

Budget Information Meeting

Analysis of 2023-24 DRAFT Estimates

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Introduction

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

The 2023-24 Estimates resulted in a balanced budget for Ministry of Education compliance purposes. Since we have a balanced compliance budget, we do not require Ministry approval prior to Board approval.

The 2023-24 Estimates also show an in-year deficit of \$605 on a Public Sector Accounting Board (PSAB) basis. The difference between PSAB deficit and the Compliance balanced budget is due to a negative adjustment for amortization of committed capital projects.

Table 1 in *APPENDIX A* shows the calculation of the PSAB and Compliance surplus (deficit) for the 2023-24 Estimates, the 2022-23 Revised Estimates, and the 2021-22 Actuals.

Revenues

Total revenues for 2023-24 are projected to increase by \$2,643 (2.5%) compared to the 2022-23 Revised Estimates. **Table 2** in *APPENDIX A* provides a breakdown by revenue category.

Grants for Student Needs (GSN) funding increased by \$574 (0.8%) over the 2022-23 Revised Estimates. Some of the increase was due to increased projected student enrolment in the Secondary panel. There was also an increase in the GSN to set aside funds for potential salary increases in anticipation of settlements with various employee groups (both union and non-union). On the other hand, Covid funding was discontinued which offset some of the GSN increase.

Other Provincial Grants include Priorities and Partnerships Fund (PPF) grants. This is additional funding outside the GSN for targeted investments to directly support students in the classroom with accountable, time-limited funding. For 2023-24, there are twenty-two PPFs totaling \$3,240 (plus an additional \$800 for the Rapid Response Northern Schools Team to support Indigenous Education in 2024-25). These PPF grants support Indigenous education, math, de-streaming, reading, student pathways, special education, and student mental health as follows:

Indigenous Education	\$1,474
Math Strategy	662
Mental Health and Well-Being	100
Special Education	201
Student Pathways	209
Student Potential (De-Streaming and Reading)	<u>594</u>
Total	\$3,240

School Generated Funds were increased by \$645 for 2023-24. This amount has no effect on the overall budget, as there is a matching amount in the operating expenses. The increased amount reflects the fact that schools are back to normal after the pandemic, and we are pleased to see our students enjoying activities such as field trips again.

Federal Grants and Fees for 2023-24 have increased by \$642 (6.7%) over 2022-23 Revised Estimates. Most of this revenue, \$7,551 (74%) is generated by tuition-paying students from First Nation communities that attend KPDSB schools. Another \$2,387 (23%) is generated by Jordan's Principle funding (both direct and through First Nation partnerships) that pays for additional staff, including the Language Preservation Lead, Mental Health supports, Community and Cultural

Liaison, Elders in Residence, Language Facilitator, Jordan's Principle Navigator, Family Case Managers and Education Assistants.

Other Fees and Revenues include amounts from the Dryden Training Centre, reimbursements for Secondments, and amounts from a Microsoft settlement that is being used to purchase 140 laptops for students.

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 by the Ministry of Education.

Operating Expenses

Total operating expenses are projected at \$109,888 in 2023-24, an increase of \$1,159 (2.4%) from 2022-23 Revised Estimates. **Table 3A** in APPENDIX A provides a breakdown by expense "function".

Administration expenditures are up \$60 (1.1%). This includes an increase in administrative staffing to address needs and mitigate risk (e.g., Cyber Security Specialist and Human Rights and Equity Advisor). This increased staffing cost is offset by lower costs for amortization, contractual services, and supplies.

Transportation costs are up \$470 (7.0%) due to increased contract costs with bus operators for home to school transportation.

Pupil Accommodation costs are down \$109 (0.6%) compared to 22-23 Revised Estimates. This decrease resulted from Covid-related expenditures being discontinued.

Table 3B in APPENDIX A shows a breakdown of operating expenses by "object".

Salaries and Benefits are down by \$1,687 (2.2%). This decrease is directly related to staffing positions put in place during Covid that have been discontinued for 2023-24. This includes temporary casual daytime custodians (17), Long Term Occasional Teachers (2), and some Supply Teacher coverage.

ProfDev, Supplies, Services have increased by \$1,194 (11.6%) over the 2022-23 Revised Estimates. Contractual services, textbooks and supplies, and Honorariums for Elders have contributed to the increased projected expenditures on this line.

Amortization of Capital Assets increased by \$233 (2.7%) due to an increase in capital improvements and capital assets.

Rental, Fees, Contract expenditures are up \$1,395 (14.7%) compared to the 2022-23 Revised Estimates. \$470 of this increase is due to the increase in contracts with bus operators for home to school transportation for students. A further \$500 increase resulted from the snow removal expenditures being missed in the 2022-23 Revised Estimates.

