

KAWARTHA PINE RIDGE DISTRICT SCHOOL BOARD

RESOURCE COMMITTEE MEETING

Wednesday, November 11, 2020 at 7:00 p.m.
Roy H. Wilfong Boardroom, Education Centre
1994 Fisher Drive, Peterborough, Ontario

Due to the current health advisory the meeting will be livestreamed for the public through KPR YouTube. [To view the meeting, click here.](#) The committee will be starting with the in-camera agenda and once the in-camera items have been addressed, the open session will commence.

* REVISED AGENDA *

- ITEM 1. CALL TO ORDER AND LAND ACKNOWLEDGEMENT
- ITEM 2. ADOPTION OF AGENDA
- ITEM 3. DECLARATIONS OF CONFLICTS OF INTEREST
- ITEM 4. ADOPTION OF MINUTES OF COMMITTEE MEETING OF OCTOBER 7, 2020
- ITEM 5. PRESENTATIONS / DELEGATIONS
- ITEM 6. BUSINESS ARISING FROM THE MINUTES
- ITEM 7. INFORMATION ITEMS
- * 7.1 Ministry Capital Funding Update – Verbal
 - * 7.2 2019-2020 Year-end Financial Variance Report
- ITEM 8. DECISION ITEMS
- 8.1 2019-2020 Accumulated Surplus/Deficit and Deferred Revenue Report
- ITEM 9. CORRESPONDENCE
- ITEM 10. BOARD MEMBER ADDITIONS

ITEM 11. FUTURE COMMITTEE MEETING DATES

Wednesdays at 7:00 p.m. in the Boardroom, unless noted otherwise

January 6, 2021
February 3, 2021
March 3, 2021

April 7, 2021
May 5, 2021
June 2, 2021

ITEM 12. ADJOURNMENT

Note: If unable to attend, please advise Stacey Foss, at stacey_foss@kprdsb.ca

REVISED

SUBJECT TO COMMITTEE APPROVAL

KAWARTHA PINE RIDGE DISTRICT SCHOOL BOARD

DRAFT RESOURCE COMMITTEE MEETING MINUTES

Held October 7, 2020 at 7:00 p.m.

Roy H. Wilfong Boardroom, 1994 Fisher Drive, Peterborough, Ontario

Present: Trustees Angela Lloyd (Committee Chairperson), Terry Brown, Jaine Klassen Jeninga and Emilio Ojeda.

Regrets: Trustees Sarah Bobka (Vice-chairperson of the Board) and Rose Kitney.

Also Present: Trustees Diane Lloyd (Chairperson of the Board), Cathy Abraham and Steve Russell; C. Arnew, S. Girardi and S. Foss.

Due to the current health advisory and public health measures in place provincially, the meeting was available for committee members to attend in person or virtually using WebEx.

CALL TO ORDER AND LAND ACKNOWLEDGEMENT

Committee Chairperson A. Lloyd called the meeting to order at 7:02 p.m. and recognized and acknowledged that the committee was meeting on the traditional territory of the Mississauga First Nations.

It was,

Moved by: Trustee D. Lloyd
Seconded by: Trustee Brown

That the Committee move to In-camera Session (7:03 p.m.).

CARRIED

The Open Session of the meeting resumed (9:12 p.m.).

ADOPTION OF AGENDA

It was,

Moved by: Trustee Brown
Seconded by: Trustee D. Lloyd

That the agenda be adopted as printed.

CARRIED

ADOPTION OF MINUTES

It was,

Moved by: Trustee Russell
Seconded by: Trustee Klassen Jeninga

That the minutes of the Resource Committee meeting of September 16, 2020 be adopted as recorded.

CARRIED

The committee recessed briefly to allow for Information and Communications Technology department staff to start the YouTube livestream at 9:14 p.m.

The committee reconvened at 9:17 p.m.

INFORMATION ITEMS

Virtual School/Home School and Potential Funding Impact

Superintendent Girardi reported that senior administration is continuing to provide on-going question and answer sessions to the system, working on a protocol for addressing student absence, providing support to schools with staff absences, providing continued technology updates and updating the mask protocol as required. The committee heard that the number of elementary students enrolled in the virtual school is 4,322 with 20 students on a waiting list. Senior administration has created a transition process with transition dates of November 2 and 30, 2020 and February 1, 2021. The number of secondary students enrolled in the virtual school is 1667 with an full time equivalent (FTE) of 1554, 225 students are on a waiting list and any transitions would take place at the end of the quadmester (end of November 2020). As of October 7, 2020, there are 415 elementary students and 85 secondary students enrolled in home school. Home school enrolment will have an impact on funding and Superintendent Arnew indicated that the finance team will work with Superintendent Girardi to monitor the situation as the first Ontario School Information System (OnSIS) count date of October 31 approaches.

Discussion continued regarding collapsing in-person classes and sections due to more virtual school enrolments, and administration responded to trustee questions of clarification.

Superintendent Girardi noted that as schools report confirmed or potential cases of Covid-19 a template had been designed through the collaborative efforts of human resource services, health and safety, and corporate affairs, that is thoughtful, organized and intentional, and will assist administration in their response.

Superintendent Arnew reported that six additional electrostatic sprayers have been acquired to assist with cleaning and sanitizing, and the first 50 standalone high efficiency particulate air (HEPA) units will soon be received and deployed to the Board's older schools first. The November Ministry of Government Services (MGS) orders for

personal protective equipment (PPE) have been sent in and that all of the October order had been received. Purchasing staff have ordered over 20,000 isolation kits for November and have been using the Edsby platform to provide a fulsome product list of PPE to assist principals with their orders. Superintendent Arnew also informed the committee that there are currently 31 bus routes (22 buses) that have been cancelled due to the bus driver shortage affecting approximately 1500 students from both Kawartha Pine Ridge District School Board and Peterborough Victoria Northumberland Clarington Catholic District School Board. To date, Student Transportation Services of Central Ontario (STSCO) has been able to place 250 students on other routes and will continue a systematic review of the routes to identify any other students that could be assigned to other routes. Attridge Transportation Inc. has indicated that they have several drivers that could be prepared and used to take over some of the cancelled routes and First Student has indicated that they have been contacted by a number of third party drivers that could fill several cancelled runs over the next few weeks.

