

**Financial Statement
Discussion and
Analysis**

For the Year Ended
June 30, 2024

SCHOOL DISTRICT



NECHAKO LAKES

Nechako Lakes School District Financial Statement Discussion and Analysis 2023/2024

Table of Contents

1.0 OVERVIEW	3
ABOUT US	3
2.0 STRATEGIC PLAN	4
3.0 FINANCIAL GOVERNANCE AND PLANNING CYCLE	5
PLANNING CYCLE (TIMELINES).....	5
AUDIT AND FINANCE COMMITTEE	6
4.0 FINANCIAL STATEMENT COMPOSITION OVERVIEW.....	7
STATEMENT OF FINANCIAL POSITION.....	8
5.0 HIGHLIGHTS	10
ENROLMENT	10
REVENUES	11
EXPENDITURES.....	12
RESERVES.....	13
6.0 FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT	14
ANALYSIS OF OPERATING RESULTS TO BUDGET AND LAST YEAR.....	14
<i>Revenues</i>	14
<i>Expenses</i>	15
SPECIAL PURPOSE FUNDS.....	16
CAPITAL FUND ACCOUNTS	18
MAJOR CAPITAL PROJECTS	18
CAPITAL FUND BALANCES	19
RESERVES – OPERATING, SPECIAL PURPOSE AND CAPITAL BALANCES	20
7.0 FACTORS BEARING ON THE SCHOOL DISTRICT’S FUTURE / OTHER POTENTIALLY SIGNIFICANT MATTERS.....	21
8.0 CONTACTING SCHOOL DISTRICT FINANCIAL MANAGEMENT.....	21

1.0 Overview

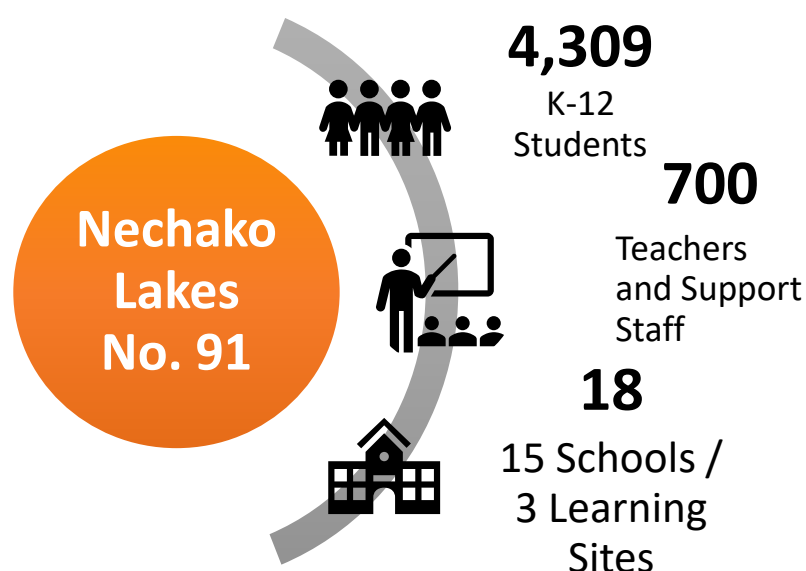
This document will discuss and analyze the financial performance of the Nechako Lakes School District ("the District") for the fiscal year ending June 30, 2024, and will provide clarity to the variances from prior years. The financial statement represents the consolidation of three separate funds: operating, special purpose, and capital.

About Us

Nechako Lakes School District (SD91) gratefully acknowledges that we are situated on the traditional unceded territories of fourteen [First Nations](#) representing the Dakelh, Nedut'en, and Wet'suwet'en peoples. The District encompasses five municipalities: the Districts of Fort St. James and Vanderhoof, and the Villages of Fraser Lake, Burns Lake, and Granisle.

The region has traditionally been reliant on forestry, mining, and agriculture but has seen an emerging tourism sector over the last decade. Our District's large geographic region has a population of just under 40,000 people. Each of our communities has experienced declining enrolment with some stabilization; however, we anticipate a further gradual decline of student enrolment in the coming school years. SD91 operates 15 standard schools in five communities. In addition to the community schools, the District also serves learners through [EBUS Academy](#), a Provincial Online Learning School (POLS) that enrolls over 1,000 full- and part-time online students. EBUS Academy serves families and students across the province and is one of the most established and largest online schools in British Columbia.

In the 2023-24 school year, the District enrolled 4,309 students (2,962 in standard and alternate schools and the remainder in the Provincial Online Learning School). Within our standard schools, SD91 serves approximately 40% Indigenous learners (14% of whom are Indigenous on-reserve, 13% are Indigenous off-reserve, 9% First Nation non-status, 3.8% Metis, and less than 1% are Inuit). Approximately 2% of all learners are Children and Youth in Care (CYIC), and learners with designations represent 17% of all learners in our standard schools. In consideration of our total student body (4,309 students), learners with designations represent over 30% of our total enrolment.

