

Lethbridge School Division

Year End Report

August 31st

2023

This document is Management's Discussion and Analysis of the Audited Financial Statements for the year ended August 31, 2023. 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 28, 2023



Lethbridge School Division
433 – 15th Street South
Lethbridge, AB T1J 2Z4
Phone: 403-380-5300
www.lethsd.ab.ca



Lethbridge School Division
Management Discussion and Analysis Report
September 1, 2022 to August 31st, 2023

TABLE OF CONTENTS

Executive Summary	Pages 2-5
• Overview	
• 2022-2023 Year in Review	
• Finance at a Glance	
Financial Position	Pages 6-14
• Statement of Financial Position	
• Financial Assets	
• Financial Liabilities	
• Non-financial Assets (Capital assets)	
• Accumulated Surplus (Reserves)	
Operations	Pages 15-25
• Budget Update	
• Statement of Operations	
• Statement of Program Operations	
• Revenues	
• Expenditures	
• Statement of Instructional (Pre-K to Grade 12) Program Expenditures	
• Schedule of School Generated Funds (SGF)	



Lethbridge School Division

Management Discussion and Analysis Report Year End Report

Executive Summary

Lethbridge School Division has a total budget of \$139.38 million (including use of reserves) and provides public education services to the citizens of the City of Lethbridge, Alberta, Canada.

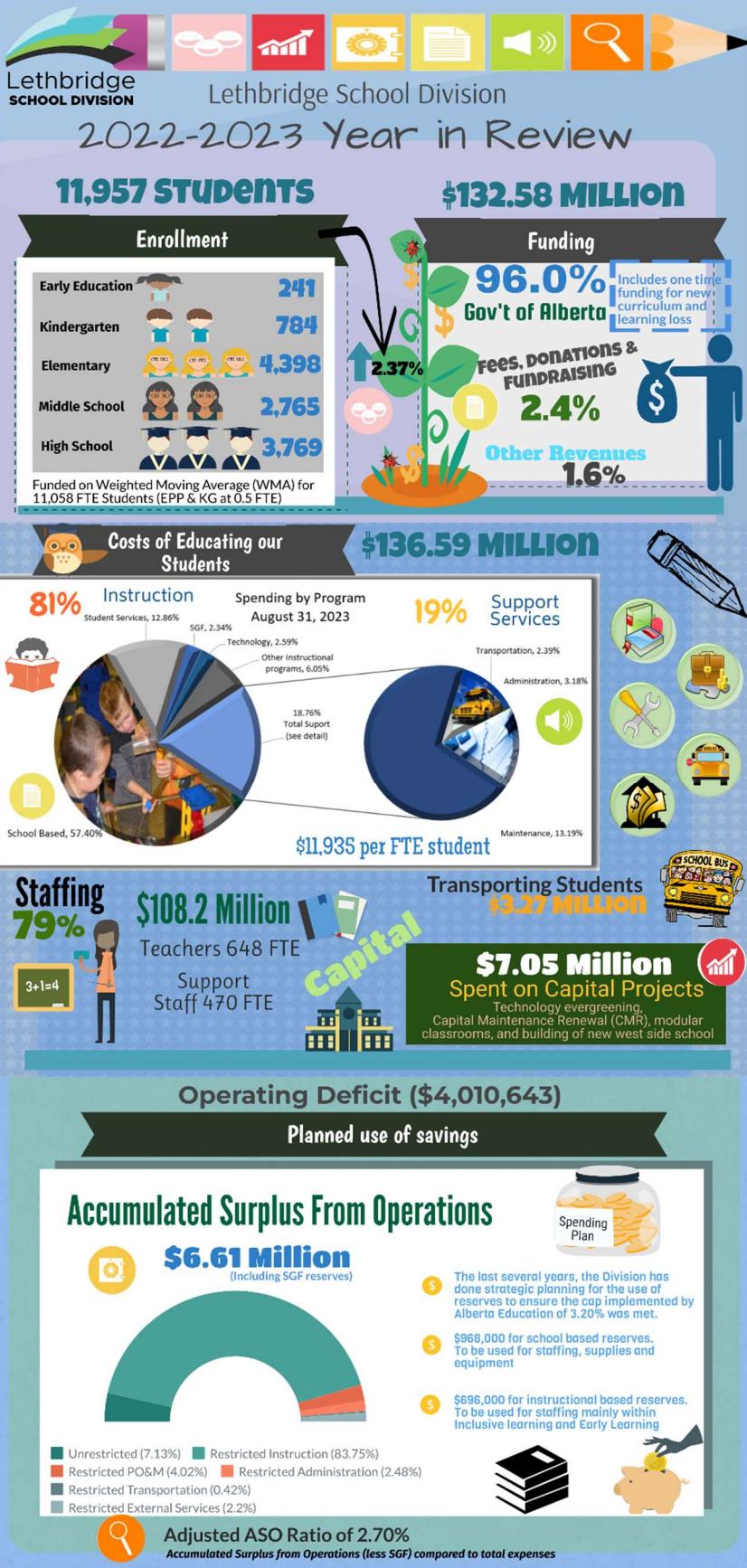
The School Division was established in 1886 and has proudly served our community for over 135 years. Lethbridge School Division serves over 11,957 students from early education (pre-school) to grade twelve. The Division provides high quality learning experiences for students through a broad range of educational programs in twenty-four (24) schools and four (4) institutional programs.

