



Board Meeting

June 14, 2022

Analysis of 2022-23 Estimates

Respectfully submitted by:
Richard Findlay, Superintendent of Business
Natalie Pearson, Finance Manager

Introduction

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

The budgeting process starts with enrolment projections, which are the primary driver of our funding. The senior leadership team then determines how the funds will be allocated based on student achievement needs and alignment to the board's goals identified in the Strategic Plan.

The 2022-23 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 22-23 Estimates also show an in-year deficit of \$647 on a Public Sector Accounting Board (PSAB) basis. The difference between PSAB deficit and the Compliance balanced budget is due to a negative adjustment for amortization of committed capital projects.

Table 1 in *APPENDIX A* shows the calculation of the PSAB and Compliance surplus (deficit) for the 22-23 Estimates, the 21-22 Revised Estimates, and the 20-21 Actuals.

Revenues

Total revenues for 22-23 are projected to increase by \$2.6 Million (2.5%) compared to the 21-22 Revised Estimates. **Table 2** in *APPENDIX A* provides a breakdown by revenue category.

Grants for Student Needs (GSN) funding increased by \$4 million (5.9%) over the 21-22 Revised Estimates. Most of the increase was due to increased enrolment and an increase of 2.7% in average per-pupil funding. There was also an additional \$1.1 million in Covid-19 funding for temporary additional staffing to support learning recovery and maintaining enhanced cleaning standards. We have flexibility in how we use these funds based on local needs but cannot use them for Covid-19 supplies. For 22-23 this funding has been allocated as follows:

Temporary Custodians (16.38 FTE)	\$789
Supply Teachers	243
Long Term Occ Teachers (Virtual: 2 x 0.5 FTE)	<u>117</u>
Total	\$1,149

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 22-23, the Ministry has already announced PPFs totaling almost \$2.5 million to promote learning recovery, positive mental health, and the growth and development of our KPDSB students, including:

Rapid Response Northern Schools Team	\$800
Math Strategy	446
Tutoring Supports	370
Indigenous Grad Coach	346
First Nation School Supports Program	210
Special Education Needs in Math & Summer Learning	195
Other Supports	<u>88</u>
Total	\$2,455

Federal Grants and Fees have increased by 1.8% based on the Average Daily Enrolment (ADE) of Other Pupils of the Board (OPB) projected for 22-23. Most of this revenue is generated by tuition-paying students from First Nation communities that attend schools in our district.

Other Fees and Revenues includes amounts from the Dryden Training Centre and reimbursements for staff Secondments to other organizations.

Deferred Capital Contribution is the amount taken into revenue to cover supported amortization on capital expenditures. This is how we expense the amortization of our assets over time. The cash to purchase the assets has already been flowed to the board by the Ministry of Education.

Operating Expenses

Total operating expenses are projected at \$105.5 million in 22-23, an increase of \$2.7 million (2.6%) from 21-22 Revised Estimates. **Table 3A** in APPENDIX A provides a breakdown by expense “function”.

Administration expenditures are up \$128 (2.4%). Most of this is due to an increase in administrative staffing to address needs and succession planning.

Transportation costs are up \$1 million (16.6%) due to increased contract costs with bus operators for home to school transportation.

Pupil Accommodation is up \$1.4 million (8.4%) due to an increase in amortization expenses on building additions and capital improvements.

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

Salaries and Benefits are up by \$1.6 million (2.1%), mostly due to an increase in instructional staff (\$1.2 million) and administrative staff to address needs and succession planning (\$300).

Amortization of Capital Assets increased by \$1 million (14.1%) due to an increase in capital improvements and capital assets.

Rental, Fees, and Contract expenditures are up \$577 (6.3%), mostly due to the increase in contracts with bus operators for home to school transportation for students.

Other Expenses decreased by \$394 (28.7%) because we are no longer allowed to budget for Covid-19 supplies. In 21-22 we spent just over \$400 on Covid-19 supplies for Transportation (\$334) and School Operations (\$100).

Capital Expenditures

Major capital expenditures for 22-23 include the deficiency rectification at Sioux North High School (\$2.7 million) and the HVAC upgrades at New Prospect PS (\$2.5 Million). Beaver Brae also has capital projects worth about \$3.2 million to address accessibility issues, roof replacement, and civil drainage. Child Care planning at both Ignace and Lillian Berg schools (\$1.7 million) are also include in the budget. See **Table 4** in APPENDIX A for a complete list of the planned capital expenditures for 22-23.

