Enclosure No. 2

# Final 2021/22 Financial Reporting

Board Meeting
November 29, 2022

MEDICINE HAT PUBLIC SCHOOL DIVISION

# Statement of Operations

| | Spring Budget 2021/22 | Fall Budget 2021/22 | Actual 2021/22 | Actual 2020/21 |
|---|---|---|---|---|
| **Total Revenues** | $ 87,816,500 | $ 89,515,400 | $ 90,549,768 | $ 88,251,596 |
| **Expenses** | | | | |
| Instruction (ECS) | 71,034,500 | 72,751,300 | 8,390,586 | 7,783,043 |
| Instruction (1-12) | | | 64,683,774 | 63,028,896 |
| PO&M | 11,631,700 | 11,767,300 | 11,483,157 | 11,788,041 |
| Transportation | 2,318,800 | 2,318,800 | 2,329,071 | 2,249,489 |
| Board & System Admin | 2,719,900 | 2,814,800 | 2,877,984 | 2,737,359 |
| External Services | 868,600 | 869,500 | 743,281 | 702,943 |
| **Total Expenses** | $ 88,573,500 | $ 90,521,700 | $ 90,507,853 | $ 88,289,771 |
| **Operating Surplus (Deficit)** | $ (757,000) | $ (1,006,300) | $ 41,915 | $ (38,175) |

# AFS Variance Analysis

- The budget comparison in the Audited Financial Statements (AFS) is the Spring Budget.
- 2021/22 year included several significant changes:
  - Enrollment decline from spring to fall of 256 students.
  - Hold Harmless Funding of $1.7M announced for fall 2021/22.
  - Learning Loss Funding announced - $400K.
  - Planned use of reserves to budget a deficit of approximately $1M.

# Revenue

| | 2021/22 Spring Budget | 2021/22 Fall Budget | Aug 31/22 Actual | % Spent | Variance to Fall Budget Favorable (Unfavorable) | Variance to Fall Budget as % | Variance Driving Surplus (Deficit) Favourable (Unfavourable) | Variance Driving Surplus as % |
|---|---|---|---|---|---|---|---|---|
| Grant Revenue | 79,948,900 | 81,128,000 | 81,127,207 | 100.00% | (793) | 0.00% | (538,216) | -0.66% |
| Local Revenue & SGF | 4,508,400 | 4,883,400 | 5,909,649 | 121.02% | 1,026,249 | 21.02% | 530,244 | 10.86% |
| Supported Debt | 3,359,200 | 3,504,000 | 3,512,912 | 100.25% | 8,912 | 0.25% | - | 0.00% |
| **Total Revenue** | **$ 87,816,500** | **$ 89,515,400** | **$ 90,549,768** | **101.16%** | **1,034,368** | **1.16%** | **$ (7,972)** | **-0.01%** |

The actual revenue variance for is $1.03M lower than budget, but there are many self-balancing items driving that amount, such as IMR that have an offsetting reduction in expenses. The pink columns show items driving bottom line surplus.

The revenue variance driving the overall bottom line is the following:

- Grant Revenues – ($538,216) or (.66%) lower than budget
- Local Revenues – $530,244 or 10.86% higher than budget

# Revenues

- **Grant Revenue**
  - Pre-Kindergarten (Pre-K) and Kindergarten Severe Grants **lower** than expected. Student needs were found to be less severe than previous years (Dec 17th submission).
    - Pre-K ($182,000)
    - Kindergarten Severe ($434,000)
    - Various other grants more favourable $78,000

- **Other Revenue Items**
  - International student tuition higher than expected $301,700
  - Division health spending account refund higher than usual $38,000
  - Investment income $89,000
  - Gain on asset disposal $30,800
  - Various other small revenue items more favourable $70,500

# Wages & Benefits

| | 2021/22 Spring Budget | 2021/22 Fall Budget | Aug 31/22 Actual | % Spent | Variance to Fall Budget Favorable (Unfavorable) | Variance to Fall Budget as % | Variance Driving Surplus (Deficit) Favourable (Unfavourable) | Variance Driving Surplus as % |
|---|---|---|---|---|---|---|---|---|
| Cert - Salary | 41,391,700 | 42,328,900 | 41,622,097 | 98.33% | 706,803 | 1.67% | | |
| Cert - Benefits | 10,683,900 | 10,873,100 | 10,758,200 | 98.94% | 114,900 | 1.06% | | |
| **Total Certificated** | **52,075,600** | **53,202,000** | **52,380,297** | **98.46%** | **821,703** | **1.54%** | 701,774 | **1.32%** |
| | | | | | | | | |
| Non-Cert - Salary | 13,227,300 | 13,531,400 | 12,923,743 | 95.51% | 607,657 | 4.49% | | |
| Non-Cert - Benefits | 3,447,600 | 3,552,900 | 3,353,221 | 94.38% | 199,679 | 5.62% | | |
| **Total Non-Certificated** | **16,674,900** | **17,084,300** | **16,276,964** | **95.27%** | **807,336** | **4.73%** | 429,090 | **2.51%** |
| | | | | | | | | |
| Total Salary | 54,619,000 | 55,860,300 | 54,545,840 | 97.65% | 1,314,460 | 2.35% | | |
| Total Benefits | 14,131,500 | 14,426,000 | 14,111,421 | 97.82% | 314,579 | 2.18% | | |
| **Total Wages/Benefits** | **$ 68,750,500** | **$ 70,286,300** | **$ 68,657,261** | **97.68%** | **$ 1,629,039** | **2.32%** | **$ 1,130,864** | **1.61%** |