DECISION ITEMS

Banking Services Contract Extension

Superintendent Arnew reported that at the November 26, 2015 Board meeting, the Royal Bank of Canada was appointed as the Banker for Kawartha Pine Ridge District School Board (KPR), for a five-year period commencing January 1, 2016, and the contract expires on December 31, 2020. Several factors have impeded a successful Request for Proposal (RFP) process for a new Banking Services Agreement to be awarded and in place for January 1, 2021, including the current climate as a result of COVID-19 and the scheduled transition to a new Enterprise Resource Planning system that had a proposed implementation date of January 2021

Administration would also like to align the new banking services agreement with the school bank year-end (July 31) in order that any potential transition, which would be quite involved, would not adversely impact the schools. The contract with Royal Bank of Canada as the Banker for KPR can be extended until July 31, 2021, and a competitive RFP process will be issued this winter.

It was,

Moved by: Trustee Brown
Seconded by: Trustee Ojeda

That the Banking Services contract extension to July 31, 2021 with Royal Bank of Canada be approved.

CARRIED

Committee Chairperson A. Lloyd noted that the next meeting of the Resource Committee would take place on November 4, 2020.

ADJOURNMENT

It was,

Moved by: Trustee Brown
Seconded by: Trustee Klassen Jeninga

That the Resource Committee meeting be adjourned (10:00 p.m.).

CARRIED

Angela Lloyd
Committee Chairperson
October 7, 2020

DRAFT

KAWARTHA PINE RIDGE DISTRICT SCHOOL BOARD

TO: Resource Committee

TOPIC: **2019-2020 Year-end Financial Variance Report**

INITIATOR: Chris Arnew, Superintendent, Business and Corporate Services

BACKGROUND

1. In accordance with Board Policy BA-4.5, Financial Reporting, administration presents interim financial reports to the Board. In addition, an annual report of variances between the approved budget and actual performance is presented. The Board's Draft Audited Financial Statements are presented to the Audit Committee.
2. On September 1, 2009, a Public Sector Accounting Board (PSAB) standard came into effect, mandating that any transfers to or from Reserves will not have any impact on the determination of the Surplus or Deficit for the fiscal period. Therefore, for Ministry and external reporting, the annual Surplus cannot be increased or decreased by moving amounts to or from Reserve funds.
3. In 2010, the Ministry of Finance directed school boards to follow accounting for capital contributions consistent with the province, in order to ensure operating surpluses and deficits are not distorted by capital grant revenues. Instruction was provided to record a deferred capital contribution for all capital transfers received. The deferred capital contribution is to be amortized into revenue at the same rate as the amortization of the associated tangible capital asset.
4. For fiscal year 2019-2020, the Board approved a budgeted surplus of \$0.799 million for external reporting purposes. This surplus was required for Ministry compliance purposes to address the amortization of Employee Future Benefits over their estimated remaining service life (ERSL).

STATUS

5. The 2019-2020 variance analysis is based on September 1, 2019 to August 31, 2020 financial activity, as well as school enrolments as at October 31, 2019 and March 31, 2020.
6. The year-end consolidated operating and capital surplus of \$14.5 million compares to a budgeted surplus of \$0.842 million, for a favourable variance of \$13.658 million.
7. The year-end consolidated compliance surplus of \$11.207 million compares to a budgeted compliance deficit of \$2.215 million, for a favourable variance of \$13.423 million.

8. Variance explanations are provided in Appendix A, and details of the proposed allocation of the surplus are included in the Accumulated Surplus and Deferred Revenue Report.

RECOMMENDATION

1. That the 2019-2020 Year-end Financial Variance Report be received for information.

Chris Arnew
Superintendent, Business and Corporate Services

REVISED

Kawartha Pine Ridge District School Board

2019/20 Year End Variance Report - Summary

Summary of Financial Results

(\$ Thousands)	Budget	Actual	In Year Change	
			\$	%
Revenue				
Provincial Grants - Operating	372,724	383,475	10,751	2.88%
Capital Debt Support Payments	3,694	3,694	-	0.00%
Capital Grants - Land	-	7.6	7.6	0.00%
Minor Tangible Capital Assets	(1,413)	(1,945)	(532)	0.00%
Short Term Interest on Capital	150	203	53	35.53%
Renewal	2,700	2,805	105	3.89%
Portable Relocation	-	743	743	0.00%
Transfer to DCC	-	(743)	(743)	0.00%
Trustees' Association Fees	43	43	0	0.73%
Indigenous Education Per Pupil Deferred Amount	-	(60)	(60)	0.00%
Strike Savings	-	(5,799)	(5,799)	0.00%
<i>Total Grant Allocation</i>	377,899	382,425	4,526	1.20%
Other	13,610	11,405	(2,204)	-16.20%
Amortization - DCC	25,400	17,669	(7,731)	-30.44%
Funded Programs - Other	269	2,970	2,701	1006.05%
Total Revenue	417,177	414,469	(2,708)	-0.65%
Expenditures				
Instruction	308,132	302,128	6,004	1.95%
Administration	10,062	10,477	(415)	-4.12%
Transportation	22,297	21,819	478	2.14%
School Operations and Maintenance	33,012	32,252	760	2.30%
Funded Programs - Other	269	2,970	(2,701)	-1006.05%
Amortization	25,517	17,717	7,800	30.57%
Capital Debt Service Expense	3,860	3,898	(38)	-0.99%
PSAB Related	10,361	5,871	4,490	43.33%
Renewal and Other Pupil Accommodation	2,825	2,837	(12)	-0.42%
Total Expenditures	416,335	399,970	16,366	3.93%
Surplus/(Deficit) for Ministry Reporting	842	14,500	13,658	

