



Regular Board Meeting February 16, 2021

Subject: 2020-2021 Amended Budget Bylaw

Submitted by Shelly Woolf, CPA, CA Assistant Secretary Treasurer

Purpose: To respectfully request that the Board of Trustees of School District 10 (Arrow Lakes) receive and approve the 2020-2021 Amended Budget Bylaw as presented.

Background:

The Amended Budget Bylaw is submitted to the Board for approval to comply with the School Act as follows:

Section 113 (2) of the School Act states that “If an operating grant to a board is amended under section 106.3 (6) or a grant is withheld or reduced under section 117 (1), the minister may order that (a) the board, by bylaw, must amend its annual budget; and (b) the board must send a certified copy of the amended annual budget to the minister within 60 days of the order of the minister.”

Pursuant to section 156 of the School Act (Accounting Practices), Boards of Education (the “Boards”) are required to prepare and submit budgets to the Minister, in the form, with the information, and at the time required by the Minister. The Minister is requiring Amended Annual Budgets to be prepared, adopted by bylaw and submitted by February 28, 2021.

Essentially, the Ministry updates the District’s provincial operating and special purpose grants by December 15 each year thereby initiating a bylaw amendment. This amendment is also used by District staff to get approval from the Board to update other revenue forecasts and the District’s spending plan, taking into consideration the revised revenue, year to date spending levels and updated projected cost estimates to the end of June.

Amendments

- 1. 1701 September Data Enrollment:** AB 501 Students (428S:73DL), 515.1572 Funded FTE
B 452 Students (422S:30DL), 452.0000 Funded FTE

Enrollment is used by the Province to establish operating, targeted and special purpose funding for the District.



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2. Consolidated Revenues: +\$1,390,524

Fund	AB\$	B\$	Change \$
Operating Funding – Schedule 2A	\$9,264,608	\$8,293,261	\$971,347
Special Purpose Funding – Schedule 3	1,139,760	720,583	419,177
Local Capital – Schedule 4	1,500	1,500	-
Amortization of Deferred Capital Revenue- Schedule 4	484,319	484,319	-
Consolidated Revenues – Statement 2	\$10,890,187	\$9,499,663	\$1,390,524

Operating Funding - increased by \$971,347 and is comprised of the following changes:

- Enrollment based changes: +\$400,467
- Supplement for unique student needs: +\$342,716 (including special needs students +\$316,300, Equity of Opportunity Supplement +\$4,450, Indigenous students +\$13,500, English language learners +\$3,040 and Adult education +5,426).
- Supplement for Salary Differential: +\$17,046
- Early Career Mentorship: +\$15,000
- Early Learning Framework: +\$1,556
- Teacher Labour Settlement: +\$160,142
- Miscellaneous (Grants & Other): +\$34,420 (including Basin Plays \$14,500, Arrow Lakes Community Services +\$4,000, Nakusp Community Foundation \$11,920, Ministry of Health-IHA-Healthy Schools \$9,000, Investment Revenue: -(\$5,000))

Special Purpose Funding - increased by +\$419,177 and is comprised of the following changes:

- Safe Return to School - Provincial: +\$46,588
- Safe Return to Class - +\$330,000
- Changing Results for Young Children (new): +\$11,250
- Mental Health in Schools (new): +\$57,000
- French Program (OLEP): - (\$661)
- School Trust Funds: -(\$25,000)

Local Capital Funding – investment revenue – no change.

Amortization of Deferred Capital Revenue – no change.



3. Consolidated Expenses: +\$1,291,846

Function	AB\$				B\$	Change \$
	Operating Fund	Special Purpose Fund	Capital Fund	Total		
F1 Instruction	\$6,777,915	\$871,718	-	\$7,649,633	\$6,846,270	\$803,363
F4 District Administration	885,525	2,000	-	887,525	803,895	83,630
F5 Operations and Maintenance	1,449,000	83,240	592,657	2,124,897	1,858,984	265,913
F7 Transportation and Housing	444,260	5,000	92,105	541,365	522,425	18,940
TCA Purchased		177,802		177,802	57,802	120,000
Budget Bylaw Amount - Consolidated Expenses – Statement 2	\$9,556,700	\$1,139,760	\$684,762	\$11,381,222	\$10,089,376	\$1,291,846

Function 1 Instruction - increased by \$803,363

This budget envelope covers the assistant superintendent (director of learning), principals and vice principals, teachers and education assistants, clerical and program salaries directly related to students and schools. School budgets administered by the principals and vice principals are also included in instruction as well as outside consultant support for specialized services. The increase above includes \$574,024 in the operating fund and \$229,339 in special purpose funds. The major changes to this function include updating staffing salaries for salary changes from the union contracts, exempt salary increase approvals and adjusting school staffing levels for changes in September and ongoing enrollment changes. Contingency for instructional staffing levels has been included due to higher uncertainty in enrollment changes due to COVID.

Additionally, increased conditional funding provided by the Province allocated as reportable program spending or special purpose grants have been updated based on spending plans prepared by staff throughout the year. These funding plans are required to be fully spent by the Province before the end of the year.