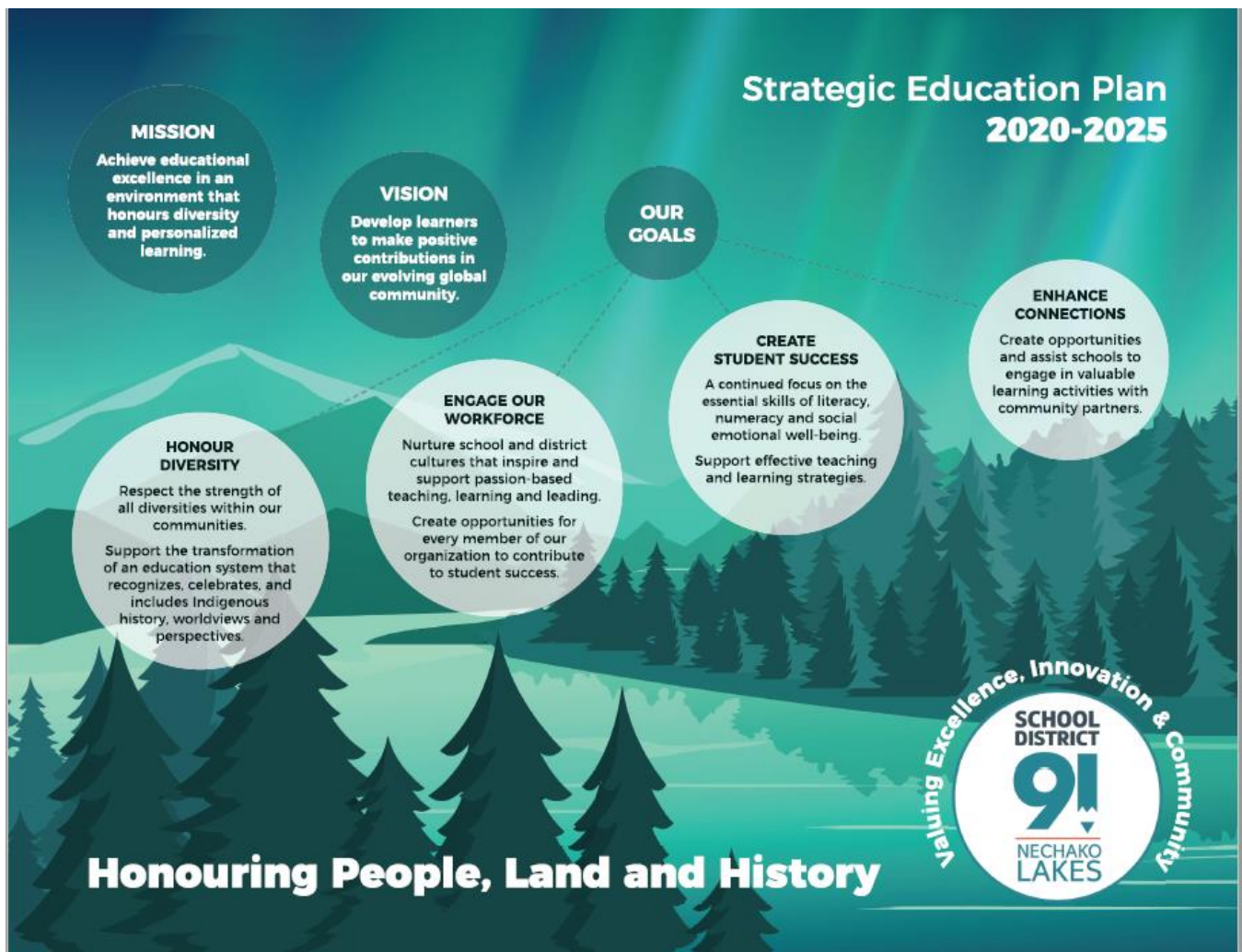


2.0 Strategic Plan

The Board of Education has a Strategic Plan for 2020 to 2025, along with an annual strategic workplan. The plan articulates four primary goals:

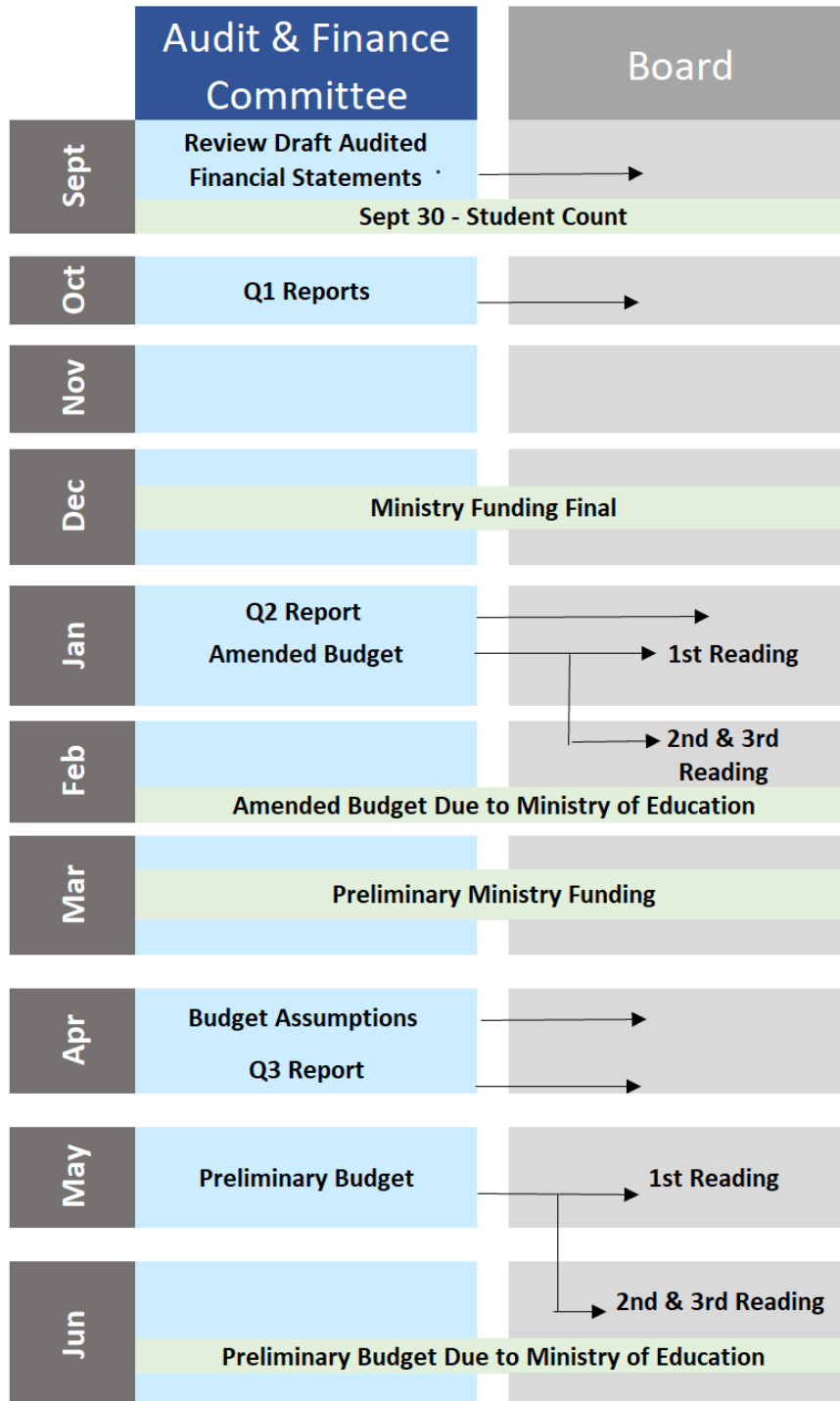
- Honour Diversity
- Engage our Workforce
- Create Student Success
- Enhance Connections

