



**Sturgeon
Public Schools**
Dare to reimagine learning

DRAFT 2021-2022 Audited Financial Statements

Liliana LeVesconte, Associate Superintendent, Corporate Services

November 23, 2022

Background

- **The Education Act, Part 6: Section 139, specifies that school boards are responsible for preparing financial statements and Section 141 specifies an auditor will provide a report on the financial statements. The Audit, Finance and Human Resources Committee is empowered by the Board of Trustees to oversee reliable financial reporting and compliance with legislation and regulatory requirements.**
- **On November 18, 2022, the Committee reviewed the Draft 2021-2022 Audited Financial Statements presented by MNP**
- **The Auditor provided an unqualified opinion on our financial statements: “In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Division as at August 31, 2022, and the results of its operations, its remeasurement gains and losses, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.”**
- **The Committee recommended that the Board of Trustees approve the Sturgeon Public School Division’s Audited Financial Statements for year ended August 31, 2022.**



Financial Planning and Reporting (AERR)

Sturgeon Public School Division's primary focus is to ensure each student has the opportunity to achieve their full potential. Through the Budgeting and Education Plan processes, the Division establishes the goals and objectives of the Board in accordance with the Vision, Mission and Values and priorities of the school year.

Assurance Domain: Governance

Public assurance occurs when Sturgeon Public Schools' engages openly with stakeholders with a focus on student achievement and demonstrates stewardship of system resources.

Statement of Financial Position

Presents the Division's economic resources:

- Financial Assets – liquid assets including cash and accounts receivable
- Liabilities – a financial liability that will be settled in the future including accounts payable and accrued liabilities, unspent deferred contributions, and employee future benefits
- Net Financial Assets – excess of financial assets over liabilities and represents the Division's ability to meet its financial obligations at year end.
- Non Financial Assets – assets not included in financial assets including tangible capital assets, inventory and prepaid expenses
- Spent Deferred Capital Contributions - the spent portion of capital contributions
- Net Assets - the difference between the divisions total assets and total liabilities
- Accumulated Surplus - includes the Division's operating and capital reserves and investment in tangible capital assets

Statement of Financial Position

	2021-2022	2020-2021	Variance
Total Financial Assets	\$23,638,026	\$24,284,823	(\$646,797)
Total Liabilities	\$6,954,062	\$9,093,780	(\$2,139,718)
Total Non-Financial Assets	\$92,412,363	\$91,748,763	\$663,600
Spent Deferred Capital Contributions	\$84,123,626	\$85,207,101	(\$1,083,475)
Accumulated Surplus	\$24,972,700	\$21,732,806	\$3,239,894

Accumulated Surplus (Reserves) from Operations

Program	2021-2022 Sep 1, 2021	2021-2022 Aug 31, 2022
Instruction (excluding SGF)	\$5,352,554	\$5,352,554
Operations and Maintenance	\$0	\$0
System Administration	\$600,000	\$600,000
Transportation	\$0	\$0
External Services	\$0	\$0
Total Reserves	\$5,952,554	\$5,952,554
Unrestricted Surplus	\$4,942,114	\$6,240,994
Accumulated Surplus from Operations (excluding SGF)	\$10,894,668	\$12,193,548
Add SGF	\$532,929	\$388,604
Accumulated Surplus from Operations	\$11,427,597	\$12,582,152

Statement of Operations

Summarizes the Division's revenues and expenses over the entire year and the resulting surplus or deficit.

- The statement includes the 2021-2022 annual budget, 2021-2022 actual results, and the prior year actual comparison
- Revenues are reported by source
- Expenses are recorded by the program.
- Schedule 3 provides a further detailed breakdown by program of both revenues and expenses.

Statement of Operations

	2021-2022 Budget	2021-2022 Actual	2020-2021 Actual	Variance Actual (Year over Year)
Total Revenues	\$74,013,269	\$76,672,050	\$73,660,965	\$3,011,085
Total Expenses	\$73,711,092	\$73,432,156	\$64,153,500	\$9,278,656
Annual Operating Surplus (before investment in capital assets and transfers to capital reserves)	\$302,177	\$3,239,894	\$9,507,466	(\$6,267,572)

Schedule 3 - Program Operations

	2021-2022 Revenues	2021-2022 Expenses	Surplus (Deficit)
Instruction Pre K and K	\$4,210,277	\$4,051,681	\$158,596
Instruction 1 - 12	\$53,104,216	\$49,618,208	\$3,486,008
Operations & Maintenance	\$10,634,286	\$11,244,191	(\$609,905)
Transportation	\$5,175,747	\$5,318,191	(\$142,596)
System Administration	\$2,959,194	\$2,697,974	\$261,220
External Services	\$588,330	\$501,759	\$86,571
Total	\$76,672,050	\$73,432,156	\$3,239,894

Results from the WMA Adjustment

The Spring 2020-2021 funding manual states that if the projected count is higher than the actual count, the WMA will be adjusted down to account for the difference. However, it appeared from the Funding Manual that the WMA adjustments were to take place in the following year, in order to keep the funding prediction and transparency in line with the budgeting process.

At the end of August, 2020 The Division received AB Education's year end Guidelines which provided detailed guidance on the COVID Mitigation Grant and changed the messaging from the spring. This change results in the Division having to record the decrease in revenue in 2020-2021 and the new grant in 2021-2022, none of these being budgeted as such due to the timing of the announcements. The Division proceeded to make plans for the spending the additional funds in 2021-2022.

	2020-2021	2021-2022
Revenues	(\$1,774,341)	\$1,774,341
Net Change in Surplus/Deficit	(\$1,774,341)	\$1,774,341

Comparative Results from Operations - Expenses

	2021-2022	2020-2021	Variance
Instruction Pre K and K	\$4,051,681	\$3,830,448	(\$221,233)
Instruction 1 - 12	\$49,618,208	\$42,802,638	(\$6,815,570)
Operations & Maintenance	\$11,244,191	\$9,411,156	(\$1,833,035)
Transportation	\$5,318,191	\$4,809,182	(\$509,009)
System Administration	\$2,697,974	\$2,719,198	\$21,224
External Services	\$501,759	\$580,879	\$79,120
Total	\$73,432,156	\$64,153,500	(\$9,278,656)

Auditor's findings and Recommendation

Thank You



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