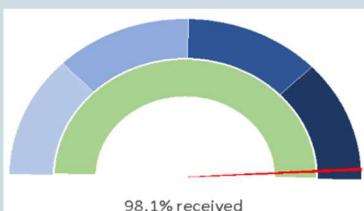
The Division has experienced continued growth in enrolment in 2022-2023 of 277 students (2.37%) over the 2021-2022 enrolment. The Division has continued to recover since the decline in students in 2020-2021 due to the COVID-19 pandemic.

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, 2022 until August 31st, 2023 to provide fiscal accountability within the established guidelines.



**Nicholas Sheran Elementary School
Petting Zoo with Gentle Giant Acres**





Total Revenues



Total Expenditures

Overview:

The following is an overview of the quarterly reporting on the operations of Lethbridge School Division. This report is for the year-end report (up to August 31, 2023).

The graphs/charts compare the year-to-date amounts to the budget for the period. The budget included in this report is the Division's 2022/2023 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.

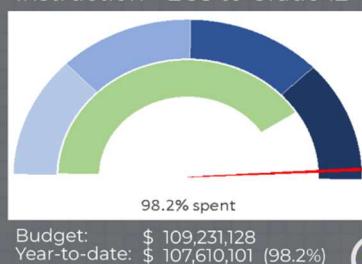
DEPARTMENTS

Instruction - Pre-K



Budget: \$ 3,649,310
Year-to-date: \$ 2,900,130 (79.5%)

Instruction - ECS to Grade 12



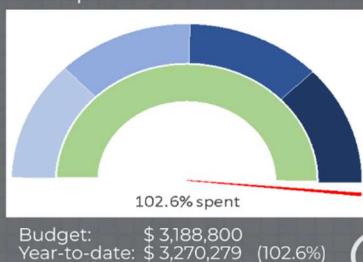
Budget: \$ 109,231,128
Year-to-date: \$ 107,610,101 (98.2%)

Operation & Maintenance



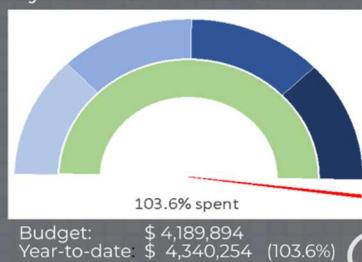
Budget: \$ 17,523,243
Year-to-date: \$ 18,019,706 (102.8%)

Transportation



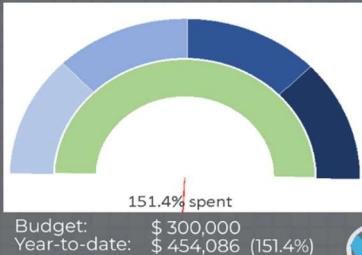
Budget: \$ 3,188,800
Year-to-date: \$ 3,270,279 (102.6%)

System Administration



Budget: \$ 4,189,894
Year-to-date: \$ 4,340,254 (103.6%)

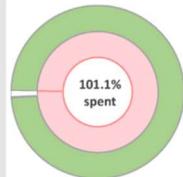
External Services (International Program)



Budget: \$ 300,000
Year-to-date: \$ 454,086 (151.4%)

Salaries, Benefits & Professional Development

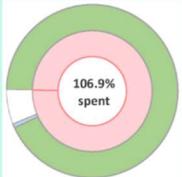
For all the Departments



Budget: \$ 107,045,905
Year-to-date: \$ 108,242,755 (101.1%)

Contracted Services

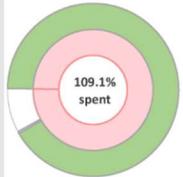
Audit/legal, Consulting, Utilities, Transportation, Maintenance, Safety/Wellness



Budget: \$ 8,156,853
Year-to-date: \$ 8,715,683 (106.9%)

Other Services

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



Budget: \$ 2,678,746
Year-to-date: \$ 2,922,714 (109.1%)

Supplies

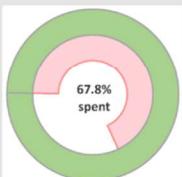
General supplies, Technology, Maintenance, Small Equipment



Budget: \$ 5,680,944
Year-to-date: \$ 4,981,110 (87.7%)

Other Expenditures

Contingency, Travel, Car Allowances, Renovations



Budget: \$ 664,400
Year-to-date: \$ 442,406 (67.8%)

Transfers, SGF, & Capital/IMR

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



Budget: \$ 13,855,529
Year-to-date: \$ 11,289,888 (81.5%)

For details on the above information and other financial reporting, please see the August 31, 2023 Year-end Report



Within budgeted costs



Revenues cover costs increases



Monitoring cost increases (within budget)



Above budgeted costs

TYPES OF EXPENSES

Operations Overview

As shown in the Finance at a Glance report, [Lethbridge School Division](#) is overall 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 101.1% of budget. Substitute costs exceeded budgeted amounts. This deficit will be covered by operating reserves at year-end.
- **Contracted Services** costs at year-end were 106.9% of budget. This is mostly due to inflationary costs such as utilities and transportation costs as well as increased consultant fees incurred by the Board of Trustees. This deficit will be covered by operating reserves at year-end.
- **Other Services** costs at year-end were 109.1% of budget. This is due to increased demand within the international student program. However, the international fees were also above budget therefore there are revenues to cover these costs. (The international program is a self-sustaining program).
- **Supplies** costs at year-end were 87.7% of budget. This is due to general supplies being under budget (less spending occurred during the year than was anticipated).
- **Other Expenditures** costs at year-end were 67.8% of 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** costs at year-end were 81.5% of budget. This is mostly due to savings within the school generated funds account (all expenses were budgeted for during the year), as well as IMR expenses being less than budgeted (more projects were capital in nature versus repairs and maintenance).