Summary of Enrolment

ADE	Budget	Actual	In Year Change	
			ADE	%
Elementary				
JK to 3	11,994.00	12,000.00	6.00	0.05%
4 to 8	11,759.00	11,952.00	193.00	1.64%
Total Elementary	23,753.00	23,952.00	199.00	0.84%
Secondary Under 21				
Total Secondary	8,986.03	9,039.53	53.49	0.60%
Total Under 21	32,739.03	32,991.53	252.50	0.77%

Summary of Staffing

FTE	Budget	Actual	In Year Change	
			FTE	%
Classroom				
Teachers	1,987.3	1,991.0	3.7	0.19%
Non-Teachers	627.4	724.3	96.9	15.44%
Total Classroom	2,614.7	2,715.3	100.6	3.85%
Non-Classroom	848.5	807.0	(41.5) *	-4.89%
Total	3,463.2	3,522.3	59.1	1.71%

*Some of these positions are backfilled by casual positions - they will not represent a cost savings in the quarterly report

Kawartha Pine Ridge District School Board

2019/20 Year End Surplus/(deficit) for Ministry Compliance

	Budget	Actual	Change
	(\$ Thousands)		
Surplus/(Deficit) for Ministry Reporting	842	14,500	13,658
Adjust Items Unavailable for Compliance			
Amortization of Future Benefits Liability	(3,057)	(3,057)	-
Revenues Recognized for Land	-	19	19
School Generated Funds (Surplus)/Deficit	-	(254)	(254)
Total Adjustments	(3,057)	(3,292)	(235)
Surplus/(Deficit) for Compliance (Allowable \$3,776,762)	(2,215)	11,207	13,423

**Kawartha Pine Ridge District School Board
2019/20 Year End Variance Report - Detailed Revenue**

Budget Assessment				
	a	b	c = b - a	d = c / a
2019/20				
Budget	Actual	Change		
		\$ Increase (Decrease)	% Increase (Decrease)	
Grant Allocations				
Foundation Allocation - Elementary	128,379,565	130,574,162	2,194,597	1.71%
Foundation Allocation - Secondary	43,226,176	44,145,083	918,907	2.13%
School Foundation	26,208,907	26,417,084	208,177	0.79%
Special Education	52,269,931	57,298,342	5,028,411	9.62%
Language	5,728,443	6,086,838	358,395	6.26%
Supported School	65,705	-	(65,705)	-100.00%
Rural and Northern Education	743,793	748,621	4,828	0.65%
Learning Opportunities	4,139,470	4,152,396	12,926	0.31%
Continuing Education Allocation and Other Program	1,782,643	1,441,199	(341,444)	-19.15%
Teacher Qualification and Experience	38,058,828	39,367,010	1,308,182	3.44%
New Teacher Induction Program	213,747	213,748	1	0.00%
ECE Q and E	2,479,989	2,378,905	(101,084)	-4.08%
Restraint Savings	(161,490)	(161,490)	-	0.00%
Transportation	21,102,067	21,701,193	599,126	2.84%
Administration and Governance	10,206,231	10,285,329	79,098	0.77%
School Operation	32,819,657	33,082,354	262,697	0.80%
Community use of Schools	451,602	451,602	-	0.00%
Indigenous Education	3,231,905	3,502,502	270,597	8.37%
Safe and Accepting Schools	656,189	669,662	13,473	2.05%
Permanent Financing of NPF	1,120,831	1,120,831	-	0.00%
Total Operating:	372,724,189	383,475,371	10,751,182	2.88%
Adjustments				
Capital Debt Support Payments - Interest Portion	3,694,499	3,694,499	-	0.00%
Capital Grants - Land	-	7,601	7,601	0.00%
Minor Tangible Capital Assets	(1,413,045)	(1,944,953)	(531,908)	0.00%
Short Term Interest on Capital	150,000	203,293	53,293	35.53%
Renewal	2,700,165	2,805,257	105,092	3.89%
Portable Funding	-	743,033	743,033	0.00%
Portable Costs Transferred to DCC	-	(743,033)	(743,033)	0.00%
Trustees' Association Fees	43,316	43,316	-	0.00%
Indigenous Education Per Pupil Deferred Amount	-	(60,102)	(60,102)	0.00%
Strike Savings	-	(5,799,153)	(5,799,153)	0.00%
Other Grants	5,174,935	(1,050,242)	(6,225,177)	-120.29%
Total Grant Allocations:	377,899,124	382,425,129	4,526,005	1.20%
Other Revenue				
Funded Programs	268,518	2,969,930	2,701,412	1006.05%
School Generated Funds	9,000,000	5,342,265	(3,657,735)	-40.64%
First Nations Tuition Fees	1,920,129	2,020,386	100,257	5.22%
Transportation Recoveries: First Nations	56,500	51,400	(5,100)	-9.03%
Interest	500,000	464,656	(35,344)	-7.07%
Other Revenue - School College to Work	341,081	279,970	(61,111)	-17.92%
Individuals - Day School Other	188,400	159,122	(29,278)	-15.54%
Rental Revenue - Community Use	350,000	296,337	(53,663)	-15.33%
Rental Revenue - Other	250,000	445,438	195,438	78.18%
Secondment	898,983	1,197,861	298,878	33.25%
Other Revenue - Miscellaneous	104,414	515,072	410,658	393.30%
Amortization of Deferred Capital Contributions	25,400,168	17,668,955	(7,731,213)	-30.44%
Education Development Charges	-	655,170	655,170	0.00%
Prior year adjustments	-	3,739	3,739	0.00%
Revenue Recovery on Land Disposal	-	(26,300)	(26,300)	0.00%
Total Other Revenue	39,278,193	32,044,001	(7,234,192)	-18.42%
TOTAL REVENUES	417,177,317	414,469,130	(2,708,187)	-0.65%

