



## **Audited Financial Statements**

**August 31, 2021**

**Report to the Board**

Prepared by: Keith Gervais, Chief Financial Officer  
Presented: November 18, 2021

## **Audit Findings**

The audit of the August 31, 2021 Good Spirit School Division was completed by Gary Kreklewich of Miller Moar Grodecki Kreklewich & Chorney.

The opinion of the audit which is included on page 2 & 3 of the audited financial statements indicates the financial statements present fairly, in all material respects, the financial position of the Good Spirit School Division No. 204 as at August 31, 2021 and the results of its operations and accumulated surplus from operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

All reports were filed on time with the Ministry of Education.

## Overview of Audited Financial Statements

### Statement of Financial Position – page 4

- This is the balance sheet which reports the assets, liabilities, and accumulated surplus of the school division.

#### Financial Assets

- *Cash and Cash Equivalents* increased by \$1,210,640
- *Accounts Receivable (Note 7)* decreased by \$902,708
  - Provincial grant decreased by \$800,000. These funds are for the YRHS Stimulus funding project for roofing replacements.
  - GST receivable increased by \$129,359
  - Other receivables decreased by \$232,064. The allowance set up to account for estimated uncollectible other receivables remained the same.
- *Portfolio Investments (Note 3)* which is the equity shares in Coops increased by \$96.

#### Liabilities

- *Accounts Payable and Accrued Liabilities (Note 8)* decreased by \$703,084
  - Accrued salaries and benefits increased by \$1,872. This is the time teachers' work in August but paid in September and vacation time earned but not taken by staff.
  - Supplier payments decreased by \$655,072. The change in this is due to timing of work and receipt of invoices.
  - Other accounts payable decreased by \$49,884. This is mainly due to the timing of GST returns.
- *Long-Term Debt (Note 9)* decreased by \$502,550. There were no new financial obligations added. The details are outlined in note 9 on page N-10.

	31-Aug-20	New Debt	Payments	Balance
<i>BMO Bus Loan</i>	(881,025)	-	269,761	(611,264)
<i>RBC Bus Lease 27694</i>	(171,063)	-	171,063	0
<i>Copier Lease 17106</i>	(20,062)	-	16,196	(3,866)
<i>Copier Lease 18742</i>	(53,001)	-	16,738	(36,263)
<i>Copier Lease 50901</i>	(122,368)	-	28,792	(93,576)
<b>Total Long-Term Debt</b>	<b>(1,247,519)</b>	<b>-</b>	<b>502,550</b>	<b>(744,969)</b>

- *Liability for Employee Future Benefits (Note 5)* increased by \$88,800. The Ministry engages the services of HUB International Limited (formerly Morneau Shepell Ltd.) to provide school divisions with an actuarial valuation to estimate the Liability for Employee Future Benefits. The school division provided detailed information on collective bargaining agreements and out of scope contract provisions along with demographic information on employees and usage of benefits that is used to make these calculations.

- *Deferred Revenue (Note 10)* increased by \$717,057
  - Federal capital tuition fees collected no longer include a capital component. \$499,889 has been transferred to schedule 13 and is now set up as a reserve. These funds are to be used on capital projects and is subject to approval by the Ministry.
  - There were no Foreign Tuition funds received in 2020-21 for an international student who will attend in the 2021-22 school year.
  - Climate Action Incentive Fund (CAIF) of \$205,010 were drawn down to fund the Esterhazy PAA Shop Upgrades.
  - Parent and Preschool Education funds balance of \$64,283.

### Net Financial Assets

- If we had collected all of our accounts receivable and cashed in our long-term investments and paid all debts there would be about \$16 million, which is our net financial assets.

