



School District 8  
Kootenay Lake

# Financial Statements Discussion & Analysis

For the year ended June 30, 2021

**NO. 8 (KOOTENAY LAKE)**

**FINANCIAL DISCUSSION & ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021**

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## BOARD OF EDUCATION'S STRATEGIC PLAN

### Message from the Board of Education

The Board of Education believes every child should be supported to reach their fullest potential. We strive to prepare our students to succeed and find zest in a changing world.

We recognize that children learn in all environments, their homes, their communities, in addition to their classrooms. Because of this understanding, all Board committees: Education, Governance & Policy, Operations & Finance, include all trustees, district and school administrators, parents, teachers, and support staff.

### Board Goals

Collaboratively we work towards the goals of: Learning, Organizational Excellence, Relationships and Engagement. We believe these goals will best provide the sustenance and direction for each student's success.



## Student Expectations



### Mission

*"We focus on excellence for all learners in a nurturing environment."* This mission captures the essence of what we do, giving the best, to facilitate the best, in every single one of our students, fostering a belonging as learners, in our schools and communities. This mission is the product of how we set forth to achieve the Board's Goals, in view of our values.

### Our Values

The Board's Values are Educational Success, Creativity & Imagination, Engaged Citizenship and Resiliency. From these foundational values flow our Goals and Mission.

### Focus-Learn-Excel

The District's Focus-Learn-Excel professional development program is a three-year commitment and investment in all staff, with the expectation of improving success for our students.

## FINANCIAL DISCUSSION INTRODUCTION

This Financial Statements Discussion & Analysis (“**Financial Discussion**”) provides greater information about the financial results for School District No. 8 (Kootenay Lake) (the “**District**”) for the year ended June 30, 2021. This Financial Discussion is prepared based on known facts and conditions as of September 15, 2021 and should be read in conjunction with the District’s Audited Financial Statements for the year ended June 30, 2021 (the “**Financial Statements**”).

The financial results presented herein are discussed and compared to both the prior year ended June 30, 2020, and to the Amended Budget for the year ended June 20, 2021 that was adopted by the Board of Education on February 9, 2021.

## DISTRICT FUNDING & ENROLMENT

The School District is funded primarily through the Operating Grant received from the Provincial Ministry of Education. The Operating Grant is based on student enrolment, confirmed in a provincial process called 1701 in September, February, and May. The District receives a fixed amount per full-time enrolled student (FTE). For each identified student with unique needs, the District receives a supplementary grant on top of the basic per-pupil grant which provides additional financial resources required to ensure schools can respond to the needs of diverse learners.

### *Fluctuations in Student Enrolment*

In grades Kindergarten through nine, one student equates to one FTE. At the secondary level, in grades ten through twelve, students are funded based on the percentage of full-time enrolment. As a result, there is variation in funding for secondary students, as often they will take less than a full course load or seek learning opportunities and experiences outside of school to meet their credit requirements. This funding model for secondary can pose a significant challenge for the School District, and management considers the impact throughout the financial planning process.



Each year, the impact of fluctuating student enrolment has the potential to influence decisions regarding course offerings, required staffing levels, and predictions of future capacity requirements of the District’s seven secondary and twenty-five elementary schools. In order to minimize uncertainty that accompanies estimates of student enrolment numbers, the District undertakes a comprehensive process to predict future trends. This process includes an analysis of population data, consideration of municipal development approvals and incorporates local knowledge to estimate elementary and secondary student enrolment for the coming budget year. The number of students enrolled directly impacts the number of staff needed. Staff salaries and benefits make up over 80% of the District’s expenditures, thus, a reliable estimate of student enrolment is crucial to the integrity of the operating budget.