Kawartha Pine Ridge District School Board
2019/20 Year End Variance Report - Detailed Expenditures

	<u>Budget Assessment</u>					
	a	b	c = b - a	d = c / a	e	f
	2019/20				Actual to	
	Budget	Actual	Change		31-Aug-20	31-Aug-19
\$ Increase (Decrease)			% Increase (Decrease)	% of Budget Spent	% of Budget Spent	
Operating Instruction						
Teachers	199,111,012	195,555,356	(3,555,656)	-1.79%	98.21%	101.34%
Supply Staff	8,308,318	9,975,125	1,666,807	20.06%	120.06%	145.44%
Teacher Assistants	23,174,556	27,044,961	3,870,405	16.70%	116.70%	113.13%
Early Childhood Educators	10,176,128	9,755,284	(420,844)	-4.14%	95.86%	106.41%
Textbooks and Supplies	9,199,375	4,723,944	(4,475,431)	-48.65%	51.35%	59.26%
Professionals and Paraprofessionals	18,266,802	15,830,979	(2,435,823)	-13.33%	86.67%	104.55%
Library and Guidance	7,454,751	7,422,037	(32,714)	-0.44%	99.56%	102.36%
Staff Development	975,740	668,007	(307,733)	-31.54%	68.46%	170.05%
Department Heads	439,436	364,500	(74,936)	-17.05%	82.95%	87.66%
Principal and Vice-Principals	16,906,388	16,938,319	31,931	0.19%	100.19%	102.83%
School Office	8,616,630	9,029,900	413,270	4.80%	104.80%	104.65%
Co-ordinators and Consultants	4,940,919	4,320,806	(620,113)	-12.55%	87.45%	82.67%
Continuing Education	561,901	498,474	(63,427)	-11.29%	88.71%	176.78%
Total Instruction	308,131,956	302,127,692	(6,004,264)	-1.95%	98.05%	102.50%
Administration						
Trustees	275,177	193,164	(82,013)	-29.80%	70.20%	89.18%
Director/Supervisory/Officers	1,846,610	2,015,034	168,424	9.12%	109.12%	98.54%
Board Administration	7,940,647	8,268,788	328,141	4.13%	104.13%	102.48%
Total Administration	10,062,434	10,476,986	414,552	4.12%	104.12%	101.43%
Transportation	22,297,306	21,819,180	(478,126)	-2.14%	97.86%	105.26%
School Operations and Maintenance	33,012,274	32,252,439	(759,835)	-2.30%	97.70%	99.09%
TOTAL OPERATING	373,503,970	366,676,297	(6,827,673)	-1.83%	98.17%	101.43%
Amortization	25,516,917	17,716,719	(7,800,198)	-30.57%		
Capital Debt Service	3,860,094	3,898,498	38,404	0.99%	100.99%	109.13%
Funded Programs - Other	268,518	2,969,930	2,701,412	1006.05%		
PSAB Related Expenditures	10,360,831	5,871,193	(4,489,638)	-43.33%		
Renewal and Other Pupil Accommodation	2,825,165	2,836,979	11,814	0.42%	100.42%	96.59%
TOTAL EXPENDITURES	416,335,495	399,969,617	(16,365,878)	-3.93%	93.64%	94.60%

Kawartha Pine Ridge District School Board

2019/20 Year End Variance Report - Funded Programs

Budget		Revenue	Expense
96,900	Accent & Odyssey French Monitors	90,599	90,599
171,618	Ontario Youth Apprenticeship Program (OYAP)	103,233	103,233
	Autism: ASSD - After School Skills Development Program	89,683	89,683
	Autism: Pilot to Improve School-Based Supports for Students with ASD	34,000	34,000
	Autism: AQ Courses	34,210	34,210
	Broadband Modernization	77,598	77,598
	Children and Youth in Care - Transportation	25,000	25,000
	CODE: Summer Learning Program	53,488	53,488
	Culturally Responsive & Relevant Pedagogy	30,500	30,500
	Enhancements to Experiential Learning	154,435	154,435
	Focus on Fundamentals of Mathematics	523,337	523,337
	Focus on Youth	124,243	124,243
	HPE Careers (Revised Curriculum)	10,060	10,060
	Health Resources and Training Supports (Recreational Cannabis and Vaping)	8,562	8,562
	Identity-Based Data Collection	50,000	50,000
	Mental Health Workers in Schools	374,370	374,370
	Parents Reaching Out Grant	16,705	16,705
	Specialist High Skills Major (SHSM)	316,071	316,071
	Summer Mental Health Professionals	117,621	117,621
	Summer Staffing Supports: Special Education	67,084	67,084
	Summer Transition Programs: Spec Ed/Mental Health	40,110	40,110
	Well Being: Safe Accepting and Healthy Schools and Mental Health	51,357	51,357
	MCI - Adult Non-Credit ESL	131,949	131,949
	OLE - French Funding	95,839	95,839
	Literacy and Basic Skills	349,875	349,875
		<u>2,969,930</u>	<u>2,969,930</u>
	<u>268,518</u>		

