



School District 8  
Kootenay Lake

# Financial Discussion & Analysis

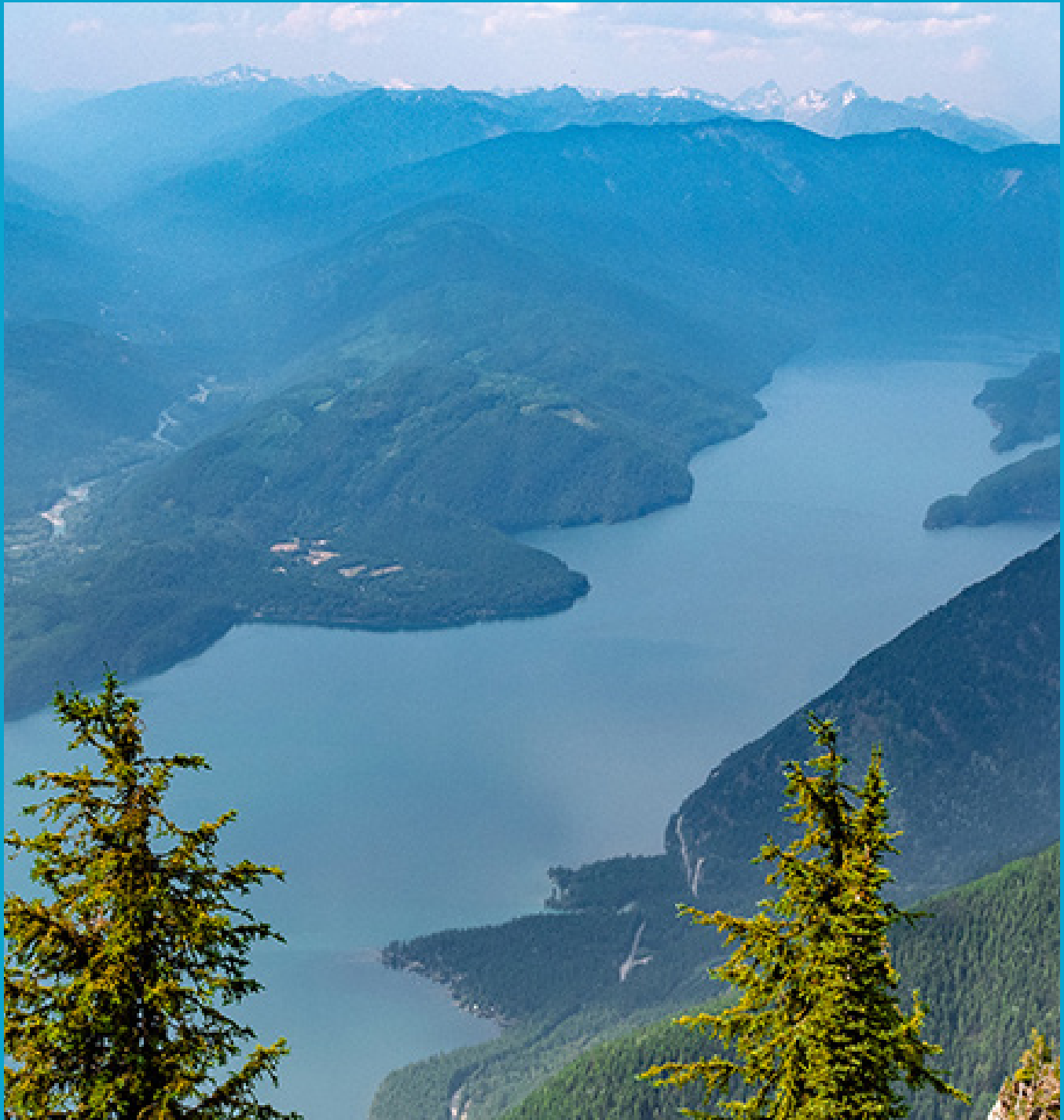
For the Year Ended June 30, 2024





# ACKNOWLEDGEMENT

We acknowledge, respect and honour the First Nations in whose traditional territories the Kootenay Lake School District operates and all Aboriginal people residing within the boundaries of School District No. 8.



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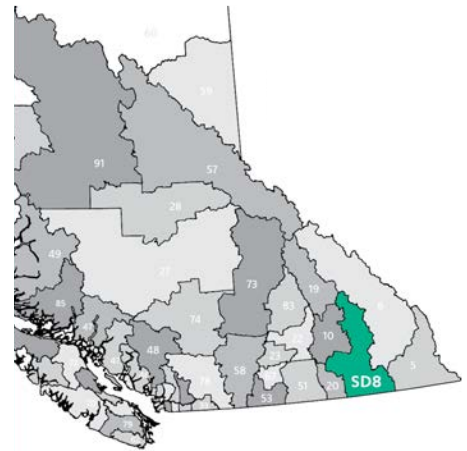
# ABOUT THE DISTRICT

Located in the Central Kootenays in BC, School District No. 8 (SD8) operates six families of schools in the communities of Nelson, Salmo, Creston, Crawford Bay, Kaslo and the Slocan Valley with the majority of the students living in Nelson and Creston. The school district serves approximately 4,800 students and their families in over 15 rural communities and employs about 900 full- and part-time staff. The district's overall operating budget for 2023-24 was \$85 million.

SD8 serves the Lower Kootenay Band located in Creston, B.C. According to the B.C. Adolescent Health Survey for SD8, of the Indigenous student population, which constitutes 15% of the student body, 56% identified as First Nations, 45% as Metis, and 8% as having another Indigenous background. Additionally, 9% of students identified with diverse abilities, and less than 1% of students are identified as children and youth in care.

Climate change is raising the risk of more frequent and severe wildfires that will result in smoke during the summer months and affect surrounding areas in shoulder seasons as well.