## STUDENT ENROLMENT (FTE)

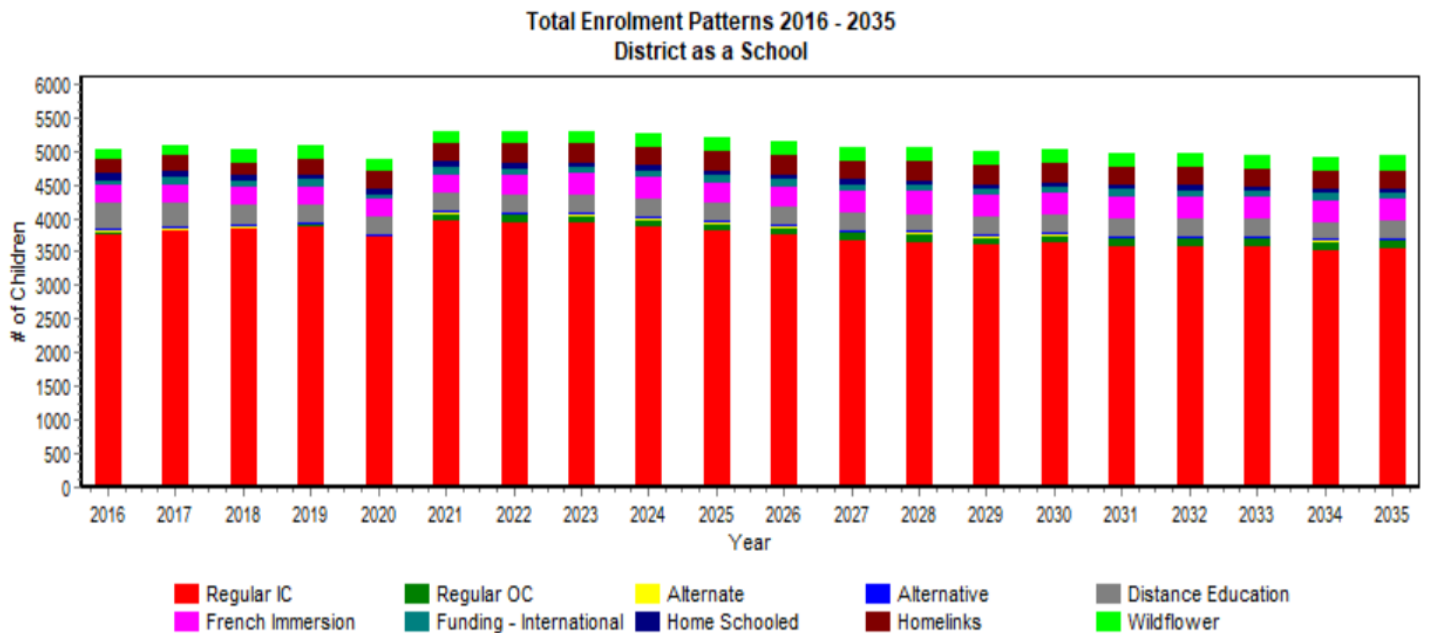
The following table compares student FTE enrolment for the past two years, and compared with budget:

	2020-2021 Actual	2019-2020 Actual	Variance to 2019-2020 Actual	2020-2021 Amended Budget	Variance to 2020-2021 Amended Budget
School age	4,743.1875	4,837.1875	(94.0000)	4,719.5700	23.6175
Adult	8.5000	3.6875	4.8125	3.6200	3.6875
<b>Total FTE</b>	<b>4,751.6875</b>	<b>4,840.8750</b>	<b>(89.1875)</b>	<b>4,723.1900</b>	<b>27.3050</b>

As can be seen in this table, overall, 2020-2021 enrolment decreased by 89.1875 FTE students when compared to the prior year but increased compared to budget due to higher than forecast May enrolment.

## HISTORIC & FUTURE ENROLMENT PROJECTIONS (HEADCOUNT)<sup>1</sup>

Compared with many school districts throughout British Columbia, School District No. 8 (Kootenay Lake) enrolment has been, and is expected to remain, relatively stable for the next decade.



In the past year, the range of expectations as to most enrolment categories has widened. The District expects greater fluctuations in the number of international students. The District might also expect changes in net migration that may impact positively on enrolment, as people have discovered both the beauty and lifestyle possibilities of areas like School District No. 8 (Kootenay Lake).

