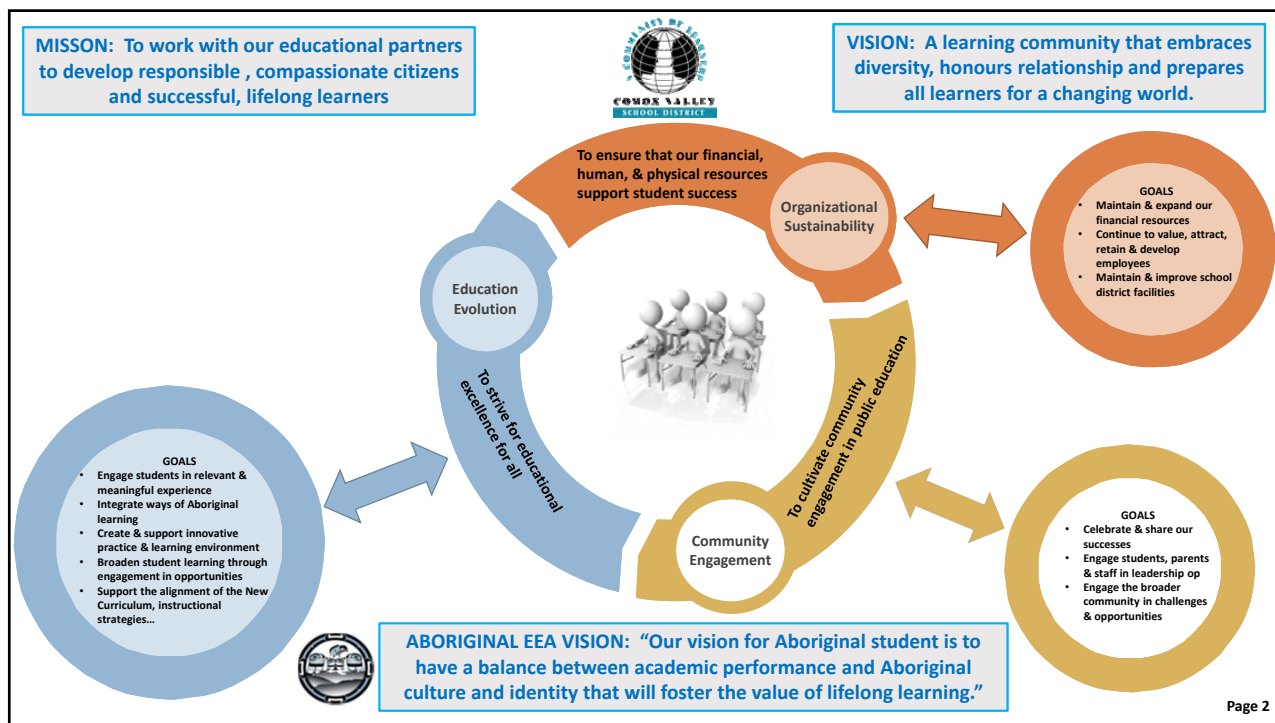


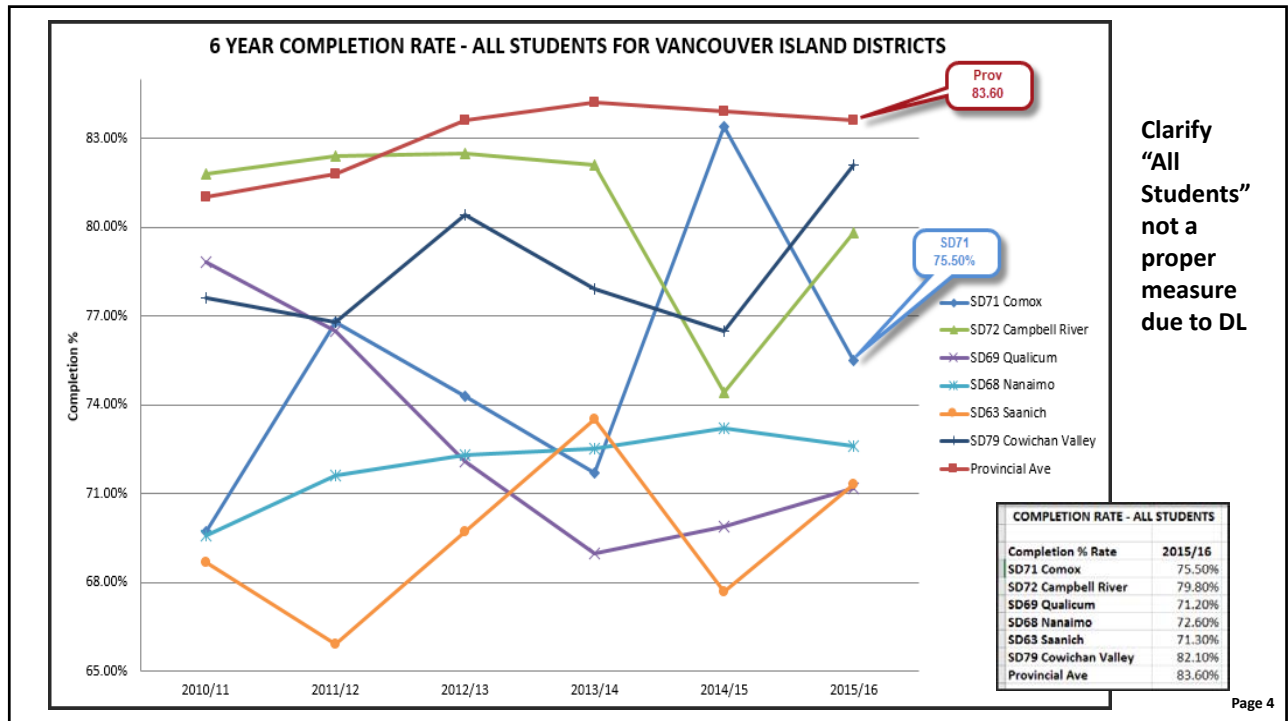
