

School District No.57
Financial Statement
Discussion & Analysis
For the Year Ended June 30, 2021

The purpose of the Financial Statement Discussion and Analysis is to highlight the financial performance of the school district and provide explanations that enhance the readers' understanding of the school district's financial statements.

The 2020/21 operating results are discussed in comparison with both the 2020/21 amended annual budget and the operating results of the 2019/20 school year.

The following report should be read in conjunction with the audited financial statements and accompanying notes for Prince George and area School District No. 57 for the year ended June 30, 2021.

The financial statements represent the consolidation of three separate funds (operating, special purpose and capital). Financial performance of each fund is reported in the supplementary schedules that accompany the financial statements.

Overview -

Established in 1946, the District is on the unceded ancestral lands of the Lheidli T'enneh First Nation, McLeod Lake Indian Band and the Simpcw First Nation. *It is our honor to walk alongside our Indigenous communities in educating our students.*

The District is located in the center of the province, extending north to Mackenzie, south to Hixon, and east to McBride and Valemount. The District encompasses 52,000 square kilometers and is the second largest school district in the province in geographical size. It has a student population of approximately 13,000 school-age and adult students enrolled in 32 elementary schools, and 8 secondary schools. In addition, our Learner Support Program provides alternate education programs, continuing and distance education programs and Provincial Resource Programs.

The District's work is governed by the Board of Education, which consists of seven Trustees elected from three Trustee Electoral Areas as follows: five from the Prince George Trustee Electoral Area, one from the Mackenzie Trustee Electoral Area and one from the Robson Valley Trustee Electoral Area. The current Trustees' four-year term began in 2018.

*“The Pathway to a Diverse Learning Community
with Purpose, Options and Choices for all”*

Skeh Hunoont’l hodul’eh ti.

Our Vision – All students are prepared for each step of their life’s journey with the skills, knowledge, options and choices to be successful.

Our Mission – Through innovation, high standards and culturally responsive care, we nurture and empower all students where they are to be proud, confident and engaged lifelong learners.

Our Values – Together these ways of thinking and acting help form the culture of our schools and workplaces. By upholding these values, we can build an environment that will lead to the fulfilment of our mission and vision.

Transparency

We are open, honest and accountable for the decisions we make.

Community

We engage all members of our learning community through open and respectful relationships.

Respect

We demonstrate kindness and care for ourselves, others and the environment.

Integrity

We are ethical, fair and follow through on our commitments.

Equity

We create systems where every student has opportunities and supports to be successful.

Inclusion

We ensure all students contribute and participate in all aspects of school life

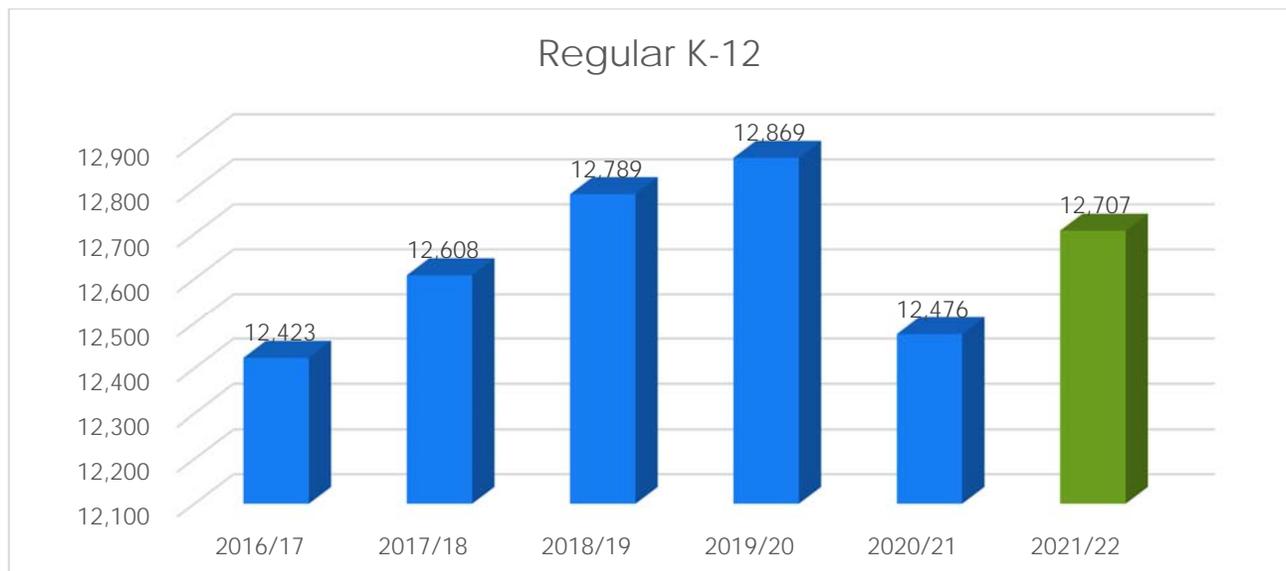
For additional information see the **School District No.57 Strategic Plan 2021-2026** on the website: [2021.06.22 Strategic Plan 2021-2026 Website.pdf \(sd57.bc.ca\)](#)

Enrolment Highlights –

The District is funded primarily through an operating grant received from the Ministry of Education (MOE). The grant is based on student enrolment which is compiled through a data collection process called 1701 in September, February, May and July. The District receives a fixed amount per full-time equivalent (FTE) student. The District also receives supplementary grants for students who are identified as having unique needs and for other demographic and geographical factors.