<sup>1</sup> 2020-2021 Baragar Projections (Jan, 2021)

## THE FINANCIAL PLANNING PROCESS

The annual budget cycle begins with the Board’s endorsement of a process and timeline for budget adoption, which is confirmed by the Board in December of each year. By February 15<sup>th</sup> each year, the District must submit to the Ministry of Education the expected student enrolment for the upcoming school year. Provincial operating grant funding estimates are based on these initial student enrolment projections, which are released each March. Throughout the spring, an internal and public consultation process is undertaken to identify budget priorities. The District incorporates those priorities into the preliminary operating budget as directed by the Board. By June 30<sup>th</sup> each year, the Board must adopt a budget for the upcoming school year. Additionally, the Board is required to approve an Amended Budget that the District submits in February, based on actual confirmed enrolment counts and Operating Grant revenues to the Ministry of Education.



## STATEMENT OF OPERATIONS – ALL FUNDS RESULTS

The following table breaks out District operations for the year ended June 30, 2021 by Operating, Special Purpose and Capital funds, as well showing fund surpluses and transfers between funds:

Year Ended June 30, 2021	Operating Fund	Special Purpose Funds	Capital Funds	All Funds Total
	\$	\$	\$	\$
<b>Revenues</b>				
Provincial Grants				
Ministry of Education	57,285,139	9,170,391	-	<b>66,455,530</b>
Other	447,483	-	-	<b>447,483</b>
Tuition	685,2159	-	-	<b>685,219</b>
Other Revenue	667,403	1,062,706	-	<b>1,730,109</b>
Rentals & Leases	71,315	-	-	<b>71,315</b>
Investment Income	27,620	44,372	22,614	<b>94,606</b>
Gain on Disposal of Tangible Capital Assets	-	-	104,955	<b>104,955</b>
Amortization of Deferred Capital Revenue	-	-	2,725,519	<b>2,725,519</b>
<b>Total Revenues</b>	<b>59,184,179</b>	<b>10,277,469</b>	<b>2,853,088</b>	<b>72,314,736</b>
<b>Expenses</b>				
Instruction	44,382,455	8,855,254	-	<b>52,237,709</b>
District Administration	3,198,916	7,988	-	<b>3,206,904</b>
Operations & Maintenance	8,043,282	633,276	-	<b>8,676,588</b>
Transportation & Housing	2,668,111	101,675	-	<b>2,769,786</b>
Amortization of Tangible Capital Assets	-	-	3,545,631	<b>3,545,631</b>
<b>Total Expenses</b>	<b>58,292,764</b>	<b>9,598,193</b>	<b>3,545,631</b>	<b>71,436,318</b>
<b>Surplus (Deficit)</b>	<b>891,415</b>	<b>679,276</b>	<b>(692,273)</b>	<b>878,418</b>
<b>Net Transfers to/from other Funds</b>				
Tangible Capital Assets Purchased	(1,115,874)	(679,276)	1,795,150	-
<b>Total Net Transfers</b>	<b>(1,115,874)</b>	<b>(679,276)</b>	<b>1,795,150</b>	<b>-</b>
<b>Total Surplus (Deficit) for the year</b>	<b>(224,459)</b>	<b>-</b>	<b>1,102,877</b>	<b>878,418</b>
<b>Surplus (Deficit) beginning of the year</b>	<b>1,533,162</b>	<b>-</b>	<b>23,619,047</b>	<b>25,152,209</b>
<b>Accumulated Surplus (Deficit) end of the year</b>	<b>1,308,703</b>	<b>-</b>	<b>24,721,924</b>	<b>26,030,627</b>

Operating Fund Revenues of \$59,184,179 represent 82% of the District's total \$72,314,736 Revenues. A portion of Operating Fund Revenues, \$1,115,874, representing 1.8% of Operating Fund Revenues, were used to invest in Capital Projects during the year. Likewise, out of Special Purpose Funds, \$247,122 of the Annual Facilities Grant and \$407,154 of the Federal Safe Return to Class Fund were used for mechanical upgrades in facilities, and \$25,000 of the Changing Results for Young Children Fund were used for capital investments at the new modular building Winlaw Elementary School.

Overall, in all funds, the District ran a surplus of \$878,418 during the year. However, after factoring in capital spending, the District ran a net deficit of \$224,459 in its Operating Fund, reducing its Accumulated Operating Surplus to \$1,308,703.