Kawartha Pine Ridge District School Board
2019/20 Year End Enrolment Report

2018/19		2019/20		
Actual		Budget	Actual	Difference
Clarington				
827.50	JK	846.00	787.00	(59.00)
873.50	SK	901.00	878.00	(23.00)
2,466.50	GR 1 to 3	2,579.00	2,624.00	45.00
4,066.50	GR 4 to 8	4,092.00	4,139.50	47.50
8,234.00	Total Elementary	8,418.00	8,428.50	10.50
2,872.18	Total Secondary	2,739.50	2,768.03	28.53
11,106.18	Total Under 21	11,157.50	11,196.53	39.03
58.13	Over 21	46.00	50.50	4.50
Northumberland				
634.00	JK	629.00	636.50	7.50
677.50	SK	662.00	665.00	3.00
1,886.00	GR 1 to 3	1,932.00	1,908.50	(23.50)
3,330.50	GR 4 to 8	3,343.00	3,380.00	37.00
6,528.00	Total Elementary	6,566.00	6,590.00	24.00
2,743.95	Total Secondary	2,776.48	2,772.13	(4.36)
9,271.95	Total Under 21	9,342.48	9,362.13	19.65
4.88	Over 21	34.00	6.38	(27.63)
Peterborough				
872.00	JK	867.00	870.00	3.00
941.50	SK	878.00	922.50	44.50
2,603.00	GR 1 to 3	2,700.00	2,708.50	8.50
4,205.00	GR 4 to 8	4,324.00	4,432.50	108.50
8,621.50	Total Elementary	8,769.00	8,933.50	164.50
3,465.80	Total Secondary	3,470.05	3,499.38	29.32
12,087.30	Total Under 21	12,239.05	12,432.88	193.83
87.77	Over 21	100.00	80.25	(19.75)
Total Board				
2,333.50	JK	2,342.00	2,293.50	(48.50)
2,492.50	SK	2,441.00	2,465.50	24.50
6,955.50	GR 1 to 3	7,211.00	7,241.00	30.00
11,602.00	GR 4 to 8	11,759.00	11,952.00	193.00
23,383.50	Total Elementary	23,753.00	23,952.00	199.00
9,081.92	Total Secondary	8,986.03	9,039.53	53.49
32,465.42	Total Under 21	32,739.03	32,991.53	252.49
150.78	Over 21	180.00	137.13	(42.88)

Kawartha Pine Ridge District School Board
2019/20 Year End School Generated Funds Report

2018/19	2019/20			
	Elementary	Secondary	Foundation	Total
REVENUE/DEFERRED REVENUES				
2,868,939	421,872	606,111		1,027,983
321,882	128,884	56,811		185,695
6,498,972	2,352,634	1,697,190		4,049,824
97,134	48,656	29,945	162	78,762
<u>9,786,927</u>	<u>2,952,046</u>	<u>2,390,057</u>	<u>162</u>	<u>5,342,265</u>
EXPENSES/EXPENDITURES				
2,952,082	426,006	682,955		1,108,961
351,792	124,789	64,328		189,117
6,330,188	2,209,888	1,534,240		3,744,128
16,330	5,508	3,544	37,023	46,075
<u>9,650,392</u>	<u>2,766,191</u>	<u>2,285,067</u>	<u>37,023</u>	<u>5,088,281</u>
<u>136,535</u>	<u>185,855</u>	<u>104,991</u>	<u>(36,862)</u>	<u>253,984</u>
3,410,440	2,270,686	1,151,578	124,711	3,546,975
<u>136,535</u>	<u>185,855</u>	<u>104,991</u>	<u>(36,862)</u>	<u>253,984</u>
<u>3,546,975</u>	<u>2,456,541</u>	<u>1,256,568</u>	<u>87,849</u>	<u>3,800,959</u>

Kawartha Pine Ridge District School Board
2019/20 Year End Variance Report - Capital

	Budget	Actual	Change
	2019/20	2019/20	
Buildings :			
School Condition Improvement	10,759,514	8,534,709	(2,224,805)
School Renewal	3,359,328	2,509,910	(849,418)
Temporary Accommodations	743,033	743,033	-
Building Expenditures Subtotal	14,861,875	11,787,652	(3,074,223)
Construction In Progress			
East City School	16,000,000	4,745,010	(11,254,990)
Brighton P.S - Child Care	-	-	-
John M. James - Child Care	-	32,722	32,722
Crestwood SS - Child Care	-	36,766	36,766
Norwood DHS - Child Care	-	6,667	6,667
Construction In Progress Subtotal	16,000,000	4,821,165	(11,178,835)
Moveable Type Assets (Equipment) :			
Computer Hardware	1,413,045	1,816,529	403,484
Vehicles	-	99,870	99,870
Equipment	-	28,554	28,554
Moveable Type Assets (Equipment) Subtotal	1,413,045	1,944,953	531,908
Total 2019/20	32,274,920	18,553,770	(13,721,150)

Kawartha Pine Ridge District School Board

2019/20 Year End Surplus (Deficit) and Deferred Revenue Continuity Report

	Balance Aug. 31, 2019	In-Year Increase	In-Year Decrease	Balance Aug. 31, 2020
Internally Appropriated				
General operating	1,161,690		(48,125)	1,113,565
Facilities improvement	2,398,028			2,398,028
Committed Capital Projects	2,970,491		(47,763)	2,922,728
Field improvements	900,283	23,437		923,720
Information and communications infrastructure	3,255,386	2,895,634	(447,453)	5,703,567
Retirement gratuities	10,671,642			10,671,642
Special education	1,047,711			1,047,711
Workplace Safety and Insurance Board (WSIB)	1,341,580	658,420		2,000,000
Future classroom expenditures	2,050,728	2,181,699		4,232,427
Staffing Fluctuations		5,000,000		5,000,000
Post-Retirement Benefits		991,000		991,000
	25,797,539	11,750,190	(543,341)	37,004,387
Externally Appropriated				
Retirement gratuities	(14,928,504)	2,985,701		(11,942,803)
Retirement health care benefits	(215,037)	71,679		(143,358)
Workplace Safety and Insurance Board	(2,346,459)			(2,346,459)
School generated funds	3,546,975	253,984		3,800,959
Revenues recognized for land	15,189,732	7,601	(26,300)	15,171,033
	1,246,707	3,318,965	(26,300)	4,539,372
Total Accumulated Surplus (Deficit)	27,044,246	15,069,154	(569,641)	41,543,759
Deferred Revenue - Capital				
Proceeds of Disposition	-	397,424		397,424
School Renewal	1,281,334	6,121,595	(5,315,167)	2,087,762
Education Development Charges (EDC's)	267,335	659,501	(655,170)	271,666
Partnership and Priorities Fund (PPF)	77,598		(77,598)	-
Renewable Energy	115,468			115,468
	1,741,735	7,178,520	(6,047,935)	2,872,320
Deferred Revenue -Operating				
Partnership and Priorities Fund (PPF)	294,932	2,121,687	(2,067,349)	349,270
OLE Grants (FSL)	-	104,174	(95,839)	8,335
Indigenous Education Per Pupil Amount	-	457,084	(396,982)	60,102
	294,932	2,682,945	(2,560,170)	417,706
Total Deferred Revenue	2,036,667	9,861,465	(8,608,105)	3,290,026