Residents in the Kootenay Lake area have the highest median age of all the economic regions in the province. Unemployment in this region has consistently been higher than the provincial average. Workforce recruitment is a significant challenge for the district.



British Columbia School Districts



School District 8 Kootenay Lake Families of Schools

**4,800**  
students

**21**  
schools

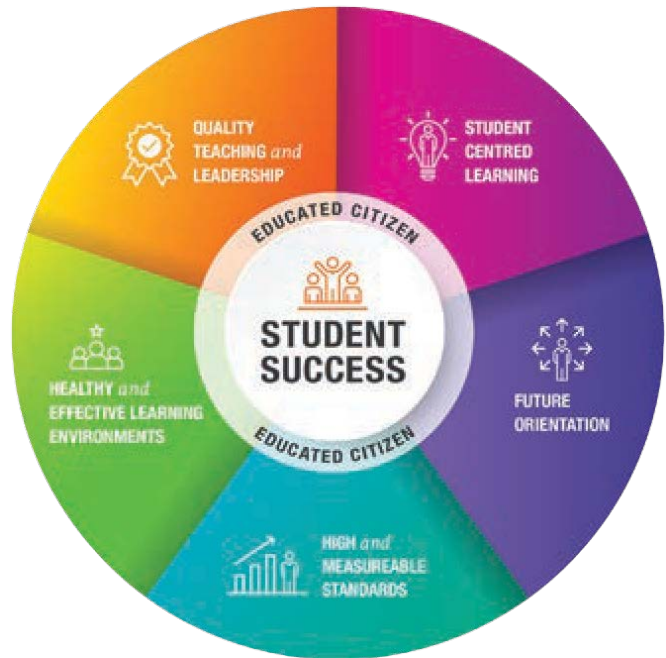
**900**  
staff

# STRATEGIC PLAN PRIORITIES

SD8's financial planning and results focus on meeting its strategic priorities outlined in the Strategic Plan. All SD8 financial decisions are guided by the district's mission, vision and values and are based on evidence and extensive consultation.

Strategies and structures support the learning success of individual Indigenous students, students with diverse abilities, and children and youth in care within each school. Together these district processes work to support the goals and vision of the Ministry of Education and Child Care Service Plan.

Aboriginal education (ABED) is core focus in the district, articulated through the Aboriginal Focus Area of belonging, success, truth before reconciliation, and history and culture. These plans are tied to SD8's strategic plan and the ministry service plan.



## Mission

We inspire and support each learner to thrive in a caring learning environment.

## Vision

Our learners grow as global citizens in an innovative and inclusive community.

## Values

Our values help shape the culture of our schools and workplaces. By upholding these beliefs and attitudes, we can build learning communities that will lead to the fulfilment of our mission.

# Strategic Priorities

## Lifelong Learners

We improve student learning through interest-based, competency-based, flexible and innovative approaches.



## Connected Learners

We inspire learners to become curious, critical, and creative stewards of the natural world and the local and global community.



## Caring and Inclusive Learning Culture

We promote physical and mental well-being through social-emotional learning to foster compassionate learners.



## Cultural and Identity Development

We promote a positive sense of identity in culturally safe and responsive communities of learning.



## Career Development

We prepare students to graduate with options for their future life and career goals.



# FINANCIAL DISCUSSION AND ANALYSIS

## Introduction

This document will discuss and analyze the financial performance of School District No. 8 (Kootenay Lake) for the fiscal year that ended on June 30, 2024 and will provide information in relation to the prior year and the amended annual budget. The district's financial statements represent the consolidation of three separate funds: operating, special purpose and capital. This is only an introduction and should be read in conjunction with the district's audited financial statements and accompanying notes.

## District Funding and Enrolment

SD8 is funded through the Operating Grant received from the B.C. Ministry of Education and Child Care. The Operating Grant is based on student enrolment, confirmed through a process called the 1701 in September, February, and May. The district receives a fixed amount per full-time enrolled student (FTE). For each student identified 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 respond to the needs of diverse learners.

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 students may enrol in more or less than a full course load or seek learning opportunities and experiences outside of school to meet their credit requirements. Online learners are funded based on the percentage of full-time enrolment and are funded at a lower rate per student FTE than the non-online learners.

## Student Enrolment

The following table compares the student FTE enrolment against the previous year:

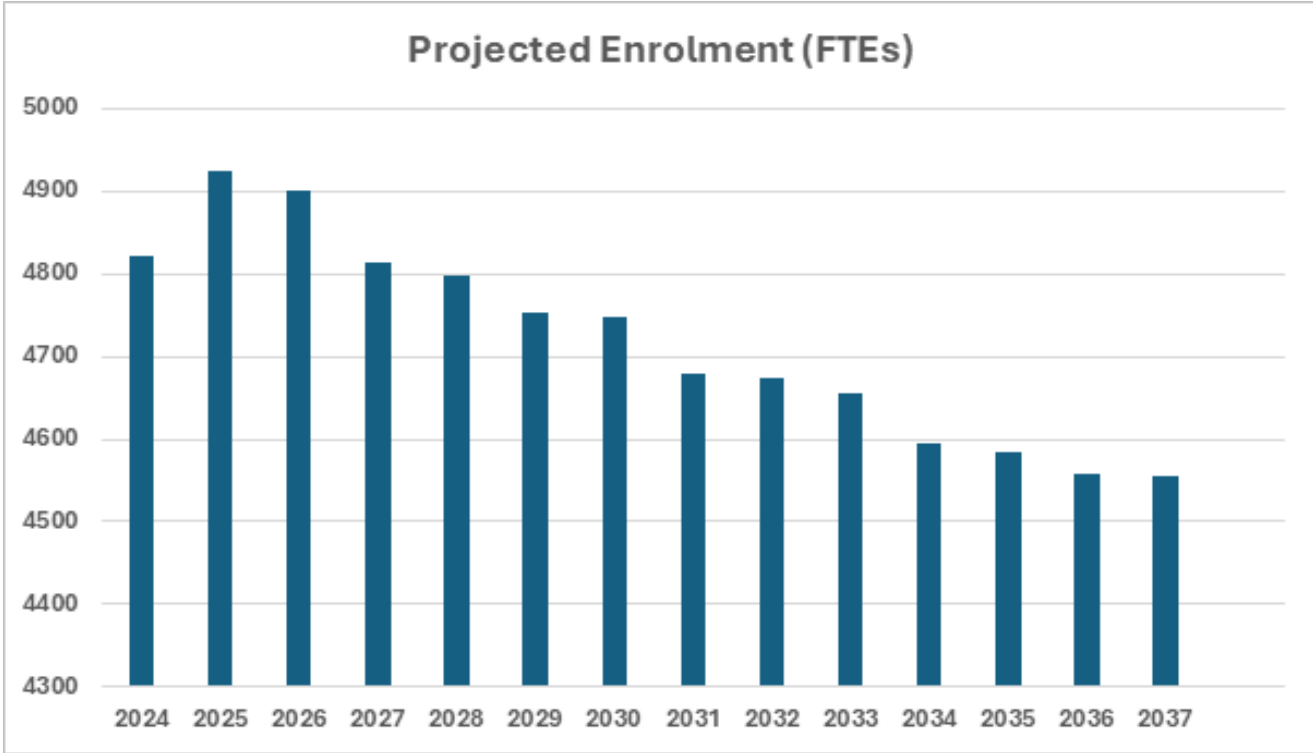
	February 2023 Enrolment	February 2022 Enrolment	Change	
	Figures	Figures	FTE	%
	FTE	FTE	FTE	%
School Age	4,820.563	4,732.563	88.000	1.9%
Adult	1.750	2.125	(0.375)	(17.6%)
<b>Total FTEs</b>	<b>4,822.313</b>	<b>4,734.688</b>	<b>87.625</b>	<b>1.9%</b>

As can be seen in this table, 2023-2024 enrolment increased by 87.625 student FTE (1.9%) when compared to the prior year.



Wildflower Nelson school staff, students and families in their wildscape playground in June 2024. The [Wildflower program](#) is offered in Nelson and Creston.

## Future Enrolment Projections



The trend for student enrolments in the district shows an overall projected decline of 267 student FTEs (5.5%) between 2024 and 2037. The district might also expect changes in net migration that may positively impact enrolment.



# Financial Planning Process

The annual budget cycle begins with the Board’s endorsement of a process and timeline for budget adoption in the Board’s Governance Framework and Learning Plan. By February 15th each year, the district must submit the expected student enrolment for the upcoming school year to the Ministry of Education and Child Care.

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 30th each year, the Board must adopt a budget for the upcoming school year. Additionally, the Board is required to approve an amended budget based on actual confirmed enrolment counts and Operating Grant.



# Financial Statements – Accounting Policies and Funds

The financial statements of School District No. 8 (Kootenay Lake) have been prepared in accordance with the Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the British Columbia Treasury Board.

Significant accounting and reporting practices are summarized in Note 2 of the financial statements. These include the following:

- Operating expenses are recorded in the year the good or service is received.
- Operating grants are not restricted in use and are recorded as revenue when received or receivable.
- Restricted contributions are recorded as deferred contributions until the funds are expended.
- Contributions for capital projects are recorded as deferred capital contributions once they are invested in capital assets.
- Capital assets and deferred capital contributions are amortized over the estimated useful life of the assets.

To meet reporting requirements, the following funds are utilized:

<p>Operating Fund</p>	<ul style="list-style-type: none"> <li>• Transactions include operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation.</li> <li>• Boards of Education are required by the School Act to prepare a balanced budget for the Operating Fund (i.e. no deficit).</li> </ul>
<p>Special Purpose Funds</p>	<ul style="list-style-type: none"> <li>• Special Purpose Funds consist of targeted funding and related funding provided to the school district for a specific purpose and related expenditures.</li> <li>• Pursuant to Sections 156(4) and (5) of the School Act, each special purpose fund must be accounted for in accordance with the terms of that special purpose fund.</li> <li>• Unspent special purpose funds are carried forward to be used in future year(s) for their specified purpose.</li> </ul>
<p>Capital Fund</p>	<ul style="list-style-type: none"> <li>• Transactions include capital expenditures related to equipment and facility purchases as well as equipment and facility enhancements.</li> <li>• The funding source of these purchases and enhancements determines to which capital fund the expenditures will be charged.</li> <li>• Funding sources include Ministry of Education and Child Care Bylaw Capital, Ministry of Education and Child Care Restricted Capital, Other Provincially Restricted Capital, Land Capital as well as Local Capital.</li> <li>• The Capital Fund is not part of a Board’s operating balanced budget and may be in deficit. As such a board may incur an annual deficit for the portion of amortization expense that exceeds amortization of deferred capital contributions.</li> </ul>

## Statement of Operations – By Fund

The following table breaks out district operations for the year ended June 30, 2024 by Operating, Special Purpose and Capital funds, as well showing fund surpluses and transfers between funds.