## STATEMENTS OF FINANCIAL POSITION

As at	June 30, 2021 Actual \$	June 30, 2020 Actual \$	Increase (Decrease) \$	Increase (Decrease) %
<b>Financial Assets</b>				
Cash & Cash Equivalents	10,478,024	9,743,185	734,839	(7.5%)
Accounts Receivable – Due from MoE	254,410	76,364	178,046	233.2%
Accounts Receivable – Due from Prov. Other	158,931	-	158,931	-
Accounts Receivable – Other	488,298	662,435	(174,137)	(26.3%)
Portfolio Investments	447,231	413,128	34,103	8.3%
<b>Total Financial Assets</b>	<b>11,826,894</b>	<b>10,895,112</b>	<b>931,782</b>	<b>8.6%</b>
<b>Liabilities</b>				
Accounts Payable & Accrued Liabilities	5,194,031	4,926,540	267,491	5.4%
Accounts Payable – Due to MoE	7,740	-	7,740	-
Unearned Revenue	772,143	249,138	523,005	210.0%
Deferred Revenue	2,444,676	2,336,334	108,342	4.6%
Deferred Capital Revenue	49,959,847	48,985,793	974,054	2.0%
Employee Future Benefits	1,011,453	881,519	129,934	14.7%
<b>Total Liabilities</b>	<b>59,389,890</b>	<b>57,379,324</b>	<b>2,010,566</b>	<b>3.5%</b>
<b>Net Debt</b>	<b>(47,562,996)</b>	<b>(46,484,212)</b>	<b>(1,078,784)</b>	<b>2.3%</b>
<b>Non-Financial Assets</b>				
Tangible Capital Assets	73,381,521	71,129,778	2,251,743	3.2%
Prepaid Expenses	212,102	506,643	(294,541)	(58.1%)
<b>Total Non-Financial Assets</b>	<b>73,593,623</b>	<b>71,636,421</b>	<b>1,957,202</b>	<b>2.7%</b>
<b>Accumulated Surplus (Deficit)</b>	<b>26,030,627</b>	<b>25,152,209</b>	<b>878,418</b>	<b>3.5%</b>

### Current Ratio

The District's current ratio was 2.19 (equal to the currently available financial assets of \$11,379,663 divided by financial obligations currently due of \$5,201,771), which is similar to the prior year's 2.12 current ratio. The District invests its excess cash in the B.C. provincial government's Central Depository Program, where the funds earn an excellent return, and helps reduce the amount of required provincial borrowing.

### Financial Assets

Total Financial Assets have increased compared to the prior year. The increase in cash and cash equivalents on June 30, 2021, when compared to the prior year, is mainly due to the receipt of proceeds from the sale of the 570 Johnstone Road property in January 2021.

The Accounts Receivable from the Ministry of Education is mainly for Bylaw Capital projects, and Other Provincial Capital due is mainly from the Ministry of Children and Family Development for the new modular building at Winlaw Elementary, and also for amounts owing under the OLEP (Federal French) Special Purpose Fund. Other Accounts Receivable decreased because amounts owing from the CRA for GST receivable and from CSF93 for billings amounts decreased substantially.



### *Liabilities*

Total Liabilities have increased compared to the prior year.

The \$275,231 increase in Accounts Payable is largely due to timing of payroll as well as increases in teacher summer savings plan amounts.

Unearned revenues increased by \$523,005 for tuition fees received from students enrolled in the 2021-2022 International Program, reflecting a strong rebound in international student enrolment.

Deferred Revenues edged up in various Special Purchase Funds, increasing Deferred Revenues by \$108,342.

Deferred Capital Revenues increased by \$974,054, which includes an \$816,879 increase in Restricted Capital from the sale of the 570 Johnstone Road property (see Financial Statements Schedule 4D), as well as an increase in Other Provincial Deferred Capital Revenues from the construction of the new modular at Winlaw Elementary, which was partially funded by the Ministry of Children and Family Development.

Employee future benefits have increased for expected future sick accrual payments per the actuarial estimates prepared in line with guidance from the Ministry of Education.

### *Non-Financial Assets*

Non-Financial Assets have increased due to investments made to improve the Board's facilities – purchases of tangible capital assets – under the Board's [Capital Operations Plan](#). Also see a discussion of the District's Capital Fund below on page 14 and Schedule 4A in the Financial Statements.