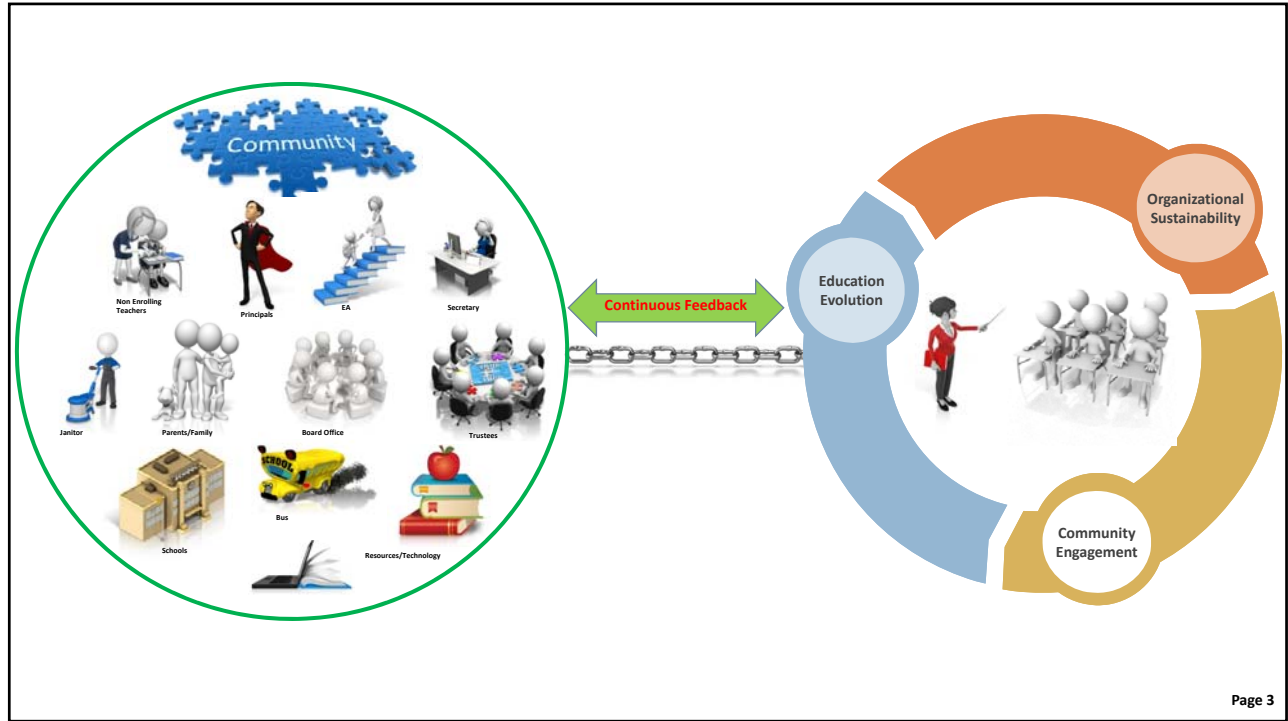
# 2016/17 Financial Statement Discussion & Analysis