Function 4 District Administration - increased by \$83,630

This budget envelope covers costs related to District business including Board governance, administration and finance. Changes from the original budget include updating exempt staff salary approvals including new amounts for the additional .50 FTE part time executive assistant position and the .2 FTE increase to the assistant secretary treasurer position. Both changes are directly related to workload requirements. Additionally, amounts for consulting and legal



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support not in the original budget were updated to accommodate year to date spending and planned needs. No change to audit costs were needed as the District extended its contract with its current auditor-KPMG. Some of these increases were offset through decreases in other areas like travel and one-time supply costs not adjusted for in the original budget. It is likely that once the pandemic has ended, travel budgets will need to be increased.

Function 5 Operations and Maintenance – increased by \$265,913

This budget envelope covers costs related to maintenance, utilities and information technology (IT). Changes from the original budget include updating salaries and benefits to the July 2020 union salary grids, exempt staff salary approvals and amounts for the new maintenance staff to accommodate increased workload in maintenance and capital. Extra hours for bus cleaning due to COVID are funded by special purpose funding. The IT budget was increased to accommodate planned upgrades to the District's server and phone systems and to provide resources for equipment upgrades for greater digitization in service provision. Marginal adjustments were made in the various categories of utilities. These resulted from staff securing a fixed price contract for propane as well as previous budget updates for increased electricity. These levels are largely weather dependent and may need to be updated next year. Additionally, capital amortization (non-cash item) was adjusted based on updated financial statement information.

Function 7 Transportation and Housing – increased by \$18,940

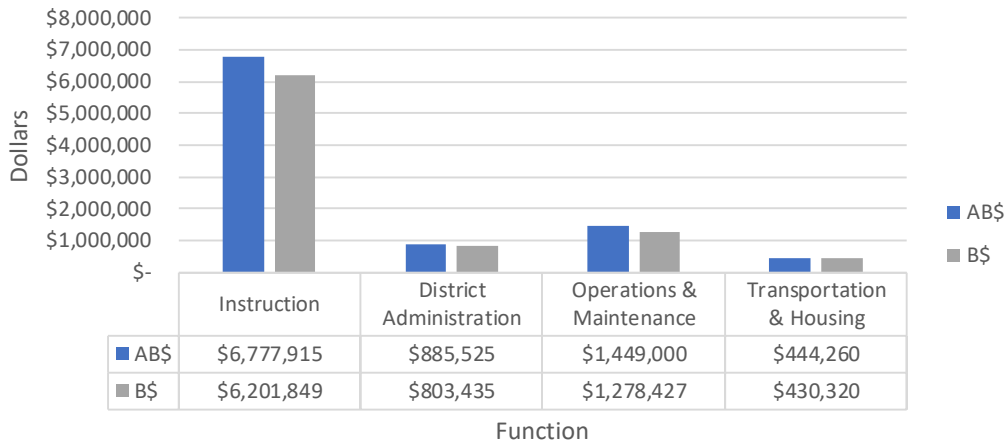
This budget envelope covers costs primarily related to bus transportation and transportation assistance as the District has no housing costs. Changes from the original budget include updating salaries and benefits to the July 2020 union salary grids and exempt staff salary approvals made by the Board in June of last year. Extra hours for cleaning due to COVID are funded by special purpose funding. Fuel costs were decreased as estimates for higher pricing included in the original budget did not materialize. The offset was included in bus repairs and maintenance to ensure there is contingency for a major repair if needed. Insurance was increased to cover year to date actuals. The transportation assistance amount remained the same based on the Policy amendment the Board approved last year that included daily subsidization limits. \$5,000 for route tracking software (recommended in the transportation audit) is added and funded by special purpose funding.

The changes above use a consolidated approach when identifying the change to align to the format of the budget bylaw as per Statement 2. Alternatively, the Charts below show a visualization of the changes for the operating budget only, showing the alignment to the report the Board receives at the monthly Board meetings.

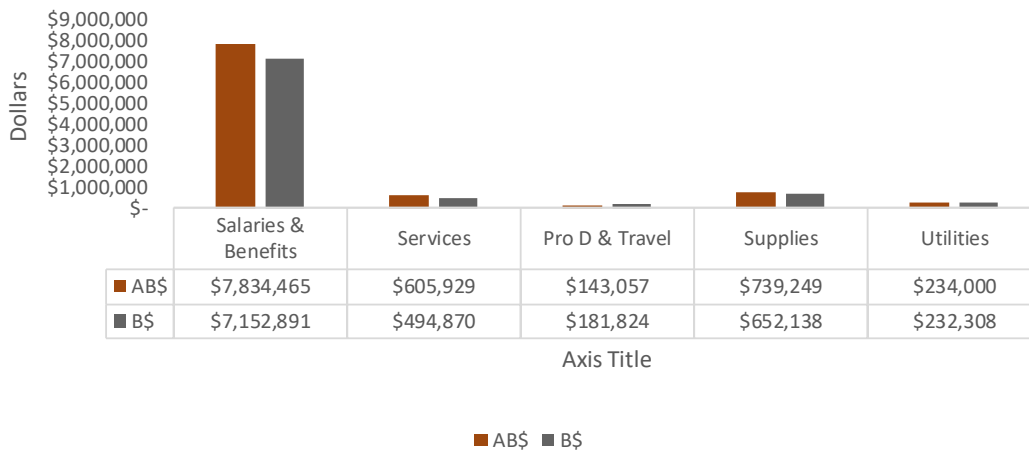


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Operating Fund AB\$ vs B\$ 2020-2021



