



**Board Meeting**

June 13, 2017

# **Finance Committee**

## **2017-18 Estimates**

Respectfully submitted by:  
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## Introduction

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

The 2017-18 Budget Estimates contain an in-year surplus of \$154 on a Public Sector Accounting Board (PSAB) basis and is in a deficit of \$679 on a Ministry of Education compliance basis. Since this compliance deficit value does not exceed 1% (\$763) of the operating allocation, we do not require Ministry approval prior to Board approval.

The difference between PSAB surplus and the Compliance balanced budget is due to the annual amortization of the employee future benefits liability for retirement gratuities, and post-retirement health benefits; plus interest expense to be accrued at year-end. There is an employee future benefits liability of about \$2.5 Million being amortized over the affected employees' average remaining service life of 5.0 years. Employees who are eligible for a retirement gratuity were offered a discounted payout in the summer of 2016 as per collective bargaining. This may change the liability in 2017-18 but the amount is still unknown.

The following table shows the calculation of the PSAB and Compliance surplus/(deficit) for the 2017-18 and 2016-17 Estimates and the 2015-16 Actuals.

Table 1  
Summary Statement of  
Operations

	2017-18 Estimates PSAB	2017-18 Estimates Compliance	2016-17 Estimates PSAB	2016-17 Estimates Compliance	2015-16 Actuals PSAB	2015-16 Actuals Compliance
Total Revenue	92,406	90,240	86,914	84,633	89,498	86,157
Total Expenses	92,252	90,919	86,791	85,330	86,623	85,367
Annual Surplus/Deficit	154	(679)	123	(697)	2,875	790
Opening Accumulated Surplus	19,501	19,753	19,380	20,450	17,008	20,094
Ending Accumulated Surplus	19,655	19,074	19,503	19,753	19,883	20,884

Schedule 5 of the Estimates contains detail on the various internally appropriated reserves and the unappropriated surplus.

The Committed Capital Projects Reserves will be increased by \$367 which is the addition of \$700 first time equipping for Sioux North High School less amortization of \$333. In future funds may be transferred to Committed Capital Projects Reserve as minor capital projects are approved by the Board and sanctioned by the Ministry.

The Dryden Training Centre (DTC) Reserve is providing \$119 to fund the amortization of this building which was not a Ministry-funded project.

## Revenues

Total revenues for 2017-18 are projected to be \$92,406 which is an increase of \$5,492 or 6.3% from the 2016-17 Estimates. Table 2 below provides a breakdown by revenue category.

Changes are due to an increase in grants for student needs to support the increase in salaries and benefits as a result of provincial bargaining and an increase in enrolment from 2016-17 Estimates.

Federal Grants and Fees are impacted by an increase in the projected Full-Time Equivalent (FTE) of 8.0 First Nation fee paying pupils.

Other Fees and Revenues have increased slightly due to salary and benefit increases of seconded personnel.

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. The increase is due capital projects that are amortized over the life of the asset.

Table 2  
Consolidated Revenues

Revenue	2017-18 Estimates	2016-17 Revised Estimates	2016-17 Estimates	2015-16 Actuals	2017-18 2016-17 Estimates \$	2017-18 vs 2016-17 Estimates %
Grants for Student Needs	63,204	59,050	58,862	59,750	4,342	7.4%
Other Provincial Grants	1,852	1,251	1,251	2,439	601	48.0%
Local Taxation	15,388	15,389	15,389	15,001	(1)	0.0%
School Generated Funds	2,166	2,281	2,281	2,219	(115)	-5.0%
Federal Grants and Fees	5,278	5,435	4,927	5,214	351	7.1%
Investment Income	119	163	163	226	(44)	-27.0%
Other School Boards' Revenue	0	0	0	14	0	0.0%
Other Fees and Revenues	1,229	1,209	1,209	1,918	20	1.7%
Deferred Capital Contrib	3,170	2,979	2,832	2,716	338	11.9%
<b>TOTAL REVENUE</b>	<b>92,406</b>	<b>87,757</b>	<b>86,914</b>	<b>89,497</b>	<b>5,492</b>	<b>6.3%</b>

## Operating Expenses

Total operating expenses are projected at \$92,252 an increase of \$5,461 or 6.3% from 2016-17 Estimates. Table 3A below provides a breakdown by expense "function".

Instruction is up due to the salary and benefit increases in the Provincial agreements and the difference in enrolment projections.

Administration is up due to salary and benefit increases. Executive Compensation changes have not been added to the budget as they are unknown at this time.

School Generated Funds mirror the changes in enrolment.

Fees are up to match the revenue received above.