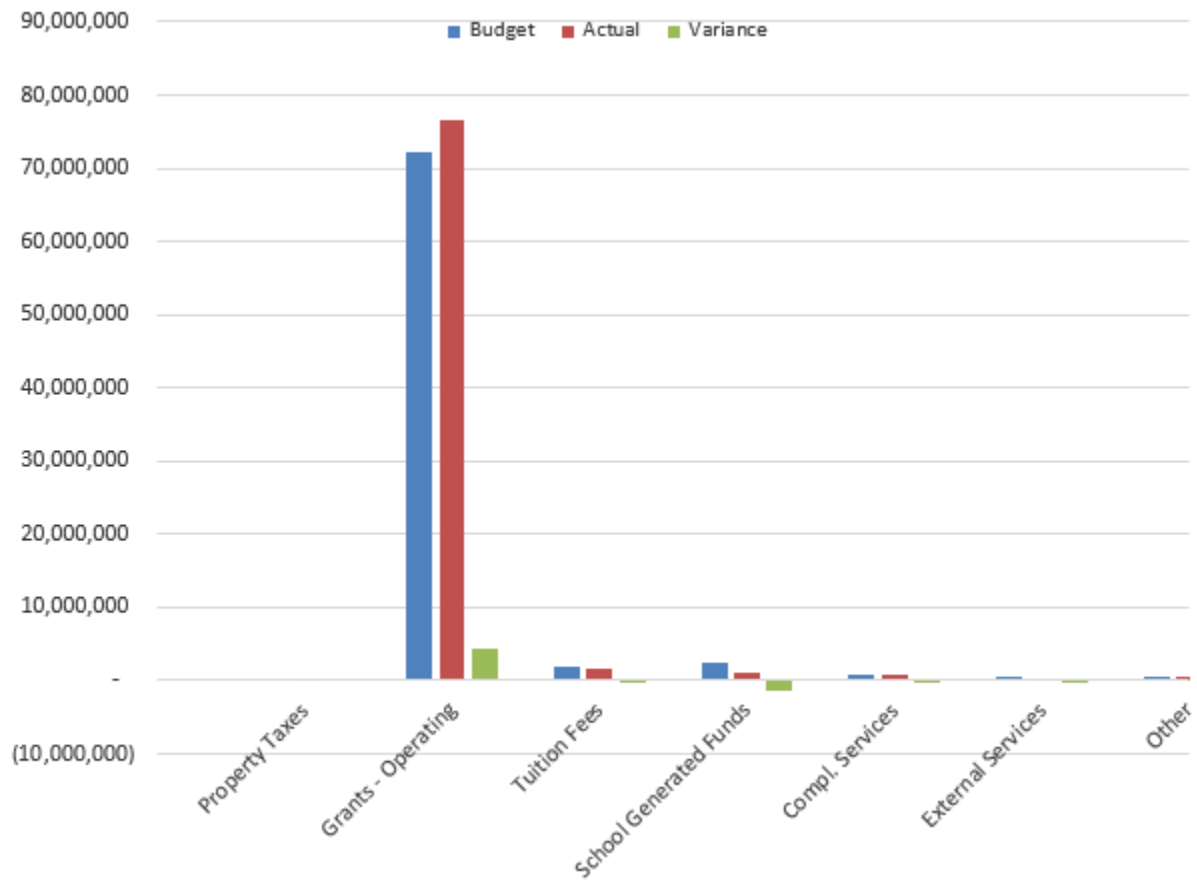
### Non-Financial Assets

- The non-financial assets are detailed in Schedule C
  - Closing Balance as of August 31, 2021 \$118,489,474
  - Less: Accumulated Amortization \$53,360,833
  - Net Book Value \$65,128,641
- Purchases during the year:
  - Buildings - Completion of GSEC Phase 2 \$1,647,972
  - Buses – 3 used buses and 8 new buses \$1,143,894
  - Other vehicles – 2 Facilities Trucks \$73,949
  - Furniture & Equipment \$328,732
  - Computer Hardware / Software \$796,085
  - Assets Under Construction – GSEC Phase 2 & YRHS \$3,828,026
  - Total Additions \$6,170,686
- Disposals during year:
  - Buildings \$0
  - Buses \$0
  - Other Vehicles \$0
  - Furniture & Equipment \$689,969
  - Computer Hardware & Software \$0
  - Total Disposals – deemed dispositions when fully amortized (\$689,969)
- Transfers from work in progress to asset account
  - Removal from Work in Progress - Buildings – GSEC Phase 2 (\$1,647,972)
- Prepaid Expenses - \$1,034,682
  - Includes SGI licenses, software, and inventory

