

Finance Committee

Analysis of 2021-22 Estimates

Introduction

All dollar amounts referenced are in thousands (000s) of Canadian dollars unless otherwise noted.

The 2021-22 Estimates resulted in a balanced budget for Ministry of Education compliance purposes. Since we have a balanced compliance budget, we do not require Ministry approval prior to Board approval.

The 21-22 Estimates also show an in-year deficit of \$596 on a Public Sector Accounting Board (PSAB) basis. The difference between PSAB deficit and the Compliance balanced budget is due to post-retirement benefits (\$22), interest expense (\$20) to be accrued at year-end, and a negative adjustment for committed capital projects (\$-638).

Table 1 in APPENDIX A at the back shows the calculation of the PSAB and Compliance surplus (deficit) for the 21-22 Estimates, the 20-21 Revised Estimates, and the 19-20 Actuals. Whereas the 21-22 Estimates are break-even for compliance, the 20-21 Revised Estimates were in a deficit of \$774 (but still within 1% of our operating budget for Ministry compliance purposes).

Revenues

Total revenues for 21-22 are projected to decrease by \$1.4 Million (1.4%) compared to the 20-21 Revised Estimates. **Table 2** in APPENDIX A provides a breakdown by revenue category.

Grants for Student Needs (GSN) funding increased by \$2.8 million (4.3%) over the 20-21 Revised Estimates. The average per-pupil funding increased by 1.2% from 20-21, which accounted for some of the increase. The 21-22 GSN also includes additional Covid-19 funding totaling \$166 for technology resources (\$50), mental health supports (\$106), and Recent Immigrant support (\$9).

Other Provincial Grants includes Priority and Partnerships Fund (PPF) funding. This is additional funding outside the GSN for targeted investments to directly support students in the classroom with accountable, time-limited funding. For 21-22, there are six PPFs totaling \$1,039 to provide supplemental Covid-19 supports, including:

Additional Staffing Support	\$574
Additional School Operations Support	\$51
Transportation	\$167
Special Education Supports	\$64
Mental Health Supports	\$124
Re-Engaging Students & Reading Assessment Supports	<u>\$59</u>
Total	\$1,039

Federal Grants and Fees are down by 1.2% based on the Average Daily Enrolment (ADE) of Other Pupils of the Board (OPB) projected for 21-22. Most of this revenue is generated by tuition-paying students from First Nation communities that attend schools in our communities.

Other Fees and Revenues includes amounts from the Dryden Training Centre, reimbursements for Secondments, and Northwestern Health Unit funding for Navigator positions.

Deferred Capital Contribution is the amount taken into revenue to cover supported amortization on capital expenditures. The cash to purchase the assets has already been flowed to the board.

Operating Expenses

Total operating expenses are projected at \$101 in 21-22, a decrease of \$826 (0.8%) from 20-21 Revised Estimates. **Table 3A** in APPENDIX A provides a breakdown by expense “function”.

Administration expenditures are up \$394 (8.3%). \$94 is due to the addition of a Project Coordinator position and salary increases for some administration staff (matching the 1% increase for most groups throughout the Board). There was also an increase in amortization of capital assets (\$110). Finally, there was \$218 in Covid-19 expenditures allocated Administration.

Transportation costs are up \$423 (7.9%) due to increased contract costs with bus operators.

Pupil Accommodation is down \$388 (2.3%) due to a reduction in COVID-19 costs for additional cleaning in schools in 21-22. We have approximately 17.5 temporary custodians on staff that will cover shifts for custodians who work during the day to provide additional cleaning. This coverage will continue until the end of January 2022.

Table 3B in APPENDIX A shows that breakdown of operating expenses by “object”.

Salaries and Benefits are down by \$1,368 or 1.8% due to a reduction in Covid-related staffing such as additional custodians and digital learning school teachers and administration assistants.

Professional Development, Supplies, and Services expenditures are down \$508 (4.9%), mostly due to a reduction in estimated School Generated Funds expenses.