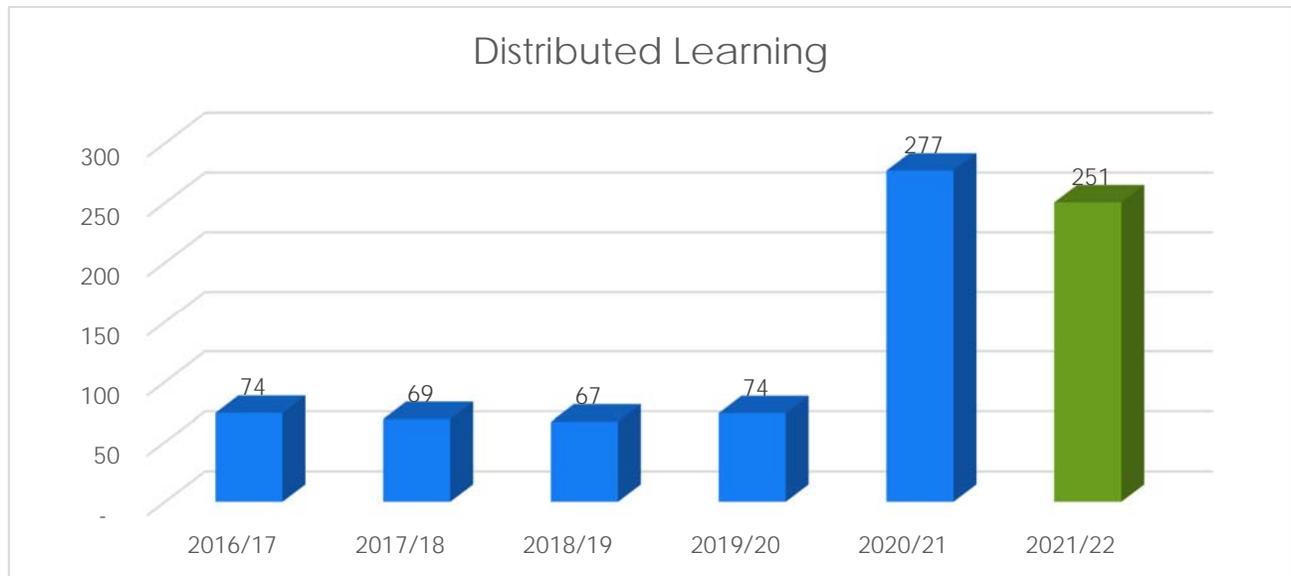
District staffing levels are driven directly by student enrolment. Since salaries and benefits make up approximately 88 percent of District expenses, reliable enrolment data is essential for financial planning. Each year the District completes an analysis of historical enrolment and student retention trends, reviews population data and new municipal development approvals to develop an estimate of elementary and secondary student FTE for the ensuing three budget years.

Regular K-12 enrolment was showing steady increases year over year leading up to the COVID-19 Pandemic. The overall result of the pandemic on the 2020/21 Regular K-12 enrolment was a reduction of 394 students in SD57's schools. It does appear that Regular K-12 enrolment for the 2021/22 school year is projected to increase. The district will be working in the coming months to review future enrolment projections.