# Statement of Operations and Accumulated Surplus from Operations – page 5

## Summary Report of 2020-2021 Revenue Budget to Actual

	Budget	Actual	Variance	
Property Taxes	-	3,018	3,018	#DIV/0!
Grants - Operating	72,248,887	76,666,554	4,417,667	6.1%
Tuition Fees	2,004,040	1,670,302	(333,738)	-16.7%
School Generated Funds	2,500,000	1,052,633	(1,447,367)	-57.9%
Compl. Services	893,483	874,399	(19,084)	-2.1%
External Services	436,896	337,580	(99,316)	-22.7%
Other	593,000	523,952	(69,048)	-11.6%
<b>Total</b>	<b>78,676,306</b>	<b>81,128,438</b>	<b>2,452,132</b>	<b>3.1%</b>



### Property Taxes – 0%

Budget	Actual	Variance	%
\$0	\$3,018	\$3,018	0%

- Property tax is collected by the Ministry and allocated to school divisions through the general revenue fund using the funding formula.
- Good Spirit School Division received a Treaty Land Entitlement payment that was not budgeted.

### Grants – Operating – 94.5%

Budget	Actual	Variance	%
\$72,248,887	\$76,666,554	\$4,417,667	6.1%

- Increased operating grant payments due to Community Net adj \$519,340
  - No enrolment adjustments to operating grant in 20-21
- Increase in PMR funding \$208,836
- YRHS Major Capital (\$650,000)
- CAIF Funds \$205,010
- Other Grants - EAL assessment, Mental Health \$26,710
- Federal Capital Tuition Funds tsf into revenue \$499,889
- Contingency Funds received for Covid-19 supports \$3,551,464
- SGI grant for Drivers program (\$54,639)
- Jordan's Principle & Summer Student Funding \$96,758
- Other Grants – Mosaic, etc \$14,300

### Tuition Fees – 2.1%

Budget	Actual	Variance	%
\$2,004,040	\$1,670,302	(\$333,738)	16.7%

- This is calculated using the estimate number of tuition paying students which is compiled using historical information. The actual number of these students was less than expected.

### School Generated Funds – 1.3%

Budget	Actual	Variance	%
\$2,500,000	\$1,052,633	(\$1,477,367)	(57.9%)

- Less activity at the school level due to COVID-19.
- Changes flow through internally restricted accumulated surplus as an increase in cash.

**Complementary Services – 1.1%**

Budget	Actual	Variance	%
\$893,483	\$874,399	(\$19,084)	(2.1%)

- Less received/recognized for PPEP (\$20,433)
- Dr. Brass Daycare rental \$1,349

**External Services – 0.4%**

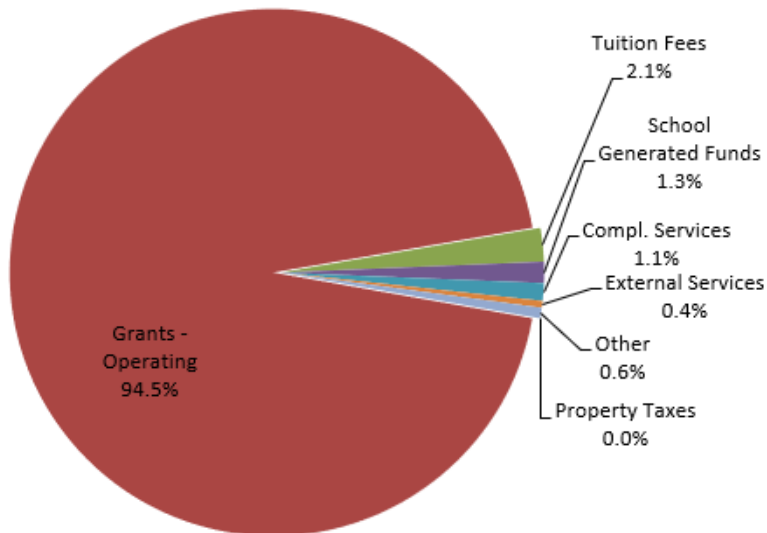
Budget	Actual	Variance	%
\$436,896	\$337,580	(\$99,316)	(22.7%)