Other Expenses increased by \$227 (25%) because we allocated \$218 in Covid-19 PPF expenditures to Board administration *Other Expenses*.

Capital Expenditures

Capital expenditures for 21-22 include the major renovation at Keewatin School and the replacement school in Savant Lake. Beaver Brae, Dryden HS, and Sioux Mountain School also have major upgrades in the works. See **Table 4** in APPENDIX A for a list of the planned capital expenditures for 21-22.

Enrolment

The Board’s Average Daily Enrolment (ADE) projection for 2021-22 is 4,512.50. Elementary ADE projects an increase of 80 students (2.9%) and there is a slight projected increase of about 19 students in Secondary (1.1%). King George VI school in Kenora will see the biggest projected increase in Elementary (40 students or 19%). Secondary ADE will remain fairly stable compared to 20-21. See **Tables 5, 6, and 7** in APPENDIX A for projected ADE breakdowns and Head Counts by school and by grade.

Staffing

Table 8 in APPENDIX A shows an overall staffing decrease of 31.5 FTE positions compared to the 20-21 Revised Estimates. Most of the staffing reductions impacted classroom teachers: Elementary lost 16.4 FTE; Secondary 10.2 FTE. Most of our funding is driven by enrolment and this has a direct impact on teaching positions. In 20-21 we projected ADE of 4,774 (Elementary 2,928; Secondary 1,846) and staffed the schools based on those projections. Our enrolment projections for 21-22 (4,512.50 ADE) are down by 262 ADE compared to the 20-21 estimates. The enrolment decline has also had a negative impact on the Education Assistant group, with a reduction of 9.0 FTE.

On the *Prof/Para-Prof/Technicians* line below, we reduced by 2.5 FTE positions in 21-22. The 3.0 FTE *Navigator* positions are now employed by the Northwestern Health Unit.

The *Coordinators-Tchrs&P/VP* line increased by 3.7 FTE. The Indigenous Lead position (1.0 FTE) was reallocated to this line for 21-22. There was also an Itinerant Trades Teacher hired for 21-22 that falls in this group. This line includes 4.0 FTE *Rapid Response Northern Support Team* members and central Special Assignment Teachers (SATs).

Custodial/Maint-Schools increased by 2.0 FTE. Note that we will continue to backfill daytime custodians in 21-22 with temporary and casual staff for the evening shift. This will allow for enhanced cleaning protocols in all of our schools during the day to help ensure the safety of our students and staff for the duration of the pandemic.

The *Other* line includes recoverable salary positions (3.0 FTE), and the ETFO and OSSTF representatives (2.3 FTE). The Bargaining Unit representatives are recoverable salary positions and were not included on this list in the past.

Budget Risks

There are a variety of risks that could cause the Board to fail to achieve the results projected in the approved budget. The risks are similar each year. A summary of these risks and our strategies to mitigate these risks is presented in **Table 9** in APPENDIX A.

APPENDIX A**Table 1**
Summary Statement of Operations

	2021-22	2021-22	2020-21	2020-21	2019-20	2019-20
	Estimates	Estimates	RevEstimates	RevEstimates	Actuals	Actuals
	PSAB	Compliance	PSAB	Compliance	PSAB	Compliance
Total Revenue	100,493	98,930	101,940	99,554	95,639	94,000
Total Expenses	101,090	98,930	101,915	100,329	91,465	90,704
Annual Surplus (Deficit)	(596)	-	24	(774)	4,174	3,296
Opening Accum Surplus	28,610	24,754	28,585	26,167	26,851	25,222
Ending Accum Surplus	28,013	24,754	28,610	25,392	31,025	28,518