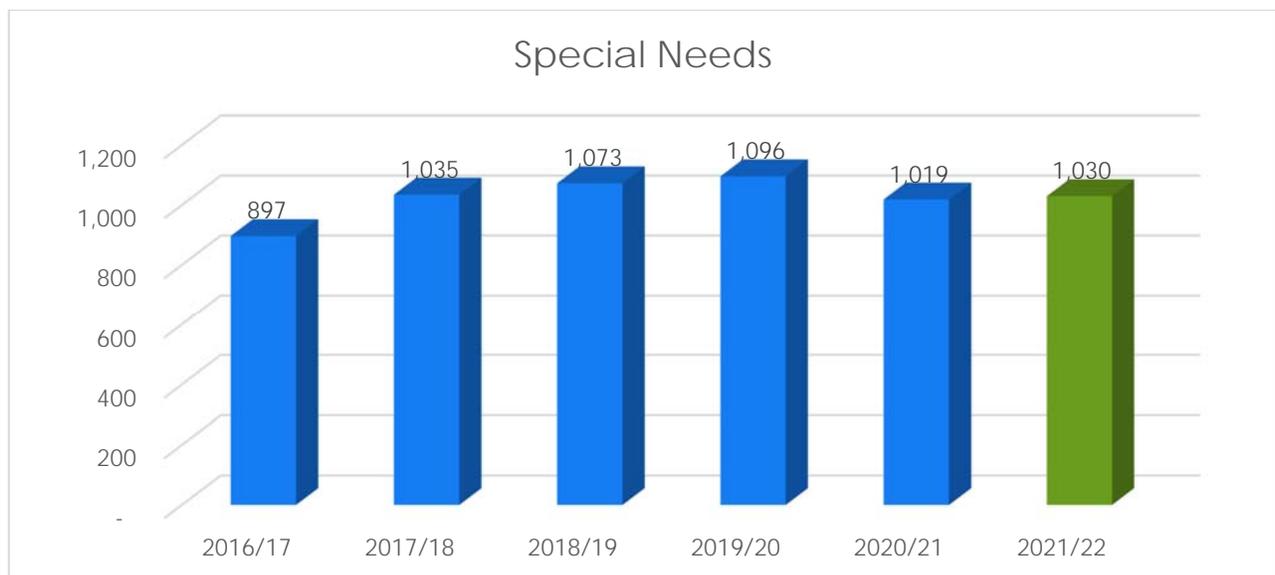


Enrolment Highlights (continued) –

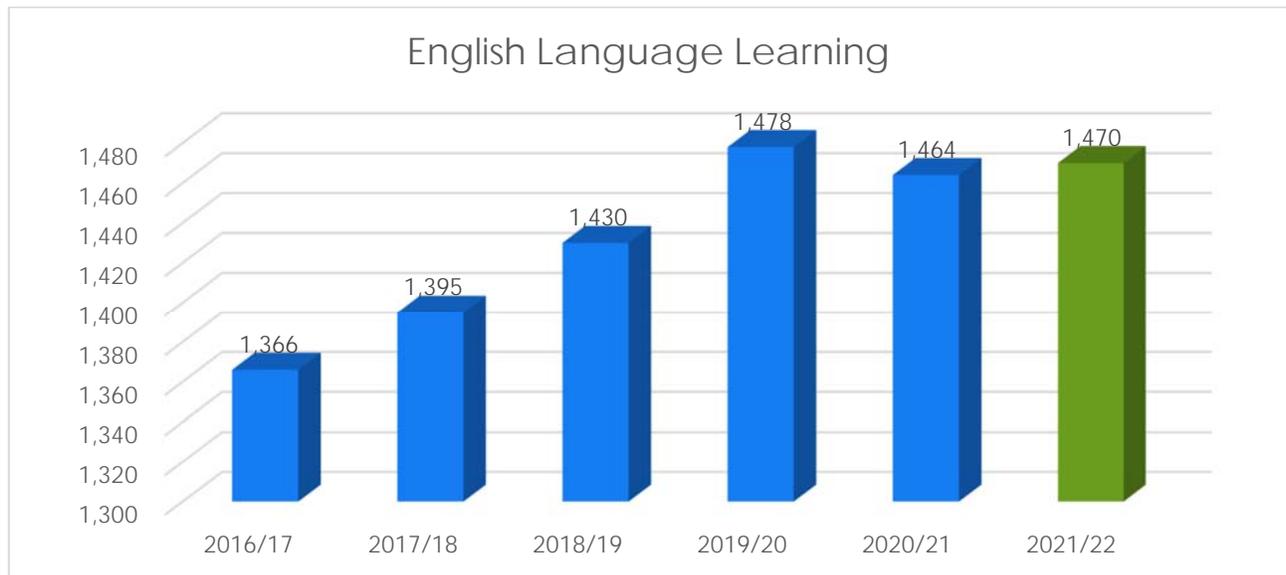
Distributed Learning (DL) enrolment in the district saw a marked increase as a result of the COVID-19 Pandemic resulting in a change in the DL model in the district. The projected enrolment in the DL program for the 2021/22 school year is slightly below the 2020/21 school year.



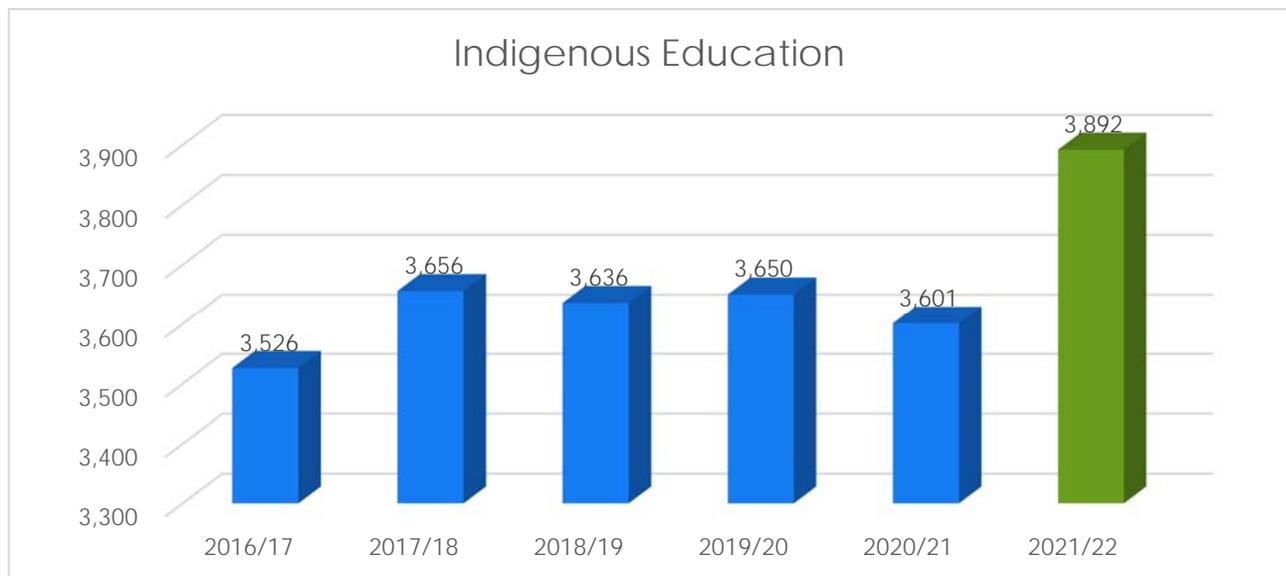
Over the four years leading up to the COVID-19 Pandemic, the District experienced consistent growth in the number of students with **Special Needs** and **English Language Learners** (ELL). Although there was a slight decrease in both for the 2020/21 school year, this growth trend is forecasted to continue with slight increases in the 2021/22 school year.