- KidsFirst Funding \$3,840
- Other Grants \$11,315
- YRHS Cafeteria sales due to COVID-19 (\$114,472)

**Other – 0.6%**

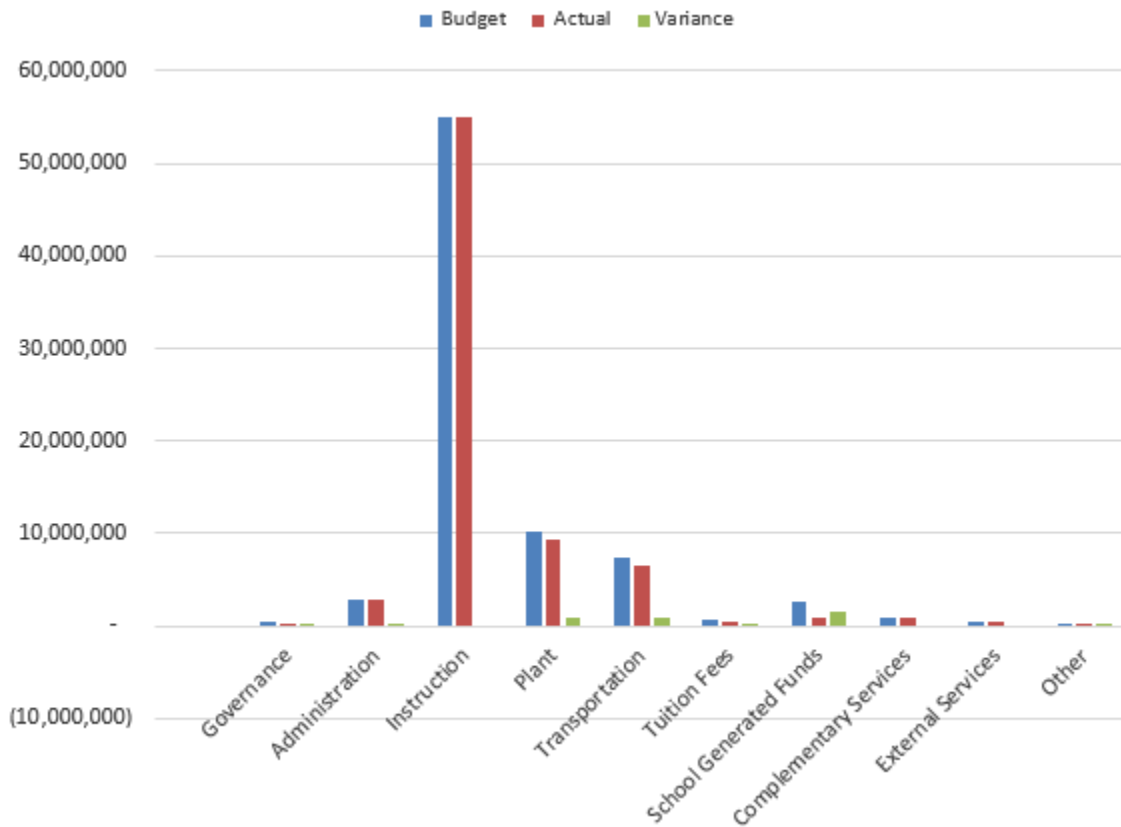
Budget	Actual	Variance	%
\$593,000	\$523,952	(\$69,048)	(11.6%)

- Miscellaneous Revenue \$79,308
- Sales and Rentals (\$66,896)
  - Decreased due to school closure
- Investments (\$81,460)
  - Decrease in interest rates