Table 3A

## Operating Expenses by Function

Expenses	2017-18 Estimates	2016-17 Revised Estimates	2016-17 Estimates	2015-16 Actuals	2017-18 - 2016-17 Estimates \$	2017-18 vs 2016-17 Estimates %
Instruction	65,105	61,452	60,689	61,433	4,416	7.3%
Administration	4,169	3,978	3,978	3,831	191	4.8%
Transportation	5,010	4,691	4,691	4,357	319	6.8%
Pupil Accommodation	14,380	13,816	13,817	13,537	563	4.1%
School Generated Funds	2,166	2,281	2,281	2,244	(115)	-5.0%
Other Expenses	1,422	1,397	1,335	1,222	87	6.5%
<b>TOTAL EXPENSES</b>	<b>92,252</b>	<b>87,615</b>	<b>86,791</b>	<b>86,624</b>	<b>5,461</b>	<b>6.3%</b>

Table 3B below shows that breakdown of expenses by "object".

Salaries and benefits are up by \$4,061 or 6.4% due to the increase of 20.6 FTE (Table 8) and the salary and benefit increases in the collective agreements.

Supplies and services are up by \$494 or 4.9%.

Interest charges are \$53 higher due to short-term capital borrowing that will be funded.

Fees and services are up as stated above.

Table 3B

Operating Expenses by  
Object

Expenses	2017-18 Estimates	2016-17 Revised Estimates	2016-17 Estimates	2015-16 Actuals	2017-18 - 2016-17 Estimates \$	2017-18 vs 2016-17 Estimates %
Salaries & Benefits	67,416	64,057	63,355	64,032	4,061	6.4%
Supplies, Services, PD	11,165	10,793	10,671	10,435	494	4.6%
Amortization of Capital Assets	4,173	3,962	3,962	3,699	211	5.3%
Interest Charges	1,157	1,104	1,104	1,157	53	4.8%
Fees, Contracts, Rentals	7,485	6,839	6,839	6,400	646	9.4%
Other Expenses	856	860	860	901	(4)	-0.5%
<b>TOTAL EXPENSES</b>	<b>92,252</b>	<b>87,615</b>	<b>86,791</b>	<b>86,624</b>	<b>5,461</b>	<b>6.3%</b>

**Capital Expenditures**

Most of the capital activity, \$14,277, is for the construction of Sioux North High School. There are going to be 2 major renovation projects at Ear Falls and Beaver Brae Tech wing plus 3 new roofs funded by the school condition grant totaling \$5,585. There is also \$2,420 in funding for Child Care at Evergreen, Keewatin and Sioux Mountain. The rest is for various projects.

Table 4 below summarizes the planned capital expenditures for the 2017-18 year.

Table 4  
Capital Expenditures  
Funding Source

Funding Source	Amount
MOE - Sioux North High School	14,277
Child Care Capital - Evergreen, Keewatin, Sioux Mountain	2,017
Child & Family Program Capital - Sioux Mountain	403
School Condition - 3 roofs, Ear Falls, Beaver Brae	5,585
Greenhouse Gas Reduction - system lighting	1,708
School Renewal - various projects	214
Minor tangible capital assets - computers & equip	284
Total	24,488

## Enrolment

The Average Daily Enrolment (ADE) projection for 2017-18 is 4,769.56 for the combined elementary and secondary grades total. ADE is calculated with each elementary student as 1.0 FTE and secondary pupils counted as part-time with their FTE based on 300 minutes/day equal to 1.00 FTE.

Table 5 below shows the elementary and secondary totals and the comparison to the 2016-17 Estimates. The year over year change is 1.12% for the elementary panel and (1.05%) for the secondary panel. Overall, the enrolment projection is 0.21% for the combined panels.

The change from 2015-16 Actuals to 2017-18 Estimates is a decrease of 61.01.

Table 5  
Enrolment Summary

	2017-18	2016-17	2016-17	2015-16	2017-18 vs	2017-18 vs
Average Daily Enrolment	Estimates	Revised	Estimates	Actuals	2016-17	2016-17
		Estimates	Estimates		Estimates	Estimates
					\$	%
Elementary	2,802.00	2,805.00	2,771.00	2,781.85	31.00	1.12%
Secondary	1,967.56	2,035.59	1,988.44	2,048.73	(20.88)	-1.05%
TOTAL	4,769.56	4,840.59	4,759.44	4,830.58	10.12	0.21%

Table 6 (next page) shows the ADE projections by school.

Table 7 (two pages following) shows the projected October 2017.