Enrolment Highlights (continued) –

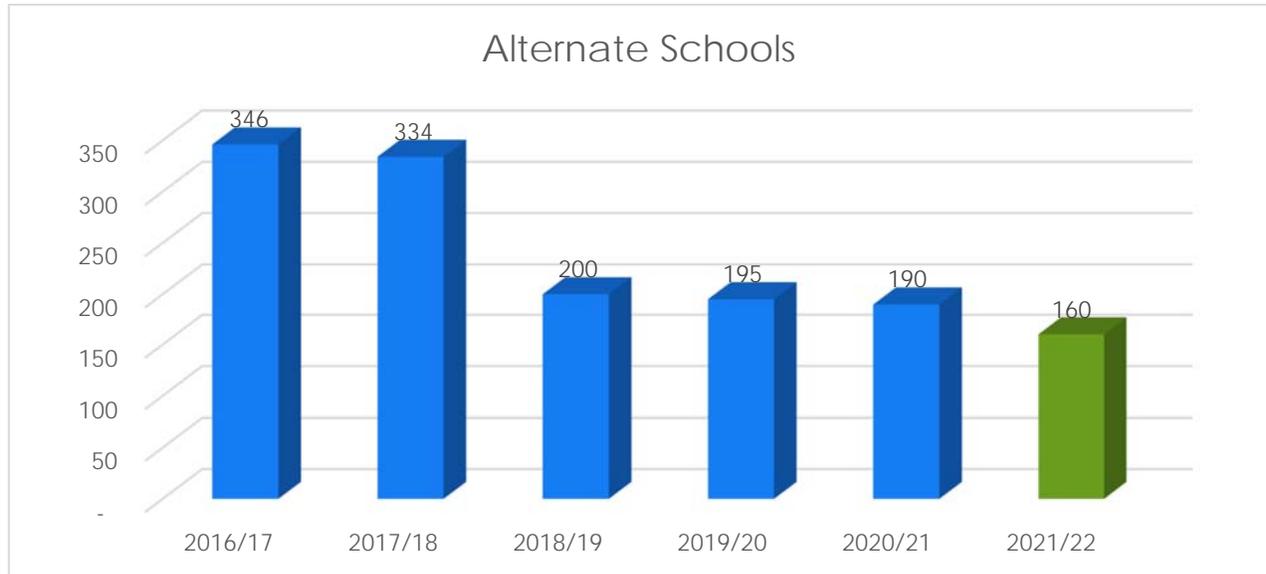


In the 2020/21 school year, as in prior years, SD57 had the highest number of self-declared **Indigenous Education** learner enrolments in the Province. Preliminary results indicate that Indigenous learner enrolment numbers for the 2021/22 school year have increased significantly.



Enrolment Highlights (continued) –

Preliminary 2020/21 school year enrolments show an anticipated reduction in the Districts **Alternate Schools** learner enrolments which is consistent with District direction related to student engagement in schools.



Operating Fund Highlights –

The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance and transportation.

97.86% of operating fund revenue comes from the Ministry of Education and these grants are, for the most part, calculated on reported student enrolment.

Revenues

District operating revenues for 2020/21 were \$1,985,139 greater than budgeted. Below are the details of the revenue increase by category.

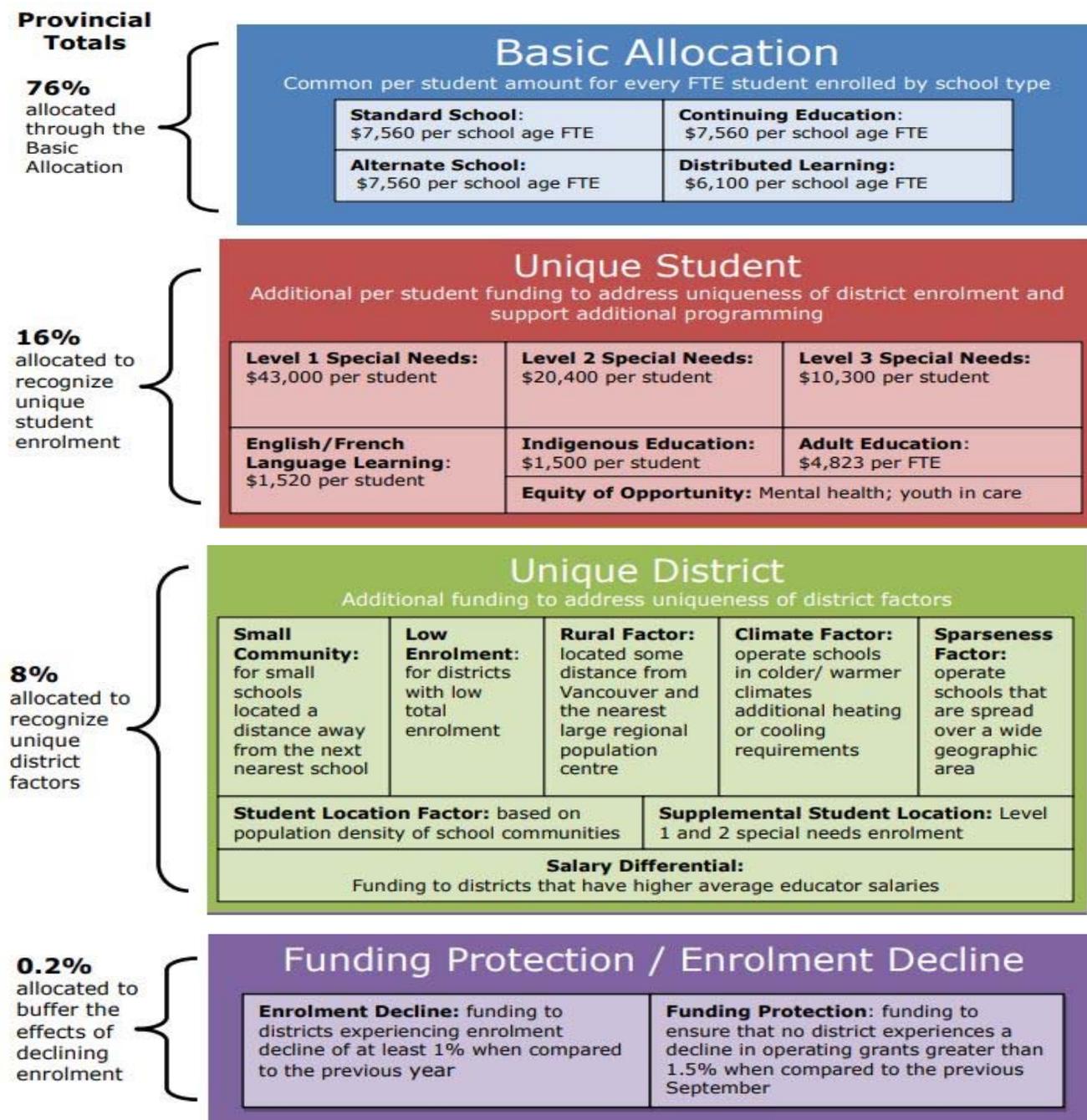
	2020/21 Actual	2020/21 Budget	\$ Variance	% Variance
Revenues				
Ministry of Education	\$144,505,630	\$143,452,248	\$1,053,382	0.73%
Other Provincial Grants	229,180	122,580	106,600	86.96%
Tuition	56,500	-	56,500	0.00%
Other Revenues	2,117,838	1,461,878	655,960	44.87%
Rentals and Leases	523,233	445,000	78,233	17.58%
Investment Income	234,464	200,000	34,464	17.23%
Total Operating Revenue	\$147,666,845	\$145,681,706	\$1,985,139	1.36%