These goals are accompanied by a variety of objectives and activities that are guiding our work for the next several years. Monthly reporting to the Board is centred around these four strategic goals, and these reports are widely shared with our stakeholders, Indigenous communities, and parents.



3.0 Financial Governance and Planning Cycle

Planning Cycle (Timelines)



Audit and Finance Committee

The Committee will provide input and feedback to the Board on matters related to the preparation and monitoring of the District's annual budget.

The current Committee consists of five (5) trustees of the Board: one (1) representative of the Nechako Lakes Administrators' Association, and the District's management employees.

The Committee will carry out the following responsibilities:

a) Preparation of Preliminary Budget

- review enrolment and staffing projections.
- review preliminary budget documents.
- provide input to the Board of Education on the preliminary annual budget.

b) Budget Monitoring

- review quarterly financial statements relative to the annual budget.
- review revisions to the preliminary annual budget prior to the preparation of the amended annual budget.
- provide input to the Board of Education on the amended annual budget.



4.0 Financial Statement Composition Overview

The District uses fund accounting, and each of these funds has restrictions for its revenues and expenditures. There are three funds that are reported in the financial statements:



OPERATING FUND

This fund includes revenue and expense related to the daily operation of the District, including school and administrative functions.



SPECIAL PURPOSE FUNDS

Funding is restricted for a specific purpose and includes School Generated Funds. These funds do not report a surplus as revenues are only recognized when the related expenditure occurs. There may be a deficit in this fund which is then transferred to the Operating Fund or Capital Fund depending on the nature of the expenditure.



CAPITAL FUND

This fund includes financial activities for tangible capital assets. The Ministry of Education and Child Care provides capital funding which is accounted for using the deferral accounting methodology whereby capital revenue is recorded over the life of the related asset to match the amortization expense recorded in the financial statements. Therefore, the revenue reported in the financial statements does not match the actual capital funding received in a year.

Nechako Lakes School District Financial Statement Discussion and Analysis

2023/2024

Statement of Financial Position

	2024	2023	Change	%
Financial Assets				
Cash and Cash Equivalents	15,094,480	16,435,142	-1,340,662	-9%
Accounts Receivable				
Due from Province - Ministry of Education	187,762	292,301	148,168	79%
Due from LEA/Direct Funding	325,328	615,771	194,503	60%
Other	244,372	232,767	(63,276)	-26%
Portfolio Investments	98,637	80,193	112	0%
Total Financial Assets	15,950,579	17,656,174	(1,061,155)	-7%
Liabilities				
Bank Overdraft				
Due to Province - Ministry of Education	0	2,120	-2,120	
Accounts Payable and Accrued Liabilities	4,946,056	5,134,122	-188,066	-4%
Deferred Revenue	3,872,813	3,521,529	351,284	9%
Deferred Capital Revenue	44,255,709	43,036,386	1,219,323	3%
Employee Future Benefits	3,689,279	3,594,531	94,748	3%
Asset Retirement Obligation	6,462,634	6,462,634	0	0%
Capital Lease Obligations	0	8,001	-8,001	
Total Liabilities	63,226,491	61,759,323	1,467,168	2%
Net Financial Assets (Debt)	(47,275,912)	(44,103,149)	(3,172,763)	7%
Non-Financial Assets				
Tangible Capital Assets	65,208,636	64,100,123	1,108,513	2%
Restricted Assets Endowments	195,526	195,367	159	0%
Prepaid Expenses	234,246	360,850	-126,604	-54%
Total Non-Financial Assets	65,638,408	64,656,340	982,068	1%
Accumulated Surplus (Deficit)	18,362,496	20,553,191	-2,190,695	-12%

Nechako Lakes School District Financial Statement Discussion and Analysis 2023/2024

Explanation of Components of Financial Position

Financial Assets – \$15,950,579

Cash and Cash Equivalents – \$15,094,480; represents funding available to meet short term obligations such as Accounts Payable.

Accounts Receivable – \$757,462; monies owed to the district that primarily consist of GST rebates and draw claims from the Ministry of Education and Child Care for capital projects.

- **Due from Province – \$187,762;** includes reimbursements for expenses made on capital projects.
- **Due from LEA/Direct Funding – \$325,328;** relates to funding owed to the district from local First Nation Bands for their students attending District schools.
- **Other - \$244,372;** receivables consist of GST rebates and other miscellaneous items.

Portfolio Investments – \$98,637; represents GICs and Term Deposits.

