108	\$10,000,521
Other financial assets	\$0	\$0
Total financial assets	\$26,262,371	\$30,136,093
LIABILITIES		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$8,664,972	\$8,601,979
Deferred contributions	\$2,668,316	\$3,309,056
Employee future benefit liabilities	\$234,014	\$228,277
Other liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$0	\$0
Unsupported: Debentures and capital loans	\$0	\$0
Capital leases	\$0	\$0
Mortgages	\$0	\$0
Total liabilities	\$11,567,302	\$12,139,312
Net Financial Assets (Net Debt)	\$14,695,069	\$17,996,781
NON-FINANCIAL ASSETS		
Tangible capital assets	\$158,322,819	\$160,018,293
Inventory of supplies	\$403,124	\$394,154
Prepaid expenses	\$1,326,484	\$855,486
Total non-financial assets	\$160,052,427	\$161,267,933
Net assets before spent deferred contributions	\$174,747,496	\$179,264,714
Spent deferred capital contribution (SDCC)	\$151,924,751	\$154,652,318
Net assets	\$22,822,745	\$24,612,396
NET ASSETS (ACCUMULATED SURPLUS)		
Unrestricted surplus	\$471,484	\$691,484
Operating reserves	\$9,608,640	\$10,677,181
Accumulated Surplus from Operations	\$10,080,124	\$11,368,665
Investment in capital assets	\$6,398,067	\$5,365,975
Capital reserves	\$6,024,680	\$7,557,882
Endowments	\$319,874	\$319,874
Total Accumulated Surplus (Deficit)	\$22,822,745	\$24,612,396

Lethbridge School Division
Notes to the Statement of Financial Position
As at August 31st, 2022

FINANCIAL ASSETS:

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

Cash and Cash Equivalents

Cash at August 31, 2022 includes deferred contributions, endowment funds, and accumulated surplus from operations.

Accounts Receivable

Accounts receivable at August 31, 2022 includes GST rebates receivable, capital contributions from the Province, and other miscellaneous funds owing to the Division.

Portfolio Investments

Portfolio investments represent GIC's and term deposits that have a maturity of greater than three months. To maximize the Division's investment income, the Division moved funds from cash into portfolio investments that provide a higher rate of return.

Total Financial Assets as of August 31, 2022 are \$26.26 million.

Chinook High School
Yote Day



FINANCIAL LIABILITIES:

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at August 31, 2022 includes payments for construction invoices/holdbacks, funding being recovered by Alberta Education for reduced student enrolment from the Provincial grants received (Weighted Moving Average), and employee benefits such as remittances to the Canada Revenue Agency, Local Authorities Pension Plan, and to the Alberta School Employee Benefit Plan.

Accounts Payable also includes unearned revenues including prepaid international fees for the following school year and externally restricted School Generated Funds, such as student travel group deposits or school activity fees. These unearned revenues are classified within accounts payable as these types of transactions require that goods and/or services are to be provided in the future by the Division to the groups/individuals that directly paid these fees.

Unspent Deferred Contributions

Included the Deferred Operating Contributions and the Unspent Deferred Capital Contributions (UDCC).

Deferred Operating Contributions is mainly unspent Infrastructure, Maintenance and Renewal (IMR) grant funding and other grant funding requiring eligible expenditures. Contributions are allocated to revenue as funds are expended.

Unspent Deferred Capital Contributions (UDCC) relates to capital grant contributions received that has not been expended on the related capital projects. This typically occurs with modular and capital planning grants that a large portion is received at the beginning of the project. Large capital construction projects typically receive progress-based grant contributions based on costs already expended on the capital project.

Employee Future Benefits

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

Total Financial Liabilities as of August 31, 2022 are \$11.57 million.

NET FINANCIAL ASSETS:

Net financial assets, which is the funds available (owing) after discharging the Division's financial obligations, is a **net asset position of \$14.69 million.**

The statement of financial position has specifically excluded the deferred contributions related to the unamortized portion of supported capital assets (referred to as spent deferred capital contributions).

Total Net Assets as of August 31, 2022 are \$14.69 million.

**Fleetwood-Bawden
hosts inaugural
school-wide art show**



NON-FINANCIAL ASSETS:

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

Tangible Capital Assets

Tangible capital assets include land, buildings, equipment and vehicles used in the operations of the Division. These assets are amortized over their estimated useful lives to arrive at a net value of \$158.32 million as of August 31, 2022 (including \$151.92 million in supported capital assets and \$6.40 million of board funded assets).

Supported capital activity during the year included final construction costs associated with the construction of the Dr. Robert Plaxton Elementary School (Southeast Lethbridge), capital modernization starting at Victoria Park High School through Capital Maintenance and Renewal (CMR) grant funding, and Alberta Infrastructure costs associated with the new elementary school being built in Garry Station and modulars at Coalbanks Elementary School and Chinook High School. Within the school year, \$3.2 million has been capitalized on these projects.