Table 2
Consolidated Revenues

				2021-22 Est	2021-22 Est
				to 2020-21	to 2020-21
	2021-22	2020-21	2019-20	RevEstimates	RevEstimates
Revenue	Estimates	RevEstimates	Actuals	\$	%
Grants for Student Needs	67,870	65,090	62,780	2,779	4.3%
Other Provincial Grants	3,099	7,197	3,158	(4,098)	-56.9%
Local Taxation	14,136	14,136	13,907	(0)	0.0%
School Generated Funds	1,563	2,385	1,639	(822)	-34.5%
Federal Grants and Fees	6,171	6,248	7,208	(78)	-1.2%
Investment Income	-	-	33	-	
Other School Bds' Revenue	130	53	49	77	
Other Fees and Revenues	1,330	1,540	1,526	(210)	-13.7%
Deferred Capital Contrib'n	6,195	5,290	5,339	905	17.1%
TOTAL REVENUE	100,493	101,940	95,639	(1,447)	-1.4%

Table 3A
Operating Expenses by Function

				2021-22 Est	2021-22 Est
				to 2020-21	to 2020-21
	2021-22	2020-21	2019-20	RevEstimates	RevEstimates
Expenses	Estimates	RevEstimates	Actuals	\$	%
Instruction	71,093	71,356	64,324	(263)	-0.4%
Administration	5,127	4,732	4,523	394	8.3%
Transportation	5,771	5,347	4,706	423	7.9%
Pupil Accommodation	16,333	16,721	15,057	(388)	-2.3%
School Generated Funds	1,563	2,385	1,560	(822)	-34.5%
Other Expenses	1,204	1,373	1,296	(170)	-12.3%
TOTAL EXPENSES	101,090	101,915	91,465	(826)	-0.8%

Table 3B
Operating Expenses by Object

				2021-22 Est to 2020-21	2021-22 Est to 2020-21
	2021-22	2020-21	2019-20	RevEstimates	RevEstimates
Expenses	Estimates	RevEstimates	Actuals	\$	%
Salaries & Benefits	73,555	74,923	67,277	(1,368)	-1.8%
ProfDev, Supplies, Services	9,769	10,278	8,374	(508)	-4.9%
Amort'n of Capital Assets	7,449	6,524	6,513	925	14.2%
Interest Charges on Capital	716	788	872	(73)	-9.2%
Rental, Fees, Contracts	8,474	8,503	7,071	(29)	-0.3%
Other Expenses	1,126	899	1,358	227	25.3%
TOTAL EXPENSES	101,090	101,915	91,465	(826)	-0.8%

Table 4
Capital Expenditures

School	Description	Amount	Funding Source
Keewatin PS	Accessibility & HVAC	7,091	SCI / School Renewal / Temp Accom
Savant Lake PS	Replacement of school	4,750	Capital Priorities
Beaver Brae	Civil Drainage / Accessibility / Roof replacement	3,805	School Condition Improvement (SCI)
Dryden HS	Mechanical & Electrical Retrofit	2,818	SCI / CVRIS
Sioux Mountain	HVAC	2,250	SCI
System	Learning Tech infrastr / Plumbing / CCTV & Security	1,693	SCI / School Renewal / CVRIS
Dryden Training Ctr	Roof Replacement / Other upgrades	1,172	SCI
Lillian Berg PS	Child Care Planning	1,010	Capital Priorities
Ignace School	Child Care Planning	909	Capital Priorities
Crolancia School	Energy Efficiency upgrades / Teacherages renovations	615	Proceeds of Disposition Non School
New Prospect	HVAC	525	SCI / School Renewal / Temp Accom
Red Lake DHS	Civil Drainage / Accessibility	500	School Renewal
Ear Falls PS	Landscaping	346	School Renewal
Other Projects	HVAC / Accessibility / Outdoor learning classrooms	354	SCI / School Renewal / CVRIS
Total		27,838	

Table 5
Enrolment Summary

				2021-22 Est to 2020-21	2021-22 Est to 2020-21
	2021-22	2020-21	2019-20	RevEstimates	RevEstimates
Avg Daily Enrolment	Estimates	RevEstimates	Actuals	#	%
Elementary	2,820.50	2,740.50	2,903.85	80.00	2.9%
Secondary	1,692.00	1,672.99	1,803.38	19.01	1.1%
TOTAL	4,512.50	4,413.49	4,707.23	99.01	2.2%