Liabilities – \$63,226,491

Accounts Payable and Accrued Liabilities – \$4,946,056; \$638,261 accounts payable; \$3,707,699 salaries and benefits payable; \$600,096 accrued vacation payable.

Deferred Revenue – \$3,872,813; refers to money not spent by June 30 in Special Purpose Funds. \$1,742,663 of that is School Generated Funds.

Deferred Capital Revenue – \$44,255,709; money provided to the District from the Ministry for capital projects. This account will increase as new building projects are constructed and decrease to match the amortization on those buildings.

Employee Future Benefits – \$3,689,279; relates to retirement payments to employees for years of service and are actuarial adjusted on an annual basis.

Asset Retirement Obligations – \$6,462,634; estimate of the fair value of the obligation for removal and disposal of asbestos and other environmentally hazardous materials in district owned buildings.

Net Debt – (\$47,272,912)

Non-Financial Assets

Tangible Capital Assets – \$65,208,636; reflects the unamortized cost of land, buildings, and equipment owned by the district.

Restricted Assets – Endowments – \$195,526; funds are given to the district to earn investment income. The income can be used for scholarships and bursaries; however, the initial investment cannot be spent.

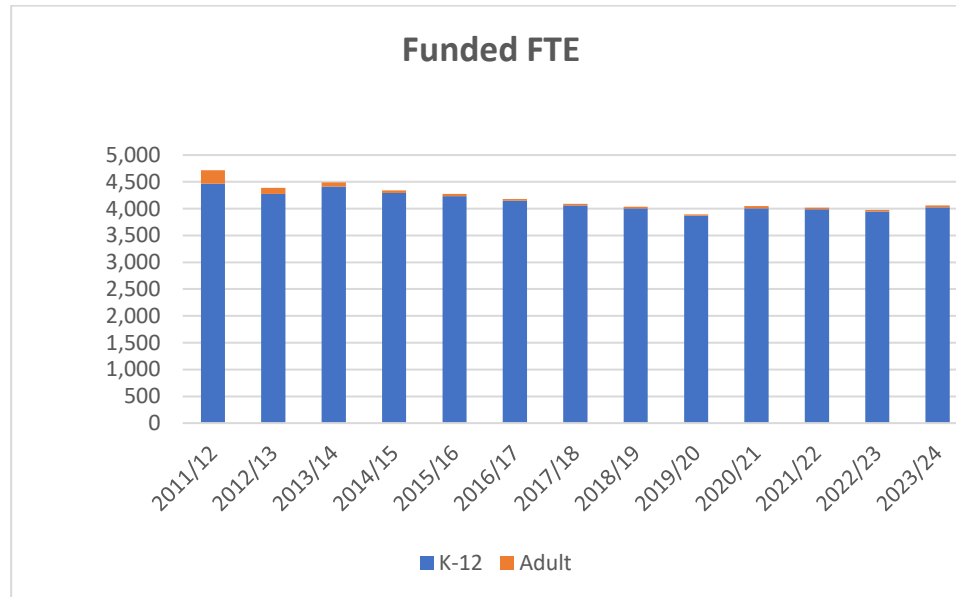
Prepaid Expenses – \$234,246; expenditures that have been made for a future period (e.g., next year's insurance premiums paid in advance).

Accumulated Surplus (Deficit) – \$18,362,496

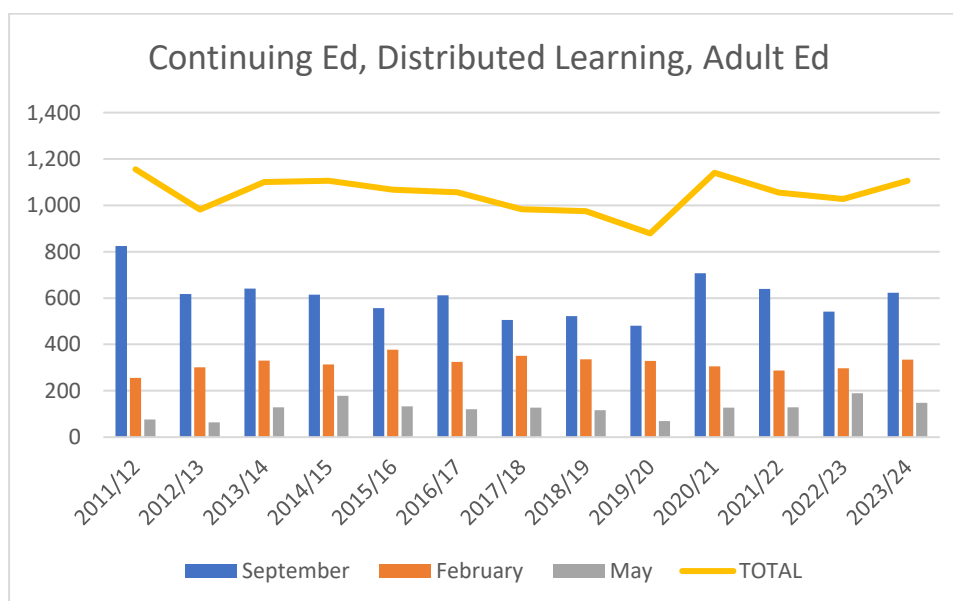
5.0 Highlights

Enrolment

Each of our communities has experienced declining enrolment with some stabilization; however, we anticipate a further gradual decline of student enrolment in the coming school years.