Board funded capital activity during the year included maintenance equipment purchases and the elementary school phase of technology evergreening. Within the school year, \$1.7 million has been capitalized on these projects and was funded through capital reserves.

**Dr. Robert Plaxton
Elementary School
Opened for the 2021-2022
School Year**

**Inventory of Supplies**

Inventory of supplies represent the warehouse and caretaking 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 August 31, 2022 are \$160.05 million.

SPENT DEFERRED CAPITAL CONTRIBUTIONS (SDCC)

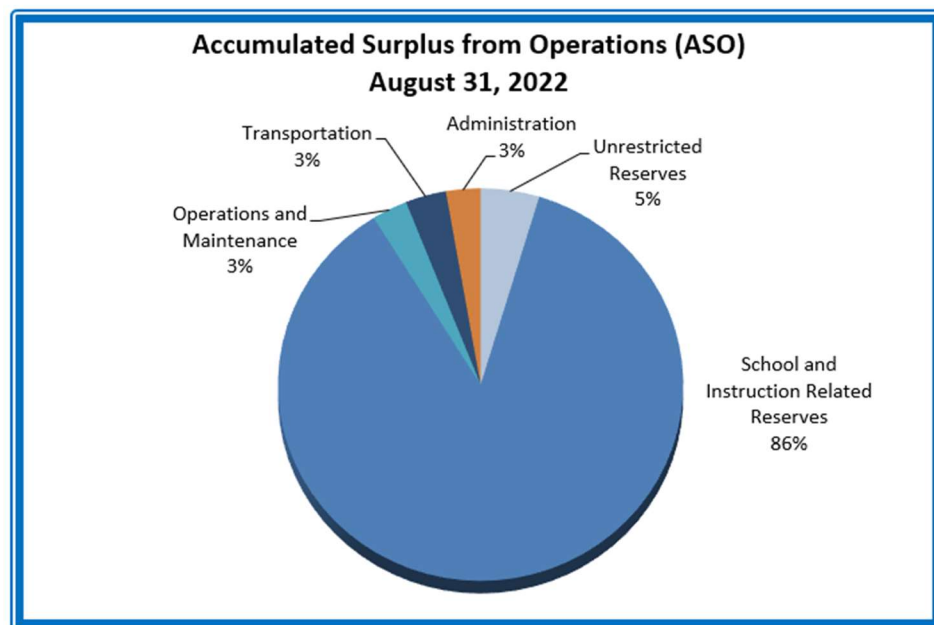
Spent Deferred Capital Contributions (SDCC) relates to deferred contributions related to the unamortized portion of supported capital assets (referred to as SDCC), which will be amortized into revenues in subsequent years to offset the amortization cost of supported capital assets. Supported capital assets are assets that have been funded by the Province of Alberta and other external sources.

Total SDCC as of August 31, 2022 are \$151.92 million.

ACCUMULATED SURPLUS:

Accumulated surplus from operations 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 Division, where the principal must be maintained permanently, called endowments, are also included in accumulated surplus.

The restricted operating reserves consist of 86% related to school and instruction reserves which includes reserves held at school sites for future operating expenditures, funds to support inclusive learning, funds to provide for the planning, programming and resources required for new school facilities, and unspent funds related to school generated activities.



Lethbridge School Division
Schedule of Net Assets
For the period ended August 31, 2022

	Internally Restricted Reserves by Program									
	School and Instruction Related		Operations and Maintenance		System Administration		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2021	\$8,476,928	\$5,451,650	\$441,030	\$771,440	\$392,918	\$1,006,629	\$1,218,250	\$328,163	\$148,055	\$0
TRANSFERS IN / (OUT)										
Board Funded Tangible Capital Asset Additions		(\$1,345,828)		(\$187,374)						
Net Transfers in to Operating Reserves	\$1,211,324		\$446,387		\$110,930				\$162,579	
Net Transfers from Operating Reserves	(\$971,851)		(\$600,710)		(\$226,387)		(\$890,179)		(\$310,634)	
Balance at August 31, 2022	\$8,716,401	\$4,105,822	\$286,707	\$584,066	\$277,461	\$1,006,629	\$328,071	\$328,163	\$0	\$0