## OPERATING FUND RESULTS

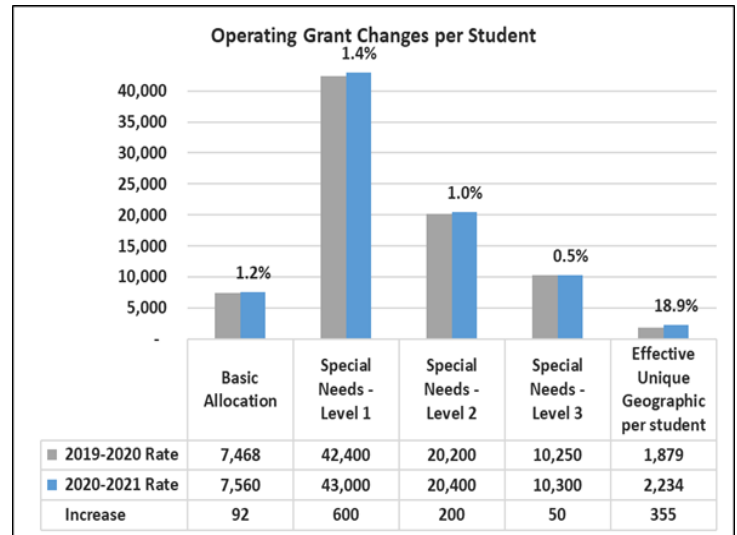
The following table and compares the year ended June 30, 2021 to the prior year and to the amended budget for the year, summarizing key information from Schedules 2A and 2B in the Financial Statements.

	2020-2021 Actual	2019-2020 Actual	Variance to 2019-2020	2020-2021 Amended Budget	Variance to Amended Budget
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Ministry of Education – Operating Block	57,285,139	54,882,309	2,402,830	56,931,920	353,219
Provincial Grants – Other	447,483	486,291	(38,808)	454,224	(6,741)
Tuition	685,219	1,567,940	(882,721)	689,700	(4,481)
Other Revenue	667,403	555,272	112,131	508,356	159,047
Rentals & Leases	71,315	116,129	(44,814)	116,000	(44,685)
Investment Income	27,620	74,951	(47,331)	30,000	(2,380)
<b>Total Revenues</b>	<b>59,184,179</b>	<b>57,682,892</b>	<b>1,501,287</b>	<b>58,730,200</b>	<b>453,979</b>
<b>Expenses</b>					
Teacher Salaries	21,718,300	20,916,539	801,761	21,518,373	199,927
Principal and Vice Principal Salaries	4,372,278	3,903,818	468,460	4,225,882	146,396
Educational Assistant Wages	3,730,209	4,089,854	(359,645)	3,611,337	118,872
Support Staff Wages	6,909,694	6,934,504	(24,810)	6,998,126	(88,432)
Other Professional Salaries	2,054,804	1,890,859	163,945	2,182,929	(128,125)
Substitute Salaries	1,932,800	1,848,845	83,955	2,095,108	(162,308)
Employee Benefits	10,084,414	9,988,631	95,783	10,276,802	(192,388)
Services	1,389,505	1,519,389	(129,884)	1,409,010	(19,505)
Student Transportation	189,010	410,883	(221,873)	269,800	(80,790)
Professional Development and Travel	843,931	1,009,179	(165,248)	884,425	(40,494)
Rentals and Leases	43,442	53,494	(10,052)	41,400	2,042
Dues and Fees	97,838	74,885	22,953	78,944	18,894
Insurance	148,846	154,254	(5,408)	163,000	(14,154)
Supplies	3,250,854	2,916,607	334,247	2,898,374	352,480
Utilities	1,526,809	1,534,471	(7,662)	1,419,000	107,809
<b>Total Expenses</b>	<b>58,292,764</b>	<b>57,246,212</b>	<b>1,046,552</b>	<b>58,072,510</b>	<b>220,254</b>
<b>Tangible Capital Asset Purchases</b>	<b>1,115,874</b>	<b>750,911</b>	<b>364,963</b>	<b>657,690</b>	<b>458,184</b>
<b>Operating Fund Surplus (Deficit)</b>	<b>(224,459)</b>	<b>(314,231)</b>	<b>89,772</b>	<b>-</b>	<b>(224,459)</b>