Table 6
Projected ADE by School

				2021-22 Est to 2020-21	2021-22 Est to 2020-21
	2021-22	2020-21	2019-20	RevEstimates	RevEstimates
School	Estimates	RevEstimates	Actuals	#	%
Beaver Brae Elem	206.00	191.00	220.50	15.00	7.9%
Crolancia Elem	64.00	60.00	46.50	4.00	6.7%
Ear Falls	103.00	106.00	111.00	(3.00)	-2.8%
Evergreen	142.00	132.00	141.00	10.00	7.6%
Golden Learning Ctr	203.00	199.00	191.00	4.00	2.0%
Ignace	104.00	100.00	106.50	4.00	4.0%
Keewatin	137.00	136.00	123.50	1.00	0.7%
King George VI	249.00	209.00	246.85	40.00	19.1%
Lillian Berg	83.00	88.00	88.50	(5.00)	-5.7%
New Prospect	273.00	277.00	310.50	(4.00)	-1.4%
Open Roads	361.00	375.00	401.50	(14.00)	-3.7%
Red Lake - Madsen	162.50	158.50	166.50	4.00	2.5%
Savant Lake	7.00	8.00	6.50	(1.00)	-12.5%
Sioux Mountain	329.00	303.00	346.50	26.00	8.6%
Sioux Narrows	47.00	37.00	35.50	10.00	27.0%
Upsala	4.00	5.00	9.00	(1.00)	-20.0%
Valleyview	346.00	356.00	352.50	(10.00)	-2.8%
Elementary Total	2,820.50	2,740.50	2,903.85	80.00	2.9%
Beaver Brae SS	446.50	423.33	499.50	23.17	5.5%
Crolancia HS	17.00	17.50	13.00	(0.50)	-2.9%
Dryden HS	539.00	539.16	596.25	(0.16)	0.0%
Ignace HS	48.00	48.00	45.25	-	0.0%
Red Lake DHS	213.50	213.00	207.88	0.50	0.2%
Sioux North HS	428.00	432.00	452.25	(4.00)	-0.9%
Secondary Total	1,692.00	1,672.99	1,814.13	19.01	1.1%
Board total	4,512.50	4,413.49	4,717.98	99.01	2.2%

Table 7
Projected October 2021 Head Count by School by Grade

<i>Elementary</i>											
School/Grade	JK	K	1	2	3	4	5	6	7	8	Total
Beaver Brae									112	94	206
Crolancia	1	6	8	7	13	8	7	3	6	5	64
Ear Falls	8	13	13	9	11	9	8	9	14	11	105
Evergreen	14	22	16	16	15	24	18	17			142
GLC	18	19	24	22	15	23	22	14	24	22	203
Ignace	12	5	11	13	9	10	15	10	6	13	104
Keewatin	20	20	24	13	17	21	9	13			137
King George VI	30	30	39	29	26	34	27	34			249
Lillian Berg	7	5	9	12	11	4	9	8	8	10	83
New Prospect	20	26	32	28	30	36	28	30	23	20	273
Open Roads	30	30	26	31	32	34	32	38	48	60	361
Red Lake-Madsen	18	15	15	21	9	13	20	14	20	20	165
Savant Lake	1	1	1	1	-	1		1		1	7
Sioux Mountain	28	29	35	35	30	38	31	38	25	40	329
Sioux Narrows	3	14	6	5	3	7	6	3			47
Upsala	-	1	-	-	-	-	-	1	1	1	4
Valleyview	43	45	43	39	42	44	47	43			346
ELEM TOTAL	253	281	302	281	263	306	279	276	287	297	2,825
<i>Secondary</i>											
School/Grade	9	10	11	12	Total						
Beaver Brae SS	102	114	106	156	478						
Crolancia	5	4	4	5	18						
Dryden HS	141	110	133	184	568						
Ignace HS	9	16	14	11	50						
Red Lake DHS	54	64	52	59	229						
Sioux North HS	103	118	113	137	471						
SEC TOTAL	423	436	433	564	1,814						