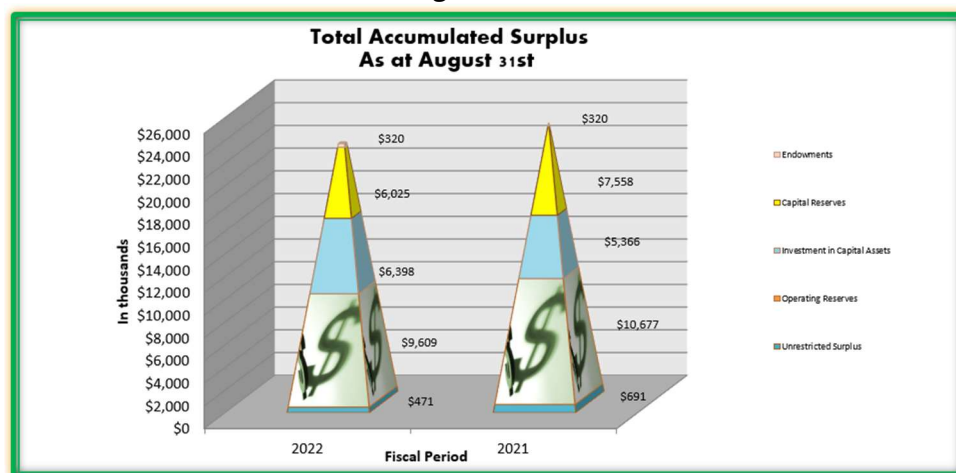
Schedule of Net Assets

Within the internally restricted reserves are both operating and capital reserves for each department.

- School and Instruction Related:
 - Operating reserves are being used in the year to cover the deficit in this department (less board funded amortization). The use of these operating reserves are being offset by the increase in the specific school based reserves and school generated funds (SGF) being carried forward to the next year, as well as the transfer from External Services to support higher than anticipated substitute costs.
 - Capital reserves are being used for the purchase of the elementary school phase of the technology evergreening program.
- Operations and Maintenance:
 - Operating reserves are being used in the year to cover the deficit in this department (less board funded amortization). The use of reserves is being offset by a transfer from the System Administration reserve and the unrestricted surplus to help with spending required in the 2022-2023 budget. In budget 2022-2023, one time reserves of \$220,000 are required to help with continued inflationary cost pressures.
 - Capital reserves are being used for the purchase of maintenance capital assets during the 2021-2022 school year.
- System Administration:
 - Operating reserves include the surplus within this department at year-end less the transfer to the Operations and Maintenance reserve to support required funding from reserves in the 2022-2023 budget.
 - No capital reserves were used in the year.

- Transportation:
 - Operating reserves are being used in the year to cover the deficit in this department. The \$300,000 remaining has been allocated for use in the 2022-2023 budget to help with the increased number of bus routes due to increased number of eligible riders.
 - No capital reserves were used in the year.
- External Services:
 - Operating reserves include the surplus within this department at year-end less the transfer to school and instruction related reserves to help cover the costs of new curriculum instructional resources for schools.
 - No capital reserves were used in the year.

At the end of the 2021-2022 year, Lethbridge School Division has an adjusted accumulated surplus from operations (less school generated funds) of 5.29%. Alberta Education has introduced a reserve cap to be implemented by August 31, 2023 requiring the Lethbridge School Division reserves to be at 3.15%. Planning is underway within the 2022-2023 operating budget to ensure the Division meets this target.



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 Division.

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

Capital reserves are funds that have been set aside for future replacement of Division assets that are not supported by the Province or external contributions. The Division 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 Division which consists of both operating and capital funds is \$22.82 million. The total of net financial assets, non-financial assets, and the spent deferred capital contributions (SDCC) equal the total accumulated surplus at August 31, 2022.

Operations

Budget Update as of September 30th

The revised budget for the 2021-2022 school year reflects changes to the Division budget as of September 30th, 2021, based on the additional information received since the preliminary budget.

The Division originally planned on a projected student enrolment of 11,634 students, however the budget was updated for the actual enrolment of 11,680 students, including increases in the middle and high school enrolment. The Division adjusted the effective Weighted Moving Average (WMA) to account for the updated student enrolment, resulting in a \$2.16 million reduction in provincial funding (deferred and applied against the applicable WMA funding adjustment). There was an increase in the WMA liability from the preliminary budget of \$348,800 as there was reductions with the refugees and moderate language delay levels for grant funding.



The Division also initially received \$439,500 of Learning Disruption Grant (BOOST Program – for literacy and number programs), and \$540,800 of Facility Lease Grant funding (flow through funding for facility leases) in the operating budget. Overall revenue, including use of reserves in the revised budget increased by \$1.52 million over preliminary budget projections developed in May 2021.

In budget 2021-2022, \$3.52 million of one-time reserves was authorized for use for Division and school-based priorities. The use of reserves was increased from the preliminary budget with additional reserves being utilized for transportation and a large commitment carry-forward for classroom furniture and woodworking / automotives shop upgrades which were delayed due to supply chain issues.