### Summary Report of 2020-2021 Expense Budget to Actual

	Budget	Actual	Variance	
Governance	388,694	293,344	95,350	24.5%
Administration	2,841,551	2,754,108	87,443	3.1%
Instruction	54,994,561	55,047,747	(53,186)	-0.1%
Plant	10,148,202	9,242,440	905,762	8.9%
Transportation	7,457,584	6,569,019	888,565	11.9%
Tuition Fees	695,166	533,277	161,889	23.3%
School Generated Funds	2,500,000	966,253	1,533,747	61.3%
Complementary Services	871,614	878,839	(7,225)	-0.8%
External Services	454,408	457,614	(3,206)	-0.7%
Other	58,211	30,220	27,991	48.1%
<b>Total</b>	<b>80,409,991</b>	<b>76,772,861</b>	<b>3,637,130</b>	<b>4.5%</b>





### Governance – 0.4%

Budget	Actual	Variance	%
\$388,694	\$293,344	\$95,350	24.5%

- Board members expenses (Travel) \$21,398
- SCCs \$47,568
  - SCC Loans re-classified within School Generated Funds as per direction from the Ministry
- Elections \$18,232
- Other \$8,153

### Administration – 3.6%

Budget	Actual	Variance	%
\$2,841,551	\$2,754,108	\$87,443	3.1%

- Salaries and benefits (\$49,331)
- Supplies & services – less Atrieve KTO work completed \$34,861
- Non-capital furniture & equipment (\$1,160)
- Building operating expenses – Savings in contracted maintenance \$6,303
- Communications \$13,276
- Travel \$36,437
- Professional development \$44,157
- Amortization of tangible capital assets (TCA) \$2,842

### Instruction – 71.7%

Budget	Actual	Variance	%
\$54,994,561	\$55,047,747	(\$53,186)	(0.1%)

- Professional staff salaries and benefits \$96,454
  - Replacement, Sick leave, and SEB plan over budget (\$152K)
  - Sub Cost savings (\$415K)
- Support staff salaries and benefits \$37,200
- Instructional aids \$122,473
- Supplies & services – additional Covid costs & Community Net costs (\$514,775)
- Non-capital furniture & equipment (\$49,857)
- Communications – telephone costs (\$25,927)
- Travel \$106,494
- Professional development \$232,422
- Student related expenses \$12,977
- Amortization of TCA (\$70,646)

**Plant – 12.0%**

Budget	Actual	Variance	%
\$10,148,202	\$9,242,440	\$905,762	8.9%

- Salaries and benefits (\$207,080)
  - Additional costs for added caretaking hours for Covid-19
- Supplies & services (\$34,991)
  - Additional costs for Covid-19
- Non-capital furniture & equipment (\$28,998)
- Building operating expenses \$1,169,230
  - Savings in insurance, utilities, and contracted maintenance
  - Less PMR work completed compared to budget
- Communications \$4,982
- Travel \$10,755
- Professional development \$10,232
- Amortization of TCA (\$18,367)

**Transportation – 8.6%**

Budget	Actual	Variance	%
\$7,457,584	\$6,569,019	\$888,565	11.9%

- Salaries and benefits \$357,011
  - Savings
    - Fleet Supervisor vacancy - \$53K
    - Bus Driver salary - \$118K (route amalgamation less extra-curr)
    - Bus Driver sub costs - \$139K
- Supplies & services \$206,429
  - Savings in fuel
- Non-capital furniture & equipment \$24,797
  - Savings in Repair and Maintenance
- Building operating expenses (\$2,645)
- Communications \$3,185
- Travel \$8,954
- Professional development \$24,732
- Contracted transportation
  - Less special events transportation \$238,111
- Amortization of TCA \$27,991

**Tuition Fees – 0.7%**

Budget	Actual	Variance	%
\$695,166	\$533,277	\$161,889	23.3%

- Tuition fees paid \$158,289
  - Fewer students attending Parkland College than budgeted
- Transportation fees \$3,600

**School Generated Funds – 1.3%**

Budget	Actual	Variance	%
\$2,500,000	\$966,253	\$1,533,747	61.3%

- Less activity at the school level due to Covid-19.
- Changes flow through internally restricted accumulated surplus as an increase in cash.