Year Ended June 30, 2023	Operating Fund	Special Purpose Funds	Capital Funds	All Funds Total
<b>Revenues</b>	\$	\$	\$	\$
Provincial Grants				
Ministry of Education & Child Care	63,772,531	13,284,431	-	<b>77,056,962</b>
Other	307,036	84,302	-	<b>391,338</b>
Tuition	1,161,627	-	-	<b>1,161,627</b>
Other Revenue	643,903	2,116,850	-	<b>2,760,753</b>
Rentals & Leases	121,783	-	-	<b>121,783</b>
Investment Income	528,942	18,244	7,729	<b>554,915</b>
Amortization of Deferred Capital Revenue	-	-	2,955,837	<b>2,955,837</b>
<b>Total Revenue</b>	<b>66,535,822</b>	<b>15,503,827</b>	<b>2,963,566</b>	<b>85,003,215</b>
<b>Expenses</b>				
Instruction	46,666,137	14,972,412	-	<b>61,638,549</b>
District Administration	4,609,060	49,476	-	<b>4,658,536</b>
Operations & Maintenance	9,149,903	273,355	-	<b>9,423,258</b>
Transportation & Housing	3,200,883	24,697	-	<b>3,225,580</b>
Amortization of Tangible Capital Assets	-	-	3,944,816	<b>3,944,816</b>
<b>Total Expenses</b>	<b>63,625,983</b>	<b>15,319,940</b>	<b>3,944,816</b>	<b>82,890,739</b>
<b>Surplus (Deficit)</b>	<b>2,909,839</b>	<b>183,887</b>	<b>(981,250)</b>	<b>2,112,476</b>
Net Transfers from/(to) Other Funds				
Transfers for Tangible Capital Asset Purchases	(615,288)	(183,887)	799,175	-
<b>Total Net Transfers</b>	<b>(615,288)</b>	<b>(183,887)</b>	<b>799,175</b>	<b>-</b>
<b>Total Surplus (Deficit) for the year</b>	<b>2,294,551</b>	<b>-</b>	<b>(182,075)</b>	<b>2,112,476</b>
<b>Accumulated Surplus, beginning of year</b>	<b>5,159,703</b>	<b>-</b>	<b>20,764,811</b>	<b>25,924,514</b>
<b>Accumulated Surplus, end of year</b>	<b>7,454,254</b>	<b>-</b>	<b>20,582,736</b>	<b>28,036,990</b>

The district realized \$66.5 million in operating revenue and \$15.5 million in special purpose fund revenue during the year. The remaining revenue of \$3.0 million relates to the Capital Fund. A small portion of the Operating Fund revenues (\$0.6 million) and Special Purpose Funds revenues (\$0.2 million) were used to invest in tangible capital assets. These amounts are reflected as net transfers to the Capital Fund for tangible capital asset purchases. The resulting Accumulated Surplus for the Operating Fund on June 30, 2024 is \$7.5 million.

## Statement of Operations – All Funds

The following table compares the year ended June 30, 2024 to the prior year and to the amended budget for the Operating, Fund, Special Purpose Fund and Capital Fund combined, summarizing key information in Statement 2 of the financial statements.

Year Ended June 30, 2024	2023–2024 Actual	2022–2023 Actual	Variance to 2022–2023 Actual	2023–2024 Amended Budget	Variance to Amended Budget
<b>Revenues</b>	\$	\$	\$	\$	\$
Provincial Grants					
Ministry of Education & Child Care	<b>77,056,962</b>	70,486,364	6,570,598	77,303,500	(246,538)
Other	<b>391,338</b>	333,503	57,835	400,685	(9,347)
Tuition	<b>1,161,627</b>	1,721,799	(560,172)	1,198,450	(36,823)
Other Revenue	<b>2,760,753</b>	2,364,118	396,635	1,848,368	912,385
Rentals & Leases	<b>121,783</b>	112,997	8,786	90,000	31,783
Investment Income	<b>554,915</b>	279,827	275,088	508,000	46,915
Amortization of Deferred Capital Revenue	<b>2,955,837</b>	2,859,351	96,486	3,002,516	(46,679)
<b>Total Revenue</b>	<b>85,003,215</b>	<b>78,157,959</b>	<b>6,845,256</b>	<b>84,351,519</b>	<b>651,696</b>
<b>Expenses</b>					
Salaries	<b>53,274,051</b>	47,681,145	5,592,906	54,072,281	798,230
Employee Benefits	<b>13,612,246</b>	11,988,788	1,623,458	13,670,242	57,996
Total Salaries and Benefits	<b>66,886,297</b>	59,669,933	7,216,364	67,742,523	856,226
Supplies and Services	<b>12,059,626</b>	11,448,083	611,543	12,497,480	437,854
Amortization of Tangible Capital Assets	<b>3,944,816</b>	3,864,779	80,037	4,008,306	63,490
<b>Total Expenses</b>	<b>82,890,739</b>	<b>74,982,795</b>	<b>7,907,944</b>	<b>84,248,309</b>	<b>1,357,570</b>
<b>Surplus for the Year</b>	<b>2,112,476</b>	<b>3,175,164</b>	<b>(1,062,688)</b>	<b>103,210</b>	<b>2,009,266</b>

### Revenues

Total revenues for 2023–2024 were \$85.0 million and increased by \$6.8 million (9%) over the prior year, primarily due to an increase in provincial grants of \$6.6 million (\$4.2 million in the Operating Fund and \$2.4 million in the Special Purpose Funds). Other revenue increased by \$0.4 million primarily from School Generated Funds. Investment income increased by \$0.3 million due to higher investment balances and higher interest rates. Reduced enrolments in the International Education programs resulted in a \$0.6 million reduction in tuition revenue.

Total revenues are \$0.7 million (8%) higher than the amended budget with an additional \$350K generated in the Operating Fund and \$350K generated in the Special Purpose Funds. More detail on revenue is provided in the Operating Fund Results, Special Purpose Fund Results and Capital Fund Results sections of this report.

## Expenses

Total expenses for 2023–2024 were \$82.9 million and increased by \$7.9 million (11%) over the prior year. The increases included:

- Salaries and Benefits – Increase of \$7.2 million (12%) due to contractual wage increases, progression increases, higher benefit costs, and additional staffing funded by Special Purpose Funds
- Supplies and Services – Increase of \$0.6 million (5%) related to higher student transportation costs, additional rental costs for instructional space, higher supplies costs for operations and grounds, and increased utility costs
- Amortization of Tangible Capital Assets – increase of \$0.1 million (2%) related to additional tangible capital assets purchased/constructed.