Additional funding was received in the year that was not accounted for in the September 30th budget update as it was not known at the time. This includes additional funding for Learning Disruption Grant (BOOST), new curriculum resources, fuel contingency and teacher salary settlement. The expenses for these additional revenues have been recognized throughout their appropriate department.

**Immanuel Christian
Elementary School performs
their annual Spring program**



Lethbridge School Division
STATEMENT OF OPERATIONS
For the period ended August 31, 2022

	Budget Information		Actual Results	Variances
	Preliminary Budget 2021-2022 (May 2021)	Updated "September 30th" operating budget 2021-2022 (Sept 30th 2021)	Actual Year Ended August 31, 2022	% Expended Revised Budget
REVENUES				
Government of Alberta	\$123,368,309	\$123,811,393	\$126,344,341	102.05%
Federal and Other Government	\$388,944	\$428,944	\$443,760	103.45%
Fees	\$2,499,931	\$1,553,783	\$1,427,326	91.86%
Sales and services	\$822,417	\$711,963	\$902,636	126.78%
Investment income	\$193,000	\$193,000	\$215,398	111.61%
Donations and Other Contributions	\$2,568,000	\$1,451,106	\$1,670,192	115.10%
Other Revenues	\$34,704	\$34,704	\$123,227	355.08%
Total Revenues	\$129,875,305	\$128,184,893	\$131,126,880	102.30%
EXPENSES				
Instruction - ECS	\$6,209,776	\$6,209,776	\$6,573,479	105.86%
Instruction - Grade 1 to 12	\$101,574,272	\$99,533,953	\$100,541,604	101.01%
Operations and Maintenance	\$16,519,534	\$17,460,660	\$18,212,893	104.31%
Transportation	\$2,763,518	\$2,950,797	\$3,074,335	104.19%
Administration	\$4,181,195	\$4,181,196	\$4,198,952	100.42%
External services <i>[International Services]</i>	\$300,000	\$300,000	\$315,268	105.09%
Total Expenses	\$131,548,295	\$130,636,382	\$132,916,531	101.75%
Operating surplus (deficit)	(\$1,672,990)	(\$2,451,489)	(\$1,789,651)	
Accumulated Surplus from Operations beginning of Year	\$9,842,673	\$11,368,665	\$11,368,665	
Transfers to/from capital reserves, endowments, & capital	(\$963,441)	(\$1,064,744)	\$501,110	
Accumulated Operating Surplus (AOS) at end of period	\$7,206,242	\$7,852,432	\$10,080,124	
School Generated Funds included in Accumulated Operating Surplus	(\$2,364,504)	(\$2,364,504)	(\$3,045,375)	
Adjusted Accumulated Operating Surplus (Adjusted ASO) at end of period	\$4,841,738	\$5,487,928	\$7,034,749	
Adjusted AOS as a % of budgeted expenditures (excluding SGF accounts)	3.68%	4.20%	5.29%	

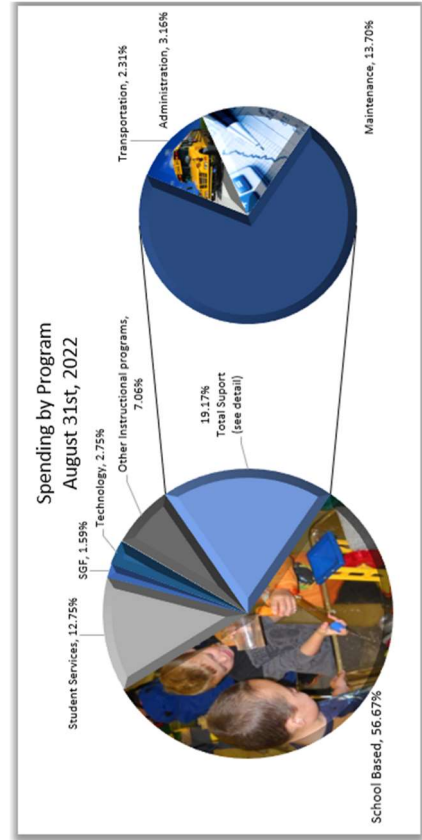
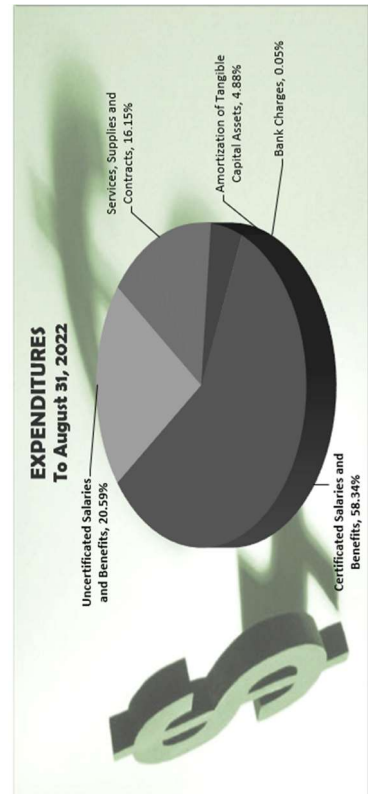
About The Statement

