

Management's Report on the 2016-17 Audited Financial Statements
(in thousands of dollars)

The Financial statements have come within budget. Overall, there was a greater surplus than estimated. Other Provincial Grants were higher. These are funds received to promote Government initiatives. There was a corresponding increase to expenses in the instruction envelope.

The Board is compliant with all the Ministry of Education benchmarks.

FINANCIAL POSITION

Annual PSAB Surplus for the year of **\$661** increased the **Accumulated Surplus** to **\$20,544** as of August 31, 2017. The increase is due to the reduction of employee future benefits - retirement gratuity.

Financial Assets increased by **\$344** resulting in a year-end balance of **\$42,404**. The increase is mainly attributable to the accounts receivable associated with the construction of the new high school. The term deposit was not renewed which increased cash. This is to support capital projects until the cash is flowed from the Ministry.

Liabilities increased by **\$6,944** resulting in a year-end balance of **\$110,992**. Temporary borrowing is down \$255, accounts payable are up \$520 mainly due to timing of capital payments, and long term debt continues to be reduced as the principal is paid off. Deferred revenue has increased by \$1,574 as education program grants-other and third party grants are up \$891.

Non-Financial Assets increased by **\$7,261** resulting in a year-end balance of **\$89,132**. The increase is attributable to the new high school, the current roof replacements and other capital projects.

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 - \$89,367

Local taxation revenues of **\$15,086** were \$303 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 **\$61,923**. This was \$229 higher than the estimates. This was mainly due to the decrease of the Declining Enrolment grant and local taxation.

Provincial Grants – Other at **\$2,214** was \$963 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. These grants are to address Provincial strategies such as Math.

Federal grants and fees revenues of **\$5,420** were \$493 higher than the estimates mainly due to higher than budgeted enrolment of other pupils.

Investment income of **\$150** was \$13 below the estimates due to the elimination of the term deposit. A decision was made to keep the funds available for capital projects.

Other Fees & Revenues of **\$2,107** were \$898 more than budget due to a number of projects and activities that were funded in year and not known at budget preparation time.

EXPENSES - \$88,706

Instruction expenses of **\$62,876** were \$2,187 more than the estimates. There were more education assistants, early childhood educators, and higher supply teacher costs.

Benefits and Sick Leave Plans

Benefits were also more than estimates as the formula for benefits has changed. Sick leave is an increasing burden on Board.

Administration expenses of **\$3,958** were \$20 less than the estimates. This is due to retirements and reallocation of staff from the Admin Envelope. This reduction is not sustainable as we are now at a full complement of staff.

Transportation expenses of **\$4,623** were \$68 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 **\$13,448** were \$368 less than the estimates. There were some savings on supplies and F&E that offset the increase in electricity.

Other expenses of **\$1,467** were \$132 higher than the estimates.

COMPLIANCE

Surplus

The in-year deficit for Ministry of Education compliance purposes was **\$231** (which is different from the “PSAB” surplus value of \$661) 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.

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

APPENDIX 1

Keewatin-Patricia District School Board

2016-17 Financial Statements

Statement of Operations

Variance Report (in thousands of dollars)

	2015-16	2016-17	2016-17	F/S vs Est	F/S vs Est
	Financial	Estimates	Financial	Variance	Variance
	Statements	(Original)	Statements	(\$)	(%)
REVENUES					
Local Taxation	15,001	15,389	15,086	-303	-2.0
Provincial Grants for Student Needs	62,466	61,694	61,923	229	0.4
Sub-total (Funding Allocation)	77,467	77,083	77,009	-74	-0.1
Provincial Grants - Other	2,439	1,251	2,214	963	77.0
School Generated Funds	2,219	2,281	2,452	171	7.5
Federal Grants and Fees	5,215	4,927	5,420	493	10.0
Investment Income	226	163	150	-13	-8.0
Other Revenues - School Boards	14	0	15	15	0.0
Other Fees & Revenues	1,918	1,209	2,107	898	74.3
TOTAL REVENUES	89,498	86,914	89,367	2,453	2.8
EXPENSES					
Instruction	61,433	60,689	62,876	2,187	3.6
Administration	3,831	3,978	3,958	-20	-0.5
Transportation	4,357	4,691	4,623	-68	-1.5
Pupil Accommodation	13,537	13,816	13,448	-368	-2.7
School Generated Funds	2,244	2,281	2,334	53	2.3
Other	1,222	1,335	1,467	132	9.9
TOTAL EXPENSES	86,624	86,790	88,706	1,916	2.2
ANNUAL SURPLUS	2,874	124	661	537	

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