



**Regular Board Meeting  
April 20, 2021**

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**Date Prepared: April 16, 2021**

**Submitted by: Shelly Woolf, CPA, CA, Assistant Secretary Treasurer**

**Subject: Scholarship Funds Held in Trust**

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**Purpose**

To respectfully request that the Board approve an increase to the Scholarship Endowment Funds held in trust from \$31,000 to \$36,000 by transferring funds from unrestricted surplus in the amount of \$5,000 to the endowment reserve effective May 1, 2021.

**Background**

The District has a separate scholarship fund where endowment funds of \$31,000 are held in a term deposit at Kootenay Savings & Credit Union to generate annual interest used to fund the Board approved annual student scholarship of \$500. Historically, the balance of \$30,000, generated interest revenue of approximately \$600 based on an average interest rate of 2%. Currently, term interest rates have decreased to levels below 1% and staff is recommending that the endowment base be increased accordingly.

Additionally, because term deposits presently are earning less than 1%, all reserve term deposits that are maturing this month (including the scholarship reserve fund) will be held in the general account (which earns 1.5%) until such time that term rates improve.

**Recommendation:**

That the Board of Education for School District 10 (Arrow Lakes) approve an increase of \$5,000 to the Scholarship endowment reserve effective May 1, 2021.