Despite the increase of \$7.9 million (11%) in total expenses, total expenses are \$1.4 million (2%) below the amended budget. Savings in salaries and benefits of \$0.9 million (1%) related primarily to lower relief and substitutes costs. Savings in supplies and services of \$0.4 million (4%) related to lower services, professional development and travel, and supplies across all functions (instruction, district, operations and maintenance, and transportation). Lower amortization of tangible capital assets of \$0.1 million (2%) accounted for the remaining savings. More detail on expenses is provided in the Operating Fund Results, Special Purpose Fund Results and Capital Fund Results sections of this report.



## Operating Fund Results

The following table compares the year ended June 30, 2024 to the prior year and to the amended budget for the Operating Fund, summarizing key information from Schedules 2, 2A, 2B and 2C in the financial statements.

Year Ended June 30, 2024	2023-2024 Actual	2022-2023 Actual	Variance to 2022-2023 Actual	2023-2024 Amended Budget	Variance to Amended Budget
<b>Revenues</b>	\$	\$	\$	\$	\$
Provincial Grants					
Ministry of Education & Child Care	63,772,531	59,588,322	4,184,209	63,567,090	205,441
Other	307,036	291,137	15,899	296,176	10,860
Tuition	1,161,627	1,721,799	(560,172)	1,198,450	(36,823)
Other Revenue	643,903	592,451	51,452	551,368	92,535
Rentals & Leases	121,783	112,997	8,786	90,000	31,783
Investment Income	528,942	274,554	254,388	483,000	45,942
<b>Total Revenue</b>	<b>66,535,822</b>	<b>62,581,260</b>	<b>3,954,562</b>	<b>66,186,084</b>	<b>349,738</b>
<b>Expenses</b>					
Salaries	43,484,556	39,702,318	3,782,238	44,209,149	724,593
Employee Benefits	11,196,496	10,076,100	1,120,396	11,255,197	58,701
<b>Total Salaries and Benefits</b>	<b>54,681,052</b>	<b>49,778,418</b>	<b>4,902,634</b>	<b>55,464,346</b>	<b>783,294</b>
Supplies and Services	8,944,931	8,732,582	212,349	9,721,738	776,807
<b>Total Expenses</b>	<b>63,625,983</b>	<b>58,511,000</b>	<b>5,114,983</b>	<b>65,186,084</b>	<b>1,560,101</b>
<b>Surplus for the Year</b>	<b>2,909,839</b>	<b>4,070,260</b>	<b>(1,160,421)</b>	<b>1,000,000</b>	<b>1,909,839</b>
Transfers for Tangible Capital Asset Purchases	(615,288)	(389,373)	(225,915)	(1,000,000)	384,712
<b>Net Surplus for the Year</b>	<b>2,294,551</b>	<b>3,680,887</b>	<b>(1,386,336)</b>	<b>-</b>	<b>2,294,551</b>

### Revenues

Total revenues in the Operating Fund for 2023-2024 were \$66.5 million and increased by \$3.9 million (6%) compared to the prior year. Additional grants from the Ministry of Education and Child Care accounted for \$4.2 million and investment income accounted for \$0.3 million. These increases were offset by a reduction in tuition revenue from the International Education Programs of \$0.6 million.

The additional Ministry of Education and Child Care funding of \$4.2 million relates to student enrolment, unique geographic factor, and labour settlement funding. The additional investment income relates to higher investment balances and interest rates. The reduced tuition revenue from International Education programs relates to lower enrolments.

Total revenues in the Operating Fund for 2023-2024 were \$0.3 million (1%) above the amended budget. A slightly higher operating grant was received based on enrolments and student composition (\$0.2 million) and additional other revenue was earned from various sources (\$0.1 million).

## Expenses

Total expenses in the Operating Fund for 2023-2024 were \$63.6 million and increased by \$5.1 million (9%) compared to the prior year.

Salaries and benefits increased by \$4.9 million (10%) compared to the prior year and were \$0.8 million (1%) below budget. The increase relates to contractual wage increases, progression increases, and higher benefit costs. The variance to the amended budget relates primarily to unbudgeted vacancies resulting in lower relief and substitutes costs.

Services and supplies include services, student transportation, professional development and travel, rental and leases, dues and fees, insurance, supplies and utilities. Services and Supplies increased by \$0.2 million (2%) compared to the prior year. Some of the increases include:

- Higher student transportation costs due to higher fuel costs and more field trips
- Additional rental costs for instructional space
- Higher supplies costs for operations and grounds

Although services and supplies expenses increased over 2022-2023, services and supplies for 2023-2024 were \$0.8 million (8%) below the amended budget with savings in services, professional development and travel, and supplies across all functions (instruction, district, operations and maintenance, and transportation).

## Net Surplus

The resulting net surplus was \$2.9 million of which \$0.6 million was transferred to the Capital Fund for tangible capital asset purchases.



*Rosemont Elementary hosted its annual [Bike Rodeo and Parade](#) on June 20, 2024. Staff and students showed up on foot and on bikes to learn about bike safety, maintenance and riding skills.*

## Special Purpose Fund Results

The following table compares the year ended June 30, 2024 to the prior year and to the amended budget for the Special Purpose Fund, summarizing key information from Schedule 3 of the financial statements.