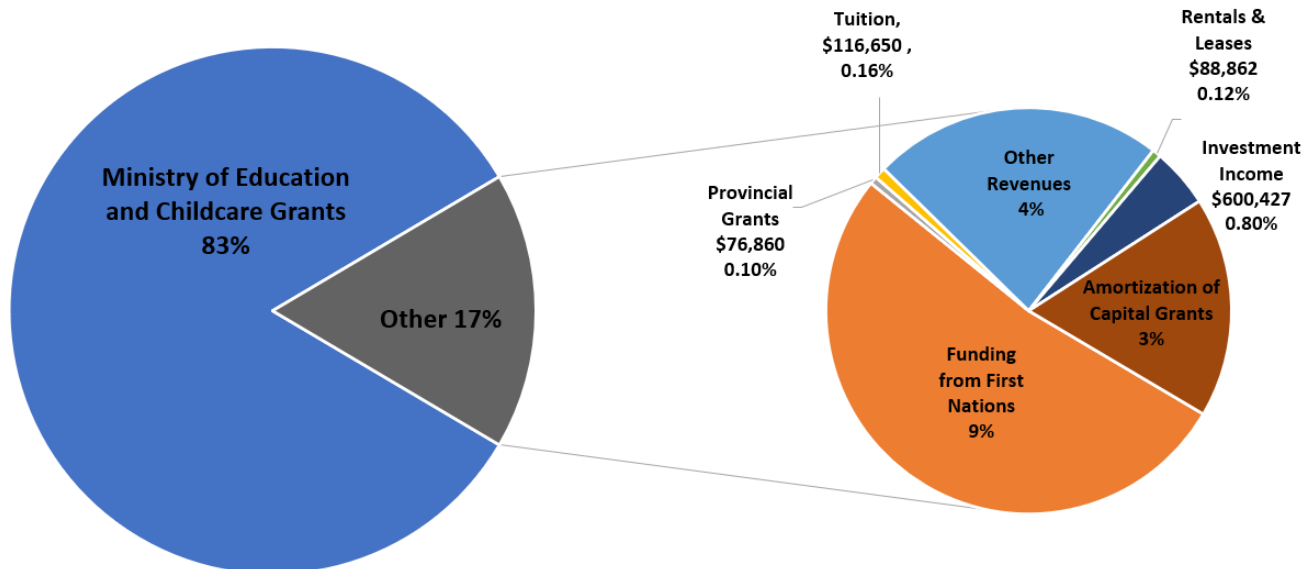
In addition to the community schools, the District also serves learners through EBUS Academy, a Provincial Online Learning School (POLS) that enrolls over 1,000 full- and part-time online students. EBUS Academy serves families and students across the province and is one of the most established and largest online schools in British Columbia.



Revenues

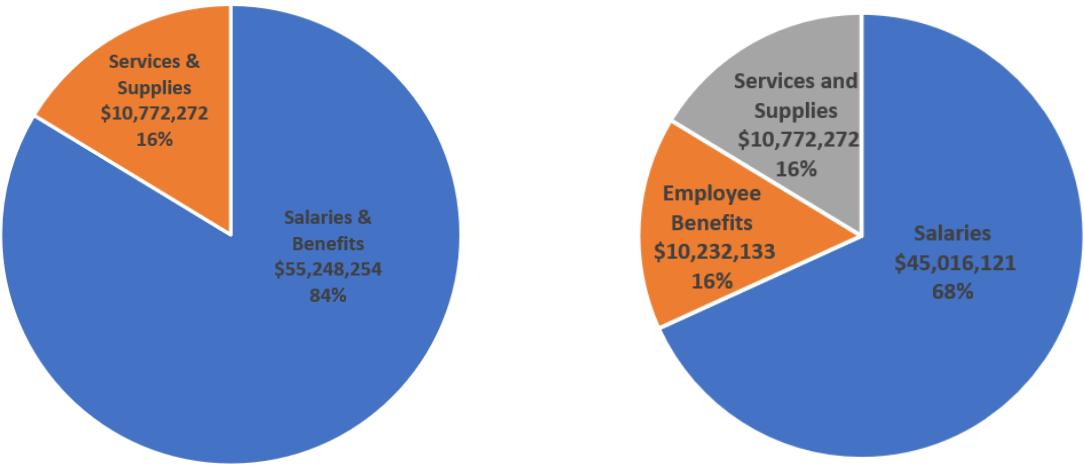
Total revenues for the District were \$75 million for 2023/24. Revenue is heavily reliant upon funding from the provincial government. The grant is based on student enrolment compiled through a data collection process (1701 Verification) in September, February, May, and July. The District receives a fixed amount per full-time equivalent student (FTE). The District also receives supplementary grants for students who are identified as having unique needs and for other demographic and geographical factors.

83% of the District's revenue is from Ministry of Education and Child Care funding, 9% is funding from First Nations, 3% is associated with the recognition of deferred capital grants, and the balance of 5% through other revenue such as other facility rentals, bottle depot, and investment income.

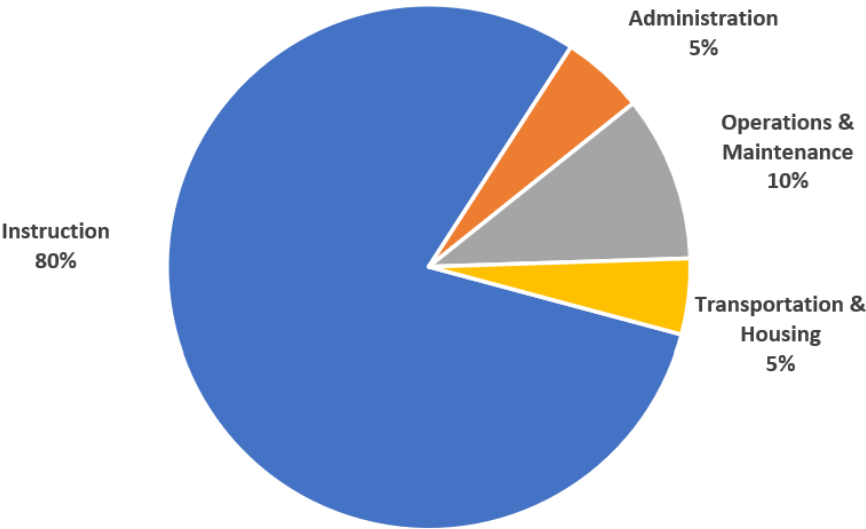


Expenditures

84% of the District's operating expenditures are associated with salaries and benefits. The balance of expenditures is related to supplies and services including utilities, professional development, and maintenance.