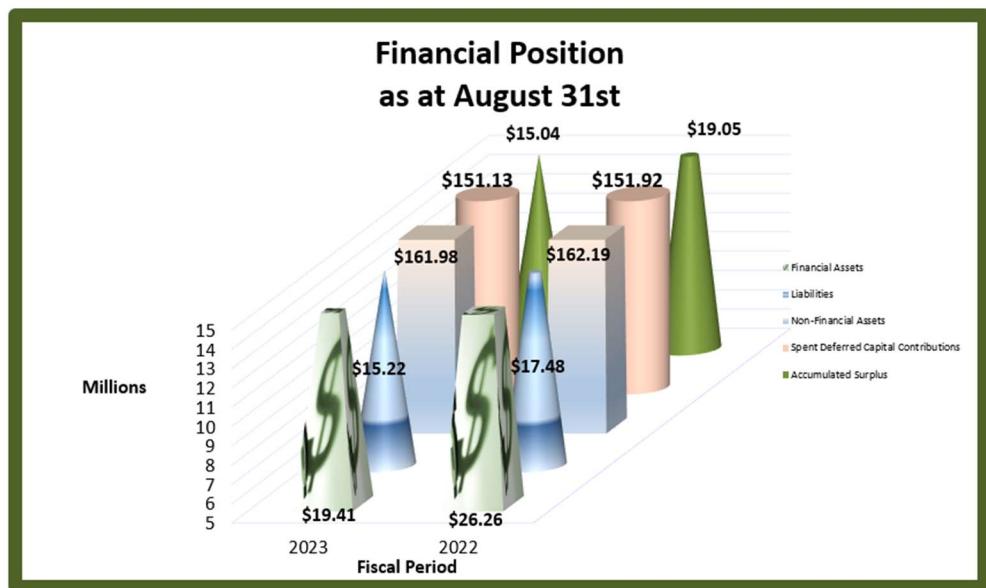
Financial Position

As at August 31, 2023, [Lethbridge School Division](#) has total financial assets of \$19.41 million and liabilities of \$15.22 million for net financial assets of \$4.19 million. A net financial asset position indicates that the Division has sufficient assets to cover its financial obligations.

There is \$161.98 million of non-financial assets (tangible capital assets, inventory of supplies, and prepaid expenses) which are represented mostly by supported capital assets of \$160.55 million, prepaid expenses of \$1.18 million, and inventory of \$256,784.

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 \$15.04 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, 2023

	August 31, 2023	August 31, 2022 restated
FINANCIAL ASSETS		
Cash and cash equivalents	\$10,362,471	\$10,485,801
Accounts receivable (net after allowances)	\$2,233,787	\$5,622,462
Portfolio investments	\$6,813,785	\$10,154,108
Other financial assets	\$0	\$0
Total financial assets	\$19,410,043	\$26,262,371
LIABILITIES		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$6,101,636	\$8,664,972
Deferred contributions	\$2,733,506	\$2,668,316
Employee future benefit liabilities	\$246,196	\$234,014
Asset retirement obligations	\$6,134,165	\$5,909,600
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	\$15,215,503	\$17,476,902
Net Financial Assets (Net Debt)	\$4,194,540	\$8,785,469
NON-FINANCIAL ASSETS		
Tangible capital assets	\$160,547,947	\$160,458,529
Inventory of supplies	\$256,784	\$403,124
Prepaid expenses	\$1,176,767	\$1,326,484
Total non-financial assets	\$161,981,498	\$162,188,137
Net assets before spent deferred contributions	\$166,176,038	\$170,973,606
Spent deferred capital contribution (SDCC)	\$151,137,826	\$151,924,751
Net assets	\$15,038,212	\$19,048,855
NET ASSETS (ACCUMULATED SURPLUS)		
Unrestricted surplus	\$471,488	\$471,484
Operating reserves	\$6,138,272	\$9,608,640
Accumulated Surplus from Operations	\$6,609,760	\$10,080,124
Investment in capital assets	\$3,275,954	\$2,624,177
Capital reserves	\$4,832,624	\$6,024,680
Endowments	\$319,874	\$319,874
Total Accumulated Surplus (Deficit)	\$15,038,212	\$19,048,855

Lethbridge School Division
Notes to the Statement of Financial Position
As at August 31st, 2023

FINANCIAL ASSETS:

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

Cash and Cash Equivalents

Cash at August 31, 2023 includes deferred contributions, endowment funds, and accumulated surplus from operations.

Accounts Receivable

Accounts receivable at August 31, 2023 includes GST rebates receivable, capital contributions from the Province, and other miscellaneous funds owing to the Division. There is a decrease from August 31, 2023 of approximately \$3.4 million which was the balance owing to the Division from the Province from the completion of Dr. Robert Plaxton Elementary School. This was paid during the 2022-2023 school year.

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, 2023 are \$19.41 million.



**Division middle school bands
participate in music festival
on Music Monday**

FINANCIAL LIABILITIES:

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at August 31, 2023 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.

Asset Retirement Obligations – New for 2022-2023

A new accounting standard is now applicable to public sector entities (including school divisions) who follow Public Sector Accounting Standards (PSAS). Asset retirement obligations (ARO) are legal obligations associated with the retirement of tangible capital assets. An estimate for the obligation has been completed for both the August 31, 2022 (through a restatement for comparative purposes) and for the August 31, 2023 year-end. The obligation at August 31, 2023 is \$6.1 million (2022 was \$5.9 million).

Total Financial Liabilities as of August 31, 2023 are \$15.22 million.