Kawartha Pine Ridge District School Board

Schedule of Funds available to address Board priorities as at August 31, 2020

		2019 \$	2018 \$
General Operating	Internally Appropriated	<u>1,113,565</u>	<u>1,161,690</u>
Facilities			
Facilities improvement	Internally Appropriated	2,398,028	2,398,028
Field improvements	Internally Appropriated	923,720	900,283
Committed Capital Projects	Internally Appropriated	2,922,728	2,970,491
Proceeds of Disposition	Deferred Revenue	397,424	-
School Renewal	Deferred Revenue	2,087,762	1,281,334
Education Development Charges (EDC's)	Deferred Revenue	271,666	267,335
School Condition Improvement	Remaining 19-20 Allocation	5,781,696	3,324,897
		<u>14,783,023</u>	<u>11,142,368</u>
Information and communications infrastructure	Internally Appropriated	<u>5,703,567</u>	<u>3,255,386</u>
Retirement gratuities	Internally Appropriated	<u>10,671,642</u>	<u>10,671,642</u>
Special education	Internally Appropriated	<u>1,047,711</u>	<u>1,047,711</u>
Workplace Safety and Insurance Board (WSIB)	Internally Appropriated	<u>2,000,000</u>	<u>1,341,580</u>
Other Committed Funds			
Future classroom expenditures	Internally Appropriated	4,232,427	2,050,728
Renewable Energy	Deferred Revenue	115,468	115,468
		<u>4,347,895</u>	<u>2,166,196</u>
Total Internally Appropriated Accumulated Surplus and Deferred Revenue		<u>39,667,403</u>	<u>30,786,573</u>

KAWARTHA PINE RIDGE DISTRICT SCHOOL BOARD

TO: Resource Committee

TOPIC: **2019-2020 Accumulated Surplus/Deficit and Deferred Revenue Report**

INITIATOR: Chris Arnew, Superintendent, Business and Corporate Services

BACKGROUND

1. The Public Sector Accounting Board (PSAB) standard requires that Internally Restricted Reserves are to be included in the Board's Accumulated Surplus. Therefore, transfers to or from these Reserve funds will not have an impact on the determination of the Surplus or Deficit for the fiscal period. For Ministry and external reporting, the annual Surplus cannot be increased or decreased by moving amounts to or from Reserve funds. The Accumulated Surplus represents the sum of all prior annual surpluses (or deficits). The Accumulated Surplus is subdivided into three components, which are to be used to determine budget compliance on a go-forward basis. These categories are:
 - Available for Compliance – Unappropriated
This portion of the Surplus will be available to address any in-year deficit, in accordance with Ministry Compliance requirements for Balanced Budget Determination.
 - Available for Compliance – Internally Appropriated
This portion of the Surplus is earmarked, through Board decisions, for specific purposes. It will be available to address any in-year deficit, in accordance with Ministry Compliance requirements for Balanced Budget Determination.
 - Unavailable for Compliance
This portion of the Surplus is not available to address any in-year deficit, as per Compliance Report requirements for Balanced Budget Determination.
2. PSAB and Ministry reporting requirements mandate boards to set aside certain unspent grant allocations until they are spent on their intended purpose. In addition, the use of any Proceeds of Disposition realized from the sale of board property are restricted. Both these externally restricted amounts are reported as Deferred Revenue.
3. The description and purpose of Internally Appropriated Accumulated Surplus and Deferred Revenue funds are included in Appendix A.

STATUS

4. The 2019-2020 activity for Accumulated Surplus is summarized in the Year-end Financial Variance Report Appendix. The details of this activity and the recommended allocations are:

Accumulated Surplus

The Board's 2019-2020 Annual Surplus of \$14,499,513 consists of \$11,206,848 as a result of Board Operations Available for Compliance – Internally Appropriated and \$3,292,665 as a result of changes to Employee Future Benefits, School Generated Funds and Revenues recognized for land, Unavailable for Compliance. The changes to these various Surplus Categories are as follows:

Internally Appropriated Accumulated Surplus (Reserves)General Operating

The decrease of \$48,125 represents the costs associated with covering Math AQ courses for educators. The balance of \$1,113,565 will allow for continued support of future Budgets.

Facilities Improvement

The balance of \$2,398,028 is retained to support capital expenditures in future periods.

Committed Capital Projects

The in-year decrease of \$47,763 represents the amortization expense for Orono Public School that was funded through surplus.

Field Improvements

These funds are earmarked to support field and track improvements. The increase in the year of \$23,437 reflects the annual amount of \$25,000 for the Thomas A. Stewart Secondary School playing field under the Joint Agreement with the City of Peterborough, and Community Use in-year deficit of \$1,563.

Information and Communications Infrastructure

The in-year increase of \$2,448,181 consists of a \$447,453 unfavorable variance where department expenses exceeded budget, as well as a \$2,895,634 favorable increase from the 2019-20 surplus allocation. The balance of

\$5,703,567 is retained in the Information and Communications infrastructure reserve to support expenditures in future periods.

