

Management's Report on the 2015-16 Audited Financial Statements
(in thousands of dollars)

FINANCIAL POSITION

Annual PSAB Surplus for the year of **\$2,874** increased the **Accumulated Surplus** to **\$19,883** as of August 31, 2016. The increase is due to the reduction of employee future benefits - retirement gratuity payout and the revenues recognized for land, the pre-load at the new high school.

Financial Assets increased by **\$381** resulting in a year-end balance of **\$42,060**. The increase is mainly attributable to the accounts receivable associated with the construction of the new high school.

Liabilities increased slightly by **\$12** resulting in a year-end balance of **\$104,048**. This reflects the payments on the capital loans and a reduction in employee future benefits due to the early retirement gratuity payout.

Non-Financial Assets increased by **\$2,505** resulting in a year-end balance of **\$81,871**. The increase is attributable to the new high school, Valleyview porta-pack, the roof replacements at Dryden High School and Beaver Brae Secondary School and the Red Lake natural gas conversion.

OPERATING RESULTS

A variance report on operating revenues and expenses is attached in Appendix 1. Highlights and explanations for some of the more significant revenue and expense variances follow.

REVENUES - \$89,498

Local taxation revenues of **\$15,001** were \$255 lower than the estimates. This was due to tax write-offs. 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.

Provincial grants under the "Grants for Student Needs" or "GSN" funding model were **\$62,466**. This was \$3,327 higher than the estimates. This was mainly due to higher than budgeted enrolment of pupils (about 113 FTE higher). The increase in enrolment is offset by the decrease of the Declining Enrolment grant and local taxation.

Provincial Grants – Other at **\$2,439** was \$1,028 more than the estimates. This is because the estimates contain only known grants at the time the estimates are approved, and additional "other" grants are made throughout the year.

School Generated Funds revenues of **\$2,219** were \$106 higher than the estimates due to the overall improvement in enrolment.

Federal grants and fees revenues of **\$5,215** were \$599 higher than the estimates mainly due to higher than budgeted enrolment of pupils (about 36 FTE higher).

Investment income of **\$226** was \$87 above the estimates due mainly to our very conservative interest rate projections and having more funds available to invest.

Other Fees & Revenues of **\$1,918** were \$926 more than budget due to a number of projects and activities that were funded in year and not known at budget preparation time.

EXPENSES - \$86,624

Instruction expenses of **\$62,433** were \$2,605 more than the estimates. There were more education assistants, early childhood educators, and higher supply teacher costs. The payment of the salary increase due to collective bargaining accounted for much of the increase. Benefits were also more than estimates.

Administration expenses of **\$3,831** were \$134 more than the estimates. This is the result of continued legal costs incurred for a number of complex cases, increased advertising/promotional merchandise, and increased salary and benefit cost associated with the collective bargaining and early retirement payout.

Transportation expenses of **\$4,357** were \$88 less than the estimates. This is the result of snow days when the operators receive only the fixed amount of the contract.

Pupil Accommodation expenses of **\$13,537** were \$397 more than the estimates. Electricity was over budget by \$318 and wages were higher due to collective bargaining.

School Generated Funds expenses of **\$2,244** were \$131 higher than the estimates. The teachers were back providing extras with the completion of collective bargaining.

Other expenses of **\$1,222** were \$23 lower than the estimates.

COMPLIANCE

Surplus

The in-year surplus for Ministry of Education compliance purposes was **\$790** (which is different from the "PSAB" surplus value of \$2,874) therefore the Board was **compliant** with the "balanced budget determination" requirement.

Administration and Governance

The net expenses for **Administration and Governance** were less than the funding allocation for Administration and Governance; therefore the Board was **compliant** with the Administration and Governance enveloping requirement.

APPENDIX 1

Keewatin-Patricia District School Board

2015-16 Financial Statements

Statement of Operations

Variance Report (in thousands of dollars)

	2014-15	2015-16	2015-16	F/S vs Est	F/S vs Est
	Financial	Estimates	Financial	Variance	Variance
	Statements	(Original)	Statements	(\$)	(%)
REVENUES					
Local Taxation	14,769	15,256	15,001	-255	1.7
Provincial Grants for Student Needs	60,409	59,139	62,466	3,327	-5.6
Sub-total (Funding Allocation)	75,178	74,395	77,467	3,072	-4.1
Provincial Grants - Other	2,263	1,411	2,439	1,028	-72.9
School Generated Funds	2,319	2,113	2,219	106	-5.0
Federal Grants and Fees	4,488	4,616	5,215	599	-13.0
Investment Income	292	139	226	87	-62.6
Other Revenues - School Boards	29	0	14	14	0.0
Other Fees & Revenues	1,812	992	1,918	926	-93.4
TOTAL REVENUES	86,381	83,666	89,498	5,832	-7.0
EXPENSES					
Instruction	60,916	58,828	61,433	2,605	-4.4
Administration	3,896	3,697	3,831	134	-3.6
Transportation	4,223	4,445	4,357	-88	2.0
Pupil Accommodation	13,259	13,140	13,537	397	-3.0
School Generated Funds	2,369	2,113	2,244	131	-6.2
Other	966	1,245	1,222	-23	1.9
TOTAL EXPENSES	85,629	83,468	86,624	3,156	-3.8
ANNUAL SURPLUS/(DEFICIT)	752	198	2,874	2,676	-

Respectfully submitted by:
 Kathleen O'Flaherty, Assistant Superintendent of Business