General Stewart hosts Under the Sea: In Search of Buried Treasure – A Celebration of Learning

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 \$4.19 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, 2023 are \$4.19 million.

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 \$160.55 million as of August 31, 2023.

Supported capital activity during the year included capital modernization continuing at Victoria Park High School through Capital Maintenance and Renewal (CMR) grant funding, capital costs for projects throughout the Division with Infrastructure Maintenance and Renewal (IMR) 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, \$5.6 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, \$1.4 million has been capitalized on these projects and was funded through capital reserves.

Site ceremony celebrates beginning of construction for Garry Station area K-5 school



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, 2023 are \$161.98 million.

SPENT DEFERRED CAPITAL CONTRIBUTIONS (SDCC)

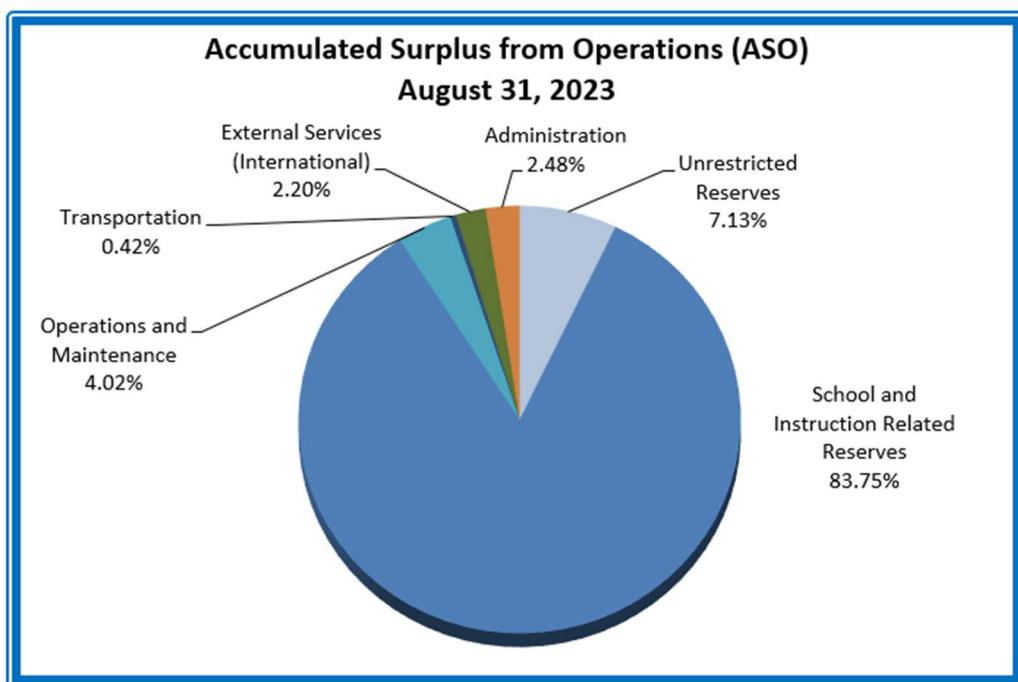
Spent Deferred Capital Contributions (SDCC) relates to deferred contributions related to the unamortized portion of supported capital assets (referred to as SDCC), which will be amortized into revenues in subsequent years to offset the amortization cost of supported capital assets. Supported capital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

Total SDCC as of August 31, 2022 are \$151.14 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 83.75% 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, 2023

	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, 2022	\$8,716,401	\$4,105,822	\$286,707	\$584,066	\$277,461	\$1,006,629	\$328,071	\$328,163	\$0	\$0
TRANSFERS IN / (OUT)										
Board Funded Tangible Capital Asset Additions	(\$178,927)	(\$1,315,569)		(\$46,172)				(\$80,315)		
Net Transfers in to Operating Reserves									\$349,299	
Net Transfers from Operating Reserves	(\$3,001,963)	\$497,848	(\$20,758)		(\$113,836)		(\$300,000)	(\$247,848)	(\$204,180)	
Balance at August 31, 2023	\$5,535,511	\$3,288,101	\$265,949	\$537,894	\$163,625	\$1,006,629	\$28,071	\$0	\$145,119	\$0