Year Ended June 30, 2024	2023-2024 Actual	2022-2023 Actual	Variance to 2022-2023 Actual	2023-2024 Amended Budget	Variance to Amended Budget
<b>Revenues</b>	\$	\$	\$	\$	\$
Provincial Grants					
Ministry of Education & Child Care	13,284,431	10,898,042	2,386,389	13,736,410	(451,979)
Other	84,302	42,366	41,936	104,509	(20,207)
Other Revenue	2,116,850	1,771,667	345,183	1,297,000	819,850
Investment Income	18,244	(2,274)	20,518	16,000	2,244
<b>Total Revenue</b>	<b>15,503,827</b>	<b>12,709,801</b>	<b>2,794,026</b>	<b>15,153,919</b>	<b>349,908</b>
<b>Expenses</b>					
Salaries	9,789,495	7,978,827	1,810,668	9,863,132	73,637
Employee Benefits	2,415,750	1,912,688	503,062	2,415,045	(705)
<b>Total Salaries and Benefits</b>	<b>12,205,245</b>	<b>9,891,515</b>	<b>2,313,730</b>	<b>12,278,177</b>	<b>72,932</b>
Supplies and Services	3,114,695	2,715,501	399,194	2,775,742	(338,953)
<b>Total Expenses</b>	<b>15,319,940</b>	<b>12,607,016</b>	<b>2,712,924</b>	<b>15,053,919</b>	<b>(266,021)</b>
<b>Surplus for the Year</b>	<b>183,887</b>	<b>102,785</b>	<b>81,102</b>	<b>100,000</b>	<b>83,887</b>
Transfers for Tangible Capital Asset Purchases	(183,887)	(102,785)	(81,102)	(100,000)	(83,887)
<b>Net Surplus for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Revenues and Expenses

Special Purpose Fund revenues for 2023-2024 were \$2.8 million (22%) higher than the prior year and \$0.3 million (2%) above the amended budget. The increase in revenue relates primarily to Ministry-funded programs (\$2.4 million) and an increase in School Generated Funds (\$0.4 million). The Ministry-funded programs are described in more detail in the Special Purpose Results by Program section.

### Expenses

For expenses, the salaries and benefits increased by \$2.3 million due to additional salaries and benefits in the Classroom Enhancement Fund and Feeding Futures Fund. Supplies and services were \$0.4 million higher than the prior year and \$0.3 million above the amended budget due to additional spending in the Feeding Futures Fund and School Generated Funds.

### Net Surplus

The resulting surplus of \$0.2 million was transferred to the Capital Fund for tangible capital asset purchases.



## Special Purpose Results by Program

The following table shows variances to the prior year and to the amended budget for the special purpose programs, summarizing key information from Schedule 3A of the financial statements.

Year Ended June 30, 2024	2023-2024 Actual	2022-2023 Actual	Variance to 2022-2023 Actual	2023-2024 Amended Budget	Variance to Amended Budget
<b>Provincial Grants - Ministry of Education &amp; Child Care Funding</b>	\$	\$	\$	\$	\$
Annual Facility Grant	279,640	279,640	-	279,640	-
Learning Improvement Fund	233,351	195,556	37,795	233,351	-
Strong Start	174,196	99,451	74,745	230,549	(56,353)
Ready, Set, Learn	43,314	35,086	8,228		43,314
OLEP	115,909	97,202	18,707	115,909	-
CommunityLink	740,104	636,884	103,220	776,078	(35,974)
Classroom Enhancement Fund (CEF)	10,640,571	8,535,240	2,105,331	10,658,832	(18,261)
First Nation Student Transportation	24,697	24,760	(63)	24,697	-
Mental Health in Schools	55,000	62,126	(7,126)	55,000	-
Changing Results for Young Children	1,663	30,294	(28,631)	9,966	(8,303)
Safe Return to School	-	58,490	(58,490)	-	-
Federal Safe Return	-	71,564	(71,564)	-	-
Seamless Day Kindergarten	47,938	74,473	(26,535)	63,872	(15,934)
Early Childhood Education Dual Credit Program	102,619	193,780	(91,161)	162,881	(60,262)
Student & Family Affordability	140,154	309,496	(169,342)	244,058	(103,904)
Early Years to Kindergarten (SEY2KT)	10,571	19,000	(8,429)	19,000	(8,429)
Early Care and Learning (ECL)	175,000	175,000	-	175,000	-
Feeding Futures Fund	499,704	-	499,704	644,263	(144,559)
After School Sports & Arts Grant	52,786	15,366	37,420	77,509	(24,723)
Health Promoting Schools	31,516	27,000	4,516	27,000	4,516
<b>Other Internally Restricted Funding Revenue</b>					
Scholarships and Bursaries	32,162	26,390	5,772	38,000	(5,838)
School Generated Funds	2,088,976	1,703,435	385,541	1,250,000	838,976
Donations	13,956	39,568	(25,612)	25,000	(11,044)
<b>Total Revenue</b>	<b>15,503,827</b>	<b>12,709,801</b>	<b>2,794,026</b>	<b>15,110,605</b>	<b>393,222</b>

## Capital Fund Results

The following table compares the year ended June 30, 2024 to the prior year and to the amended budget for the Capital Fund, summarizing key information from Schedule 4 in the financial statements.

Year Ended June 30, 2024	2023-2024 Actual	2022-2023 Actual	Variance to 2022-2023 Actual	2023-2024 Amended Budget	Variance to Amended Budget
<b>Revenues</b>	\$	\$	\$	\$	\$
Investment Income	7,729	7,547	182	9,000	(1,271)
Amortization of Deferred Capital Revenue	2,955,837	2,859,351	96,486	3,002,516	(46,679)
<b>Total Revenue</b>	<b>2,963,566</b>	<b>2,866,898</b>	<b>96,668</b>	<b>3,011,516</b>	<b>(47,950)</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets	3,944,816	3,864,779	80,037	4,008,306	(63,490)
<b>Total Expenses</b>	<b>3,944,816</b>	<b>3,864,779</b>	<b>80,037</b>	<b>4,008,306</b>	<b>(63,490)</b>
<b>Surplus (Deficit) for the Year</b>	<b>(981,250)</b>	<b>(997,881)</b>	<b>16,631</b>	<b>(996,790)</b>	<b>15,540</b>
Transfers for Tangible Capital Asset Purchases	799,175	492,158	307,017	1,100,000	(300,825)
<b>Net Surplus (Deficit) for the Year</b>	<b>(182,075)</b>	<b>(505,723)</b>	<b>323,648</b>	<b>103,210</b>	<b>(285,285)</b>

Unlike the Operating Fund which cannot have a deficit, the Capital Fund will generally have a deficit each year which relates to amortization expense exceeding amortization revenue. The net deficit before transfers is \$1.0 million, which is consistent with the prior year. Transfers from the Operating Fund and Special Purpose Funds of \$0.8 million were lower than budgeted and resulted in a net deficit of \$0.2 million in the Capital Fund after transfers from the Operating Fund and Special Purpose Funds.