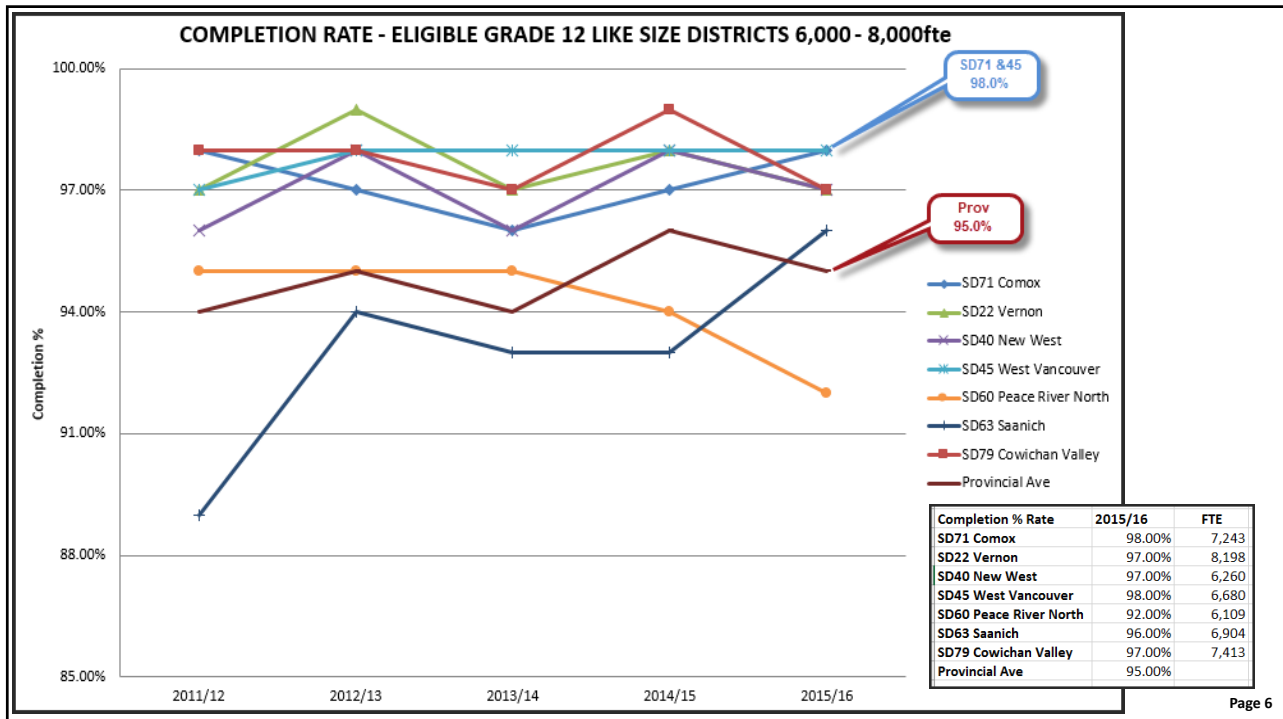
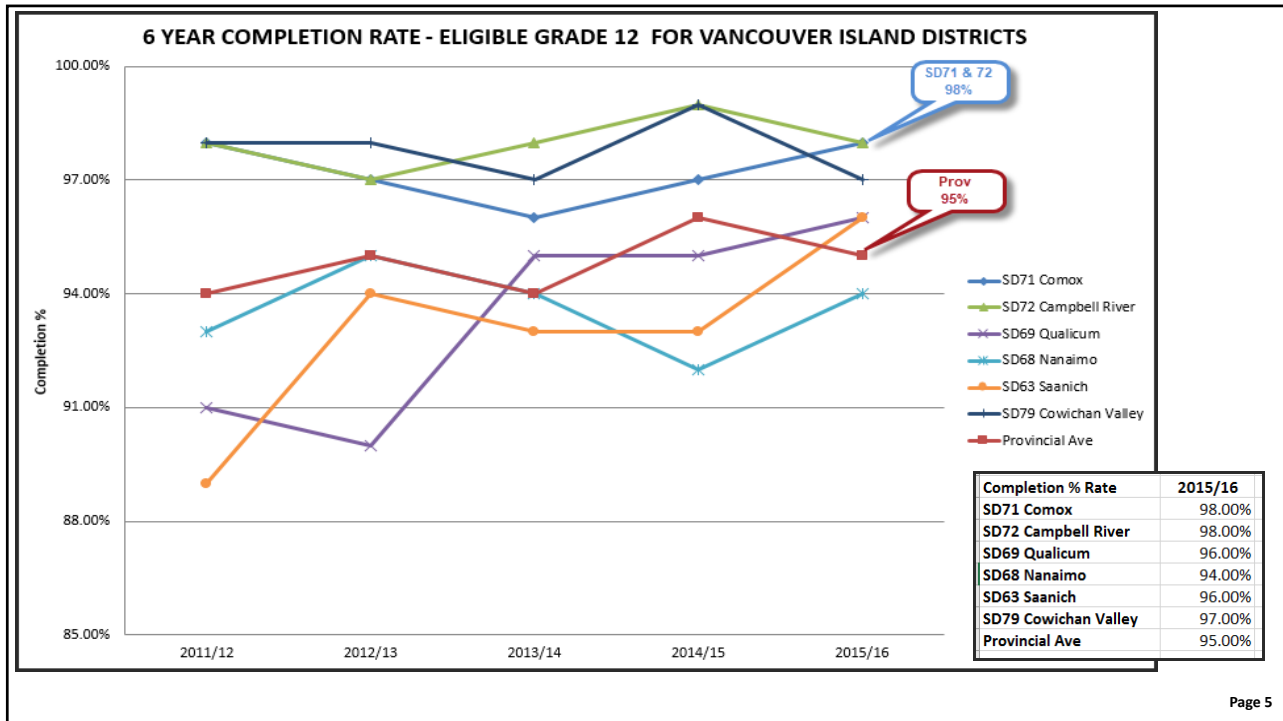