### Operating Fund Revenues – Ministry of Education & Provincial Grants

The \$2,402, 830 increase in grants from the Ministry of Education this year as compared to last year, despite an 89.1875 FTE (full-time equivalent) decrease in student enrolment, is due to several factors:

- An average 5.3% increase in the per pupil operating grant provided to the District, including an 18.9% increase in the unique geographic funding (see Operating Grant Changes per Student chart inlaid). This increase more than offset the enrolment decline, resulting in an overall \$1,074,695 increase in per pupil operating grant funding;
- “Funding protection” funding of 710,270;
- An increase of \$512,865 in Labour Settlement funding;
- New career mentorship funding of \$105,000; and
- \$180,443 of “operating grant holdback” funds, received in April and May, 2021.



The Ministry of Education operating grants are greater than budgeted due to the “operating grant holdback” funds received after the adoption of the amended budget.

#### *Operating Fund Revenues – Tuition*

Due to COVID-19 the District experienced a substantial decrease in International Student enrolment, declining to 26 FTE international students, down from 70 FTE in the prior year, resulting in a \$882,721 decrease in Tuition revenues compared with the prior year.

#### *Operating Fund Revenues – Other and Rentals & Leases*

Other revenues increased under a new agreement with the Conseil Scolaire Francophone 93 (CSF 93), which aligned the funding received by the District for cross-enrolled students in both CSF 93 and the District with the funding the District receives for its other Ministry-funded students. Note: these cross-enrolled students (“double-dogwood” students) work towards earning both a regular graduation diploma and a Français Première Langue graduation diploma, from the District and from CSF 93, respectively. Partially offsetting this increase was a decline in Global Intercultural Exchange (GIE) program fees due to COVID-19.

Other revenues appear greater than budgeted due to a reclassification of revenues from the CSF 93 for its rental of the former Al Collinson, per guidance from the Ministry of Education.

The decrease in investment income is due to a decline in interest rates.

#### *Operating Fund Expenses - Salaries & Benefits*

Teacher salaries increased by \$801,761 compared with the prior year, primarily due to increased salary costs under the new collective agreement with KLTF. Note that there is was also additional Teachers hired during the year, which was funded by Special Purpose Funds: the Classroom Enhancement Fund and the Safe Return to School/Class grants (see Special Purpose Fund discussion below on page 13).

Education Assistant wages increased under the collective agreement, however, there was an overall decrease in Educational Assistants salaries in the Operating Fund, partially due to an inability to fill various positions and leaves. Also, there was an increase in Education Assistant salaries in Special Funds (see Special Purpose Fund discussion below on page 13 and Financial Statements Schedule 3A).

Principal and Vice-Principal salaries increased compared with the prior year for various reasons. A paid leave, a partial retirement and the assignment and general salary and step increases. Additionally, in the prior year one Principal position was paid from the Rural Education Enhancement Fund (REEF) Special Purpose Fund, which was rolled into the Operating Grant's Unique Geographic funding this year.

There was no new net change in Other Professional (Exempt) positions; the increase in Other Professional Salaries was due to general salary and step increases.

#### *Operating Fund Expenses - Services*

Operating Fund Services Expenses decreased by \$129,884, mainly because there was a significant decrease in international program services expenses.

#### *Operating Fund Expenses – Transportation*

The \$221,873 decrease in Student Transportation expenses were due to COVID-19. Student Transportation Expenses decreased significantly compared to budget due to COVID-19 and cancellation of school events requiring transportation.

#### *Operating Fund Expenses – Professional Development & Travel*

Professional Development expenses decreased by \$162,474 as compared to the prior year and \$40,494 as compared to Budget. This was mainly due to the reduction in travel to professional development events, due to COVID-19. Also, International Program travel for recruitment purposes was curtailed. The District held numerous professional development events using online technologies with large turnouts, and it intends to continue an expanded use of online medium for its professional learning in the future.



#### *Operating Fund Expenses – Rentals & Leases*

The \$10,052 decrease in rentals and leases this past year is similar to the approximate \$100,000 decrease in the prior year: it is primarily due to a change in photocopier and printing agreements, under which the District no longer leases machines, and instead pays per printed page.

