

**North East School Division
2021-22 Budget Report
Annual Operating and Capital Budget Estimates**

Proposed Board Motion:

That the Board approve the annual operating and capital budget estimates for the fiscal year September 1, 2021 to August 31, 2022 as detailed in the *2021-22 Budget Report*.

North East School Division**Budget 2021-22****Statement of Operations****(Prepared using Public Sector Accounting Board (PSAB) Standards)**

	Notes	2021-22 Budget	2020-21 Budget	Variance
Revenues				
Grants	1	\$ 63,200,329	\$ 57,563,166	\$ 5,637,163
Tuition and related fees	2	486,440	589,800	(103,360)
School generated funds	3	1,049,475	1,161,575	(112,100)
Complementary services		627,258	617,504	9,754
External services		262,000	262,000	-
Other		530,000	528,600	1,400
Total revenues		\$ 66,155,502	\$ 60,722,645	\$ 5,432,857
Expenses				
Governance	4	\$ 265,060	\$ 285,875	\$ (20,815)
Administration		2,613,186	2,610,718	2,468
Instruction	5	42,600,742	42,461,056	139,686
Plant	6	11,295,145	9,964,278	1,330,867
Transportation	7	4,832,957	4,710,276	122,681
Tuition and related fees	8	249,280	267,520	(18,240)
School generated funds	3	993,336	1,074,236	(80,900)
Complementary services		1,470,776	1,454,684	16,092
External services		361,232	365,073	(3,841)
Other expenses		283,494	300,643	(17,149)
Total expenses		64,965,208	63,494,359	1,470,849
Surplus/(deficit)		\$ 1,190,294	\$ (2,771,714)	\$ 3,962,008

North East School Division
 Budget 2021-22
 Conversion to Cash Basis

	2021-22 Budget	2020-21 Budget	Variance
PSAB surplus/(deficit)	\$ 1,190,294	\$ (2,771,714)	\$ 3,962,008
Tangible capital assets:			
Purchases	(7,903,500)	(2,804,198)	(5,099,302)
Proceeds from disposals	11,000	11,000	-
Long term debt:			
Repayments for the year	(421,587)	(404,438)	(17,149)
Non-cash items:			
Amortization expense	4,149,542	4,209,841	(60,299)
Gain on disposals of tangible capital assets	(11,000)	(11,000)	-
Employee Future Benefits expenses	89,100	81,400	7,700
Other cash requirements			
Employee Future Benefits expected payments	(24,500)	(21,400)	(3,100)
<i>Deficit cash for the year</i>	<u>\$ (2,920,651)</u>	<u>\$ (1,710,509)</u>	<u>\$ (1,210,142)</u>

**North East School Division
Budget 2021-22
Balancing the Budget**

	2021-22 Budget	2020-21 Budget	Variance
<i>Deficit cash for the year</i>	<i>\$ (2,920,651)</i>	<i>\$ (1,710,509)</i>	<i>\$ (1,210,142)</i>
Changes to the accumulated surplus (use of reserves):			
<i>Externally restricted accumulated surplus:</i>			
Pandemic Support Funding	808,132	-	808,132
<i>Internally restricted accumulated surplus (major capital project):</i>			
New School in Carrot River	268,000	-	268,000
<i>Internally restricted accumulated surplus (school controlled):</i>			
School Generated Funds (net change)	145,861	(22,561)	168,422
<i>Unrestricted accumulated surplus:</i>			
Technology upgrades (capital)	176,000	190,398	(14,398)
Technology upgrades (operating)	302,986	487,506	(184,520)
Facilities - equipment replacement	-	75,000	(75,000)
Furniture and equipment	-	98,800	(98,800)
	<u>478,986</u>	<u>851,704</u>	<u>(372,718)</u>
<i>Internally restricted accumulated surplus:</i>			
School Bus Replacement	712,700	706,000	6,700
Vehicle Replacement	123,000	120,000	3,000
Contingency - LED Project	-	(200,000)	200,000
Visible Learning	-	(170,000)	170,000
Chemistry Labs in Schools - Chemical Clean-up	-	150,000	(150,000)
Computer Software Replacement and Software Upgrade	-	330,000	(330,000)
Contingency - Carbon Tax costs	-	175,000	(175,000)
Surveillance Equipment Replacement	-	55,000	(55,000)
Digital Projector Replacement	-	20,000	(20,000)
	<u>835,700</u>	<u>1,186,000</u>	<u>(350,300)</u>
<i>Preventative Maintenance and Renewal (PMR):</i>			
PMR projects	2,137,460	1,275,760	861,700
PMR funding	(1,753,488)	(1,580,394)	(173,094)
	<u>383,972</u>	<u>(304,634)</u>	<u>688,606</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