Looking at expenditures by program, 80% are Instruction, 5% are District Administration, and 15% are Operations, Maintenance, and Transportation.



Reserves

Internally Restricted Surplus decreased by \$1,514,678 in 2023/24 from \$2,051,652 to \$536,974. The \$1,514,678 was used to fund expenditures and capital in the 2023/24 fiscal year.



6.0 Financial Analysis of the School District

Analysis of Operating Results to Budget and Last Year

The following is a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2024. This section of the report is a summary of its financial activities based on currently known facts, decisions, or conditions. This is only an introduction and should be read in conjunction with the District's financial statements.

Revenues

Operating Budget	2023/24		2022/23	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
REVENUE							
Provincial Grants - MOECC	55,961,822	56,438,707	53,430,244	476,885	1%	3,008,463	5.33%
Provincial Grants - Other	63,840	76,860	52,020	13,020	20%	24,840	32.32%
Funding - First Nations	6,063,091	6,671,219	5,704,431	608,128	10%	966,788	14.49%
Tuition	130,000	116,650	212,984	(13,350)	(10%)	(96,334)	(82.58%)
Other Revenue	260,000	628,143	634,595	368,143	142%	(6,452)	(1.03%)
Rentals and Leases	90,560	88,862	87,343	(1,698)	(2%)	1,519	1.71%
Investment Income	520,000	495,582	404,266	(24,418)	(-5%)	91,316	18.43%
Total Revenue	63,089,313	64,516,023	60,525,883	1,426,710	2%	3,990,140	6.0%

Revenue came in \$1,426,710 higher than budget.

Ministry of Education and Childcare - \$476,885

- February and May enrolment increase provided additional revenue of **\$999,804**
Online Learning (130.19 FTE) - \$918,324
Level 2 Special Needs (7 FTE) - \$81,480
- LEA Recovery - Ministry used \$5,720,561 (337.875 FTE @ \$16,931) as the holdback amount which led to a recovery of **(\$608,128)**
- Increase in graduated adult funding of **\$49,546**
- Additional grants for Childcare, Teacher Recruitment and PLN - **\$35,663**

Provincial Grants – Other \$13,020

Funding from First Nations had an increase of 33.44 FTE @ \$18,187 = **\$608,128**.

Other Revenue increase by **\$368,343** as a result of grants through the career department.

Decreases from Budget

- Investment Income \$24,418 lower than projection
- Tuition was \$13,350 lower due to enrolment decline
- Bus Charters was lower by \$2,704
- Rentals & Leases lower by \$1,698

Revenue in 2023/24 was \$3,990,140 higher than in 2022/23.

Two main reasons for the increase:
Increase in Ministry funding due to labour settlement and funding from First Nations increased from higher FTE and increase in First Nation billing rate.

Nechako Lakes School District Financial Statement Discussion and Analysis 2023/2024

Expenses

Operating Budget	2023/24		2022/23	Under (Over) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
EXPENSE							
Salaries							
Teachers	22,452,799	22,684,177	20,903,156	231,378	1%	1,781,021	8%
Principals & VPs	4,437,129	4,416,264	3,554,347	20,865	0%	861,917	20%
Education Assistants	5,347,256	5,565,231	4,972,144	217,975	4%	593,087	11%
Support Staff	6,970,120	7,493,150	6,950,207	523,030	8%	542,943	7%
Other Professionals	3,028,962	3,103,877	3,179,943	74,915	2%	(76,066)	(2%)
Substitutes	1,438,563	1,753,422	1,476,981	314,859	22%	276,441	16%
Total Salaries	43,674,829	45,016,121	41,036,778	1,341,292	3%	3,979,343	9%
Employee Benefits	10,173,589	10,232,133	9,502,263	58,544	1%	729,870	7%
Total Salaries & Benefits	53,848,418	55,248,254	50,539,041	1,399,836	2.6%	4,709,213	9%
Services and Supplies	10,927,678	10,772,272	10,561,073	(155,406)	(1%)	211,199	1.93%
Total Expense	64,776,096	66,020,526	61,100,114	1,244,430	1.9%	4,920,412	7%

Total Expenditures: 1.9% overbudget.

Salaries & Benefits: 2.6% overbudget - \$1,399,836.

District reserves budget for paid leave death, maternity leave, retirement, illness, discretionary, and compassionate for Teachers, CUPE and TOC's was \$720,263 over budget.

Staffing budgets were not increased knowing that additional revenue was expected from February and May enrolment counts.

Services and Supplies: 1% under budget \$155,406.

Spending was adjusted to ensure that this came in lower than budget. Numerous cost pressures were experienced in all departments and several one-time expenses occurred.

Net 1.9% over budget for Total Expenditures.

Total Expenditures: 7% higher than previous year.

Salaries & Benefits: 9% higher than 2022/23 - \$3,979,343 due to labour settlements.

In summary, revenue increased by \$1,426,710 and expenses increased by \$1,244,430 for a positive net of \$182,280. The Amended Annual Budget anticipated using \$1,686,783 of surplus and \$172,102 less was used for a total of \$1,514,678.