#### *Operating Fund Expenses – Supplies*

Supplies expenses increased overall by \$334,247 due to various items, including: a \$111,892 increase in bus repair expenses, \$56,392 of equipment purchases funded by new Columbia Basin Trust grants, a \$47,723 increase in photocopy per page costs, an increase in online learning resource expenses, and several other smaller expense amounts.

## SPECIAL PURPOSE FUNDS RESULTS

The following table shows variances to prior year and to the amended budget, with a discussion of the significant variances to the prior year results:

	2020-2021 Actual \$	2019-2020 Actual \$	Variance to 2019-2020 \$	2020-2021 Budget \$	Variance to Budget \$
<b>Provincial Grants - Ministry of Education</b>					
Annual Facility Grant	279,588	279,588	-	279,588	-
Learning Improvement Fund	200,282	196,566	3,716	200,282	-
Strong Start	160,000	160,130	(130)	160,000	-
Ready, Set, Learn	49,000	27,325	21,675	49,000	-
OLEP	84,115	80,593	3,522	84,115	-
CommunityLINK	631,599	649,056	(17,457)	631,599	-
Rural Education Enhancement Fund	-	449,954	(449,954)	-	-
Classroom Enhancement Fund	5,419,681	5,517,419	(97,738)	5,419,681	-
First Nation Student Transportation	32,647	6,639	26,008	-	32,647
Mental Health in Schools	55,000	17,472	37,528	55,000	-
Changing Results for Young Children	25,000	5,382	19,618	25,000	-
Safe Return to School Grant	437,667	-	437,667	437,667	-
Safe Return to Class Grant	1,856,158	-	1,856,158	1,856,158	-
<b>Other Revenue</b>					
Scholarships & Bursaries	18,331	8,231	10,100	33,000	(14,669)
School Generated Funds	1,053,287	1,862,921	(809,634)	2,000,000	(946,713)
Donations	39,084	135,321	(96,237)	23,962	15,122
<b>Investment Income</b>	44,372	28,044	16,328	12,000	32,372
<b>Total Revenues</b>	<b>10,385,811</b>	<b>9,424,641</b>	<b>961,170</b>	<b>11,267,052</b>	<b>(881,241)</b>

### Special Purpose Funds

Special Purpose Fund Revenues/Expenses in 2020-2021 were, overall, significantly greater than the prior year, due primarily to the two "Safe Return" grants from the Federal government and the Ministry of Education, respectively, totalling \$2,293,825. Offsetting this increase, the Rural Education Enhancement Fund (REEF) was terminated this year, and the REEF funds were rolled into the Unique Geographic component of Operating block funding. Also, School Generated Funds, decreased by \$809,634 compared with the prior year. Due to COVID-19, field trips, grad activities, etc. were cancelled, and the school fees associated with these trips and activities were not collected. Donations decreased \$96,237 because in the prior year there were a substantial donations associated with the tennis and multi-sport project at L.V. Rogers Secondary School, completed in conjunction with the Nelson Tennis Club.

## CAPITAL FUNDS RESULTS

The table and discussion below describe revenues and expenses for Bylaw Capital, Restricted Capital, Other Provincial Capital and Local Capital, which are four sub-types of capital funding that benefit the District, which are described in the Financial Statements Schedule 4D.