## ADE by School

School	2017-18 Estimates	2016-17 Revised Estimates	2016-17 Estimates	2015-16 Actuals	2017-18 vs 2016- 17 Estimates	2017-18 vs 2016- 17 Estimates %
Beaver Brae	209.00	191.00	189.00	191.00	20.00	10.58%
Crolancia	54.00	57.00	54.00	58.00	0.00	0.00%
Ear Falls	111.00	124.00	118.00	126.50	(7.00)	-5.93%
Evergreen	166.00	160.00	160.00	164.00	6.00	3.75%
Golden Learning Centre	164.00	163.00	158.00	155.50	6.00	3.80%
Ignace	91.00	97.00	99.00	96.00	(8.00)	-8.08%
Keewatin	81.00	76.00	80.00	75.85	1.00	1.25%
King George VI	221.00	244.00	237.00	251.50	(16.00)	-6.75%
Lillian Berg	77.00	68.00	78.00	80.50	(1.00)	-1.28%
New Prospect	340.00	359.00	337.00	344.50	3.00	0.89%
Open Roads	382.00	397.00	404.00	408.00	(22.00)	-5.45%
Red Lake - Madsen	156.00	146.00	146.00	153.50	10.00	6.85%
Savant Lake	9.00	9.00	14.00	18.50	(5.00)	-35.71%
Sioux Mountain	372.00	359.00	341.00	330.00	31.00	9.09%
Sioux Narrows	14.00	9.00	9.00	8.00	5.00	55.56%
Upsala	7.00	6.00	9.00	9.50	(2.00)	-22.22%
Valleyview	347.00	340.00	338.00	311.00	9.00	2.66%
<b>ELEMENTARY TOTAL</b>	<b>2,801.00</b>	<b>2,805.00</b>	<b>2,771.00</b>	<b>2,781.85</b>	<b>30.00</b>	<b>1.08%</b>
Beaver Brae SS	501.88	535.75	500.25	526.00	1.63	0.33%
Crolancia HS	23.00	24.09	27.50	23.00	(4.50)	-16.36%
Dryden HS	654.13	677.13	661.13	686.63	(7.00)	-1.06%
Ignace HS	71.38	70.50	74.38	71.63	(3.00)	-4.03%
Queen Elizabeth DHS	472.06	485.13	475.06	475.88	(3.00)	-0.63%
Red Lake DHS	245.13	243.00	250.13	274.25	(5.00)	-2.00%
<b>SECONDARY TOTAL</b>	<b>1,967.58</b>	<b>2,035.60</b>	<b>1,988.45</b>	<b>2,057.39</b>	<b>(20.87)</b>	<b>-1.05%</b>
<b>BOARD TOTAL</b>	<b>4,768.58</b>	<b>4,840.60</b>	<b>4,759.45</b>	<b>4,839.24</b>	<b>9.13</b>	<b>0.19%</b>

Table 7  
Projected October 2017 Headcount by School by Grade

## Elementary

SCHOOL/GRADE	JK	K	1	2	3	4	5	6	7	8	Total
Beaver Brae									110	99	209
Crolancia	5	5	4	5	7	8	3	4	6	7	54
Ear Falls	11	10	9	10	10	14	13	15	10	9	111
Evergreen	21	21	21	16	24	25	21	17			166
Golden Learning Centre	21	21	15	12	24	16	15	14	18	8	164
Ignace	11	5	13	8	3	13	8	13	10	7	91
Keewatin	12	12	10	12	11	8	8	8			81
King George VI	22	22	28	30	29	20	42	28			221
Lillian Berg	6	5	9	8	7	8	9	5	9	11	77
New Prospect	39	39	31	33	31	30	39	26	38	34	340
Open Roads	30	32	33	33	29	43	36	40	49	57	382
Red Lake - Madsen	21	21	11	17	17	13	13	18	10	15	156
Savant Lake	1	1	1	2	0	1	0	1	2	0	9
Sioux Mountain	43	44	32	39	21	33	39	41	38	42	372
Sioux Narrows	2	3	1	0	2	3	2	1			14
Upsala	1	0	1	0	3	1	1	0	0	0	7
Valleyview	42	43	55	47	54	41	40	25			347
ELEMENTARY TOTALS	288	284	274	272	272	277	289	256	300	289	2801

## Secondary

SCHOOL/GRADE	9	10	11	12	Total
Beaver Brae SS	120	108	120	177	525
Crolancia	4	7	8	5	24
Dryden HS	140	142	160	230	672
Ignace HS	11	13	16	38	78
Queen Elizabeth DHS	105	101	108	174	488
Red Lake DHS	59	49	62	84	254
SECONDARY TOTAL	439	420	474	708	2,041

**Staffing**

Overall, staffing is up 20.6 FTE positions from the 2016-17 Estimates or 2.7%.