### Unspent Deferred Capital Revenue

Unspent Deferred Capital Revenue and Local Capital balances in the Capital Fund are available for spending on tangible capital assets in the future, subject to approval for the restricted capital balances. The balances increase when grants are received, investment income is earned and decrease when amount are spent on tangible capital assets.

	June 30, 2023 Balance	Increases	Decreases	June 30, 2024 Balance
	\$	\$	\$	\$
Bylaw Capital	-	3,464,020	(3,464,020)	-
Restricted Capital - Ministry of Education & Child Care	763,614	42,175	(7,568)	798,221
Local Capital	139,939	7,729	-	147,668
<b>Total</b>	<b>903,553</b>	<b>3,513,924</b>	<b>(3,471,588)</b>	<b>945,889</b>

## Bylaw Capital

Bylaw Capital represents Ministry of Education and Child Care capital grants drawn on Certificates of Approval (COA) for capital projects and includes amounts for specific capital projects funded by the Ministry of Education and Child Care, capital portion of the Annual Facility Grant, carbon neutral capital project funding, playground equipment funding and other project funding paid through a COA. During the year, the school district received \$3.4 million in bylaw capital funding which was used to upgrade buildings (\$3.2 million) and construct a playground (\$0.2 million).

## Restricted Capital

The Ministry of Education and Child Care restricted capital represents the ministry's portion (usually 75%) of the proceeds on disposal of land and buildings, and any bylaw project surpluses on completed projects. The ministry's permission must be received to spend these funds. The ending accumulated surplus balance for the Ministry of Education and Child Car restricted capital remains at \$0.8 million on June 30, 2024.

## Local Capital Reserve

The Board's Local Capital Reserve was generated in prior years from investment income and 25% of the proceeds received on excess real estate sold which are added to local capital. Local Capital Reserves were not utilized in 2023-2024 for tangible capital asset acquisitions and increased slightly due to investment income earned.



*Staff, students, PAC members and school families gather for the Grand opening and ribbon cutting ceremony at [Canyon-Lister Elementary School Playground](#) on November 16, 2023.*

## Statement of Financial Position

The following table shows the district's financial position as at June 30, 2024 compared to the prior year.

As at	June 30, 2024 Actual	June 30, 2023 Actual	Increase (Decrease)	Increase (Decrease)
<b>Financial Assets</b>	\$	\$	\$	%
Cash & Cash Equivalents	17,947,023	15,945,527	2,001,496	13%
Accounts Receivable				
Due from Province - MoECC	741,485	291,636	449,849	154%
Due from Province - Other	-	86,231	(86,231)	(100%)
Other	962,502	947,266	15,236	2%
Portfolio Investments	375,996	434,075	(58,079)	(13%)
<b>Total Financial Assets</b>	<b>20,027,006</b>	<b>17,704,735</b>	<b>2,322,271</b>	<b>13%</b>
<b>Liabilities</b>				
Accounts Payable				
Due to Province - Ministry of Education and Child Care	-	6,360	(6,360)	(100%)
Other	6,774,872	6,478,595	296,277	5%
Unearned Revenue	542,471	937,494	(395,023)	(42%)
Deferred Revenue	2,790,183	2,798,945	(8,762)	(0%)
Deferred Capital Revenue	51,156,219	50,605,861	550,358	1%
Employee Future Benefits	1,779,325	1,640,511	138,814	8%
Asset Retirement Obligation	2,240,535	2,240,535	-	0%
<b>Total Liabilities</b>	<b>65,283,605</b>	<b>64,708,301</b>	<b>575,304</b>	<b>1%</b>
<b>Net Financial Assets (Debt)</b>	<b>(45,256,599)</b>	<b>(47,003,566)</b>	<b>1,746,967</b>	<b>(4%)</b>
<b>Non-Financial Assets</b>				
Tangible Capital Assets	73,033,602	72,707,655	325,947	0%
Prepaid Expenses	351,858	282,533	69,325	25%
<b>Total Non-Financial Assets</b>	<b>73,385,460</b>	<b>72,990,188</b>	<b>395,272</b>	<b>1%</b>
<b>Accumulated Surplus (Deficit) and Remeasurement Gains</b>	<b>28,128,861</b>	<b>25,986,622</b>	<b>2,142,239</b>	<b>8%</b>

The financial position of the school district improved with net financial debt decreasing by \$1.7 million and non-financial assets increasing by \$0.4 million. The resulting accumulated surplus increased by \$2.1 million, allowing a continued focus on staffing resources within operating funds in the future. The district's current

ratio, which is a measure of the district's ability to pay short-term obligations or those due within one year has also improved, increasing from 2.66 as at June 30, 2023 to 2.90 as at June 30, 2024. The district holds its excess cash in the B.C. provincial government's Central Depository Program, where the funds earn a safe return.

## Financial Assets

Total Financial Assets have increased by \$2.3 million compared to the prior year. Additional cash and cash equivalents of \$2.0 million account for most of the increase as well as an increase in Accounts Receivable from the Ministry of Education and Child Care. The Account Receivable from the Ministry of Education and Child Care relates to Bylaw Capital projects for building enhancements. The Other Receivables are amounts due from other school districts and third parties.