Ministry of Education (MOE) Grants

The increase in MOE grants was driven by several factors. There was an increase of \$335,799 in funding related to the February 2021 student enrolment count and a reduction of \$11,930 in funding related to the May student enrolment count. The District also received funding for graduated adults of \$115,467, a support staff benefits grant of \$195,756, \$16,903 in smaller grants and Holdback allocations in April 2021 of \$148,629 and June 2021 of \$303,488 which were not included in the 2020/21 Amended Annual Budget as well as an adjustment to the Local Education Agreement Recovery of \$50,690 to reflect actual invoices.

Ministry of Education (MOE) Grants

Below is a are excerpts from a Ministry of Education table detailing the 2020/21 per-student funding rates, supplemental funding for unique students, supplemental funding for unique factors affecting some districts and funding protection for enrolment decline.





Other Provincial Grants

Other provincial grants are provided to the District for career and trades programs such as automotive, electrical, heavy mechanical group trades and culinary arts. The province bases the grants on student enrolment in these programs.

Tuition

Tuition revenue consists of fees for International Education. The District does not typically budget for tuition revenues as they are not a predictable sources of revenue,

Other Revenues

Other revenues consist of items such as fees charged to SD93 Conseil Scolaire Francophone de la Colombie-Britannique, fees paid with respect to Local Education Agreements with First Nations, administrative fees charged to Provincial Resource Programs, After School Sports Initiative funding, cafeteria recoveries, the group rebate related to the purchasing program, one-time specific purpose grants received by schools and donations. The increase in other revenues was primarily due to higher than budgeted grants including \$205,767 received regarding energy conservation rebates.

Rentals and Leases

District rental revenue is generated from short-term rentals of sites and facilities to individuals and community groups. These rentals totalled \$523,233 in fiscal 2020/2021 which is \$78,233 higher than budgeted. This increase resulted from anticipated facility rentals and lease fees being reduced in response to the COVID-19 pandemic. Actual results year over year since 2018/19 show reduced revenue from rentals and leases consistent with limitations on access to SD57 facilities.

Investment Income

Interest income consists of interest accrued on our bank account balances and short-term investments in the Central Deposit Program. The Central Deposit Program allows the District to invest funds with the provincial government thereby accessing a favorable rate without any restrictions on withdrawals. Although results are slightly higher than budget they are lower than results in the prior year which is consistent with reductions in the Bank of Canada rate.

Expenses

The District follows a decentralized budgeting process where allocations are made to schools based on the enrolment in each school. Specific allocations are made to schools to cover the costs of meeting the restored collective agreement language for the teachers in terms of maximum class size, preparation time and non-enrolling ratios. There are allocations for students with unique needs, the costs of administrative support, additional supports based on unique school needs and a general per student allocation. Each year the schools make school based budgeting decisions utilizing the funds allocated to purchase staffing time or services and supplies. These allocations are spent at their discretion within certain parameters set by the District. Overall District expenses were \$5,881,511 less than budgeted for 2020/21. The table and explanations below show the details and explain the variances.

	2020/21 Actual	2020/21 Budget	\$ Variance	% Variance
Salaries				
Teachers	\$ 56,940,262	\$ 57,415,324	\$ (475,062)	-0.83%
Principal & Vice Principals	9,813,888	9,029,818	784,070	8.68%
Educational Assistants	13,393,027	13,455,245	(62,218)	-0.46%
Support Staff	12,019,724	12,321,700	(301,976)	-2.45%
Other Professionals	7,014,840	7,738,831	(723,991)	-9.36%
Substitutes	3,030,331	3,968,485	(938,154)	-23.64%
Total Salaries	102,212,072	103,929,403	(1,717,331)	-1.65%
Benefits	24,236,192	23,580,763	655,429	2.78%
Total Salaries & Benefits	126,448,264	127,510,166	(1,061,902)	-0.83%
Services & Supplies	17,191,762	22,011,371	(4,819,609)	-21.90%
Total Expenses	\$143,640,026	\$149,521,537	\$ (5,881,511)	-3.93%



Teachers

This line item consists of salaries paid to the District's teachers. The overall variance between budget and actual was less than 1.0% at 0.83%. The District prepares both the Annual and Amended Annual budget utilizing a District average cost of teachers. The actual results for 2020/21 reflect that although the total average cost was representative of the teachers in the District there was a misallocation between salary and benefits which resulted in lower than anticipated salary costs and higher than anticipated benefits costs.

Principals & Vice Principals

This line includes actual salaries paid to district principals, school principals, vice-principals and directors of instruction. Although a reporting correction has been made to have the actual salary for district principals and directors of instruction report with this line items, the corresponding budget is reported in the Other Professionals line item in the 2020/21 Amended Annual Budget comparative figures. The resulting restatement of the budget would be \$735,324 – resulting in a net variance of \$48,746 or 0.50%.

Educational Assistants

Education Assistants (EAs) provide support for students with special needs in the District. The overall EA variance was low at \$62,218 or -0.46%.