**Complementary Services – 1.1%**

Budget	Actual	Variance	%
\$871,614	\$878,839	(\$7,225)	(0.8%)

- Teacher salaries and benefits (\$27,735)
- Support salaries and benefits \$14,872
- Operational expenses \$5,638

**External Services – 0.6%**

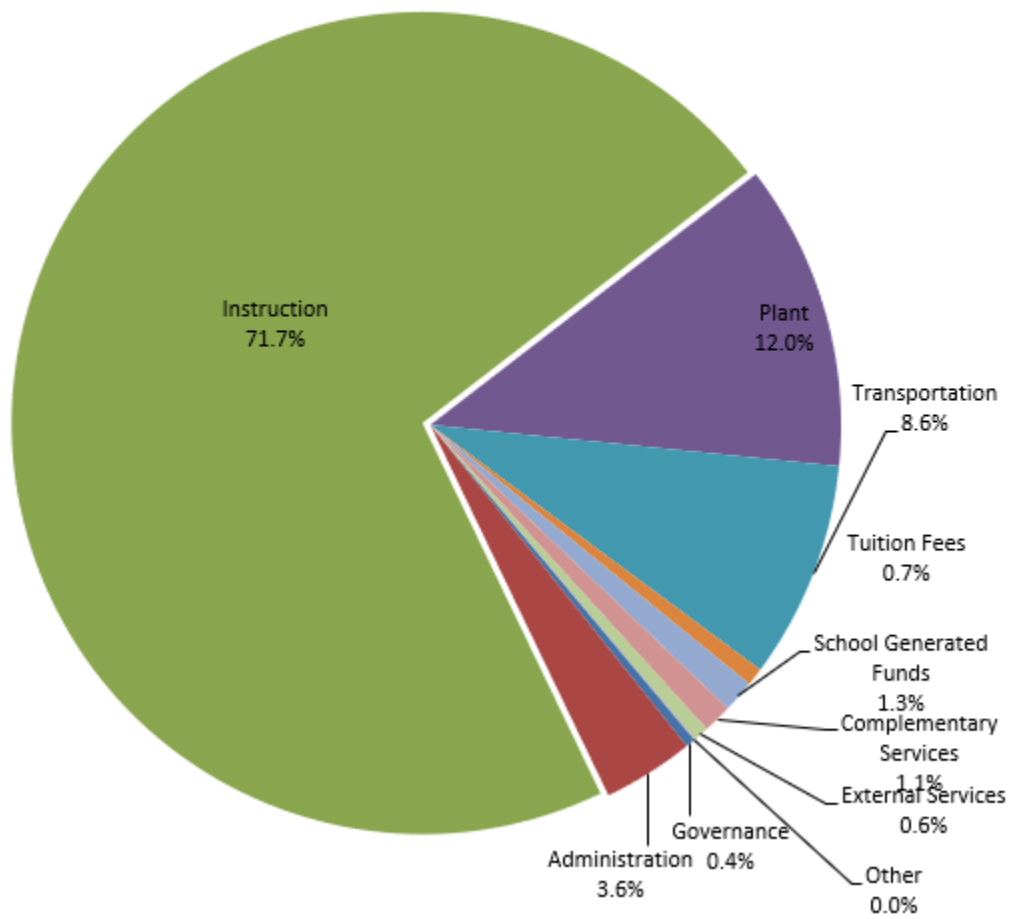
Budget	Actual	Variance	%
\$454,408	\$457,614	(\$3,206)	(0.7%)

- YRHS cafeteria and Regional KidsFirst salaries and benefits \$16,241
- Materials and supplies – YRHS Cafeteria \$29,723
- Materials and supplies – KidsFirst (\$47,668)
- Operational expenses (\$1,502)