**Wages & Benefit Expenses** – $1,130,864 (1.61%) lower than budget

# Wages & Benefits

- **Certificated** – $701,774 (1.32%) lower than budget
  - Substitute costs including extra added for Harm Reduction Policy lower than expected $209,000
  - Extended disability and maternity leave overlap lower $86,900
  - HR Staffing budget available for unforeseen situations $135,000
  - Pre-K staff lower than budget to offset fewer student needs $48,000
  - Early Retirement Incentive Program (ERIP) lower than budget $30,400
  - Professional development costs lower than budget due to pandemic limitations $115,500
  - Administrator allowances lower than budgeted $54,500

# Services & Supplies

| | 2021/22 Spring Budget | 2021/22 Fall Budget | Aug 31/22 Actual | % Spent | Variance to Fall Budget Favorable (Unfavorable) | Variance to Fall Budget as % | Variance Driving Surplus (Deficit) Favourable (Unfavourable) | Variance Driving Surplus as % |
|---|---|---|---|---|---|---|---|---|
| Services/Supplies | 15,399,000 | 15,645,500 | 17,258,593 | 110.31% | (1,613,093) | -10.31% | (72,577) | -0.46% |
| Amortization & Debt | 4,424,000 | 4,589,900 | 4,591,999 | 100.05% | (2,099) | -0.05% | (2,100) | -0.05% |
| | 19,823,000 | 20,235,400 | 21,850,592 | 107.98% | (1,615,192) | **-7.98%** | (74,677) | **-0.37%** |

**Services and Supplies Expenses** – $72,577 (-.46%) higher than budget

# Services and Supplies Cont.

- **Services and Supplies – ($72,577 – .46%) higher than budget**

**Expense items overspent**

| | |
|---|---|
| – Utilities – rate increases higher than expected | ($450,000) |

**Expense items underspent**

| | |
|---|---|
| – Insurance | $152,000 |
| – Travel and legal expense | $50,000 |
| – Coulee Collegiate costs | $23,000 |
| – Pre-K spending lower to offset lower than expected needs | $77,100 |
| – Maintenance projects | $75,100 |

# 2021/22 – Surplus (Deficit)

| | 2021/22 Spring Budget | 2021/22 Fall Budget | Aug 31/22 Actual | % Spent | Variance to Fall Budget Favorable (Unfavorable) | Variance to Fall Budget as % | Variance Driving Surplus (Deficit) Favourable (Unfavourable) | Variance Driving Surplus as % |
|---|---|---|---|---|---|---|---|---|
| **Total Revenue** | **$ 87,816,500** | **$ 89,515,400** | **$ 90,549,768** | **101.16%** | **$ 1,034,368** | 1.16% | **$ (7,972)** | **-0.01%** |
| Total Certificated | 52,075,600 | 53,202,000 | 52,380,297 | 98.46% | 821,703 | 1.54% | 701,774 | 1.32% |
| Total Non-Certificated | 16,674,900 | 17,084,300 | 16,276,964 | 95.27% | 807,336 | 4.73% | 429,090 | 2.51% |
| **Total Wages & Benefits** | **$ 68,750,500** | **$ 70,286,300** | **$ 68,657,261** | **97.68%** | **$ 1,629,039** | 2.32% | **$ 1,130,864** | **1.61%** |
| Services/Supplies | 15,399,000 | 15,645,500 | 17,258,593 | 110.31% | (1,613,093) | -10.31% | (72,577) | -0.46% |
| Amortization & Debt | 4,424,000 | 4,589,900 | 4,591,999 | 100.05% | (2,099) | -0.05% | (2,100) | -0.05% |
| **Total Expenses** | **$ 88,573,500** | **$ 90,521,700** | **$ 90,507,853** | **99.98%** | **$ 13,847** | **0.02%** | **$ 1,056,187** | **1.17%** |
| **Surplus (Deficit)** | **$ (757,000)** | **$ (1,006,300)** | **$ 41,915** | | **$ 1,048,215** | | **$ 1,048,215** | |

# 2021/22 – Surplus (Deficit)

| | 2021/22 Spring Budget | 2021/22 Fall Budget | Aug 31/22 Actual | Variance to Fall Budget Favorable (Unfavorable) |
|---|---|---|---|---|
| **Surplus (Deficit)** | $ (757,000) | $ (1,006,300) | $ 41,915 | $ 1,048,215 |

| | Actual Surplus (Deficit) |
|---|---|
| Fall Budget | $ (1,006,300) |
| Q1 - Projection | $ (1,246,900) |
| Q2 - Projection | $ (1,359,600) |
| Q3 - Projection | $ (827,000) |
| Q4 -Final Actual | $ 41,915 |