Capital Expenditures

See **Table 4** in APPENDIX A for a complete list of the planned capital projects for 2023-24. Major capital expenditures for 2023-24 include the HVAC upgrades at Sioux Mountain PS (\$2,110) and New Prospect PS (\$1,544). Beaver Brae also has capital projects worth about \$2,799 to address accessibility issues, civil drainage, and a mechanical retrofit.

Indigenous Education Allocation

See **Table 5** in APPENDIX A for a comparison of the Indigenous Education Grant based on the 2023-24 Estimates, 2022-23 Revised Estimates, and 2021-22 Actual amounts. The 2023-24 Estimates are \$146 (5.3%) higher than the 2022-23 Revised Estimates and \$117 (4.2%) higher than the 2021-22 Actual amount. Note that the funding formula has been changed for the 2023-24 Estimates.

Budget Risks

There are a variety of risks that could cause the Board to fail to achieve the results projected in the approved budget. The risks are similar each year. A summary of these risks and our strategies to mitigate these risks is in **Table 6** in APPENDIX A.

APPENDIX A (All dollar amounts are in thousands)**Table 1**
Summary Statement of Operations

	2023-24	2023-24	2022-23	2022-23	2021-22	2021-22
	Estimates	Estimates	Rev Est	Rev Est	Actuals	Actuals
	PSAB	Compliance	PSAB	Compliance	PSAB	Compliance
Total Revenue	109,283	108,048	106,640	106,050	108,917	107,733
Total Expenses	109,888	108,048	107,286	106,050	104,563	102,784
Annual Surplus (Deficit)	(605)	-	(647)	-	4,353	4,950
Opening Accum Surplus	27,588	23,703	28,524	24,608	35,372	31,547
Ending Accum Surplus	26,983	23,703	27,878	24,608	39,725	36,496

Table 2
Consolidated Revenues

				2023-24 Est	2023-24 Est
				to 2022-23	to 2022-23
	2023-24	2022-23	2021-22	Rev Est	Rev Est
Revenue	Estimates	Rev Est	Actuals	\$	%
Grants for Student Needs	71,459	70,885	68,867	574	0.8%
Other Provincial Grants	3,602	3,197	8,757	405	12.7%
Local Taxation	13,815	13,815	13,625	(0)	0.0%
School Generated Funds	1,235	590	1,183	645	109.3%
Federal Grants and Fees	10,168	9,526	7,752	642	6.7%
Other School Bds' Revenue	160	160	227	-	0.0%
Other Fees and Revenues	1,476	1,289	1,792	188	14.6%
Deferred Capital Contrib'n	7,368	7,177	6,714	190	2.6%
TOTAL REVENUE	109,283	106,640	108,917	2,643	2.5%

Table 3A
Operating Expenses by Function

				2023-24 Est	2023-24 Est
				to 2022-23	to 2022-23
	2023-24	2022-23	2021-22	Rev Est	Rev Est
Expenses	Estimates	Rev Est	Actuals	\$	%
Instruction	75,037	74,953	69,227	84	0.1%
Administration	5,663	5,603	5,629	60	1.1%
Transportation	7,212	6,742	6,176	470	7.0%
Pupil Accommodation	18,209	18,318	17,953	(109)	-0.6%
School Generated Funds	1,235	590	1,162	645	109.3%
Other Expenses	1,089	1,081	4,415	9	0.8%
Provision for Contingencies	1,443	-	-	1,443	
TOTAL EXPENSES	109,888	107,286	104,563	1,159	2.4%

Table 3B
Operating Expenses by Object

				2023-24 Est to 2022-23 Rev Est	2023-24 Est to 2022-23 Rev Est
Expenses	2023-24 Estimates	2022-23 Rev Estimates	2021-22 Actuals	\$	%
Salaries & Benefits	75,723	77,410	72,101	(1,687)	-2.2%
ProfDev, Supplies, Services	11,497	10,304	9,902	1,194	11.6%
Amortn of Capital Assets	8,738	8,505	7,966	233	2.7%
Interest Charges on Capital	576	625	709	(49)	-7.9%
Rental, Fees, Contracts	10,863	9,468	9,504	1,395	14.7%
Other Expenses	1,049	975	4,382	74	7.6%
Provision for Contingencies	1,443	-	-	1,443	
TOTAL EXPENSES	109,888	107,286	104,563	2,602	2.4%