## Liabilities

Total liabilities have increased by \$0.6 million compared to the prior year. Increases totalling \$1 million include Accounts Payable (\$0.3 million), Deferred Capital Revenue (\$0.6 million), and Employee Future Benefits (\$0.1 million). These increases are being offset by a reduction in Unearned Revenue (\$0.4 million). Accounts Payable balances increased due to a greater number of invoices related to the current year being paid in July 2024. Deferred Capital Revenue increased due to the provincial funding for capital projects of \$3.4 million exceeding the amortization of \$4.0 million for the 2023-2024 school year. Unearned Revenue decreased due to lower enrolments in the International Education programs.

## Non-Financial Assets

Non-Financial Assets increased by \$0.3 million compared to the prior year due to additional tangible capital assets constructed or purchased of \$4.2 million including improvement to the district's facilities (\$3.4 million), vehicles (\$0.2 million), furniture and equipment (\$0.4 million) and computer hardware (\$0.2 million) offset by amortization of \$3.9 million.



*Janelle Alladina, a Secwépemc (Shuswap) woman from T'exelc (Williams Lake Indian Band) [came to SD8 in April 2024](#) to share her knowledge about Indigenous Peoples in Canada and Pow Wow.*

## Accumulated Surplus Discussion

The changes to and balances in the accumulated surplus accounts for the year are shown in the table below:

	June 30, 2023 Balance	June 30, 2023 Balance	Change
	\$	\$	\$
Operating Fund	5,159,703	7,454,254	2,294,551
Special Purpose Funds	-	-	-
Capital Fund	20,764,811	20,582,736	(182,075)
<b>Accumulated Surplus excluding Remeasurement Gains</b>	<b>25,924,514</b>	<b>28,036,990</b>	<b>2,112,476</b>

The school district has \$28.0 million in Accumulated Surplus and Remeasurement Gains as of June 30, 2024 of which \$7.4 million is related to the Operating Fund and \$20.6 million is related to the Capital Fund.

### Operating Fund Accumulated Surplus

An accumulated surplus balance in the Operating Fund indicates that a school district has net resources that can be used to provide future services or acquire assets.

The school district's Policy 621: Accumulated Operating Surplus states that:

- The accumulated operating surplus will service as a contingency reserve for the risks associated with unexpected increases in expenses and/or decreases in revenues; one-time costs not included in the annual operating budget; and intermittent projects and initiatives.
- Achieving targeted surplus levels of 3% to 5% is important for achieving educational goals and addressing financial health, stability, and risk.
- Allocating surplus funds (i.e. internally restricting funds) supports long-term planning by mitigating changes in revenue and making provisions for unexpected events.

The Ministry of Education and Child Care also has policy related to operating surplus. It implemented the K-12 Public Education Accumulated Operating Policy on July 2021 to ensure consistency, transparency, and accountability for the use of educational operating funding that is not used in the year in which it was provided.

The Policy establishes three categories of Internally Restricted Operating Surplus:

1. Restricted Due to the Nature of Constraints on the Funds – includes categories such as contractual obligations; funding required to meet the education spending targets; and school generated funds (not externally restricted).
2. Restricted for Anticipated Unusual Expenses Identified by the Board – includes short-term, variable needs; new initiatives; emerging events; and self-insurance on assets.
3. Restricted for Operations Spanning Multiple School Years – future years' operations/budget; school and department surplus/carry-forwards; operating projects in progress; technology, utilities, equipment and capital projects; purchase order commitments; and educational pilots spanning multiple years.

The following table provides the details on the portion of the district's Accumulated Operating Surplus that is internally restricted and unrestricted (subject to a motion being passed by the Board to appropriate additional amounts). The information is also contained in Note 19 of the financial statements.

	June 30, 2024 Balances	June 30, 2023 Balances	Change
	\$	\$	\$
Due to Nature of Constraints on Funds	110,769	149,173	(38,404)
For Unanticipated Unusual Expenses	350,000	100,000	250,000
For Operations Spanning Multiple School Years	3,661,635	2,434,633	1,227,002
<b>Total Internally Restricted Operating Surplus</b>	<b>4,122,404</b>	<b>2,683,806</b>	<b>1,438,598</b>
Unrestricted Operating Surplus	3,331,850	2,475,897	855,953
<b>Total Operating Accumulated Surplus</b>	<b>7,454,254</b>	<b>5,159,703</b>	<b>2,294,551</b>

The total internally restricted operating surplus is \$4.1 million (subject to a motion being passed by the Board to appropriate an additional \$1.4 million). Most of the internally restricted balance is restricted for Operations Spanning Multiple School Years and will be used for classroom furniture and equipment, vehicle, technology upgrade, school surplus carryforwards, and operating projects in progress, allowing a continued focus on staffing resources within operating funds in the future.

The unrestricted surplus at \$3.3 million is 5% of the budgeted 2024-2025 operating expenses which is within the 3% to 5% range outlined in Policy 621: Accumulated Operating Surplus. This level of unrestricted operating surplus provides the district with financial stability over the long term.

### Capital Fund Accumulated Surplus

There are two categories of accumulated surplus in the Capital Fund – Invested in Tangible Capital Assets and Local Capital, totalling \$20,582,736. The accumulated surplus for Invested in Tangible Capital Assets is \$20,435,068 and the accumulated surplus for Local Capital is \$147,668. Only the portion pertaining to the Local Capital is available for internally restricting by the Board. The remainder of the accumulated surplus relating to Invested in Tangible Capital Assets must be left unrestricted.

The entire amount of the Local Capital accumulated surplus balance of \$147,668 is appropriated for the purchase of facilities and equipment (subject to a motion being passed by the Board to appropriate an additional \$7,729). This information is also contained in Note 19 of the financial statements.



*Members of the 2023-2024 L.V. Rogers Secondary School Green Team*