Operating Fund AB\$ vs B\$ by Account Type 2020-2021





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4. Amended Budget Ending Surplus - \$1,360,615 vs \$1,051,368

	AB\$ *	B\$
Unrestricted - opening balance	\$382,707	\$352,138
Unrestricted – 2020-2021 budget appropriation	(292,092)	(420,770)
Unrestricted - ending balance	90,615	(68,632)
Restricted	1,270,000	1,120,000
Total	\$1,360,615	\$1,051,368

*updated to 2020 Audited Financial Statement

Based on the surplus forecast shown in the table above, the amended budget changes support a balanced use of funding and unrestricted surplus without using internally restricted surplus that is held for long term purposes and uncertainties.

The information below is from Note 16 of the District’s Audited Financial Statements for the year ending June 30, 2020 that identifies amounts held for long term purposes.

	2020	2019
Equipment	\$ 100,000	\$ 100,000
IT Infrastructure	100,000	100,000
Utilities	100,000	100,000
Capital Projects	100,000	100,000
Emergency	250,000	250,000
Professional Learning	90,000	90,000
Finance Software Upgrade	300,000	150,000
Strategic Plan Goals/School Configuration	100,000	100,000
Long Range Facilities Plan	100,000	100,000
Board Scholarship	30,000	30,000
	<u>1,270,000</u>	<u>1,120,000</u>
Unrestricted Operating Surplus	382,707	352,138
	<u>\$ 1,652,707</u>	<u>\$ 1,472,138</u>

5. Capital Fund – Capital Projects - \$2,266,330

The amended budget includes capital asset additions of \$2,266,330. Provincially funded capital projects are the same, with the carry forward amount updated. Added to the list are additions for the Climbing Wall project (equipment), the Goat Mountain Childcare Facility and the NES



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HUB Childcare Facility. The list is shown below.

- a) Annual Facilities Grant (AFG) – Special Purpose Grant – \$58,467
- b) Annual Facilities Grant – Capital Grant (Bylaw) – \$244,547
- c) School Enhancement Program (SEP) - \$876,271
- d) AFG & SEP carry forward - \$226,709
- e) Climbing Wall - \$24,046
- f) Goat Mountain Childcare Facility - \$636,290 (\$749,904 < LY spend \$113,614)
- g) NES HUB Childcare Facility – \$200,000 CY estimate - Project total \$3,250,000

6. Capital Reserves - \$302,362

Sharable – Ministry Restricted - \$213,954

Non-Sharable – Local Capital - \$88,408

In conclusion, the amended budget was prepared using the same budget assumptions and risk mitigation strategies identified in the original budget. These have been reviewed and considered through the amendment process. A copy is attached to this report.



2020-2021 Budget Bylaw - Budget Assumptions Risk Mitigation Strategies

Subject: June 30, 2021 Annual Budget Bylaw – Budget Assumptions and Risk Mitigation Strategies

Purpose

This document outlines the underlying budget assumptions and risk mitigation strategies for School District 10 (Arrow Lakes) 2020-2021 annual budget as approved by the Board of Trustees on April 28, 2020 as requested by the Ministry of Education.

Summary statements

The District considers the following budget assumptions and risk strategies in preparing its annual budget bylaw each year as follows:

- It operates within current legislative and regulatory guidelines set out by the Province and other partnering agencies.
- It is guided by the District's vision, mission, policy, and protocol statements and strategic plans.
- The District undergoes an extensive consultation process with stakeholders prior to approving its annual bylaw.
- Resources and spending plans are aligned to achieve the District's short-term goals with consideration given to long term outcomes.
- The District's Surplus Policy is considered when allocating saved resources to/from its annual spending plans.
- The District's operating, special purpose and capital fund resources and spending plans are integrated in a manner to provide the most effective and efficient student related outcomes.
- Consideration of external drivers affecting the District budget are considered and include but are not limited to education and industry best practices and job and recruitment trends, teacher, and support staff contractual obligations, economic and market factors, changing regulations and standards, public health considerations, environmental factors, short term events and long-term trends.
- Consideration of internal drivers affecting the District budget are considered including short term and forecasted enrollment, student and staffing levels and demographics, union and partner contractual obligations, asset management and stewardship responsibilities, and technology and transportation needs and supports.
- The District's overarching risk management framework includes ongoing consideration and identification of the various risks that affect its operations. These include business, political, organizational, compliance and operational risks. The District works to ensure controls are in place through policies, procedures, programs, and internal controls to reduce these risks. Staff monitor risk events on an ongoing basis and carry out mitigation strategies in partnership with its insurance partners to reduce known risks to an acceptable level.