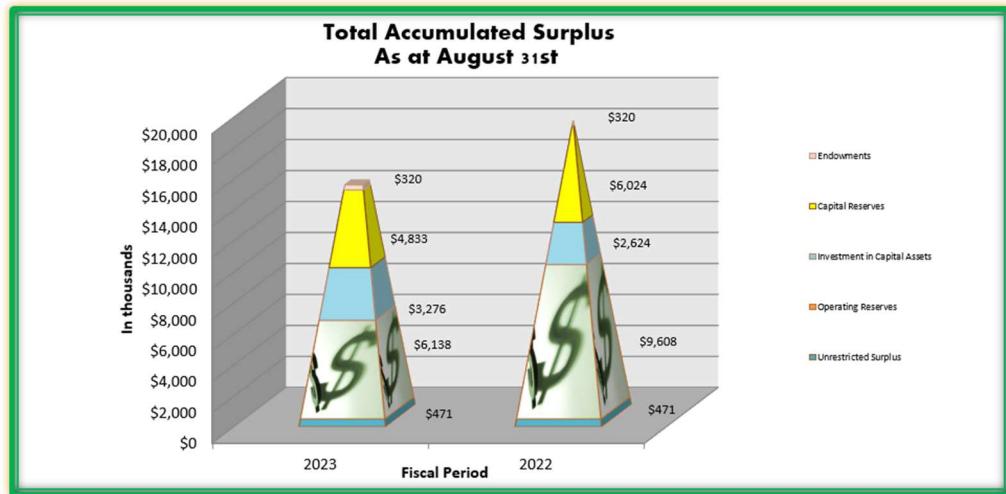
Schedule of Net Assets

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

- School and Instruction Related:
 - A significant amount of operating reserves were budgeted to be spent in the 2022-2023 school year due to the cap of 3.20% implemented by Alberta Education by August 31, 2023. The Division has met this cap by planning spending through supplementing staffing, and the purchasing of supplies and equipment.
 - Capital reserves are being used for the purchase of the elementary school phase of the technology evergreening program as well as the bins needed for the recycling program implemented throughout the Division.
- Operations and Maintenance:
 - Operating reserves are being used in the year to cover the deficit in this department (less board funded amortization and amortization on ARO).
 - Capital reserves are being used for the purchase of maintenance capital assets during the 2022-2023 school year.
- System Administration:
 - Operating reserves are being used in the year to cover the deficit in this department (less board funded amortization). As well, \$101,000 was budgeted to be spent from the system administration reserves to cover additional counselling costs.
 - No capital reserves were used in the year.
- Transportation:
 - Operating reserves are being used in the year to cover the budgeted deficit in this department.
 - Capital reserves were used in the year to pay for the Division's portion of cameras to be installed on school buses operated by Southland Transportation. The remaining amount was transferred to instructional capital reserves to help maintain the technology evergreening program.

- External Services:
 - Operating reserves include the surplus within this department at year-end less the transfer to schools that participate in the international program during the year.
 - 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 3.20%. Planning occurred throughout the 2022-2023 school year and the Division has met the target with adjusted accumulated surplus from operations (less school generated funds) at 2.70% at the end of August 31, 2023.



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. New for 2022-2023 the net book value of the asset retirement obligation is also included within this account.

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. When the funds are available, 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 \$15.04 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, 2023.

Operations

Budget Update as of September 30th

The revised budget for the 2022-2023 school year reflects changes to the Division budget as of September 30th, 2022, based on the additional information received since the preliminary budget.

The Division originally planned on a projected student enrolment of 11,813 students, however the budget was updated for the actual enrolment of 11,957 students. This increase in students made the Division eligible for an enrolment growth grant from Alberta Education. The Division received \$153,300 in the 2022-2023 year.

The Division also initially received \$219,153 of Learning Disruption Grant (BOOST Program – for literacy and number programs), \$50,000 for the Dual Credit program with Lethbridge College and the University of Lethbridge, \$162,000 for a new mental health pilot program grant (Digital Wellness), \$93,000 for support for Ukrainian students (included in the Inclusive Education budget), \$1.08 million for teacher salary settlement (to cover salary increases from the new ATA agreement as was finalized after the preliminary budget submission) and \$540,800 of Facility Lease grant funding (flow through funding for facility leases). Overall revenue, including use of reserves, in the revised budget increased by \$3.42 million over preliminary budget projections developed in May 2022.

In budget 2022-2023 \$4.3 million of one-time reserves will be utilized for Division and school based priorities. The use of reserves was increased from the preliminary budget with additional reserves being utilized to ensure that the Division will meet Alberta Education's reserve cap of 3.20% at August 31, 2023.



Yote Day at Chinook High School

Lethbridge School Division
STATEMENT OF OPERATIONS
For the period ended August 31, 2023

	Budget Information	Actual Results	Variances
	Updated "September 30th" Operating Budget 2022-2023 (Sept 30th 2022)	Actual Year Ended August 31st	% Expended Revised Budget
REVENUES			
Government of Alberta	\$124,804,721	\$127,357,821	\$127,352,374 100.00%
Federal and Other Government	\$388,944	\$388,944	\$319,948 82.26%
Fees	\$4,755,305	\$3,995,105	\$1,694,252 42.41%
Sales and services	\$594,000	\$594,000	\$1,160,906 195.44%
Investment income	\$193,000	\$193,000	\$428,701 222.12%
Donations and Other Contributions	\$2,520,000	\$2,520,000	\$1,541,762 61.18%
Other Revenues	\$34,704	\$34,704	\$85,970 247.72%
Total Revenues	\$133,290,674	\$135,083,574	\$132,583,913 98.15%
EXPENSES			
Instruction - Pre-K	\$3,564,197	\$3,649,310	\$2,900,130 79.47%
Instruction - K to Grade 12	\$106,568,798	\$109,231,128	\$107,610,101 98.53%
Operations and Maintenance	\$17,152,865	\$17,523,243	\$18,019,706 102.83%
Transportation	\$3,088,800	\$3,188,800	\$3,270,279 102.56%
Administration	\$4,181,195	\$4,189,894	\$4,340,254 103.59%
External services [International Services]	\$300,000	\$300,000	\$454,086 151.36%
Total Expenses	\$134,855,855	\$138,082,375	\$136,594,556 98.92%
Operating surplus (deficit)	(\$1,565,181)	(\$2,998,801)	(\$4,010,643)
Accumulated Surplus from Operations beginning of Year	\$10,080,124	\$10,080,124	\$10,080,124
Transfers to/from capital reserves, endowments, & capital	(\$977,516)	(\$1,300,111)	\$540,279
Accumulated Operating Surplus (ASO) at end of period	\$7,537,427	\$5,781,212	\$6,609,760
School Generated Funds included in Accumulated Operating Surplus	(\$3,045,375)	(\$3,045,375)	(\$2,916,960)
Adjusted Accumulated Operating Surplus (Adjusted ASO) at end of period	\$4,492,052	\$2,735,837	\$3,692,800
Adjusted ASO as a % of budgeted expenditures (excluding SGF accounts)	3.33%	1.98%	2.70%