Nechako Lakes School District Financial Statement Discussion and Analysis 2023/2024

Special Purpose Funds

Special Purpose Fund balances represent funding for a specific purpose. The majority of funding is from the Ministry of Education and Child Care. Revenues match expenditures for specific programs. Any Special Purpose Funds that are unspent at the end of the year remain as deferred revenues and are only to be spent in accordance with their original intended purpose.

The following table summarizes the transactions for the year.

GRANT	SOURCE	OPENING	REVENUE	EXPENSE	CLOSING JUNE 30,2023	DISCUSSION
Annual Facility Grant (AFG) Operating Portion	Ministry of Education	\$0	\$289,483	(\$289,483)	\$0	Please see discussion in the Capital Projects section under "Annual Facility Grant (AFG) Funding."
Learning Improvement Fund (LIF)	Ministry of Education	\$35,980	\$221,120	(\$201,937)	\$55,163	Funding used specifically to augment EAs hours providing additional support to complex learners.
Scholarships and Bursaries	Other and Investment Income	\$36,215	\$14,136	(\$4,500)	\$45,851	Funds collected from donors which are awarded to graduating students in the district to attend post-secondary schools.
School Generated Funds	Other and Investment Income	\$1,668,896	\$2,144,118	(\$2,070,351)	\$1,742,663	Fees and contributions raised at a school level. These amounts are targeted and used for the purpose that they were provided to the school.
Strong Start	Ministry of Education	\$153,661	\$160,000	(\$189,446)	\$124,215	Strong Start early learning centres provide school- based, drop-in programs for children from birth to age five and their parents or caregivers.
Ready, Set, Learn	Ministry of Education	\$79,860	\$26,950	(\$14,827)	\$91,983	Eligible RSL events for 3- to 5-year-olds and their parents are hosted to support early learning and facilitate a smooth transition to Kindergarten.
Official Languages in Education French Programs (OLEP)	Ministry of Education	\$125,365	\$259,281	(\$205,273)	\$179,373	Funding for core French language programs and curriculum resources.
Community LINK	Ministry of Education	\$37,106	\$569,400	(\$569,539)	\$36,967	Funding for programs and initiatives to improve the education performance of vulnerable students, including both academic achievement and social functioning.
Classroom Enhancement Fund (CEF) Overhead, Staffing and Remedies	Ministry of Education	\$0	\$3,284,566	(\$3,284,566)	\$0	Eligible expenses include teacher staffing, overhead staffing, and equipment costs resulting from restoration of class size and composition language.
First Nation Student Transportation	Ministry of Education	\$326,031	\$0	(\$244,000)	\$82,031	Funding to assist on-reserve First Nation students with transportation to/from school and extra-curricular activities.
Mental Health in Schools	Ministry of Education	\$6,632	\$55,000	(\$50,699)	\$10,933	Fund for Mental Health literacy activities with a goal to build a safe, caring, and inclusive environment in schools.
Changing Results for Young Students (CR4YC)	Ministry of Education	\$12,906	\$6,000	(\$11,987)	\$6,919	Collaborative professional learning for early learning educators focused on

Nechako Lakes School District Financial Statement Discussion and Analysis

2023/2024

						improving social-emotional outcomes for young children.
Student & Family Affordability	Ministry of Education	\$114,355	\$134,000	(\$105,680)	\$142,675	Fund to directly support parents & guardians of K-12 students with costs associated with school supplies, education-related fees, and dealing with food insecurity.
Feeding Futures Fund	Ministry of Education	\$0	\$589,780	(\$402,421)	\$187,359	A BC initiative to support nutrition in schools with funds to build an equitable food program across the District.
Just B4	Ministry of Education	\$17,905	\$25,000	(\$21,541)	\$21,364	Licensed preschool programs (30 months to school age) that operate within the school setting.
Seamless Day Kindergarten	Ministry of Education	\$0	\$415,400	(\$59,092)	\$356,308	Program within the school that incorporates before-and-after school care in a licensed Kindergarten classroom.
Early Care & Learning	Ministry of Education	\$1,382	\$175,000	(\$176,382)	\$0	Supports and resources that enable educators working in the early years to explore emerging practices and research.
SEY2KT (Early Years to Kindergarten)	Ministry of Education	\$0	\$19,000	(\$3,799)	\$15,201	Provides opportunities for school districts and communities to work together and support young children in smooth transitions from home to school.
Early Childhood Education Dual Credit Program	Ministry of Education	\$0	\$95,000	(\$80,195)	\$14,805	Learners interested in ECE may take post-secondary courses while in high school.
Health Career Grants	Ministry of Education	\$0	\$5,000	\$0	\$5,000	Development and delivery of interactive, experiential learning activities in public sector health careers for Grades 6-9.
Literacy Now Stewardship	Ministry of Education	\$37,140	\$60,001	(\$61,357)	\$35,784	Donations/Grants received by various donors, used to promote literacy learning in the District.
Fort St. James Woodlot	Other and Investment Income	\$858,024	\$49,642	(\$194,668)	\$712,998	Revenue consists of monies earned from harvest of trees grown on the woodlot and is used to purchase trade and technological educational equipment for Fort St. James Secondary School.
Endowment Income	Other and Investment Income	\$10,071	\$0	(\$4,850)	\$5,221	Interest earned by invested endowment contributions, used to pay scholarships/bursaries for those endowments.
Total		\$3,521,529	\$8,597,877	(\$8,246,593)	\$3,872,813	

Capital Fund Accounts

Capital Fund schedules provide information on the District's tangible capital acquisitions and the net book value of these acquisitions. The Capital Fund includes capital expenditures related to land, buildings, computer hardware and software, vehicles and equipment that are funded from Ministry of Education and Child Care capital grants, land capital, local capital, the Operating Fund, and Special Purpose Funds.