Presented to Board of Education for SD71 (Comox Valley)  
 Sept 26, 2017 7:00pm

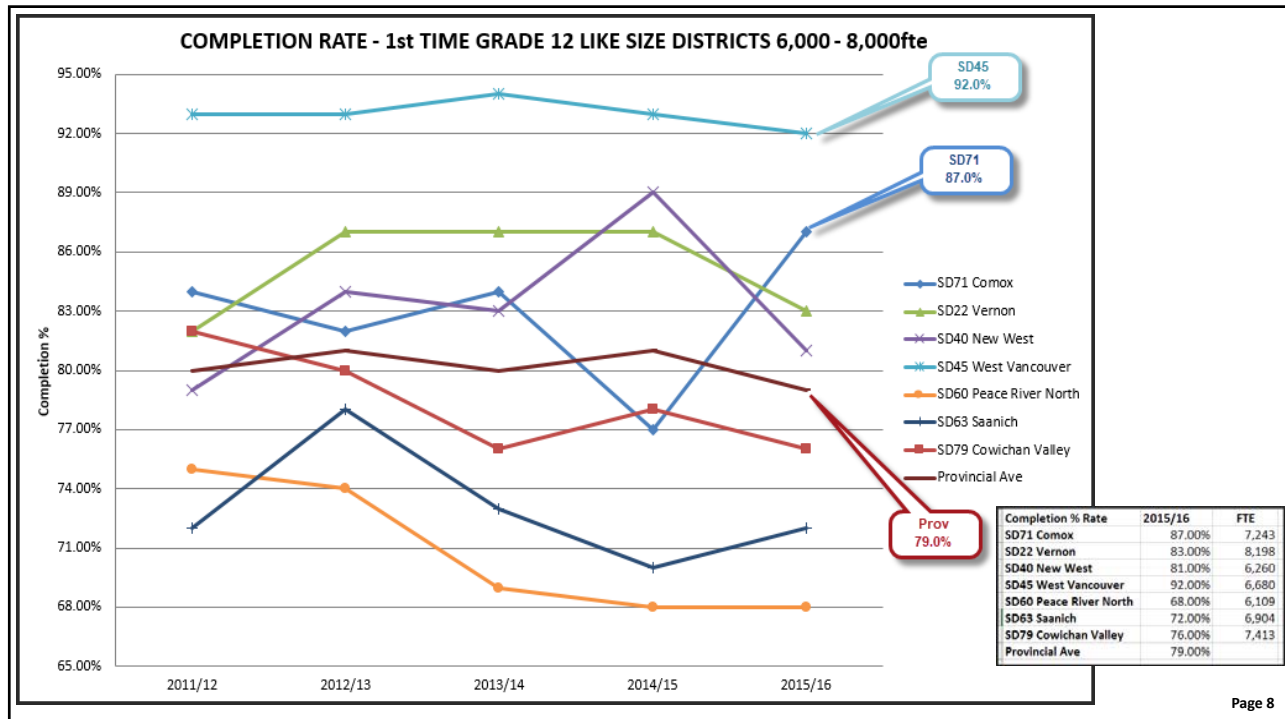
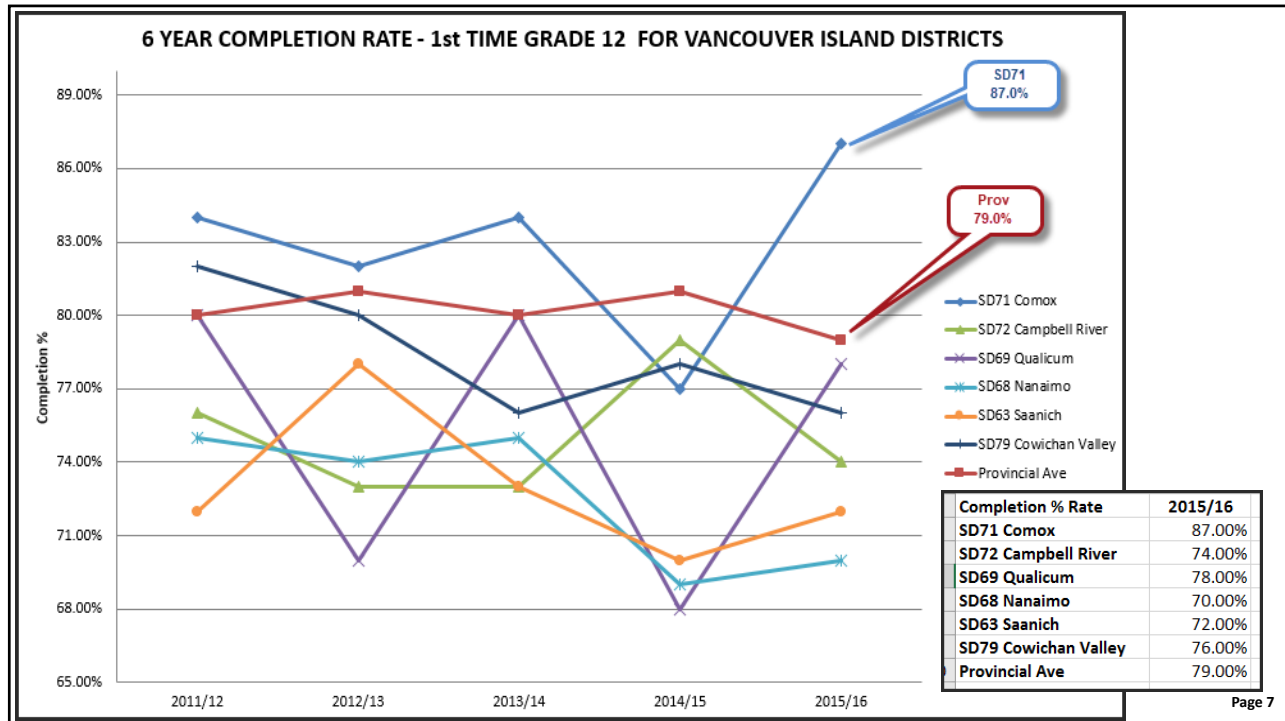