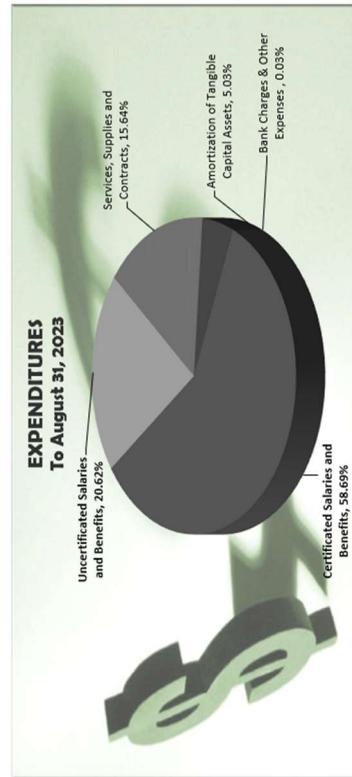
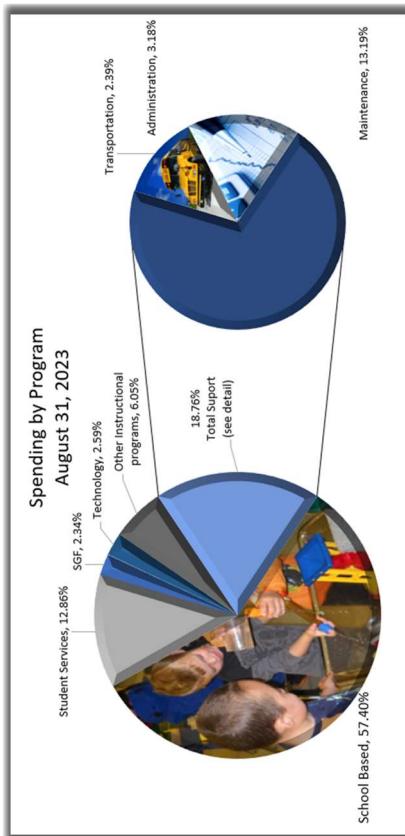
About The Statement

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 2022. 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, 2023

	Instruction (Pre-K to Grade 12)	Operations & Maintenance	Transportation	System Administration	External Services	TOTAL
Revenues	\$107,016,301	\$17,565,492	\$2,970,279	\$4,220,422	\$811,419	\$132,583,913
EXPENSES						
Certificated salaries and benefits	\$79,141,495	\$0	\$0	\$867,556	\$92,865	\$80,101,916
Non-certificated salaries and benefits	\$20,845,613	\$4,887,143	\$124,670	\$2,227,203	\$56,210	\$28,140,839
SUB - TOTAL	\$99,987,108	\$4,887,143	\$124,670	\$3,094,759	\$149,075	\$108,242,755
Services, contracts and supplies	\$9,385,715	\$7,426,332	\$3,145,609	\$1,088,762	\$305,011	\$21,354,429
Amortization of capital assets	\$1,096,670	\$5,706,231	\$0	\$156,733	\$0	\$6,959,634
Interest and charges	\$11,353	\$0	\$0	\$0	\$0	\$11,353
Other expense	\$29,385	\$0	\$0	\$0	\$0	\$29,385
TOTAL EXPENSES	\$110,510,231	\$18,019,706	\$3,270,279	\$4,340,254	\$454,086	\$136,594,556
Total unexpended funds period to date	(\$3,493,930)	(\$454,214)	(\$300,000)	(\$119,832)	\$ 357,333	(\$4,010,643)



Lethbridge School Division
Notes to the Statement of Operations
For the year ended August 31st, 2023

REVENUES:

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 100% of the operating budget for the 2022-2023 school year. Targeted grants (new curriculum, digital wellness and school nutrition) that were not fully spent in the 2022-2023, any excess funding has been deferred to the 2023-2024 budget to align with the timing of the program's expenses.

Federal Government and First Nations

Represents amounts billed for tuition for students living on the Kainai reserve that are attending Lethbridge School Division schools. This amount fluctuates from year to year depending on enrolment.

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. All programming fees are budgeted for during the school year based on estimates of enrolments from the school, therefore it is expected to be under budget at year-end.

Sales and Services

Sales and services are mainly from school generated activities and tuition fees for international students. The Division received 195.44% of the operating budget. The overage is mainly due to collecting more international fees than was budgeted (\$300,000 budgeted versus \$803,385 actual). The success of the international program is expected to continue and will be reflected in the 2023-2024 budget.

Investment Income

Interest earned on operating revenue was over budget due to increases in interest rates throughout the year.

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, 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.

**Overall, revenues are under the operating budget for the year ended
August 31, 2023 (98.1% of the operating budget).**

EXPENDITURES:

Instruction

Instruction Pre-K to Grade 12, represent expenditures from Pre-K 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 early learning programs) had unexpended funds left over at year-end which have been carried forward and allocated for use in the 2023-2024 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 had budgeted a \$220,000 overage to be covered by operating reserves at the end of the year. This was due to inflationary factors such as increased costs in fuel and utilities. The remaining overage is due to increased amortization (due to the new asset retirement obligation amortization) that is a non-cash transaction.

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 had budgeted a \$300,000 overage to be covered by operating reserves at the end of the year. This was due to additional routes being added due to growth as well as due to an increase in fuel costs.

