

**2013-2014 - 6 Months Financial Results Overview**

**March 26, 2014**

**Revenues:**

Actual year to date revenues shown in the attached Exhibit 1 (beige column) reflect revenues that have been received by SSD up to February 28, 2014. There is approximately \$861K (1.4%) of revenues that have been fully received upfront, or at a higher rate and several grants are still based on last year's actuals.

Forecast Revenues (in yellow) have been adjusted to reflect the following changes:

	<b><u>Forecast Adjustments</u></b>
	<b><u>Revenues</u></b>
<b>ATRF adjust.</b>	531,267
<b>Investment</b>	25,000
<b>PUF</b>	311,145
<b>CEUs</b>	<b>350,000</b>
<b>Prior period adj.</b>	122,803
<b>Oak Hill PPA</b>	14,542
<b>Subtotal</b>	<b>1,354,757</b>

ATRF adjustment reflects an increase in teachers' pension plan contributions paid by Government. This revenue increase is directly offset with the same increase in expenses.

PUF revenues have been increased in the forecast due to a higher PUF grant application submitted to AB Education in March. Since PUF is a targeted grant, PUF revenues are offset with PUF expenses.

CEUs – this is an estimate of potentially higher actual CEUs earned vs what the budget included. At this time, CEUs are still funded partially based on last year's estimates. In addition, in 13-14, AB Education introduced a Tier 4 rate for work experience (paid at the lower rate) and started funding ADLC courses at 50%. Due to these changes, it is more difficult to estimate what the difference in CEUs revenues might be at the end of the school year. However, based on last year's actual average CEUs vs budgeted average CEUs and schools' estimates for the upcoming year, it appears that SSD may realize higher CEU revenues in 13-14. A further analysis is required in this area. The desired goal is to narrow the gap between budgeted amounts and actual earned dollars.

Prior period adjustments (PPA) of \$123K represent last year's CEUs (most likely summer school CEUs) that were received in late October and not reflected in the 12-13 AFS.

Last month, we received additional dollars in Institutional funding for Oak Hill School for last year. These dollars will offset an anticipated deficit for Oak Hill in 13-14.

**Expenses:**

Actual year to date expenses (in yellow) reflect expenditures as of February 28, 2014. A very simplified benchmark at this time of the year is 50%. However, some of the expenses do not occur at the same rate throughout the school year. There is approximately \$655K in overall expenses that have not been spent in the first half of the year. At this time, it is uncertain how much of these expenses remain unspent.

Forecast for expenses includes the following adjustments:

	<b><u>Expenses</u></b>
ATRF	531,267
PUF	311,145
Spec Ed	(100,000)
<b>Subtotal</b>	<b>742,412</b>

ATRF and PUF expenses adjustments match corresponding ATRF and PUF revenue adjustments. Special Education department may realize approximately \$100K in savings due to lower contracted services expenses.

**2013-2014 Operating Deficit Update:**

Based on higher than anticipated revenues (prior period adjustment and potentially higher CEUs) and also lower than anticipated expenses, it appears that the 2013-2014 operating deficit may be substantially reduced. In addition to identified potential savings in Special Education, there may be other savings from various departments.

**Sturgeon School Division**

Exhibit 1

**Results as of Feb 28, 2014**

	Budget Information		Actual Results		Forecast		Variances	
	Preliminary Budget 2013-2014 (May 2013)	Revised Budget 2013- 2014 (November)	Actual 6 Months January 31, 2014	Forecasted to August 31, 2014	% Revised Budget	% Forecast to August 31, 2014		
<b>REVENUES</b>								
Alberta Education	55,141,771	56,429,121	28,682,630	57,758,878	50.8%		49.7%	
Other - Government of Alberta	339,600	706,110	537,111	706,110	76.1%		76.1%	(1)
Federal Government of Alberta	343,861	310,000	154,167	310,000	49.7%		49.7%	
Fees	594,411	773,295	492,614	773,295	63.7%		63.7%	(2)
Other Sales and Services	65,980	614,134	476,217	614,134	77.5%		77.5%	(3)
Investment Income	30,000	10,000	22,452	35,000	224.5%		64.1%	
Gifts and Donations	-	106,344	54,172	106,344	50.9%		50.9%	
Rental of Facilities	35,160	42,217	23,635	42,217	56.0%		56.0%	
Fundraising	800,000	339,842	169,921	339,842	50.0%		50.0%	
Amortization of capital contributions	1,436,556	1,477,349	738,674	1,477,349	50.0%		50.0%	
Other Revenues	111,902	-	-	-	0.0%		0.0%	
<b>Total Revenues</b>	<b>58,899,241</b>	<b>60,808,412</b>	<b>31,351,593</b>	<b>62,163,169</b>	<b>51.6%</b>		<b>50.4%</b>	
<b>EXPENSES</b>								
Instruction	45,960,029	47,228,153	23,442,830	47,970,565	49.6%		48.9%	(4)
Plant operations and maintenance	5,717,737	6,813,958	3,145,001	6,813,958	46.2%		46.2%	(5)
Transportation	5,154,429	5,745,341	3,292,686	5,745,341	57.3%		57.3%	(6)
Administration	2,188,468	2,297,616	1,071,254	2,297,616	46.6%		46.6%	
External services	32,000	77,708	42,457	77,708	54.6%		54.6%	
<b>Total Expenses</b>	<b>59,052,663</b>	<b>62,162,776</b>	<b>30,994,227</b>	<b>62,905,188</b>	<b>49.9%</b>		<b>49.3%</b>	
<b>2013-2014 Surplus/(Deficit)</b>	<b>(153,422)</b>	<b>(1,354,364)</b>	<b>357,365</b>	<b>(742,019)</b>	<b>TARGET %</b>		<b>50%</b>	

**Assumptions**

- Revenues and Expenses for 6 months
- School Generated Funds (rev+exp) estimated
- Transfers between departments fully reflected
- AB Education revenues include certain grants based on last year's results (PUF, CEUs, SSBN) or grants received in irregular installments (Equity of Opportunity, Supermet)
- There is a delay in some bills coming in (i.e. cut off)

Rev. rec'd upfront	861,000	(System Admin \$181K, Central Instruction of \$300K, \$174K in PUF)
Unspent dollars	655,000	
Anticipated Deficit	(1,158,635)	Assuming no new revenues and all budgeted expenses would be spent.