

Management's Report on the 2020-21 Audited Financial Statements

(in thousands of dollars)

The 2020-21 fiscal year resulted in a \$4,353 *PSAB* Surplus, increasing our Accumulated Surplus (also known as *Reserves*) to **\$35,372** as of August 31, 2021. While revenues were \$2.6 million higher than budgeted, expenses were down by \$955 thousand compared to estimates. Expenditures were significantly reduced in the areas of *School Generated Funds* and *Transportation* as schools went to virtual learning for a significant portion of the school year due to the COVID-19 pandemic.

OPERATING RESULTS

A variance report on operating revenues and expenses compared to budget is attached as **Appendix 1**. Highlights and explanations for some of the more significant revenue and expense variances follow. Note that the terms *Estimates* and *Budget* will be used interchangeably.

REVENUES - \$102,836

Provincial grants under the "Grants for Student Needs" or "GSN" funding model were **\$74,114**. This was \$343 thousand (0.5%) lower than the estimates.

Provincial Grants – Other at **\$5,876** was \$3.9 million more than the estimates. The estimates contain only known grants at the time the estimates are approved. Additional grants - known as *Priority and Partnership Fund (PPF)* grants - are funds received during the year to address specific provincial initiatives such as student mental health needs. We typically are very conservative in our estimates of PPF grants because they are not guaranteed revenue on a year to year basis due to their specific focus on certain initiatives.

Local taxation revenues of **\$14,055** were \$576 thousand lower than the estimates, mainly due to property tax write-offs by the municipalities in the region. Fortunately, our overall funding is not affected by declines in local taxation because provincial grants are increased correspondingly to ensure we receive a total funding allocation that is based on enrolments and the provincial education funding model.

School Generated Funds revenues of **\$565** were \$1.8 million lower than the estimates, mainly because schools did not run regular events due to COVID protocols and restrictions.

Federal grants and fees of **\$6,476** were \$513 thousand higher than the estimates mainly due to higher than budgeted student enrolment. Our budgeted enrolment was very conservative because we were concerned about the number of students not returning to school due to Covid.

Other Fees & Revenues of **\$1,728** were \$188 thousand (12.2%) more than budgeted due to a number of initiatives that were funded in the year that were not known at budget preparation time. Examples include revenue received from energy rebates and staffing Secondments.

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

EXPENSES - \$98,483

Instruction expenses of **\$69,364** were \$851 thousand (1.2%) higher than the estimates. This variance includes an increase of \$1.1 million for amortization of school equipment (computers, photocopiers, vehicles, etc.) that was not included in the budget. This variance (about \$250 thousand) was offset by lower costs for professional development and staffing costs because of the pandemic.

Administration expenses of **\$5,281** were \$563 thousand (11.9%) more than the estimates. The variance is made up of expenditures that were higher than budget, including: COVID-related costs for PPE (\$295 thousand); banking fees (\$63 thousand); misallocated Secondments expenses (\$161 thousand); and vacation and overtime payouts (\$48 thousand).

Transportation expenses of **\$4,748** were \$599 thousand (11.2%) lower than the estimates. Due to the pandemic, buses were not running when schools weren't open for in-class learning. When buses weren't running, bus operators received only a fixed amount based on the contract.

Pupil Accommodation expenses of **\$16,642** were \$273 (1.7%) over the estimates. Some of this variance relates to increased amortization costs (\$376 thousand) related to additions to our capital assets. On the other hand, school operations and maintenance expenses were down by about \$165 thousand compared to budget because of school closures during the year.

School Generated Funds expenses of **\$694** were about \$1.7 million below estimates. This variance aligns with the fact that schools were not running events as they would in normal times due to Covid.

Other expenses of **\$1,754** were \$352 thousand (16.7%) less than the estimates. This variance includes the following: budgeted amortization was \$853 thousand higher than actual amortization (an error that was corrected in the *Revised Estimates*); \$730 thousand of actual Covid PPE expenses received *in kind* from MGCS (Ministry of Government & Consumer Services) that were not budgeted; \$161 thousand for seconded staff that was budgeted but was miscoded to *Administration*; and \$79 thousand for Dryden Training Centre casual staff who were included in the budget but did not work due to Covid.

COMPLIANCE

Surplus / Deficit

The 2020-21 surplus for Ministry of Education compliance purposes is **\$3,678**. The Board was **compliant** with the "Balanced Budget Determination" requirement (i.e. deficit less than 1% of operating budget, or \$801 deficit). Note that this is different from the "PSAB" surplus value of \$4,353 referenced at the beginning of this report.

Administration and Governance

The net expenses of **\$3,585** were within the funding allocation of **\$3,698**. Therefore, the Board was **compliant** with this enveloping requirement.

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

APPENDIX 1

Keewatin-Patricia DSB
 2019-20 Financial Statements
 Consolidated Statement of Operations
 For the year ended August 31
 Variance Report (in thousands of dollars)

	2020-21	2020-21	2019-20	2020-21	2020-21
	Actual	Estimates	Actual	Act v Est	Act v Est
	Actual	Estimates	Actual	Variance \$	Variance %
REVENUES					
Provincial Grants for Student Needs	74,114	73,771	68,119	343	0.5%
Provincial Grants - Other	5,876	1,947	3,158	3,929	201.8%
Local Taxation	14,055	14,631	13,907	(576)	-3.9%
School Generated Funds	565	2,385	1,639	(1,820)	-76.3%
Federal Grants & Fees	6,476	5,963	7,208	513	8.6%
Investment Income	9	-	33	9	
Other Revenue - School Boards	13	-	49	13	
Other Fees & Revenues	1,728	1,540	1,526	188	12.2%
TOTAL REVENUES	102,836	100,237	95,639	2,599	2.6%
EXPENSES					
Instruction	69,364	68,513	64,324	851	1.2%
Administration	5,281	4,718	4,523	563	11.9%
Transportation	4,748	5,347	4,706	(599)	-11.2%
Pupil Accommodation	16,642	16,369	15,056	273	1.7%
School Generated Funds	694	2,385	1,560	(1,691)	-70.9%
Other Expenses	1,754	2,106	1,296	(352)	-16.7%
TOTAL EXPENSES	98,483	99,438	91,465	(955)	-1.0%
Annual Surplus	4,353	799	4,174		
Accumulated Surplus at beginning of year	31,019	28,071	26,845		
Accumulated Surplus at end of year	35,372	28,870	31,019		

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