Retirement Gratuities

The Board is required to provide for the gratuity liability amortization expense, the annually determined interest expense, and any changes in actuarial estimates that might arise. In 2019-2020, the budget for this required component was (\$184,708). The actual expense amounted to (\$338,301). The Reserve is to assist with minimizing the impact on future budgets.

Special Education

There were no changes to this reserve in 2019-2020. The balance of \$1,047,711 will be available to support future special education initiatives.

Workplace Safety and Insurance Board (WSIB)

The increase of \$658,420 is an allocation of the 2019-2020 surplus. The balance of \$2,000,000 will serve to protect the Board as a Schedule 2 employer from any impact of a deductible.

Future Classroom Expenditures

The increase of \$2,181,699 reflects the net increase in the School Activities Rollover.

Staffing Fluctuations

The \$5,000,000 increase represents a newly established reserve. This reserve will support 2020-2021 overages in staffing as a result of students opting for homeschooling.

Post-Retirement Benefits

The \$991,000 increase represents a newly established reserve. This reserve will support the post-retirement benefits of Supervisory Officers.

Externally Appropriated Surplus (Not Available for Compliance)

Ministry Balanced Budget requirements mandate that a portion of the Board's Accumulated Surplus is not available for compliance determination purposes. This Externally Appropriated Surplus earmarks funds to address the amortization of Future Employee Benefits, the restriction of School Generated Funds, and the recognition of revenue for land purchases. Details of the 2019-2020 activity in these areas are as follows:

Future Employee Benefits are comprised of three components, each with their own amortization requirements.

The Retirement Gratuity liability of \$14,928,504, as at August 31, 2019, was actuarially determined and is to be amortized over the estimated remaining service life (ERSL) to a maximum of five years. The 2019-2020 decrease of \$2,985,701 is comprised of the 1/5th amortization of the opening liability, based on the August 31, 2019 actuarial review of the plan. The liability at August 31, 2020 is \$11,942,803.

Retirement Health Care Benefits were actuarially assessed to be a liability of \$215,037 as at August 31, 2019, and are to be amortized over a maximum of three years. The 2019-2020 decrease of \$71,679 is comprised of the 1/3rd amortization, based on the August 31, 2019 actuarial review of the plan. The liability at August 31, 2020 is \$143,358.

The final component of Employee Future Benefits is the Liability for WSIB. The School Boards' Cooperative performed the actuarial assessment and determined the liability at August 31, 2015 to be \$2,346,459. The Ministry financial information system did not require the Board to allocate a portion of its surplus to this liability in 2019-2020.

School Generated Funds (SGF)

SGF are funds raised at the school level and are monies that the Board cannot utilize when considering Budget Compliance. The increase of \$253,984 reflects the in-year excess of Revenue over Expenditures, and is comprised of:

Elementary SGF	\$185,855
Secondary SGF	\$104,991
Foundations	(\$ 36,862)
Total	\$253,984

Revenue Recognized for Land

The in-year decrease of \$18,699 represents the net value of disposals less additions of land during 2019-2020.

5. **Deferred Revenue**

All transfers to and from Deferred Revenue are mandated by PSAB and Ministry regulations, and do not require a board motion.

Legislated Capital

Proceeds of Distribution

The increase to this Deferred Revenue of \$397,424, reflects the sale of property during 2019-2020.

School Renewal

The increase to this Deferred Revenue of \$806,428 reflects the amount that the renewal allocation exceeded expenditures in 2019-2020.

Education Development Charges (EDC)

Total increase of \$4,331 is comprised of:

- \$653,739 EDC revenue received from the Municipality of Clarington
- \$5,763 interest attributed to the EDC balance
- (\$655,170) transferred to revenue to fund eligible capital costs

The August 31, 2020 EDC Deferred Revenue balance of \$271,666 is for the County of Northumberland. The Municipality of Clarington has an EDC deficit of \$3,945,280. This deficit will be reduced by future EDC collections received from the Municipality.

Partnerships and Priorities Funds (PPF)

The decrease to this Deferred Revenue of \$77,598 reflects the amount that expenditures exceeded revenue transfers from the Ministry during 2019-2020.

Renewable Energy

There was no change to this Deferred Revenue as there was no eligible expenditures incurred during 2019-2020.

School Condition

The Board had unspent School Condition Improvement funds from 2018-2019 of \$3,556,891. The Board's 2019-2020 allocation was \$10,759,514. The Board spent \$8,534,709 of this allocation in 2019-2020. The remaining unspent allocation of \$5,781,696 is available to support capital expenditures in future years and will be receivable following the reporting of these expenditures in future reporting cycles (March 31 and August 31).

Legislated OperatingPartnership and Priorities Fund (PPF)

The increase to this Deferred Revenue of \$54,338 reflects the amount that revenue transfers from the Ministry exceeded expenditures during 2019-2020.

OLE Grants (French as a Second Language)

The increase to this Deferred Revenue of \$8,335 reflects the amount that revenue transfers from the Ministry exceeded expenditures during 2019-2020.

Indigenous Education Per Pupil Amount

The increase to this Deferred Revenue of \$60,102 reflects the amount that revenue transfers from the Ministry exceeded expenditures during 2019-2020.

RECOMMENDATION

1. That Accumulated Surplus transfers be approved, as detailed in the 2019-2020 Accumulated Surplus/Deficit and Deferred Revenue Report, dated November 11, 2020.