Table 4
2023-24 Capital Project Estimates

School	Description	Amount	Funding Source
Sioux Mountain PS	2023 HVAC carryover & Bldg Envelope	2,110	School Condition Improvement (SCI)
Beaver Brae SS	Mechanical Retrofit	1,599	School Condition Improvement (SCI)
System	Safe Schools - Rekeying/access control	1,550	School Condition Improvement (SCI)
New Prospect PS	2023 HVAC carryover	1,544	School Condition Improvement (SCI)
Beaver Brae SS	Civil Drainage & Accessibility carryover	1,200	School Condition Improvement (SCI)
Beaver Brae SS	Board Office relocation	1,000	Accumulatd Operating Surplus
Keewatin PS	Building Envelope Retrofit	1,000	School Condition Improvement (SCI)
Red Lake DHS	Civil Drainage & Accessibility carryover	1,000	School Condition Improvement (SCI)
Golden Learning Ctr	Civil Drainage/Outdoor Learning/Bldg Envelope	900	SCI / School Renewal
Red Lake DHS	Mechanical reCommissioning	750	School Condition Improvement (SCI)
Lillian Berg PS	Roof Replacement/ Building Envelope	560	School Condition Improvement (SCI)
Crolancia SS	Childcare Renovation/Syst Backup & Efficiency	500	School Condition Improvement (SCI)
System	Sub metering & energy dashboard	500	School Condition Improvement (SCI)
Dryden High School	Flooring Replacement	400	School Condition Improvement (SCI)
King George VI PS	Playground & Outdoor Learning	261	School Renewal / SCI
Beaver Brae Annex	Roof Replacement	150	Accumulatd Operating Surplus
Dryden RTCC	Landcaping Partnership	150	School Condition Improvement (SCI)
Ear Falls PS	Phase 2 Outdoor Learning	150	School Condition Improvement (SCI)
System	Interior Sgnage Replacement	150	School Condition Improvement (SCI)
Total		15,473	

Table 5
2023-24 Indigenous Education Grant

	2021-22 Act	2022-23 Rev Est	2023-24 Est
Indigenous Language Allocation			
Elem	1,055	1,096	1,078
Sec	191	212	198
Subtotal	1,246	1,308	1,276
FNMI Studies Allocation	779	678	103
Board Action Plan Allocation			
Elem	538	543	
Sec	289	297	
Subtotal	826	840	
Less: Indig Lead funded by S20 Prog Ldrshp Grant	(167)	(167)	
Adj'd Indig Educ Per Pupil Amt	659	673	
Add: BAP on Indig Educ Alloc	129	123	
Total Board Action Plan Alloc	788	797	
Nat'l Household Survey (NHS)-Based Per Pupil Amt			706
Supplemental Amount			724
Board Action Plan Table Amt			120
Total Board Action Plan Alloc			1,550
Total Indigenous Education Allocation	2,813	2,783	2,929

Table 6
Budget Risks and Mitigation Strategies

Description of Risk Element	Probability of Risk Occurring	Mitigation Strategies Employed
Actual enrolment is less than projected, causing reduction in grant or tuition revenues.	Moderate	- conservative estimates used in budget - staff cannot be decreased once hired. This could put pressure if the enrolment is less than projected.
Unexpected cost pressures (e.g., utility rates, salary settlements, benefit costs) cause expenses to exceed budget	Moderate	- access Reserves - Reallocate budget lines in-year to cover unexpected costs - Ministry recognition of in-year costs
Expense items overlooked in budget preparation	Low	- budgets are developed by those responsible for the activity and subject to multiple reviews
Interest rates higher or lower than projected	Moderate	- long term liabilities financed at fixed rates - somewhat conservative estimates for both investments and short-term borrowing
Staff responsible for budget centres overspend the approved budget	Moderate	- monthly variance reports are provided to the staff and Finance monitors all budgets on a regular basis
Catastrophic events requiring substantial funds to address (e.g., property damage due to fire or weather)	Low	- insurance is carried for all major types of losses (property, liability, crime, auto, cyber, etc.)
Capital project costs exceed budget projections	Moderate	- capital projects are tendered to ensure competitive, fixed price - change orders require approval in accordance with authorization limits - redesign and/or retender as needed - highly regulated by Ministry of Education
Ministry fails to provide funding to support the programs and activities it mandates	Moderate	- lobbying efforts directly and through OPSBA to ensure provincial accountability
Revenues prove to be uncollectable (e.g., tuition fees and rent)	Low	- allowance made for doubtful accounts in prior year financial statements - collection efforts focused on large accounts

Catastrophic events would include the collapse of the roof of a school. In that type of circumstance, our OSBIE insurance has a deductible of \$25,000 per occurrence.