Enrolment

The Board's Average Daily Enrolment (ADE) projection for 22-23 is 4,651.75 students. See **Tables 5, 6, and 7** in APPENDIX A for projected ADE breakdowns and head counts by school and by grade.

Elementary enrolment will remain stable with a projected decrease of 18.5 students (a change of less than 1%). Open Roads PS will see the biggest enrolment decline (56 students, or 13.4%).

Secondary ADE will increase by 89.5 (5.3%) students compared to 21-22. Red Lake DHS will see an increase of thirty students (14.6%) due to a large incoming Grade 9 cohort.

Staffing

Table 8 in APPENDIX A shows an overall staffing increase of 17.4 FTE positions compared to the 21-22 Revised Estimates. Most staffing increases are in the classroom and schools. Overall, 72% of all expenditures are related to staff salaries and benefits.

Secondary teachers increased by 7.3 FTE (5.3%) and Education Assistants increased by 7.0 FTE (5%) over 21-22 Revised Estimates. The increase in the Secondary panel reflects the increased enrolment projected for 22-23. The increase in Education Assistants is due to additional positions created through *Jordan's Principle* funding.

The *Coordinators-Tchrs&P/VP* line includes an Itinerant Trades Teacher, *Rapid Response Northern Support Team* members, and central Special Assignment Teachers (SATs).

Custodial/Maint-Schools remained stable. We will continue to backfill daytime custodians in 22-23 with temporary custodial staff for the evening shift. This will allow for enhanced cleaning protocols in all 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 for Secondments (2.0 FTE), the Dryden Training Centre Events Coordinator position (1.0 FTE), and Bargaining Unit representatives (3.3 FTE).

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 in **Table 9** in APPENDIX A.

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

	2022-23	2022-23	2021-22	2021-22	2020-21	2020-21
	Estimates	Estimates	RevEstimates	RevEstimates	Actuals	Actuals
	PSAB	Compliance	PSAB	Compliance	PSAB	Compliance
Total Revenue	104,813	104,223	102,207	100,644	102,830	102,266
Total Expenses	105,460	104,223	102,804	100,644	98,483	98,588
Annual Surplus (Deficit)	(647)	-	(596)	-	4,347	3,678
Opening Accum Surplus	27,531	23,615	28,610	24,754	31,025	28,518
Ending Accum Surplus	26,884	23,615	28,013	24,754	35,372	32,196

Table 2
Consolidated Revenues

				2022-23 Est	2022-23 Est
				to 2021-22	to 2021-22
	2022-23	2021-22	2020-21	RevEstimates	RevEstimates
Revenue	Estimates	RevEstimates	Actuals	\$	%
Grants for Student Needs	71,878	67,857	67,750	4,021	5.9%
Other Provincial Grants	2,698	4,249	5,876	(1,551)	-36.5%
Local Taxation	13,906	13,906	14,055	-	0.0%
School Generated Funds	590	1,563	565	(973)	-62.3%
Federal Grants and Fees	7,043	6,917	6,476	127	1.8%
Investment Income	-	-	10	-	
Other School Bds' Revenue	160	248	13	(88)	-35.6%
Other Fees and Revenues	1,361	1,265	1,722	96	7.6%
Deferred Capital Contrib'n	7,177	6,202	6,364	975	15.7%
TOTAL REVENUE	104,813	102,207	102,830	2,605	2.5%

Table 3A
Operating Expenses by Function

				2022-23 Est	2022-23 Est
				to 2021-22	to 2021-22
	2022-23	2021-22	2020-21	RevEstimates	RevEstimates
Expenses	Estimates	RevEstimates	Actuals	\$	%
Instruction	72,537	71,495	69,364	1,042	1.5%
Administration	5,542	5,414	5,282	128	2.4%
Transportation	7,117	6,105	4,748	1,013	16.6%
Pupil Accommodation	18,455	17,023	16,642	1,431	8.4%
School Generated Funds	590	1,563	694	(973)	-62.3%
Other Expenses	1,219	1,203	1,754	16	1.3%
TOTAL EXPENSES	105,460	102,804	98,483	2,656	2.6%