The above statement includes four main areas:

- The first area highlighted in **GREEN** is budget information. The first budget information is the preliminary budget that was approved by the Board of Trustees in May 2021. This is the budget included in the audited financial statements as well. The second column of budget information is the budget that has been revised after September 30th enrolment counts and is used as the new operating budget for the fiscal year.
- The second area highlighted in **BLUE** is the actual results for the period.
- The third area highlighted in **TAN** is the variance area. This area provides information on the percent received/expended as compared to the September 30th operating budget and the percent received/ expended as compared to the updated forecast information.

Lethbridge School Division
Schedule of Program Operations
For the period ended August 31, 2022

Instruction (ECS)	Instruction (Grade 1 to 12)	Operations & Maintenance	Transportation	System Administration	External Services	TOTAL
Revenues	\$4,595,612	\$17,460,933	\$2,834,157	\$4,202,119	\$466,439	\$131,126,880
EXPENSES						
Certificated salaries and benefits	\$4,302,152	\$0	\$0	\$854,140	\$91,413	\$77,547,659
Non-certificated salaries and benefits	\$2,169,251	\$5,117,266	\$91,692	\$2,238,141	\$39,399	\$27,367,359
SUB - TOTAL	\$6,471,403	\$5,117,266	\$91,692	\$3,092,281	\$130,812	\$104,915,018
Services, contracts and supplies	\$102,076	\$7,417,675	\$2,962,643	\$949,172	\$184,456	\$21,459,761
Amortization of capital assets	\$0	\$5,677,952	\$0	\$157,499	\$0	\$6,479,826
Interest and charges	\$0	\$61,926	\$0	\$0	\$0	\$61,926
Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$6,573,479	\$18,212,893	\$3,074,335	\$4,198,952	\$315,268	\$132,916,531
Total unexpended funds period to date	\$1,977,867	\$1,006,016	\$240,178	\$3,167	\$171,171	\$1,789,651



Lethbridge School Division
Notes to the Statement of Operations
For the year ended August 31st, 2022

REVENUES:

Revenues are reported by type for the Division. For further information on types of revenues please see the Appendices for charts on these functional areas.

Government of Alberta

Government of Alberta (Alberta Education and Alberta Infrastructure) funding represents approximately 96% of the Division's total operating funding. Student enrolment is one of the largest factors in determining the funding. The Division has received 102.05% of the operating budget, which is due to several onetime funding initiatives (new curriculum, learning loss, teacher salary settlement and fuel pricing contingency) that had not been included in the budget as they were announced throughout the year.

Federal Government and First Nations

Represents amounts billed for tuition for students living on the Kainai reserve. Increases in revenues relates to increased amount of Kainai students attending Division's schools.

Fees

Reflects fees that are collected for optional programming fees, school generated activity fees, and preschool fees. Most school fees are collected at the beginning of the school year. Note that the school generated funds (SGF) fees and other revenues were adjusted within the 2021-2022 operating budget based on the limited SGF activities that could occur during the first three quarters of the school year due to public health restrictions.

**Gilbert Paterson
hosts Robin Hood
Classic Archery
Tournament**



Sales and Services

Sales and services are mainly from school generated activities and tuition fees for international students. The Division received 126.78% of the operating budget. The overage is mainly due to collecting more international fees than was budgeted (\$300,000 budgeted versus \$477,847 actual).

Investment Income

Interest earned on operating revenue was over budget due to increases in market rates.

Donations and Fundraising

Donations and fundraising are revenues that have been received for school generated activities fundraising/donations and donations for the Ready Set Go programs.

Other Revenues

Other revenues include rentals, gains on disposal of tangible capital assets, and other revenues. There are rentals of facility space for external programs and operations such as the Southern Alberta Professional Development Consortia and the Boys and Girls Club of Lethbridge. There was a gain on the sale of maintenance equipment during the year of \$36,955.

**Overall, revenues are more than the operating budget for the year ended
August 31, 2022 (102.3% of the operating budget).**

EXPENDITURES:

Expenditures are reported as a total for each functional area within the Division to comply with the audited financial statement template provided by Alberta Education.