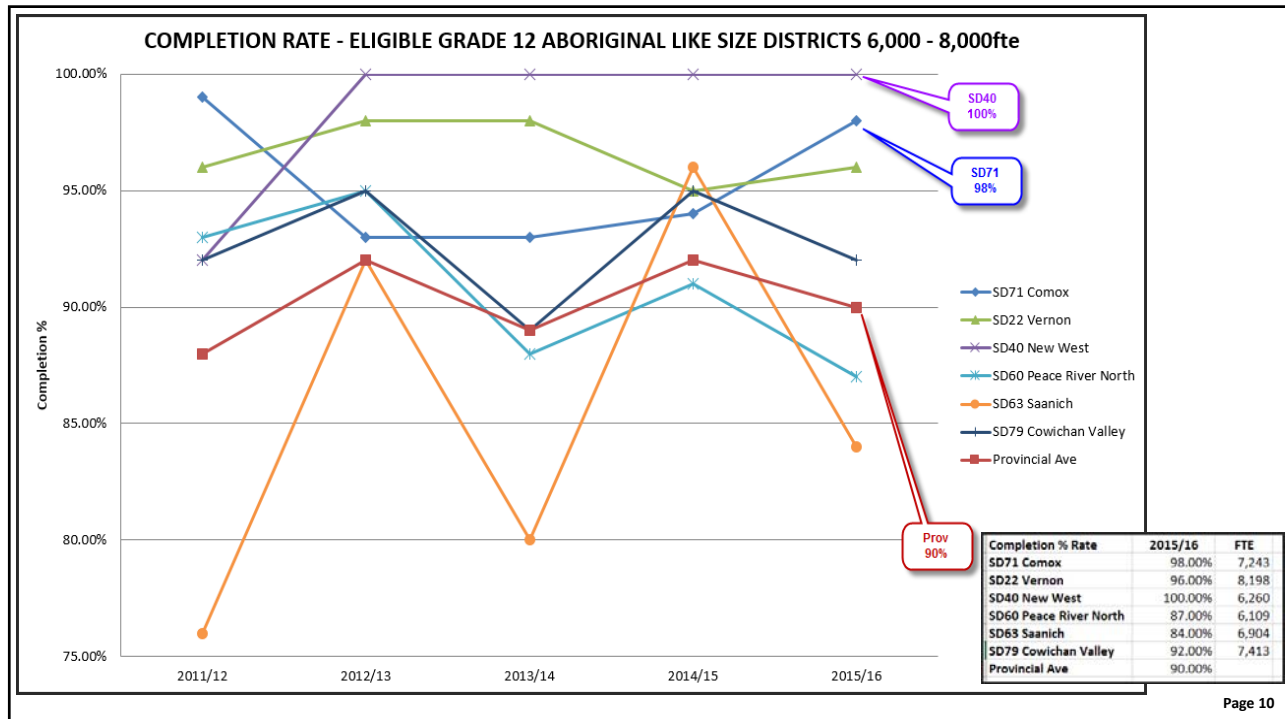
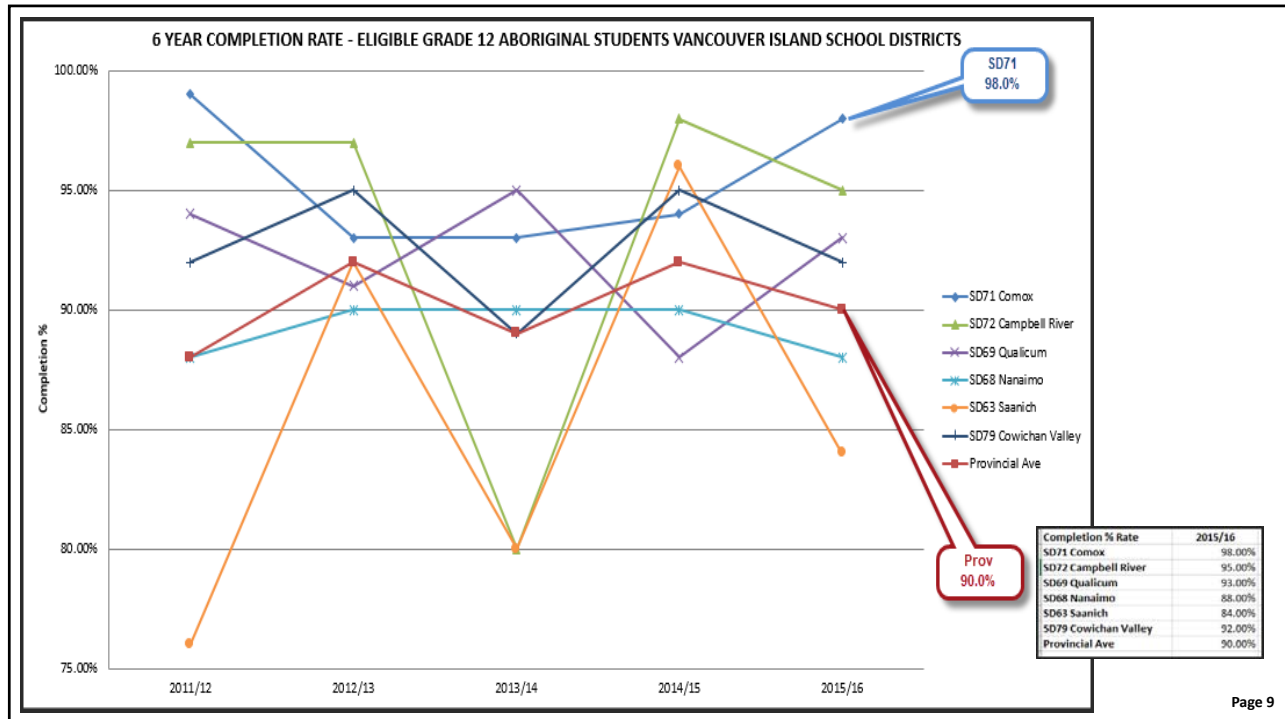
Presented by