Table 3B
Operating Expenses by Object

				2022-23 Est to 2021-22	2022-23 Est to 2021-22
	2022-23	2021-22	2020-21	RevEstimates	RevEstimates
Expenses	Estimates	RevEstimates	Actuals	\$	%
Salaries & Benefits	75,693	74,128	72,458	1,565	2.1%
ProfDev, Supplies, Services	9,983	10,033	8,477	(50)	-0.5%
Amort'n of Capital Assets	8,505	7,456	7,586	1,049	14.1%
Interest Charges on Capital	625	716	825	(90)	-12.6%
Rental, Fees, Contracts	9,673	9,096	7,229	577	6.3%
Other Expenses	980	1,374	1,909	(394)	-28.7%
TOTAL EXPENSES	105,460	102,804	98,483	2,656	2.6%

Table 4
Capital Expenditures

School	Description	Amount	Funding Source
Sioux North HS	Deficiency Completion	2,713	SNHS Surplus / Board Surplus
New Prospect	HVAC	2,500	School Condition Improvement (SCI)
Beaver Brae	Accessibility	2,000	School Condition Improvement (SCI)
Beaver Brae	Roofing Replacement	1,000	School Condition Improvement (SCI)
Red Lake DHS	Civil Drainage & Accessibility	965	School Renewal
Ignace	Child Care Planning	909	Child Care Capital Grant
Lillian Berg	Child Care Planning	856	Child Care Capital Grant
Dryden RTCC	Roofing Replacement	600	School Condition Improvement (SCI)
Ear Falls PS	Major Renewal Project - Landscaping	500	School Condition Improvement (SCI)
System	Automatic flushing elementary schools	500	School Condition Improvement (SCI)
Crolancia SS	Energy Efficiency - Backup Utilities	310	Crolancia Surplus
Sioux Narrows	Roof Replacement	250	School Condition Improvement (SCI)
Dryden HS	M&E Commissioning	250	School Condition Improvement (SCI)
Beaver Brae	Civil Drainage & Accessibility	222	School Condition Improvement (SCI)
Red Lake-Madsen	Civil Drainage & Accessibility	215	School Condition Improvement (SCI)
Total		13,790	

Table 5
Enrolment Summary

				2022-23 Est to 2021-22 RevEstimates	2022-23 Est to 2021-22 RevEstimates
	2022-23 Estimates	2021-22 RevEstimates	2020-21 Actuals	#	%
Avg Daily Enrolment					
Elementary	2,860.00	2,878.50	2,794.75	-18.50	-0.6%
Secondary	1,791.75	1,702.27	1,688.02	89.48	5.3%
TOTAL	4,651.75	4,580.77	4,482.77	70.98	1.5%

Table 6
Projected ADE by School

				2022-23 Est to 2021-22 RevEstimates	2022-23 Est to 2021-22 RevEstimates
	2022-23 Estimates	2021-22 RevEstimates	2020-21 Actuals	#	%
School					
Beaver Brae Elem	238.00	232.00		6.00	2.6%
Crolancia Elem	65.00	65.00		-	0.0%
Ear Falls	97.00	97.00		-	0.0%
Evergreen	129.00	130.00		(1.00)	-0.8%
Golden Learning Ctr	185.00	187.00		(2.00)	-1.1%
Ignace	106.00	101.00		5.00	5.0%
Keewatin	151.00	139.00		12.00	8.6%
King George VI	255.00	265.00		(10.00)	-3.8%
Lillian Berg	79.00	83.00		(4.00)	-4.8%
New Prospect	299.00	284.00		15.00	5.3%
Open Roads	362.00	418.00		(56.00)	-13.4%
Red Lake - Madsen	167.00	157.50		9.50	6.0%
Savant Lake	7.00	7.00		-	0.0%
Sioux Mountain	321.00	324.00		(3.00)	-0.9%
Sioux Narrows	48.00	43.00		5.00	11.6%
Upsala	11.00	11.00		-	0.0%
Valleyview	340.00	335.00		5.00	1.5%
Elementary Total	2,860.00	2,878.50	-	(18.50)	-0.6%
Beaver Brae SS	460.50	441.00		19.50	4.4%
Crolancia HS	22.25	20.13		2.12	10.5%
Dryden HS	544.50	523.64		20.86	4.0%
Ignace HS	53.00	51.50		1.50	2.9%
Red Lake DHS	235.00	205.00		30.00	14.6%
Sioux North HS	476.50	461.00		15.50	3.4%
Secondary Total	1,791.75	1,702.27	-	89.48	5.3%
Board total	4,651.75	4,580.77	-	70.98	1.5%