Instruction – ECS

Instruction – ECS, represents expenditures from kindergarten and early education programs, which include the preschool and the program unit funding (PUF) for early learners requiring specialized supports. While it is important to look at instruction (both ECS and Grade 1 to 12) as a whole, it should be noted that other instructional funds are being used to supplement the early learning programs due to lower than projected enrolment. This lower enrolment is due to a number of factors such as decreased birth rates, other early childhood providers (\$10 a day government subsidies) and COVID-19 as more families were keeping their children at home.

Instruction- Grade 1 to 12

Instruction Grade 1 to 12, represent expenditures from grade one to grade twelve, school generated activities and supporting programs such as inclusive education, technology, instructional support, counselling, Indigenous programming, and institutional programs. A number of these departments (specific schools, inclusive education, Indigenous and institutional programs) had unexpended funds left over at year-end which have been carried forward and allocated for use in the 2022-2023 budget.

Operations and Maintenance

Operations and maintenance expenditures represent spending on operating and maintaining the Division's schools and facilities. These expenditures include maintenance and caretaking personnel, utilities, contracted maintenance, and Infrastructure Maintenance and Renewal (IMR) projects. This department saw an overage at the end of the year due to inflationary factors such as increased costs in fuel and utilities. There were also additional costs for the continuance of enhanced COVID-19 cleaning protocols and increased costs of security patrols for some of our schools. Operating reserves have been used to cover this deficit.

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 provided by Southland Transportation Ltd. Costs also include the provision of specialized bussing needs for students with disabilities. This department saw an overage at the end of the year due to additional bus routes being added due to growth as well as due to an increase in fuel costs. Operating reserves have been used to cover this deficit.

System Administration

System administration expenditures represent the cost of the Board of Trustees, Finance, Human Resources, System Instructional Support, and the Office of the Superintendent. The surplus in this department has been transferred to the System Administration operating reserves.

External Services

An external service represents costs that are outside regular provincially mandated instruction and operations. For the Division, the International Services program provides programming to students who attend Division 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. This department had a surplus at the end of the year that was transferred to Instructional operating reserves.

Overall, expenditures are more than the operating budget for the year ended August 31, 2022 (101.7% of the operating budget).



**Division's My 1st
Ride Event**

Lethbridge School Division
Schedule of Instructional (Pre K to Grade 12) Program Expenditures
For the period ended August 31, 2022

PROGRAM	Budget	Actual Results	Variances
	Updated Budget	Actual Year Ended	% Expended
	2021-2022 (Sept 30th 2021)	August 31st	Updated Budget
Early Education Programs (Pre-K and ECS)	\$6,209,776	\$6,573,479	105.86%
School Based Instruction	\$65,008,605	\$65,470,425	100.71%
Inclusive Learning Supports	\$10,453,676	\$10,102,285	96.64%
Shared Instructional Services	\$11,357,332	\$13,867,860	122.10%
School Generated Funds Activities	\$2,567,827	\$2,107,546	82.08%
Technology	\$2,112,736	\$2,315,525	109.60%
Institutional Programs	\$978,774	\$709,379	72.48%
Division of Instructional Services	\$684,324	\$601,874	87.95%
Indigenous Programming	\$550,000	\$438,821	79.79%
Counselling Program	\$2,557,603	\$2,534,416	99.09%
Other Instructional Programs	\$3,263,075	\$2,393,473	73.35%
Total Instructional (Pre K to Grade 12) Program Expenditures	\$105,743,729	\$107,115,083	101.30%

Other Instructional Programs:

Community Outreach School
Downtown LA
High School Off Campus
Distance Learning Program
Poverty Committee
Making Connections
BOOST Program

Institutional Programs:

Harbor House School
CAMP (Lethbridge Regional Hospital School)
Pitawani School
Stafford Ridge School (AADAC)

Inclusive Learning Supports:

Inclusive Education
English as a Second Language

Lethbridge School Division
Notes to the Schedule of Instructional (Grade 1 to Grade 12)
For the year ended August 31st, 2022

This statement provides further information about expenditures in programs that are within the Instruction (Grade 1 to 12) functional area that is shown on the *Statement of Operations* and the *Schedule of Program Operations*.

School Based Instruction

These expenditures represent expenditures at each specific school site. School based instruction is at 100.71% of its budget at year-end.

Inclusive Learning Supports

Inclusive Learning Supports includes expenditures for Inclusive Education and English as a Second Language. 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. Inclusive Learning Supports expenditures are at 96.64% of the total operating budget.

Shared Instructional Services

Shared Instructional Services includes programs and expenditures that provide support to schools within the Division. 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. Shared Instructional Services expenditures are at 122.10% of the total operating budget. The main reason for this overage is due to increased sub costs throughout the year and additional resources purchased.