Sheldon Lee, CPA-CMA  
 Acting Secretary Treasurer

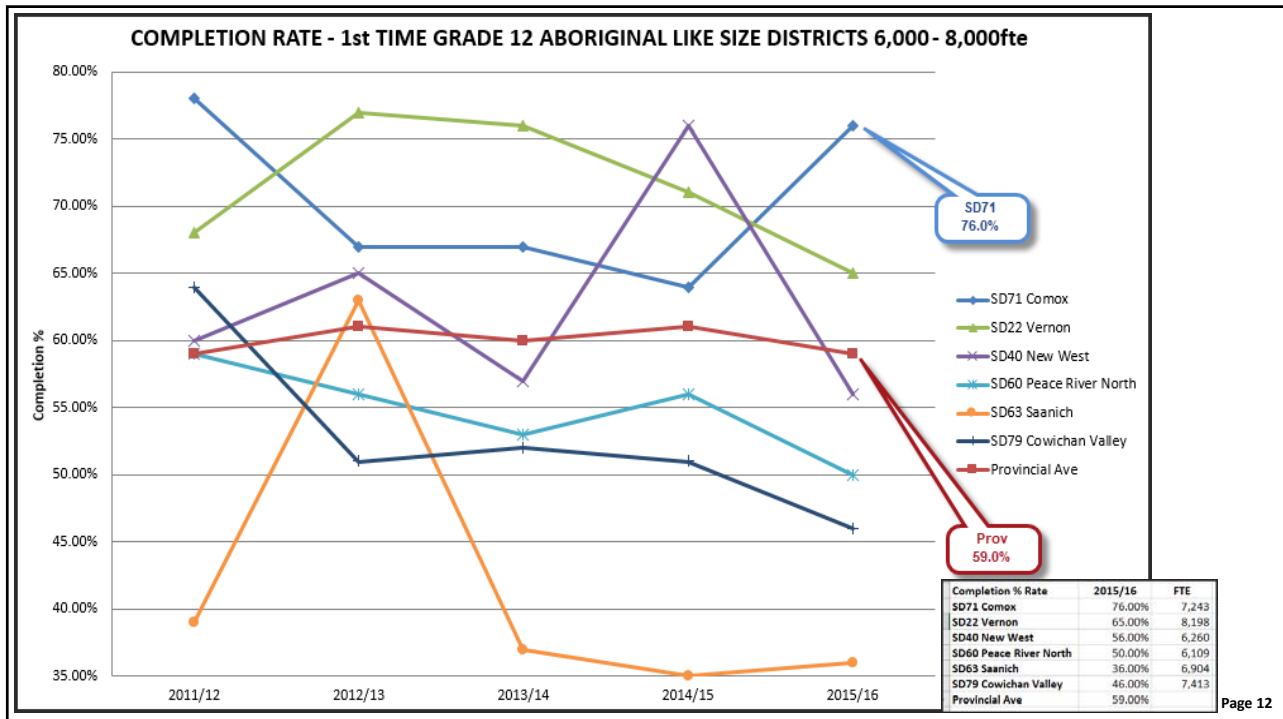