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. This department had budgeted a \$23,700 overage to be covered by operating reserves at the end of the year. This was to cover the Public School Boards of Alberta membership. The remaining overage is due to additional consulting costs incurred on behalf of the Board of Trustees.

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 operating reserves to be used in future budgets.

**Overall, expenditures are under the operating budget for the year ended
August 31, 2023 (98.9% of the operating budget).**

Lethbridge School Division
Schedule of Instructional (Pre K to Grade 12) Program Expenditures
For the period ended August 31, 2023

PROGRAM	Budget	Actual Results	Variances
	Updated Budget	Actual Year Ended	% Expended
	2022-2023 (Sept 30th 2022)	31-Aug-23	Updated Budget
Early Education Programs	\$3,649,310	\$2,900,130	79.47%
School Based Instruction (K-12)	\$71,396,647	\$71,396,647	100.00%
Inclusive Learning Supports	\$10,572,361	\$10,305,296	97.47%
Shared Instructional Services	\$10,879,138	\$12,300,970	113.07%
School Generated Funds Activities	\$6,649,105	\$3,201,062	48.14%
Technology	\$3,045,280	\$3,534,443	116.06%
Institutional Programs	\$1,036,911	\$1,018,963	98.27%
Division of Instructional Services	\$798,054	\$770,363	96.53%
Indigenous Programming	\$639,097	\$655,362	102.54%
Counselling Program	\$3,111,517	\$3,083,420	99.10%
Other Instructional Programs	\$1,103,018	\$1,343,575	121.81%
Total Instructional (Pre K to Grade 12) Program Expenditures	\$112,880,438	\$110,510,231	97.90%

Other Instructional Programs:

Community Outreach School
Downtown LA
High School Off Campus
Distance Learning Program
Poverty Committee
Making Connections
BOOST Program
Ready Set Go Program
Digital Wellness

Institutional Programs:

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

Inclusive Learning Supports:

Inclusive Education
English as an Additional Language



Market Day at Park Meadows Elementary School

Lethbridge School Division
Notes to the Schedule of Instructional (Pre-K to Grade 12)
For the year ended August 31st, 2023

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

Early Education Programs

These expenditures represent expenditures within program unit funding (PUF) and early learning programs. Pre-K is at 79.47% of their total budget. This is due to contingency staffing that wasn't utilized in the 2022-2023 school year due to decreased enrolment. These funds have been carried forward to the 2023-2024 school year to continue to support staffing.

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 an Additional 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 97% 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, staff professional development and the employer share of teacher retirement fund costs that are supported by the Province. Shared Instructional Services expenditures are at 116% of the total operating budget. The main reason for this overage is due to sub costs exceeding the allocated budget.



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. All possible fees were budgeted. Revenues are under budget, therefore it is expected that expenses are also under budget at year-end. SGF activity expenditures are at 48.14% of the total operating budget. See the Schedule of School Generated Funds (SGF) for details of 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 116.06% of the total operating budget. This overage is due to the changing ways technology is being delivered (cloud based versus physical servers) and the increases for technology subscription costs and increased costs for network security.

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 98.27% of the total operating budget. This was due to savings within professional learning and supplies budgets.

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 96.53% of the total operating budget. This was due to savings within professional learning and supplies budgets.

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 102.54% of the total operating budget. The deficit was covered by the program's reserves.



Division Indigenous Graduation Celebration

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 99.10% of the total operating budget.

Other Instructional Program

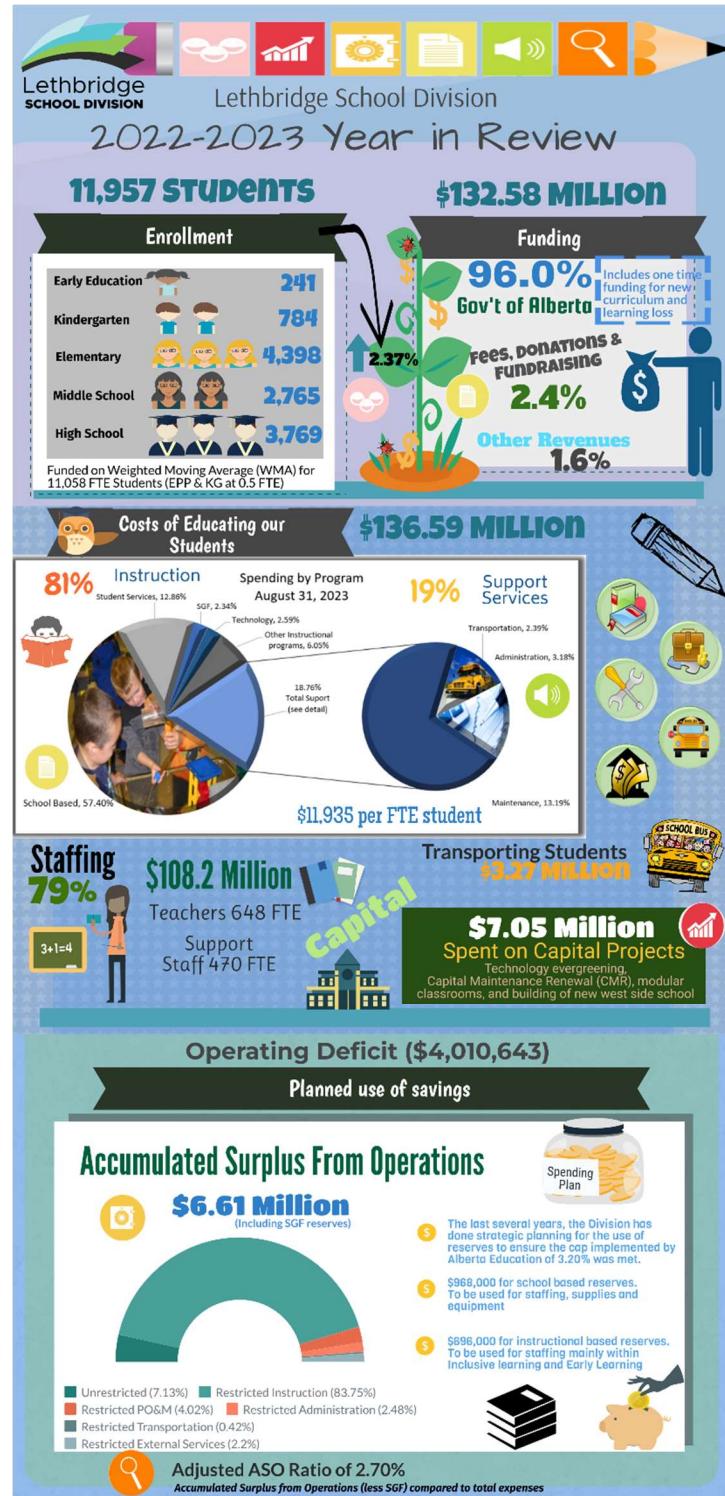
These are the other instructional programs and initiatives that support Pre-K to Grade 12 instruction other than those programs specifically listed above. These include Community Outreach School, Downtown LA, High School Off campus, Distant Learning Program, Poverty Committee, Making Connections, BOOST, Digital Wellness and New Curriculum funding. Other Instructional Program expenditures are at 121.81% of the total operating budget. The excess is due to receiving additional BOOST funding during the year that wasn't initially budgeted for, as well as new curriculum funding that wasn't initially budgeted for (the Division was not aware it would be receiving this funding when the operating budget was completed).