**Students honoured with Canada 150
ICE Awards Scholarships**

School Generated Funds Activities

School Generated Funds (SGF) 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. Note that the School Generated Funds (SGF) expenditures were adjusted within the 2021-2022 operating budget based on the limited SGF activities that would occur during the COVID-19 pandemic. SGF activity expenditures are at 82.08% of the total operating budget. See the *Schedule of School Generated Funds (SGF)* for details of the each of the schools.

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 Division for the implementation of information and communication technology. Technology expenditures are at 109.60% of the total operating budget. This overage is due to the changing ways technology is being delivered (cloud based versus physical servers). This change has been reflected going forward starting with the 2022-2023 budget. As well, the elementary phase for evergreening technology occurred during the 2021-2022 school year which has been covered by capital reserves.

Institutional Programs

Institutional Programs include Harbor House School, CAMP (Lethbridge Regional Hospital School), Pitawani School, and Stafford Ridge School (AADAC). Institutional Programs expenditures are at 72.48% of the total operating budget. This was due to staffing costs being less than budgeted at year-end.

Division of Instructional Services

The Division of Instructional Services (DIS) which provides curriculum and instructional support to schools and instructional programs. DIS expenditures are at 87.95% of the total operating budget. This was due to staffing costs being less than budgeted at year-end.

Indigenous Program

The Indigenous program provides ongoing support for First Nations, Metis and Inuit students in their efforts to obtain an education and provides opportunities for Indigenous students to study and experience their own and other cultures and lifestyles. Indigenous expenditures are at 79.79% of the total operating budget. This was due to changes in their staffing structure in 2021-2022.

**Senator Joyce Fairbairn
Middle School
recognizes National
Indigenous Peoples
Day**



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. Counselling Program expenditures are at 99.09% of the total operating budget.

Other Instructional Program

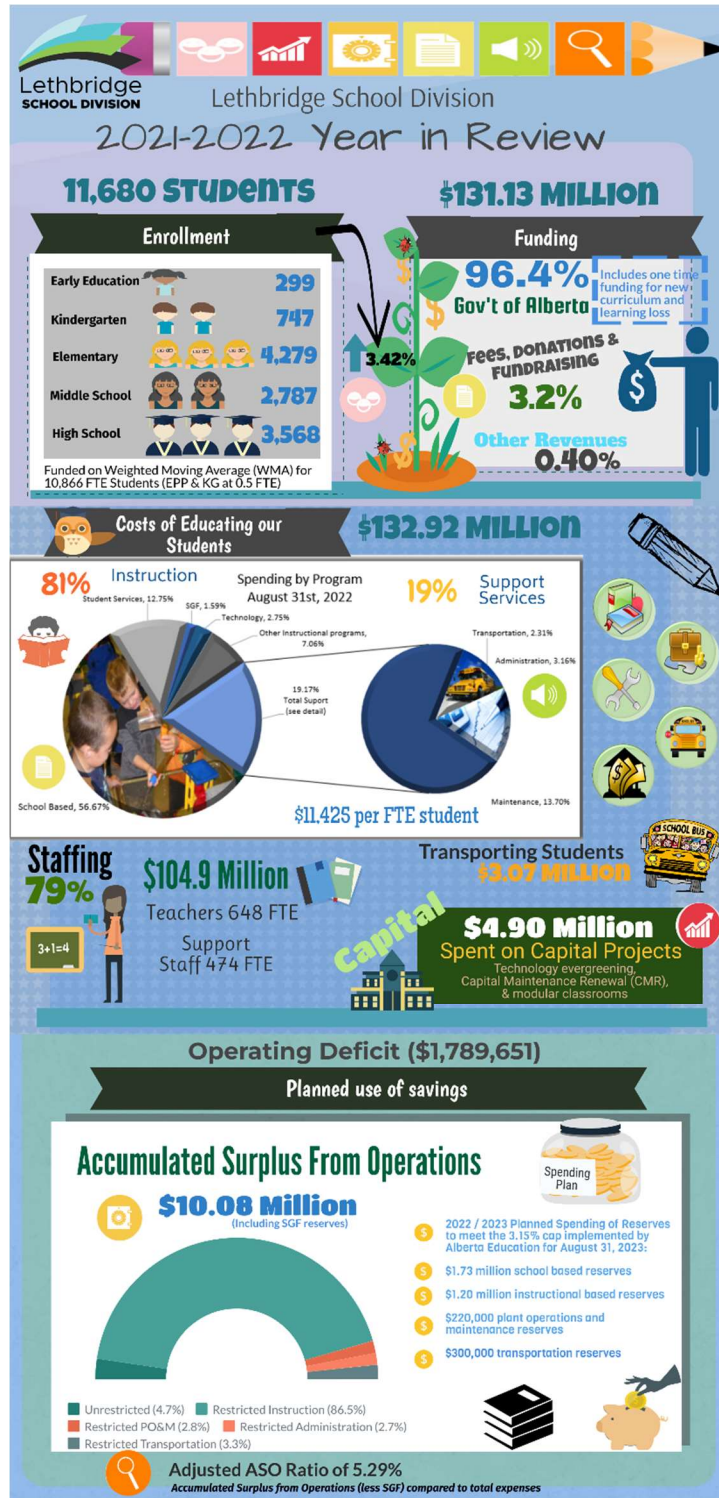
These are the other instructional programs and initiatives that support grade 1 to grade 12 instruction other than those programs specifically listed above. These include Community Outreach School, Downtown LA, High School Off campus, Distant Learning Program, Poverty Committee, and Making Connections. Other Instructional Program expenditures are at 73.35% of the total operating budget. This was due to staffing costs and contracted services being less than budgeted at year-end.



