

Management's Report on the 2021-22 Audited Financial Statements

(in thousands of dollars)

The 2021-22 fiscal year resulted in a \$4,353 PSAB Surplus, increasing our Accumulated Surplus (also known as *Reserves*) to **\$39,725** as of August 31, 2022. While revenues were \$8.4 million higher than budgeted, expenses were also up by \$3.5 million compared to estimates.

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 - \$108,916

Provincial Grants under the "Grants for Student Needs" or "GSN" funding model were **\$75,580**. This was \$1.5 million (2%) higher than the estimates. Much of this increase was due to an increase in student enrolment compared to projections.

Provincial Grants – Other at **\$8,757** was \$5.7 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. In 21-22, PPF grants were \$2.4 million more than estimated. In-kind grants from the provincial government for Covid-related PPE and Rapid Antigen Test Kits totaled \$3.4 million and were not included in the estimates.

Education Property Tax revenues of **\$13,625** were \$511 lower than the estimates. Fortunately, our overall funding is not affected by declines in education property tax 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 **\$1,183** were \$380 lower than the estimates, mainly because schools did not run regular events due to ongoing COVID protocols and restrictions.

Federal Grants and Fees of **\$7,752** were \$1,581 higher than the estimates mainly due to higher than budgeted student enrolment for *Other Pupils of the Board* (tuition-paying pupils). Our budgeted enrolment was very conservative because we were concerned about the number of students from northern communities not returning to school due to Covid. We also had *Jordan's Principle* Education Assistant support funding of \$350 that was not budgeted.

Other Fees & Revenues of **\$1,781** were \$452 thousand (34%) more than budgeted due to initiatives that were funded in the year that were not known at budget preparation time. This includes revenue received from the Northern Support Initiative (\$200), Summer Literacy (\$90), and Project Sunset (\$160).

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

EXPENSES - \$104,563

Instruction expenses of **\$69,227** were \$1.9 million (2.6%) lower than the estimates. This variance includes a decrease in amortization that was caused by the correction of Sioux North High School amortization being included in Instruction rather than Pupil Accommodation in 2020-21. This variance is also explained by lower staffing costs because of positions that were budgeted but unfilled during the school year. Supply staff salaries were also lower than budgeted because there was less sick leave utilized than estimated and there were less replacement staff available. Finally, even when classroom positions were being filled, they were being filled by teachers who were on the low end of the salary grid.

Administration expenses of **\$5,629** were \$502 (9.8%) more than the estimates. The variance is made up of expenditures that were higher than budget, including: vacation payouts (\$50), HR staffing additions (\$118), and amortization (\$265).

Transportation expenses of **\$6,176** were \$406 (7%) higher than the estimates due to the addition of more bus routes than were not anticipated at budget time.

Pupil Accommodation expenses of **\$17,953** were \$1.6 million (9.9%) over the estimates. Some of this variance includes an increase in amortization (\$1,267), some of which was caused by the correction of Sioux North High School amortization being included in Instruction rather than Pupil Accommodation in 2020-21. Other variances were caused by higher than anticipated maintenance and utility costs in schools (\$266).

School Generated Funds expenses of **\$1,163** were \$400 (25.6%) 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 **\$4,415** were \$3.2 million (267%) more than the estimates. In-kind grants from the provincial government for Covid-related PPE and Rapid Antigen Test Kits totaled \$3.4 million and were not included in the estimates.

COMPLIANCE

Surplus / Deficit

The 2021-22 surplus for Ministry of Education compliance purposes is **\$4,950**. The Board was **compliant** with the "Balanced Budget Determination" requirement (i.e. deficit less than 1% of operating budget, or \$813 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 **\$3,521** were within the funding allocation of **\$3,521**. 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
 2021-22 Financial Statements
 Consolidated Statement of Operations
 For the year ended August 31
 Variance Report (in thousands of dollars)

	2021-22	2021-22	2020-21	2021-22	2021-22
	Actual	Estimates	Actual	Act v Est	Act v Est
				Variance \$	Variance %
REVENUES					
Provincial Grants for Student Needs	75,580	74,065	74,114	1,515	2.0%
Provincial Grants - Other	8,757	3,099	5,876	5,658	182.6%
Local Taxation	13,625	14,136	14,055	(511)	-3.6%
School Generated Funds	1,183	1,563	565	(380)	-24.3%
Federal Grants & Fees	7,752	6,171	6,476	1,581	25.6%
Investment Income	11	-	9	11	
Other Revenue - School Boards	227	130	13	97	
Other Fees & Revenues	1,781	1,329	1,728	452	34.0%
TOTAL REVENUES	108,916	100,493	102,836	8,423	8.4%
EXPENSES					
Instruction	69,227	71,093	69,364	(1,866)	-2.6%
Administration	5,629	5,127	5,281	502	9.8%
Transportation	6,176	5,770	4,748	406	7.0%
Pupil Accommodation	17,953	16,333	16,642	1,620	9.9%
School Generated Funds	1,163	1,563	694	(400)	-25.6%
Other Expenses	4,415	1,204	1,754	3,211	266.7%
TOTAL EXPENSES	104,563	101,090	98,483	3,473	3.4%
Annual Surplus	4,353	(597)	4,353	4,950	-829.1%
Accumulated Surplus at beginning of year	35,372	28,610	31,019		
Accumulated Surplus at end of year	39,725	28,013	35,372		

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