



SASKATCHEWAN RIVERS PUBLIC SCHOOL DIVISION No. 119

CHIEF FINANCIAL OFFICER REPORT
ANNUAL MEETING OF ELECTORS
For The Year Ending August 31, 2016

SASKATCHEWAN RIVERS PUBLIC SCHOOL DIVISION BOARD OF EDUCATION AUDITED FINANCIAL STATEMENT

INTRODUCTION

I am pleased to present the Audited Financial Statement on the financial operations of the school division for the year ended August 31, 2016 and to comment on the overall financial position of Saskatchewan Rivers Public Schools.

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay. Expenses also include the amortization of tangible capital assets.

The budget approved by the Board of Education was developed to support provision of information for the provincial funding model for school divisions and is used to manage program spending within the guidelines of the funding model. Given differences between the funding model and generally accepted accounting principles established by PSAB, the budget figures presented have been adjusted to conform to the basis of accounting used to prepare the financial statements.

The annual report is available on the school division website and are prepared in accordance with The Education Act and Regulations. These documents require the reporting of certain financial information not formally contained in the year-end financial statements and are prepared in accordance with these requirements and are based on the same records from which the audited financial statements have been prepared.

FINANCIAL SUMMARY

The school division ended the year with a deficit of \$305,965 which was realized on revenues of \$103,307,151 and expenses of \$103,613,116.

Actual revenue was over budgeted revenue by \$1,773,234. The major factors contributing to the overall budget variance were increases in property taxation of \$1,022,169, tuition and related fees of \$389,554, external services of \$429,013 and other revenue of \$285,435 with decreases in school generated funds of \$183,133 and grants of \$169,804.

Actual expense was under budgeted expense by \$932,978. The major factors contributing to the overall budget variance were decreases in plant operations and maintenance of \$1,072,066, school generated funds of \$281,929 and transportation of \$172,087 with increases in instruction of \$363,090 and external services of \$525,690.

RECOMMENDATION:

That the Financial Statements and Treasurer's Report for the fiscal year ended August 31, 2016 be approved as presented.

OPERATING REVENUE

Property Taxation

Total tax revenue was over budget by \$1,022,169. The variance occurred as a result of the application of the provincial mill rate and property reassessment less discounts, cancellations and appeals.

Grants

Grants were under budget by \$169,804. The main reasons for the variance were in the decrease in operating grants of \$1,308,744 and increase in capital grants of \$1,138,940.

Tuition Fees and Other Revenue

Tuition fee revenue was over budget by \$389,554. The main reasons for the variance were in the increase in Federal Government and First Nations tuition fees of \$291,444 and Individual and Other tuition fees of \$98,110.

School Generated Funds Revenue

School generated funds revenue was under budget by \$183,133. The main reason for the variance was in the level of revenue generated through school based activities.

Complementary Services Revenue

Complementary services revenue was the same as budget.

External Services Revenue

External Services revenue was over budget by \$429,013. The main reason for the variance was the increase in operating grants of \$374,525 and fees and other revenue of \$54,488.

Other Revenue

Other fee revenue was over budget by \$285,435. The main reason for the variance was the increase in reimbursements of \$231,398 and gain on disposal of capital assets of \$90,754 and a decrease in investment income of \$41,366.

OPERATING EXPENSE

Governance

Governance expense was under budget by \$96,543 as a result of the decrease in other governance expenses of \$51,979, board members expense of \$42,963, professional development – board member of \$11,439, advisory committees of \$2,250 and an increase in elections of \$12,088.

Administration

Total administration expense was under budget by \$57,737 as result of the decrease in salaries and benefits of \$109,458, building operating expense of \$18,978, supplies and services of \$12,131, non-capital equipment of \$3,880 and travel of \$2,148 and increase in amortization of \$74,756, communication expense of \$8,073 and professional development of \$6,029.

Instructional Services

Total instructional services expense was over budget by \$363,090 as a result of the increase in instructional salaries and benefits of \$590,855, professional development of \$281,536, supplies and services of \$124,560, amortization of \$105,165 and student related expense of \$5,140 and a decrease in instructional aids of \$353,221, program support salaries and benefits of \$215,494, non-capital equipment of \$76,637, travel of \$76,122 and communications of \$22,692.

Plant Operations And Maintenance

Total expense for plant operations and maintenance was under budget by \$1,072,066 as a result of the decrease in building operating expense of \$1,300,796, travel of \$32,182, non-capital equipment of \$20,868, professional development of \$4,408, supplies and services of \$3,119 and communications of \$3,010 and an increase in amortization of \$273,977 and salaries and benefits of \$18,340.

Student Transportation

This category of expense was under budget by \$172,087 as a result of the decrease in supplies and services of \$256,048, contracted transportation of \$189,032, non-capital equipment of \$23,416, communications of \$18,589 building operating expenses of \$18,136, professional development of \$3,546, and travel of \$2,105 and an increase in amortization of \$119,640 and salaries and benefits of \$139,145.

□ Tuition And Related Expense

Total expense was under budget by \$16,688. The main reason for the variance was the decrease in tuition fees paid to individuals.

□ School Generated Funds

Total expense was under budget by \$281,929 as a result of a decrease in cost of sales of \$176,266, supplies and services of \$94,649, amortization of \$43,533 and non-capital equipment of \$41,119 and an increase in school fund expenses of \$73,638.

□ Complementary Services

Total expense was under budget by \$111,728 as a result of the decrease in salaries and benefits of \$70,082, professional development of \$21,129, contracted transportation and allowances of \$14,894, instructional aids of \$6,461 and amortization of \$4,000 and an increase in non-capital equipment of \$4,838.

□ External Services

Total expense was over budget by \$525,690 as a result of the increase in salaries and benefits of \$325,075, government transfers of \$227,407, non-capital equipment of \$51,739, instructional aids of \$44,844, building operating expense of \$33,447 and contracted transportation of \$1,452 and a decrease in supplies and services of \$99,414, professional development of \$43,346, amortization of \$7,211, travel of \$6,913 and communications of \$1,390.

□ Other expenses

This category of expense was under budget by \$12,980. The main factor causing the variance was a decrease in interest expense.

For additional information
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