Support Staff

This item is made up of the salaries paid to administrative staff (other than principals and vice-principals), secretaries, clerks and other non-unionized staff such as accountants, facilities staff, trades people, custodians, noon hour supervisors and crossing guards. The variance to budget resulted from unintended vacancies in a variety of positions throughout the year.

Other Professionals

Other professionals are District staff who are excluded from any union agreement including positions such as the superintendent, deputy superintendent, assistant superintendents, the secretary-treasurer, managers, other exempt positions and information technology analysts. A restatement to the Amended Annual Budget figure would result in an actual balance \$11,333 higher than budgeted.

Substitutes

This item is made up of the salaries paid to Teachers Teaching on Call, CUPE casual staff including EA's and support staff, and casual or temporary exempt staff. The results are 23.64% lower than plan due to a variety of factors, the primary factor was the unavailability of replacement staff at all levels of the organization.

Benefits

Benefits includes the amounts paid by the District on behalf of or to its employees for benefits such as Employment Insurance, Canada Pension Plan, municipal or teacher pensions, and employee health and dental benefits. Although slightly higher than plan, the majority of the difference can be attributed to the misallocation between salary and benefits in the teachers' average salary and benefit calculation used by the District in developing the budget.

Services & Supplies

District services and supplies expenses were \$4,819,609 less than budgeted for 2020/21. The table and explanations below show the details and explain the variances.

	2020/21 Actual	2020/21 Budget	\$ Variance	% Variance
<u>Services & Supplies</u>				
Services	\$ 3,771,526	\$ 6,695,726	\$(2,924,200)	-43.67%
Student Transportation	3,831,394	4,064,763	(233,369)	-5.74%
Professional Development & Travel	952,015	1,283,746	(331,731)	-25.84%
Rentals and Leases	489,751	466,636	23,115	4.95%
Dues and Fees	94,058	81,830	12,228	14.94%
Insurance	292,756	335,500	(42,744)	-12.74%
Supplies	4,781,257	6,073,860	(1,292,603)	-21.28%
Utilities	2,979,005	3,009,310	(30,305)	-1.01%
Total Services & Supplies	\$17,191,762	\$22,011,371	\$(4,819,609)	-21.90%

Services

This includes computer maintenance, costs for contracted professional and technical services, repair and maintenance, grounds upkeep, snow removal, security services, bank service charges, telephones, and printing services. Due to restrictions, both physical and supply chain related, in the current year there were costs savings related to a number of initiatives as well as departments and schools being unable to spend as planned.



Student Transportation

This includes payments to Diversified Transportation, other contractors, public carriers and others individuals who provide transportation for school District students to and from school and for curricular and extracurricular activities. The 2020/2021 savings resulted from savings related to planned contract services.

Professional Development and Travel

This includes costs incurred for training and travel. Costs included are registration fees, transportation, mileage allowances, meals, accommodation, per diem payments and other expenses. The District encouraged a reduction in departments and schools for budget items related to Professional Development & Travel in the 2020/21 school year based on the experience at the end of the 2019/20 school year largely driven by professional development opportunities and travel being canceled as a result of COVID-19.

Rentals and Leases

Included here are the operating expenditures for the rental or lease of land, buildings, vehicles and equipment for temporary or long-term use by the Districts.

Dues and Fees

This includes membership fees and/or dues in professional organizations as determined by the policies, regulations and needs of the District.

Insurance

This includes the expenditures for all forms and types of insurance coverage, premiums, and deductibles. The District experienced \$42,744 in cost reductions versus budget which was primarily attributable to vehicle insurance premiums less than expected.

Supplies

This item consists of expenditures for supplies and materials of a consumable and/or non-capital nature. This includes consumable supplies, learning resources, non-capitalized furniture and equipment and computer equipment.

Utilities

Included here are the expenditures for utility costs such as electricity, heating, water and sewage, garbage and recycling.

Operating Surplus Analysis

The District closed out the year with a \$8,475,727 operating surplus all of which was internally restricted for specific purposes. This operating surplus represents a \$2,397,727 increase over 2019/20.

Internally Restricted Operating Surplus	2020/21	2019/20
<u>Operations spanning the school year</u>		
School surpluses	\$ 2,732,534	\$ 927,553
Future years' operating budgets	269,623	420,054
Technology, equipment and capital projects	2,831,285	3,144,041
Department and program surpluses	346,367	208,041
<u>Nature of constraints on the funds</u>		
Ministry of Education -		
Indigenous Education	653,169	473,053
Special Advisory Committee	75,000	-
2020/21 Operating Holdback Carryover	396,173	-
Specific Purpose Grant Funding	675,600	252,197
Recreation trusts and other funds	145,976	123,527
<u>Anticipated unusual expenses identified</u>		
Building Stronger Schools	350,000	350,000
Portables	-	179,534
Total Available for Future Operations	\$ 8,475,727	\$ 6,078,000

Financial Health

Liquidity

Liquidity is measured by taking financial assets over liabilities excluding deferred capital revenue. A liquidity ratio of greater than one is desirable as this means that the District can pay current liabilities as they are due. A liquidity ratio of less than one indicates that the District will potentially struggle to meet short term obligations. A higher liquidity ratio means that the District can meet its short-term obligations and can better respond to changing circumstances.

Liquidity	2016/17	2017/18	2018/19	2019/20	2020/21
Financial Assets	\$ 34,282,830	\$ 38,248,538	\$ 34,938,652	\$ 29,554,598	\$ 32,099,254
Financial Liabilities	\$ 16,636,913	\$ 19,590,620	\$ 21,764,497	\$ 23,413,986	\$ 23,585,390
Liquidity	2.06	1.95	1.61	1.26	1.36

Accumulated Surplus to Revenue

The chart below shows the District's operating revenues and accumulated net operating surplus over a five-year period. The five-year trend shows a decrease in the total surplus in dollars and as a percentage of revenue until the 2020/21 school year. The decrease over time is due primarily to a focus by the Board on using surplus funds for specific expenditures in order to meet the needs of the district.