Chris Arnew
Superintendent, Business and Corporate Services

KAWARTHA PINE RIDGE DISTRICT SCHOOL BOARD

**Description of Internally Appropriated Accumulated Surplus and
Deferred Revenue Reserve Funds**

Internally Appropriated Accumulated Surplus

1. General Operating

This Reserve is used to cover unexpected or unbudgeted expenditures or initiatives which may arise in a particular year, or to provide funding for other approved one-time expenditures. It can also be used to assist with the annual budget setting process. Any surplus or deficit arising during the year is deposited or withdrawn from this Reserve. As a general rule, it would be desirable to maintain the balance of this fund at an amount equal to 1% of the Board's total Operating Budget. The Board has adopted an approach where these funds are used to assist future budgets in a planned way.

2. Facilities Improvement

This Reserve is used to facilitate planning and completion of approved and needed improvements to our schools and sites, in accordance with Board priorities.

3. Committed Capital Projects

These funds represent the amount the Ministry has granted approval for the use of prior year surplus and the amount the Board has allocated to specific capital projects. These funds are restricted to specific capital projects.

4. Field Improvements

This Reserve provides funds to support field restorations. On an annual basis, an amount is budgeted for field restorations, and any under or over spending is transferred to or from this Reserve. The Board is committed to allocate \$25,000 each year for future maintenance of the Thomas A. Stewart Secondary School field, through the Joint Agreement with the City of Peterborough. This annual amount is transferred to this Reserve.

5. Information and Communications Infrastructure

These funds are utilized to maintain technologies throughout the system, including networking costs, school public address and communication systems, and central computer hardware and software purchases. An annual budget is provided for replacing/upgrading the technologies noted above. When required, this Reserve is used to fund the excess of required expenditures over the annual budgeted amount, and vice versa.

6. Retirement Gratuities

This Reserve serves to assist in managing the significant swings in cash flow associated with retirement gratuity expenditures. The Board annually budgets gratuity expenses at an amount needed to fund the gratuity payments when made. Actual payouts for retirees vary significantly each year, based upon economic trends, pension early retirement windows, and personal situations. The Board has adopted an approach which will fund the Retirement Gratuity Liability over the next ten years, such that no negative impact in future budgets will occur.

7. Special Education (Internally Restricted)

This Board controlled Reserve allows the Board to accommodate new in-year Special Education needs, which materialize after approval of the annual Budget.

8. Workplace Safety and Insurance Board

The Board is a self-insured employer, under Schedule 2 of the Workplace Safety and Insurance Board (WSIB) legislation. The Board funds current year payments through the annual Budget, as part of employee benefit expenditures. Expenditures to date have been for lost wages, medical, and rehabilitation costs. The actuarial projected liabilities for lost wages and claim settlements are explained in the Notes to the Board's Financial Statements. The Board purchases stop loss insurance that will cover any catastrophic claim that exceeds \$300,000. The purpose of this Reserve is to protect the Board from the impact of their deductible component (the first \$300,000 per claim) resulting from any major claim.

9. Future Classroom Expenditures

Administrative Regulation BA-4.5.2, School Budgets, states that unspent class supplies and equipment budgets, to a maximum of 10% of the annual budget at the school level, may be transferred to the subsequent fiscal period. Any transfers in excess of this amount must be reflected in a fiscal plan which has been reviewed and supported by the appropriate superintendent of student achievement. These funds are placed in the Classroom Expenditure Reserve at fiscal year-end, and can be used in future fiscal periods at the discretion of the school, or in accordance with the approved plan for those dollars in excess of the maximum allowable discretionary amount.

10. Staffing Fluctuations

Due to the current uncertainty as a result of the pandemic, we anticipate some challenges in the upcoming fiscal year. This reserve has been set up to assist in the loss of funding as a result of students opting for homeschooling rather than

attending one of our schools. As 2020-2021 staffing was allocated based on original enrolment projections, it is anticipated that staffing allocated will exceed the funding generated from our student enrolment.

11. Post-retirement Benefits

This reserve serves to fund the in-year cost associated with post-retirement benefits for Supervisory Officers who opt to retire under the provisions of the Broader Public Sector Compensation Act.

Deferred Revenue – Capital

10. Proceeds of Disposition

Boards are required to allocate all proceeds of sales and disposition of property, net of allowable expenses, to the Proceeds of Disposition Reserve. Allowable expenses include commissions, legal fees, and other adjustments with respect to the sale of the property. This Deferred Revenue can be used for:

- acquisition of school sites
- school buildings or renovations to existing buildings
- school furniture and equipment
- library materials for the initial equipping of school libraries

11. School Renewal

Each year the Ministry provides funds to school boards to cover the cost of major renovations and facility improvements. Any unspent funds must be set aside for use on appropriate projects in future periods.

12. Education Development Charges (EDC)

The Education Act requires boards that have passed EDC By-laws to establish EDC Deferred Funds. All EDC revenues received from municipalities are to be deposited in the EDC Deferred Fund. These funds can be used for:

- acquiring land to be used to provide pupil accommodation (including interest costs and acquisition study costs)
- providing services to the land or otherwise prepare the site so that a building may be constructed to provide pupil accommodation
- preparing and distributing an EDC Background Study

EDC Reserves are not to be used to fund the cost of any buildings

13. Renewable Energy

This Ministry of Education previously flowed money to the school board for renewable energy initiatives. These funds had not been spent by year-end.

14. Partnerships and Priorities Funds (PPF)

These occur as the Ministry of Education has flowed money to the school board for specific capital priorities, which had not been spent by year-end.

Operating15. Partnerships and Priorities Funds (PPF)

These occur as the Ministry of Education has flowed money to the school board for specific operating priorities, which had not been spent by the year-end.

16. OLE Grants (French as a Second Language)

Each year the Ministry of Education provides funds to school boards to support French as a Second Language initiatives. Unspent funds in this area can be used to support initiatives in the next fiscal year.

17. Indigenous Education Per Pupil Amount

Each year the Ministry of Education provides funds to school boards to support the Board Action Plan which focuses on Indigenous initiatives. Unspent funds in this area can be used to support initiatives in the next fiscal year.