Table 7
Projected October 2022 Head Count by School by Grade

<i>Elementary</i>											
School/Grade	JK	K	1	2	3	4	5	6	7	8	Total
Beaver Brae									111	127	238
Crolancia	3	9	6	3	10	8	8	5	8	5	65
Ear Falls	9	11	11	11	7	10	9	5	9	15	97
Evergreen	12	7	16	15	16	19	24	20			129
GLC	20	18	20	18	18	13	22	23	14	19	185
Ignace	12	11	6	11	11	11	10	16	11	7	106
Keewatin	20	20	18	29	16	21	18	9			151
King George VI	35	37	29	38	31	26	32	27			255
Lillian Berg	5	7	5	9	12	11	4	10	7	9	79
New Prospect	30	32	32	34	30	36	29	23	31	22	299
Open Roads	30	29	35	31	34	35	34	40	43	51	362
Red Lake-Madsen	12	18	21	20	15	15	19	12	21	14	167
Savant Lake	1	-	1	1	2	-	1	-	1	-	7
Sioux Mountain	30	33	27	30	30	30	42	34	40	25	321
Sioux Narrows	7	6	12	8	5	3	4	3			48
Upsala	-	1	2	-	-	2	-	1	3	2	11
Valleyview	42	46	46	39	39	41	44	43			340
ELEM TOTAL	268	285	287	297	276	281	300	271	299	296	2,860
<i>Secondary</i>											
School/Grade	9	10	11	12	Total						
Beaver Brae SS	103	123	108	157	491						
Crolancia	5	7	5	7	24						
Dryden HS	135	140	112	179	566						
Ignace HS	15	14	13	11	53						
Red Lake DHS	68	47	61	66	242						
Sioux North HS	100	110	111	171	492						
SEC TOTAL	435	451	421	603	1,868						

**Table 8
Staffing**

				2022-23 Est to 2021-22 RevEstimates	2022-23 Est to 2021-22 RevEstimates
	2022-23 Estimates	2021-22 Rev Estimates	2020-21 Actuals	FTE	%
EFIS Appendix H October 31					
Classroom Teachers- Elem	210.7	215.9	225.2	(5.2)	-2.4%
Classroom Teachers- Sec	144.7	137.4	144.7	7.3	5.3%
Teacher Assistants	147.5	140.5	136.5	7.0	5.0%
Early Childhood Educators	21.0	22.0	24.0	(1.0)	-4.5%
Prof/Para-prof/Technicians	38.3	37.3	40.3	1.0	2.7%
LibTechs&Guidance Tchrs	22.6	21.7	20.0	0.9	4.1%
Principals&VP-Admin time	28.0	26.0	30.0	2.0	7.7%
School Admin Assistants	35.5	35.5	36.0	-	0.0%
Coordinators- Tchrs&P/VP	19.3	18.8	13.8	0.5	2.7%
Custodial/Maint-Schools	82.3	81.4	81.3	0.9	1.1%
Facilities - Mgmt, Clerical	2.0	2.0	2.0	-	0.0%
Transp'n-Mgmt & Tech	4.0	4.0	4.0	-	0.0%
Admin-Director/SO's	5.0	5.0	5.0	-	0.0%
Director's Office	5.0	3.0	3.0	2.0	66.7%
Finance	5.5	5.5	5.5	-	0.0%
Capital Planning Capacity	2.0	1.0	1.0	1.0	100.0%
Procurement	1.5	1.5	1.5	-	0.0%
Human Resource Admin	5.5	4.5	4.5	1.0	22.2%
Payroll Administration	4.0	4.0	4.0	-	0.0%
Information Tech	1.0	1.0	1.0	-	0.0%
Other Support Staff	1.0	1.0	1.0	-	0.0%
Other (BU Reps; Secondments; DTC)	6.3	6.3	3.0	-	0.0%
Trustees	13.0	13.0	13.0	-	0.0%
Total	805.7	788.3	800.3	17.4	2.2%

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 collapse of the roof of a school. In that type of circumstance, our OSBIE insurance has a deductible of \$25,000 per occurrence.