Total Accumulated Surplus to Revenue					
	2016/17	2017/18	2018/19	2019/20	2020/21
Restricted Surplus	\$131,872,156	\$135,386,063	\$139,597,932	\$145,296,288	\$ 147,666,845
Operating Revenue	\$ 16,636,913	\$ 17,060,076	\$ 12,227,900	\$ 6,078,000	\$ 8,475,727
Percentage	12.62%	12.60%	8.76%	4.18%	5.74%

Accumulated Amortization of Assets

The accumulated amortization to assets ratio is a financial measurement tool that calculates the age, value and remaining useful life of a fixed asset. A low ratio may indicate that the assets have plenty of life left while a high ratio could indicate that asset will need replacement in the near future.

The ratios below suggest that significant investments have been made in buildings over the past five years, including the construction of a secondary school, which has had the effect of reducing the ratio over time. Investments in Furniture and Equipment over the past five years have also served to reduce the ratio over time. The ratios also indicate that the District made investments in computer hardware and software in beginning in the 2017/18.

Accumulated Amortization to Buildings					
	2016/17	2017/18	2018/19	2019/20	2020/21
Gross Assets	\$196,146,367	\$201,192,039	\$217,577,880	\$236,701,730	\$226,239,284
Accumulated amortization	\$105,356,026	\$109,186,120	\$113,039,700	\$116,878,198	\$108,496,152
Ratio	0.54	0.54	0.52	0.49	0.48

Accumulated Amortization to Furniture and Equipment					
	2016/17	2017/18	2018/19	2019/20	2020/21
Gross Assets	\$ 6,135,637	\$ 6,223,525	\$ 5,835,557	\$ 5,985,145	\$ 6,880,171
Accumulated amortization	\$ 3,358,744	\$ 3,297,106	\$ 2,484,273	\$ 2,249,720	\$ 2,349,994
Ratio	0.55	0.53	0.43	0.38	0.34

Accumulated Amortization to Computer Hardware and Software					
	2016/17	2017/18	2018/19	2019/20	2020/21
Gross Assets	\$ 4,634,235	\$ 4,415,480	\$ 4,828,155	\$ 5,884,972	\$ 5,982,662
Accumulated amortization	\$ 1,931,395	\$ 1,537,997	\$ 1,677,958	\$ 2,082,864	\$ 2,234,720
Ratio	0.42	0.35	0.35	0.35	0.37

Accumulated Amortization to Assets					
	2016/17	2017/18	2018/19	2019/20	2020/21
Gross Assets	\$206,916,239	\$211,831,044	\$228,241,592	\$248,571,847	\$239,102,117
Accumulated amortization	\$110,646,165	\$114,021,223	\$117,201,931	\$121,210,782	\$113,080,866
Ratio	0.53	0.54	0.51	0.49	0.47

Special Purpose Funds

Special purpose funds consist of targeted funding provided to the school district for a specific purpose. 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. Treasury Board Restricted Contribution Regulation 198/2011, issued in November 2011, defines a restricted contribution as ‘a contribution that is subject to a legislative or contractual stipulation or restriction as to its use’. These revenues are deferred until the relevant expenditures are incurred.

The School District incurred the following expenditures in 2020/21 as related to significant Special Purpose grants:

Grant	Source	Amount Received	Amount Expended	Discussion
Annual Facility Grant (AFG) Operating portion	Ministry of Education	\$667,217	\$617,217	Please see discussion in the Capital Projects section under “Annual Facility Grant (AFG) Funding”
Learning Improvement Fund (LIF)	Ministry of Education	\$498,079	\$429,501	Funding used specifically to augment EAs hours providing additional support to complex learners.
Strong Start	Ministry of Education and other	\$320,000	\$271,634	Strong Start early learning centers provide school-based, drop-in programs for children from birth to age five and their parents or caregivers.
Ready, Set, Learn (RSL)	Ministry of Education and other	\$78,400	\$66,824	Eligible RSL events for children aged 3 to 5 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 and other	\$172,306	\$106,771	Funding for core French-language programs and curriculum resources.
Community LINK	Ministry of Education and other	\$2,202,989	\$1,850,488	Funding for programs and initiatives to improve the education performance of vulnerable students, including both academic achievement and social functioning.

Special Purpose Funds (continued)

Grant	Source	Amount Received	Amount Expended	Discussion
Classroom Enhancement Fund (CEF) – Overhead, Staffing and Remedies	Ministry of Education	\$9,175,708	\$9,175,708	Eligible expenses include teacher staffing, overhead staffing and equipment costs resulting from restoration of class size and composition language.
First Nations Student Transportation	Ministry of Education and other	\$100,737	\$ 6,071	Transportation funding provided to the District based upon a joint submission to the BCTEA Transportation Committee pursuant to the BC Tripartite Education Agreement.
Provincial and Federal Safe Return Grants	Ministry of Education and other	\$6,070,394	\$5,940,648	Grants received from the Ministry of Education and from Canada related to safe return to class during COVID. These programs are funded to cover a variety costs which arose directly due to the COVID-19 Pandemic.
Provincial Resource Programs	Ministry of Education and other	\$1,272,781	\$1,232,881	These programs are funded through the Provincial Resource Program funding and provide services at the Two Wolves Centre, University Hospital of Northern BC and provincially through the FASD Outreach program.

Capital Fund

Capital funds include capital expenditures related to equipment and facilities purchases as well as equipment and facilities enhancements. The funding source of these purchases and enhancements determines which capital fund the expenditures will be charged to. Funding sources include Ministry of Education Bylaw Capital, Ministry of Education Restricted Capital, Other Provincially Restricted Capital, Land Capital as well as Local Capital.

