

Management's Report on the 2019-20 Audited Financial Statements

(in thousands of dollars)

The 2019-20 fiscal year resulted in a \$4,174 *PSAB* Surplus, increasing our Accumulated Surplus (also known as *Reserves*) to **\$31,019** as of August 31, 2020. While revenues were \$687 higher than budgeted, expenses were down by \$3.3 million compared to estimates. Expenditures were significantly reduced in the areas of *Instruction* and *Transportation* as schools went to virtual learning after the March Break 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.

REVENUES - \$95,639

Provincial grants under the "Grants for Student Needs" or "GSN" funding model were **\$68,119**. This was \$426 (0.6%) lower than the estimates.

Local taxation revenues of **\$13,907** were \$852 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.

Federal grants and fees of **\$7,208** were \$909 higher than the estimates mainly due to higher than budgeted enrolment of *Other Pupils*, which refers to pupils that are required to pay a tuition fee based on residency. Typically, this refers to students from surrounding First Nation communities attending our schools.

Provincial Grants – Other at **\$3,158** was \$1,492 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, also known as *Priority and Partnership Fund* (PPF) grants, are 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.

Other Fees & Revenues of **\$1,526** were \$185 (12%) more than budgeted due to a number of projects and activities that were funded in year and not known at budget preparation time. Examples include revenue received from Dryden Training Centre events and revenue from third parties to recover the cost of specific staff members (e.g. NNEC Remedial Teacher at Sioux North High School).

EXPENSES - \$91,465

Instruction expenses of **\$64,324** were \$2,939 (5%) less than the estimates. This resulted from cost savings on Supply Teachers and Casuals (\$2.4 million), and on professional services and consultants (\$400) due to the pandemic.

Pupil Accommodation expenses of **\$15,056** were \$629 (4%) over the estimates. This relates to increased amortization costs related to the addition of Sioux North High School to our capital assets. We also made adjustments to amortization costs as we performed a periodic review of the remaining service lives of our facilities.

Transportation expenses of **\$4,706** were \$522 (11%) lower than the estimates. This is due to the pandemic when buses were not running after March Break (bus operators received only a fixed amount based on the contract from mid-March until the end of the school year).

Administration expenses of **\$4,523** were \$377 (8%) more than the estimates. The main reason for this was the unbudgeted cost of COVID-19-related equipment and supplies such as masks, face shields, hand sanitizer, signage, and plexi-barriers.

Other expenses of **\$1,296** were \$57 less than the estimates. Of this amount, \$697 is an annual payment to the province that pertains to a "55 School Board Trust" payment for capital projects funded in 1998. We also get funded for this annually, so it's just a flow-through amount. The balance of this is made up of *Other Salaries and Benefits* (\$400) for seconded staff and *Supplies and Services* (\$200) for the Dryden Training Centre.

COMPLIANCE

Surplus / Deficit

The 2019-20 surplus for Ministry of Education compliance purposes is **\$3,296**. The Board was **compliant** with the "Balanced Budget Determination" requirement (i.e. deficit less than 1% of operating budget, or \$748 deficit). Note that this is different from the "PSAB" surplus value of \$4,174 referenced at the beginning of this report.

Administration and Governance

The net expenses of **\$3,389** were within than the funding allocation of **\$3,389**. Therefore, the Board was **compliant** with this enveloping requirement.

Respectfully submitted by:
Richard Findlay, Superintendent of Business

APPENDIX 1

Keewatin-Patricia DSB
 2019-20 Financial Statements
 Consolidated Statement of Operations
 Variance Report (in thousands of dollars)

	2019-20	2019-20	2018-19	Act v Est	Act v Est
	Actual	Estimates	Actual	Variance \$	Variance %
REVENUES					
Provincial Grants for Student Needs	68,119	68,545	68,922	(426)	-0.6%
Local Taxation	13,907	14,759	14,564	(852)	-6.1%
Federal Grants & Fees	7,208	6,300	6,994	909	12.6%
Provincial Grants - Other	3,158	1,666	3,398	1,492	47.2%
School Generated Funds	1,639	2,340	2,359	(701)	-42.8%
Other Fees & Revenues	1,526	1,342	2,206	185	12.1%
Other Revenue - School Boards	49	-	190	49	100.0%
Investment Income	33	-	74	33	100.0%
TOTAL REVENUES	95,639	94,951	98,707	688	0.7%
EXPENSES					
Instruction	64,324	67,263	67,688	(2,939)	-4.6%
Pupil Accommodation	15,056	14,427	15,438	629	4.2%
Transportation	4,706	5,228	5,107	(522)	-11.1%
Administration	4,523	4,145	4,809	377	8.3%
School Generated Funds	1,560	2,340	2,550	(780)	-50.0%
Other Expenses	1,296	1,353	1,477	(57)	-4.4%
TOTAL EXPENSES	91,465	94,756	97,069	(3,292)	-3.6%
Annual Surplus	4,174	195	1,638		
Accumulated Surplus at beginning of year	26,845	27,460	25,207		
Accumulated Surplus at end of year	31,019	27,655	26,845		

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