**Other – 0.0%**

Budget	Actual	Variance	%
\$58,211	\$30,220	\$27,991	48.1%

- Interest and bank charges \$27,991
  - Bus loan not taken when projected



## Accumulated Surplus from Operations, End of Year – page N-13

	August 31, 2020	Additions during the year	Reductions during the year	August 31, 2021
<b>Invested in Tangible Capital Assets:</b>				
Net Book Value of Tangible Capital Assets	\$ 62,874,621	\$ 6,170,686	\$ 3,916,666	\$ 65,128,641
Less: Debt owing on Tangible Capital Assets	(1,247,519)	-	(502,550)	(744,969)
	<b>61,627,102</b>	<b>6,170,686</b>	<b>3,414,116</b>	<b>64,383,672</b>
<b>PMR maintenance project allocations (1)</b>	<b>3,230,925</b>	<b>2,115,549</b>	<b>879,498</b>	<b>4,466,976</b>
<b>Federal capital tuition reserves (2)</b>	<b>-</b>	<b>499,889</b>	<b>-</b>	<b>499,889</b>
<b>Education Emergency Pandemic Support program allocation (3)</b>	<b>-</b>	<b>1,146,063</b>	<b>-</b>	<b>1,146,063</b>
<b>Designated Assets:</b>				
<b>Capital Projects:</b>				
Designated for tangible capital asset expenditures	45,000	-	-	45,000
Anne Portnuff Theatre Upgrades	1,499	-	-	1,499
Minor Renovations	1,539,434	-	1,539,434	-
Risk Management and Security	11,299	-	-	11,299
Purchase of Buses	1,627,132	500,000	500,000	1,627,132
Unified Student Information System - USIS	128,671	-	56,033	72,638
Board Elections	50,000	-	-	50,000
Instructional Resources	50,000	-	-	50,000
Technology Resources	1,600,000	500,000	500,000	1,600,000
	<b>5,053,035</b>	<b>1,000,000</b>	<b>2,595,467</b>	<b>3,457,568</b>
<b>Other:</b>				
School generated funds	1,567,268	129,999	-	1,697,267
Future Expenditures YRHS Flood	100,000	-	-	100,000
School budget carryovers	667,961	592,717	667,961	592,717
Other (Fitness Centre, Kidsfirst, PPEP)	131,365	186,618	224,438	93,545
	<b>2,466,594</b>	<b>909,334</b>	<b>892,399</b>	<b>2,483,529</b>
<b>Unrestricted Surplus</b>	<b>5,609,109</b>	<b>295,536</b>	<b>-</b>	<b>5,904,645</b>
<b>Total Accumulated Surplus</b>	<b>\$ 77,986,765</b>	<b>\$ 10,491,105</b>	<b>\$ 7,781,480</b>	<b>\$ 82,342,342</b>

- Net increase in tangible capital assets \$2,756,570
  - New Assets \$6.2M less \$3.9M Amortization
  - No new debt less \$502K payments
- Net increase in PMR \$1,236,051
- Creation of Federal capital tuition reserves \$499,889
- Creation of Education Emergency Pandemic Supports \$1,146,063
- Net change to other restricted reserves (\$1,595,467)
- School Generated Funds increased \$129,999
- School budget carryovers decreased (\$75,244)
- Third party programs decreased (\$37,820)
- Increase to unrestricted \$295,536
- **Net change to Total Accumulated Surplus = Operating Surplus/Deficit** **\$4,355,577**

## Unrestricted Surplus Analysis

• Total unrestricted surplus	\$5,904,645
• Less: provincial grants receivable set up but not received	(\$1,058,730)
• Less: other receivables	(\$625,100)
<b>Net unrestricted surplus, August 31, 2021</b>	<b>\$4,220,815</b>

## Comparison to August 31, 2020 Position:

• Total unrestricted surplus	\$5,609,109
• Less: provincial grants receivable set up but not received	(\$1,729,374)
• Less: other receivables	(\$857,164)
<b>Net unrestricted surplus, August 31, 2020</b>	<b>\$3,022,571</b>
<b>Change, increase over the year</b>	<b>\$1,198,244</b>