	2020-2021 Actual \$	2019-2020 Actual \$	Variance to 2019-2020 \$
<b>Bylaw Capital</b>			
Provincial Grants – Ministry of Education	2,721,054	2,268,560	452,494
Buildings purchases	(2,495,882)	(2,248,188)	(247,694)
Furniture & Equipment purchases	(84,642)	(20,358)	(64,284)
Vehicles purchases	(140,530)	(14)	(140,516)
<b>Net Change for the Year</b>	-	-	-
Opening Balance	-	-	-
<b>Closing Balance</b>	-	-	-
<b>Ministry of Education Restricted Capital</b>			
Restricted Portion of Proceeds on Disposals	816,879	-	816,879
<b>Net Change for the Year</b>	<b>816,879</b>	-	<b>816,879</b>
Opening Balance	481,500	481,500	-
<b>Closing Balance</b>	<b>1,298,379</b>	<b>481,500</b>	<b>816,879</b>
<b>Other Provincial Capital</b>			
Provincial Grants – Other	266,065	-	266,065
Building purchases	(266,065)	-	(266,065)
Furniture & Equipment purchases	-	(95,362)	95,362
<b>Net Change for the Year</b>	-	<b>(95,362)</b>	<b>95,362</b>
Opening Balance	-	95,362	(95,362)
<b>Closing Balance</b>	-	-	-
<b>Local Capital</b>			
Investment Income	22,614	38,550	(15,936)
District Portion of Proceeds on Disposal	272,293	-	272,293
Buildings purchases	(1,241,995)	(250,000)	(991,995)
Furniture & Equipment purchases	(44,603)	-	(44,603)
<b>Net Change for the Year</b>	<b>(991,691)</b>	<b>(211,450)</b>	<b>(780,241)</b>
Opening Balance	993,563	1,205,013	(211,450)
<b>Closing Balance</b>	<b>1,872</b>	<b>993,563</b>	<b>(991,691)</b>

### *Bylaw Capital*

Provincial grants from the Ministry of Education for bylaw capital projects increased due to certain 2019-2020 bylaw capital projects that were extended to and completed in 2020-2021.

### *Ministry of Education Restricted Capital*

The Ministry of Education restricted portion of proceeds on disposals increased by \$816,879, which is 75% of the net proceeds from the sale of the Johnstone Road property and modular building last installed at W.E. Graham Elementary Secondary School. Use of these funds by the Board for future capital projects requires Ministry of Education approval.

### *Other Provincial Capital*

Other Provincial Capital grants, including Ministry of Children and Family Development funding for the new modular building at Winlaw Elementary, was fully spent during the year.

### *Local Capital*

There was a net \$991,691 decrease in Local Capital during the year, due to spending of \$1,286,598 under the Board's [Capital Operations Plan](#), which has the goal of improving learning environments District-wide. Offsetting some of these expenditures was investment income of \$22,614 on invested capital reserves, plus an amount of \$272,293, which was 25% unrestricted portion of the net proceeds of the sale of the Johnstone Road and modular building last installed at W.E. Graham Elementary Secondary School.

## **FUTURE CONSIDERATIONS – RISKS & OPPORTUNITIES**

### *Recruitment & Retention*

School Districts across the Province are continuing to face significant challenges in the recruitment and retention of qualified staff. School District No. 8 (Kootenay Lake) is the eighth largest employer in the Kootenays, with over 900 employees, and faces consistent shortages of personnel in various employee groups. The District uses various strategies to ensure it continues to attract and retain qualified, excellent personnel, to ensure it has adequate personnel to deliver on the Board Mission and Goals.

### *Funding Formula Review*

School Districts have significant fixed costs. These include maintenance and operations of facilities, class size and composition staffing requirements and administrative functions to support School District operations. As a result, Districts are reliant on a stable, predictable funding stream, to ensure consistent delivery of services from year to year across the District.

The Ministry of Education is in process of considering the impacts of changes it may make to the funding model. Throughout this process, the Ministry has clearly articulated that the Funding Model Review will not result in any new injections of cash into BC's public education system. Changes, if any, will result in a reallocation of existing funds, which implies that some Boards may gain additional funding, while others may lose. The Provincial Government has not announced any decisions.





### *International Education*

The District profits from International student enrolment, both financially and to provide global exposure and “inter-culturalization” opportunities right here in the Kootenays. The impacts of COVID-19 have included a significant decrease in international student enrolment, the tuition revenues it generates and the horizon-expanding benefits.

### *Technology Requirements*

To provide education within a 21st century learning environment, the District is required to expend significant financial resources on technology.

In the past three years, under the Board’s 3-year technology modernization plan, the District has radically upgraded its network, technology hardware, software, student device ratios, device quality, technology curriculum, technology support, and system utilization continues to grow exponentially.

COVID-19 has demonstrated the major investments the Board made in technology were valuable to enhance student’s technology capacities to their future benefit and deliver excellence in education during a pandemic. The District will continue to review and attempt to find the necessary resources to ensure it can both deliver the best educational services and to prepare our students for citizenship, success, creativity, and resiliency after they graduate.