Division's Welcome Back Breakfast

Lethbridge School Division
Schedule of School Generated Funds (SGF)
For the period ended August 31, 2023

<u>SCHOOL</u>	SGF Balances	Actual Results		SGF Balances	Change in SGF
	August 31st 2022	Revenues	Expenses	August 31st 2023	Increase (Decrease)
UPDATED BUDGET 2022-2023 (September 30th)	N/A	\$6,649,105	(\$6,649,105)	N/A	N/A
High Schools:					
Lethbridge Collegiate Institute	\$235,186	\$350,534	(\$415,605)	\$170,115	(\$65,071)
Winston Churchill High School	\$347,507	\$173,105	(\$255,254)	\$265,358	(\$82,149)
Chinook High School	\$199,491	\$392,581	(\$393,031)	\$199,041	(\$450)
Victoria Park High School	\$408,043	\$102,544	(\$47,230)	\$463,357	\$55,314
Immanuel Christian Secondary School	\$108,367	\$114,198	(\$112,695)	\$109,870	\$1,503
Middle Schools:					
GS Lakie Middle School	\$344,959	\$198,563	(\$227,970)	\$315,552	(\$29,407)
Wilson Middle School	\$195,412	\$73,018	(\$85,003)	\$183,427	(\$11,985)
Gilbert Paterson	\$181,321	\$145,396	(\$189,872)	\$136,845	(\$44,476)
Senator Joyce Fairbairn Middle School	\$154,140	\$113,664	(\$76,532)	\$191,272	\$37,132
Elementary Schools:					
Senator Buchanan	\$26,742	\$16,238	(\$4,905)	\$38,075	\$11,333
Immanuel Christian Elementary School	\$20,568	\$3,033	(\$385)	\$23,216	\$2,648
Ecole Agnes Davidson	\$140,416	\$21,859	(\$41,714)	\$120,561	(\$19,855)
Fleetwood-Bawden	\$89,534	\$7,265	(\$27,258)	\$69,541	(\$19,993)
Galbraith	\$93,292	\$11,881	(\$8,018)	\$97,155	\$3,863
Lakeview	\$59,756	\$12,917	(\$1,159)	\$71,514	\$11,758
General Stewart	\$4,076	\$956	(\$596)	\$4,436	\$360
Westminster	\$63,282	\$27,530	(\$23,847)	\$66,965	\$3,683
Lethbridge Christian School	\$39,995	\$28,136	(\$20,778)	\$47,353	\$7,358
Coalbanks Elementary School	\$35,962	\$29,117	(\$7,125)	\$57,954	\$21,992
Nicholas Sheran	\$44,435	\$17,688	(\$8,741)	\$53,382	\$8,947
Park Meadows	\$31,768	\$22,698	(\$18,890)	\$35,576	\$3,808
Dr. Robert Plaxton	\$17,613	\$29,886	(\$21,702)	\$25,797	\$8,184
Mike Mountain Horse	\$26,619	\$40,851	(\$8,913)	\$58,557	\$31,938
Dr. Probe Elementary School	\$176,891	\$45,750	(\$110,600)	\$112,041	(\$64,850)
School Generated Funds	\$3,045,375	\$1,979,408	(\$2,107,823)	\$2,916,960	(\$128,415)
Total SGF investment accounts (GICs)	\$0	\$0		\$0	\$0
Total School Generated Funds	\$3,045,375	\$1,979,408	(\$2,107,823)	\$2,916,960	(\$128,415)



Additional information on Lethbridge School Division's financial results for 2022-2023 can be found within the audited financial statements that must be submitted to Alberta Education by November 30, 2023. They can be found on our website at:

<https://www.lethsd.ab.ca/our-district/plans-reports/financial-reporting>