Table 8

Table 8

Appendix H October 31	2017-18 Estimates	2016-17 Revised Estimates	2016-17 Estimates	2015-16 Actuals	2016-17 vs 2016-17 Estimates	2016-17 vs 2016-17 Estimates %
Classroom Teachers - Elementary	209.2	200.4	198.2	193.7	11.0	5.3%
Classroom Teachers - Secondary	157.5	163.6	159.4	164.9	(1.9)	-1.2%
Teacher Assistants	124.0	125.7	115.0	123.6	9.0	7.3%
Early Childhood Educators	24.0	22.0	22.0	23.0	2.0	8.3%
Professional/Para-prof/Technicians	40.9	35.3	34.5	32.0	6.4	15.6%
Library Techs & Guidance Teachers	18.2	18.0	18.0	22.0	0.2	1.1%
Principals & VP - Administrative time	27.0	26.0	27.0	26.0	0.0	0.0%
School Administrative Assistants	31.0	31.0	31.0	31.1	0.0	0.0%
Coordinators - Teachers & P/VP	13.5	20.6	17.6	20.5	(4.1)	-30.4%
Custodial & Maintenance - Schools	62.9	63.4	63.4	62.9	(0.5)	-0.8%
Facilities - Mgt, Supervisory, Clerical	3.0	3.0	3.0	4.0	0.0	0.0%
Transportation - Mgt & Technical	5.0	5.0	5.0	5.0	0.0	0.0%
Administration -Director & Supervisory	4.0	4.0	4.0	4.0	0.0	0.0%
Directors Office	3.0	3.0	3.0	3.0	0.0	0.0%
Finance	5.0	5.0	5.0	5.0	0.0	0.0%
Capital Planning Capacity	1.0	0.0	1.0	0.0	0.0	0.0%
Procurment	2.0	1.5	1.5	1.5	0.5	25.0%
Human Resource Administration	5.0	5.0	5.0	5.0	0.0	0.0%
Payroll Administration	4.0	4.0	4.0	4.0	0.0	0.0%
Information Tech	1.0	1.0	1.0	1.0	0.0	0.0%
Other	2.0	2.0	4.0	4.0	(2.0)	-100.0%
Trustees	12.0	12.0	12.0	12.0	0.0	0.0%
<b>Total</b>	<b>755.2</b>	<b>751.5</b>	<b>734.6</b>	<b>748.2</b>	<b>20.6</b>	<b>2.7%</b>



## Budget Risks

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

Table 9

## Budget Risks and Mitigation Strategies

Description of risk element	Probability of risk occurring	Mitigation strategy(ies) employed
Actual enrolment is less than projected, causing reduction in grant or tuition revenues.	Moderate	<ul style="list-style-type: none"> <li>- somewhat conservative estimates used in budget</li> <li>-staff cannot be decreased once hired. This could put pressure if the enrolment is less</li> </ul>
Unexpected cost pressures (e.g. utility rates, salary settlements, benefit costs) cause expenses to exceed budget	Moderate	<ul style="list-style-type: none"> <li>- unappropriated surplus &gt;\$5,380</li> <li>- utilities fluctuation reserve &gt;\$350</li> <li>- Ministry recognition of in-year costs</li> </ul>
Expense items overlooked in budget preparation	Low	<ul style="list-style-type: none"> <li>- budgets are developed by those responsible for the activity and subject to multiple reviews</li> </ul>
Interest rates higher or lower than projected	Moderate	<ul style="list-style-type: none"> <li>- long term liabilities financed at fixed rates</li> <li>- somewhat conservative estimates for both investments and short term borrowing</li> </ul>
Staff responsible for budget centres overspend the approved budget	Moderate	<ul style="list-style-type: none"> <li>- monthly variance reports are provided to the staff and Finance monitors all budgets on a regular basis</li> </ul>
Catastrophic events requiring substantial funds to address (e.g. property damage due to fire or weather)	Low	<ul style="list-style-type: none"> <li>- insurance is carried for all major types of losses (property, liability, crime, auto, cyber, etc.)</li> </ul>
Capital project costs exceed budget projections	Moderate	<ul style="list-style-type: none"> <li>- capital projects are tendered to ensure competitive, fixed price</li> <li>- change orders require approval in accordance with authorization limits</li> <li>- redesign and/or retender as needed</li> <li>- highly regulated by Ministry of Education</li> </ul>
Ministry fails to provide funding to support the programs and activities it mandates	Moderate	<ul style="list-style-type: none"> <li>- lobbying efforts directly and through OPSBA to ensure provincial accountability</li> </ul>
Revenues prove to be uncollectable (e.g. tuition fees and rent)	Low	<ul style="list-style-type: none"> <li>- allowance made for doubtful accounts in prior year financial statements</li> <li>- collection efforts focused on large accounts</li> </ul>