North East School Division
Budget 2021-22
Notes (to Statement of Operations)

1. The funding from the province for the new kindergarten to grade twelve school in Carrot River is expected to be approximately \$5.2 million more than the prior year. Construction of the new school will start during the 2021-22 fiscal year; therefore, there will be more expenditures and grant revenue related to this project in 2021-22. The 2020-21 budget only included funding for the planning and design of the new school. The Preventative Maintenance and Renewal (PMR) funding is expected to be approximately \$170,000 more than the 2020-21 budget. The amount paid by the province on behalf of the school division for CommunityNet has been included in the 2021-22 budget. This had not been reported in prior budgets and results in an increase in grant revenue of \$215,500 and instruction expenses by the same amount.
2. There are less First Nations students expected during the 2021-22 fiscal year. First Nations students that live on reserves and attend school at the North East School Division are funded by the federal government.
3. The budgets for the school generated funds are determined annually by the principals of the schools. There are less fundraising activities planned for the 2021-22 school year and correspondingly less expenses.
4. There was a general election during 2020-21 which resulted in additional expenses.
5. There are cost increases due to the annual percentage increases in the collective agreements of the teachers and support staff. The 2021-22 budget also includes approximately 12 less full time equivalent teachers due an expected decrease in student enrolment and a change in the staffing formula that has been implemented over a two year time period starting in 2020-21. The amount paid by the province on behalf of the school division for CommunityNet has been included in the 2021-22 budget. This had not been reported in prior budgets and results in an increase in grant revenue and instruction expenses by the same amount. There are also additional COVID pandemic support costs included in the budget.
6. There are more Preventative Maintenance and Renewal projects planned in 2021-22 which results in an estimated increase of \$861,700. To continue with the pandemic support at the schools, there are additional caretakers included in the 2021-22 budget.
7. Amortization expense has increased by approximately \$83,000. This is a non-cash item.
8. Tuition fee expenses relate to the students under twenty-two years of age in the Adult Basic Education course at Cumberland College. Less students are expected in 2021-22. This is fully funded by the province.

**North East School Division
Budget 2021-22
Tangible Capital Assets**

	Notes	2021-22 Budget	2020-21 Budget	Variance
New Carrot River school	1	\$ 6,582,000	\$ 1,100,000	5,482,000
Computer hardware		184,000	179,398	4,602
School buses		712,700	706,000	6,700
Furniture and equipment	2	129,300	173,800	(44,500)
Playground equipment		161,500	184,000	(22,500)
Vehicles	3	123,000	120,000	3,000
Computer software	4	11,000	341,000	(330,000)
Total tangible capital assets		\$ 7,903,500	\$ 2,804,198	\$ 5,099,302

Notes:

1. Construction of the new school in Carrot River will start during the 2021-22 fiscal year. There were planning and design costs in 2020-21.
2. The Facilities Department has reallocated \$35,000 to expenses from tangible capital assets.
3. The following vehicles are included the 2021-22 budget: two new half-ton trucks for the Facilities Department and one sports utility vehicle for Student Support Services.
4. A new human resources/payroll/finance software was included in the 2020-21 budget.