**Table 8
Staffing**

				2021-22	2021-22
				to 2020-21	to 2020-21
	2021-22	2020-21	2019-20	Rev Estimates	Rev Estimates
EFIS Appendix H October 31	Estimates	Rev Estimates	Actuals	FTE	%
Classroom Teachers-Elem	212.5	228.9	224.0	-16.40	-7.2%
Classroom Teachers-Sec	135.6	145.8	149.0	-10.20	-7.0%
Teacher Assistants	130.5	139.5	137.2	-9.00	-6.5%
Early Childhood Educators	21.0	24.0	23.0	-3.00	-12.5%
Prof/Para-prof/Technicians	35.3	37.8	35.1	-2.50	-6.6%
LibTechs&Guidance Tchrs	21.6	20.0	17.8	1.60	8.0%
Principals&VP-Admin time	27.0	28.0	28.0	-1.00	-3.6%
School Admin Assistants	35.5	35.0	35.0	0.50	1.4%
Coordinators-Tchrs&P/VP	19.8	16.1	15.8	3.70	23.0%
Custodial/Maint-Schools	81.9	79.9	64.9	2.00	2.5%
Facilities - Mgmt, Clerical	2.0	2.0	2.0	0.00	0.0%
Transp'n-Mgmt & Tech	4.0	4.0	4.0	0.00	0.0%
Admin-Director/SO's	5.0	6.0	5.0	-1.00	-16.7%
Director's Office	4.0	3.0	2.5	1.00	33.3%
Finance	5.5	5.5	5.5	0.00	0.0%
Capital Planning Capacity	2.0	1.0	1.0	1.00	100.0%
Procurement	1.5	1.5	1.5	0.00	0.0%
Human Resource Admin	4.5	5.0	4.0	-0.50	-10.0%
Payroll Administration	4.0	4.0	4.0	0.00	0.0%
Information Tech	1.0	1.0	1.0	0.00	0.0%
Other (BU Reps; Secondments; DTC)	5.3	3.0	3.0	2.30	76.7%
Trustees	13.0	13.0	12.0	0.00	0.0%
Total	772.5	804.0	775.3	-31.50	-3.9%

Table 9
Budget Risks and Mitigation Strategies

Description of risk element	Probability of Risk Occurring	Mitigation strategies employed
Actual enrolment is less than projected, causing reduction in grant or tuition revenues.	Moderate	- conservative estimates used in budget - staff cannot be decreased once hired. This could put pressure if the enrolment is less than projected.
Unexpected cost pressures (e.g. utility rates, salary settlements, benefit costs) cause expenses to exceed budget	Moderate	- access Reserves - Reallocate budget lines in-year to cover unexpected costs - Ministry recognition of in-year costs
Expense items overlooked in budget preparation	Low	- budgets are developed by those responsible for the activity and subject to multiple reviews
Interest rates higher or lower than projected	Moderate	- long term liabilities financed at fixed rates - somewhat conservative estimates for both investments and short term borrowing
Staff responsible for budget centres overspend the approved budget	Moderate	- monthly variance reports are provided to the staff and Finance monitors all budgets on a regular basis
Catastrophic events requiring substantial funds to address (e.g. property damage due to fire or weather)	Low	- insurance is carried for all major types of losses (property, liability, crime, auto, cyber, etc.)
Capital project costs exceed budget projections	Moderate	- capital projects are tendered to ensure competitive, fixed price - change orders require approval in accordance with authorization limits - redesign and/or retender as needed - highly regulated by Ministry of Education
Ministry fails to provide funding to support the programs and activities it mandates	Moderate	- lobbying efforts directly and through OPSBA to ensure provincial accountability
Revenues prove to be uncollectable (e.g. tuition fees and rent)	Low	- allowance made for doubtful accounts in prior year financial statements - collection efforts focused on large accounts

Catastrophic events would include the potential loss of schools in Red Lake due to the forest fire situation in the summer of 2020. In those types of cases, our OSBIE insurance has a deductible of \$25,000 per occurrence.