Park Meadows Elementary School Market

Lethbridge School Division
Schedule of School Generated Funds (SGF)
For the period ended August 31, 2022

<u>SCHOOL</u>	SGF Balances	Actual Results		SGF Balances	Change in SGF
	August 31st	Revenues up to August 31st	Expenses up to August 31st	August 31st	Increase (Decrease)
UPDATED BUDGET 2021-2022 (September 30th)	N/A	\$2,567,827	(\$2,567,827)	N/A	N/A
High Schools:					
Lethbridge Collegiate Institute	\$109,579	\$444,813	(\$319,206)	\$235,186	\$125,607
Winston Churchill High School	\$260,142	\$290,077	(\$202,712)	\$347,507	\$87,365
Chinook High School	\$200,905	\$436,437	(\$437,851)	\$199,491	(\$1,414)
Victoria Park High School	\$379,257	\$101,922	(\$73,136)	\$408,043	\$28,786
Immanuel Christian Secondary School	\$63,658	\$135,610	(\$90,901)	\$108,367	\$44,709
Middle Schools:					
GS Lakie Middle School	\$208,843	\$235,478	(\$99,362)	\$344,959	\$136,116
Wilson Middle School	\$147,071	\$196,764	(\$148,423)	\$195,412	\$48,341
Gilbert Paterson	\$164,117	\$177,937	(\$160,733)	\$181,321	\$17,204
Senator Joyce Fairbairn Middle School	\$150,456	\$167,367	(\$163,683)	\$154,140	\$3,684
Elementary Schools:					
Senator Buchanan	\$23,576	\$27,674	(\$24,508)	\$26,742	\$3,166
Immanuel Christian Elementary School	\$14,286	\$22,118	(\$15,836)	\$20,568	\$6,282
Ecole Agnes Davidson	\$107,219	\$60,122	(\$26,925)	\$140,416	\$33,197
Fleetwood-Bawden	\$39,589	\$88,604	(\$38,659)	\$89,534	\$49,945
Galbraith	\$77,751	\$87,822	(\$72,281)	\$93,292	\$15,541
Lakeview	\$46,033	\$32,547	(\$18,824)	\$59,756	\$13,723
General Stewart	\$2,695	\$2,032	(\$651)	\$4,076	\$1,381
Westminster	\$83,349	\$25,582	(\$45,649)	\$63,282	(\$20,067)
Lethbridge Christian School	\$28,387	\$33,222	(\$21,614)	\$39,995	\$11,608
Coalbanks Elementary School	\$21,951	\$29,416	(\$15,405)	\$35,962	\$14,011
Nicholas Sheran	\$39,900	\$18,430	(\$13,895)	\$44,435	\$4,535
Park Meadows	\$32,217	\$26,797	(\$27,246)	\$31,768	(\$449)
Dr. Robert Plaxton	\$0	\$43,636	(\$26,023)	\$17,613	\$17,613
Mike Mountain Horse	\$28,018	\$5,017	(\$6,416)	\$26,619	(\$1,399)
Dr. Probe Elementary School	\$135,505	\$98,993	(\$57,607)	\$176,891	\$41,386
School Generated Funds	\$2,364,504	\$2,788,417	(\$2,107,546)	\$3,045,375	\$680,871
Total SGF investment accounts (GICs)	\$0	\$0		\$0	\$0
Total School Generated Funds	\$2,364,504	\$2,788,417	(\$2,107,546)	\$3,045,375	\$680,871
% Expended of Budget		108.59%	82.08%		
% Expended of projected		108.59%	82.08%		



Additional information on Lethbridge School Division's financial results for 2021-2022 can be found within the audited financial statements that must be submitted to Alberta Education by November 30, 2022. They can be found on our website at:

www.lethsd.ab.ca/our-district/plans-reports/financialreporting