Major Capital Projects

The District had one major capital projects in progress during the 2020/21 school year. The Shas Ti Kelly Road Secondary replacement project was considered completed prior to June 30, 2021 and has been fully capitalized. Work continues on the demolition of the old school and site completion work. The Major Capital expenditures are primarily funded by the Province of British Columbia with additional funding provided through locally-generated District capital funds and third-party contributors.

Capital Fund Balances

The Capital Fund is comprised of local capital reserves (Schedule 4) and Unused Deferred Capital Revenue (Schedule 4C). The funds are to be used by the school District for capital expenditures. A summary of the Capital Fund is provided below.

Capital Fund	Description	June 30, 2021 Balance	June 30, 2020 Balance	Change
Local Capital	Funds generated by the District to be utilized for capital expenditures as determined by the District.	\$ 0	\$ 0	\$ 0
Ministry of Education By Law Capital	Represents funds drawn on Certificates of Approval (COA) for capital projects.	73,967	174,996	(101,029)
Ministry of Education Restricted Other Capital	Represents the Ministry's portions of the proceeds on disposal of land and buildings and any bylaw project surplus on capital projects	0	0	0
Other Provincial Capital Funds	Represents capital grants received from and restricted by, other Ministries, Crown Corporations or School Districts, Universities, Colleges and Health (SUCH) sector entities.	112,906	79,233	33,673
Other Capital Funds	Includes capital grants received from and restricted by, any entity not included in the Government Reporting Entity.	173,453	127,557	45,896
Total		\$ 360,326	\$ 381,786	\$ (21,460)

Other Capital Funded Projects

In 2020/2021, the District received approximately \$3,279,793 in capital and operating Annual Facilities Grant (AFG) funding. These funds are used throughout District schools to address ongoing maintenance and improvement needs. AFG funding is received and approved on a March 31 fiscal year end. For the 2021/22 fiscal year end, the District has again been approved for approximately \$3,279,793 in funding.

2020/21 AFG Funds - Eligible Uses:

- Roof Replacements and Major Repairs
- Mechanical System Upgrade and Repair
- Electrical System Upgrade and Repair
- Facility Upgrades
- Loss Prevention-Fire and Security Alarms
- Technology Infrastructure Upgrades
- Site Upgrades
- Disability Access
- Asbestos Abatement
- Health and Safety Upgrades
- Site Servicing

In addition to the AFG funding noted above, the District can submit a proposal to the MOE for additional funding for capital projects as described below.

School Enhancement Program (SEP) projects are investments that contribute to the safety and function of the school while extending the life of the asset.

Carbon Neutral Capital Program (CNCP) projects are investments that contribute to measurable emission reductions and operational costs savings expected as a result of completed projects.

Various School Playground Equipment Projects (PEP) are investments in various playground equipment.

	2020/21 Projects Spending
SEP	\$ 1,210,810
CNCP	\$ 436,552
PEP	\$ 0

RISKS AND UNCERTAINTIES

Strategic Plan

The changeability and unpredictability brought on by the pandemic has greatly impacted the education system for kindergarten to grade 12. In these uncertain times, the District looks to its vision, mission, and core values as defined in the District's strategic plan. More details on the strategic plan and highlights of accomplishments can be found on the website at:

[2021.06.22 Strategic Plan 2021-2026 Website.pdf \(sd57.bc.ca\)](#)

Implementation of Restored Collective Agreement language

In the fall of 2016, the Supreme Court of Canada (SCC) issued its decision in the longstanding litigation between the BCTF and the BC government regarding the removal of certain collective agreement provisions. On January 11, 2017, the Ministry of Education (MOE), the BC Public Schools Employers Association (BCPSEA) and the BC Teachers Federation (BCTF) signed a Memorandum of Agreement re: Letter of Understanding (LoU) No. 17: Education Fund and Impact of the Court Cases – Priority Measures as the first step in responding to the decision of the SCC. On March 10, 2017, the MOE, the BCPSEA and the BCTF ratified a Memorandum of Agreement pursuant to Letter of Understanding (LoU) No. 17 (“the MoA”), to the 2013-2019 BCPSEA–BCTF Provincial Collective Agreement.

The Memorandum of Agreement fully and finally resolves all matters related to the implementation of the SCC decision from the fall of 2016. Since March 2017, steps have been taken by the District to ensure that the terms agreed to in the Memorandum of Agreement pursuant to Letter of Understanding (LoU) No. 17 (“the MoA”) are implemented for the 2017/18, 2018/19, 2019/20 and 2020/21 school year. For 2021/22, additional funding has been approved by the Ministry of Education to offset the costs related to the implementation of the MoA. This will result in additional teacher salaries and benefits and related overhead costs for the upcoming year. It is anticipated that this additional revenue may not cover all costs related to implementation which is a potential risk to the financial position of the school district. Stringent oversight and analysis will be implemented to understand, communicate and mitigate the financial risks associated with this continued implementation.

Aging infrastructure

Existing school district budget allocations are not sufficient to support the procurement, maintenance or timely replacement of school district assets. This means that IT hardware is not refreshed on a regular basis, the deferred maintenance for School District No. 42 facilities continues to grow and the facility condition index for school district facilities continues to deteriorate. Any major equipment failures during 2020/21 must be funded from the contingency reserve.



Notes:

While the preparation and presentation of the Financial Statement Discussion and Analysis is not a legislative requirement, the Financial Statement Discussion and Analysis is recommended by British Columbia's Ministry of Education.

The preparation of the Financial Statement Discussion and Analysis is the responsibility of the school district's management.

The school district operates under authority of the School Act of British Columbia as a corporation and receives over 97% of revenue from the BC government through the Ministry of Education. Any changes to provincial grants will consequently have a significant impact on the school district's budget. The school district is exempt from federal and provincial corporate income taxes.