During the year ended June 30, 2024, the District invested \$4.1 million in capital additions, as follows:

	<u>2023/24</u>
Various AFG Projects	1,522,559
SEP - FLESS - exterior wall & NVSS roofing, interior construction	32,456
SEP - FLESS - exterior wall; NVSS shop	939,788
CNCP - FLESS - HVAC; NVSS - electrical	6,166
CNCP - FLES - HVAC & SKV; NVSS, LDSS, DHOY - electrical	325,000
FIP - Kitchen upgrade at Grassy	100,000
FIP - Kitchen equipment for various sites	60,350
New Spaces - EDS - Furniture and Equipment	23,997
New Spaces - WKE - Furniture and Equipment	21,291
New Spaces - WKE - Bathroom Reno	40,601
PEP - FLESS Playground Equipment	195,000
Buses	511,548
Work in Progress	117,274
Other Furniture and Equipment	206,419
	<u>\$ 4,102,449</u>

Annual Facilities Grant (AFG), School Enhancement Projects (SEP), Carbon Neutral Capital Program (CNCP), Food Infrastructure Program (FIP), Playground Equipment Program (PEP).

Major Capital Projects

Approved funding for new childcare spaces as follows:

- David Hoy Elementary - \$141,020
- Grassy Plains - \$4,687,667

Capital Fund Balances

Specific balances in the Capital Fund are as follows:

Capital Funds	June 30, 2024	June 30, 2023	Change
Bylaw Capital	\$ 10,212	\$ 551,046	\$ (540,834)
MECC Restricted Capital	674,541	674,541	-
Other Provincial Capital	929,525	771,314	158,211
Other Capital	9,995	9,995	-
Local Capital	1,484,831	1,675,575	(190,744)
	\$ 3,109,104	\$ 3,682,471	\$ (573,367)

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.

MECC Restricted Capital

Ministry of Education and Child Care (MECC) 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. There is currently a balance of \$674,541 at June 30th, 2024.

Other Provincial Capital

Other Provincial Capital of \$929,525 is advance funds for Childcare spaces – Grassy Plains and David Hoy Elementary.

Other Capital

Other Capital is comprised of funds from other non-provincial government sources such as municipal grants, PAC contributions for playgrounds, etc. All of the current balance of \$9,995 is funding raised for the LDSS track.

Local Capital Reserve

The Board's Local Capital Reserve of \$1,484,831 is designated for local capital expenditures.

Nechako Lakes School District Financial Statement Discussion and Analysis 2023/2024

Reserves – Operating, Special Purpose and Capital Balances

Reserves

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Operating Fund Accumulated Surplus		
Internally Restricted		
Schools/Departments	\$	\$ 341,747
Indigenous Education	54,851	444,459
Other Targeted	482,123	369,157
Unrestricted Operating Surplus	-	896,289
Total Operating Fund Accumulated Surplus	<u>\$ 536,974</u>	<u>\$ 2,051,652</u>
Special Purpose Funds Surplus	<u>\$ 195,526</u>	<u>\$ 195,367</u>
Capital Fund Accumulated Surplus		
Contingency Reserve-Local Capital	\$ 1,484,831	\$ 1,675,575
Investment in Tangible Capital Assets	16,145,165	16,630,597
Total Capital Fund Accumulated Surplus	<u>\$ 17,629,996</u>	<u>\$ 18,306,172</u>
Total Accumulated Surplus	<u>\$ 18,362,496</u>	<u>\$ 20,553,191</u>

Operating Fund Surplus

The Board of Education is responsible for ensuring the District is protected financially from forecasting risk and unforeseen circumstances. Therefore, they have established an Accumulated Operating Surplus Policy that allows the District to budget for an accumulated operating surplus to serve as a contingency reserve for the risks associated with unexpected increases in expenses and/or decreases in revenues related to major emergent operating issues, one-time costs, and intermittent projects.

The current balance is \$536,974.

Special Purpose Fund Surplus

This amount of \$195,526 is for endowments where the original donors have stipulated that the principal amounts cannot be spent. Investment income earned on the balances can be paid out as scholarships.

Capital Fund Surplus

There are two categories of Capital Fund Surpluses:

Local Capital Reserve represents a portion of accumulated operating surpluses designated to fund the purchase of Tangible Capital Assets. Local Capital Reserve is increased if the Board of Education passes a motion to transfer operating surpluses to Local Capital. The current balance is \$1,484,831.

The **Invested in Tangible Capital Assets Reserve** represents capital investments that are funded by operating revenues (recorded as transfers of accumulated operating surplus to the capital fund). Then, as assets are amortized, a deficit is incurred in the capital fund which is applied against the Invested in Tangible Capital Assets Reserve. Therefore, the balance in this fund is to cover future amortization costs and is not available for other purposes.

7.0 Factors Bearing on the School District's Future / Other Potentially Significant Matters

Strategic Plan

The Board of Education has a Strategic Plan for 2020 to 2025, along with an annual strategic workplan. The plan articulates four primary goals that are accompanied by a variety of objectives and activities that are guiding our work for the next several years. Monthly reporting to the Board is centred around these four strategic goals, and these reports are widely shared with our stakeholders including municipalities, Indigenous communities, and parents.

Child Care Programs

The Board of Education has applied for and has been approved for the creation of new licensed childcare spaces.

David Hoy Elementary Childcare New Spaces - \$141,020
William Konkin Elementary Preschool Washroom - \$78,000
Evelyn Dickson Before/After School Care - \$26,400
Grassy Plains Renovation - \$4.6 million
MMNLC Before/After School Care – application in progress

8.0 Contacting School District Financial Management

This financial report is designed to provide the District's stakeholders with a general overview of its finances and to demonstrate increased accountability for the public funds received by the District.

If you have questions about this financial report or need additional financial information, please contact the Secretary Treasurer's office at 250-567-2284.