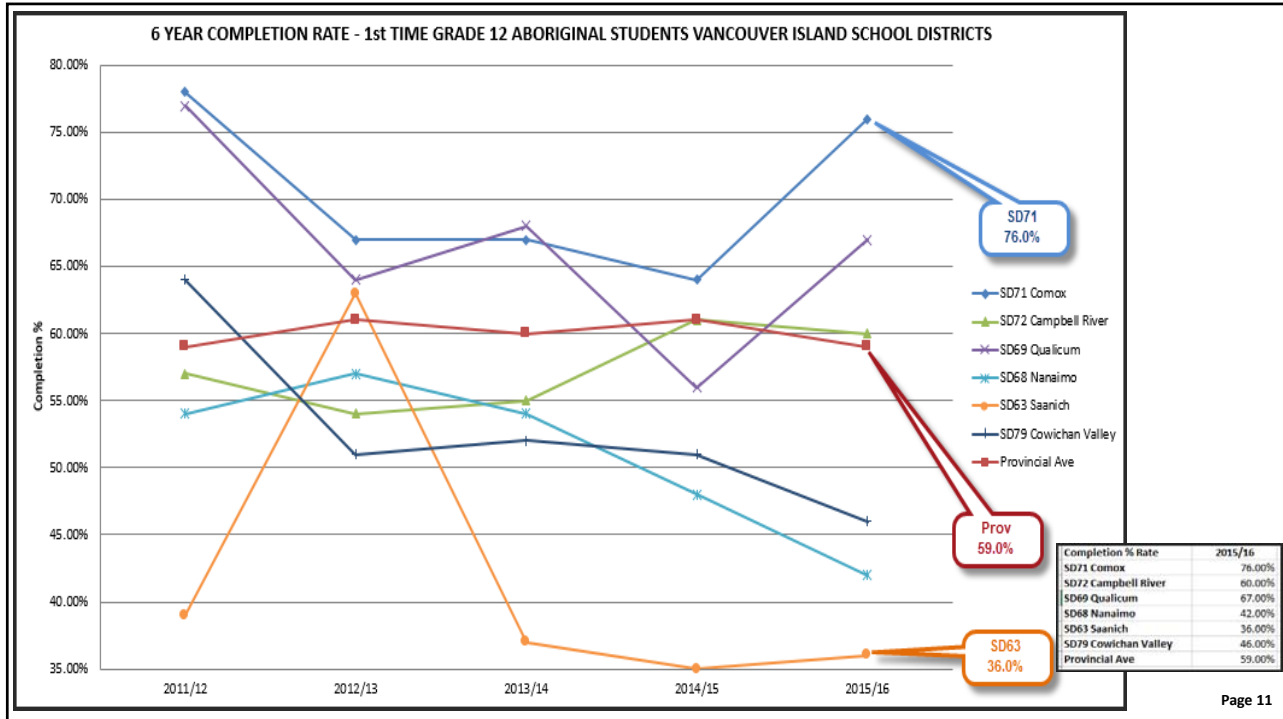












### Provincial Required Exams – 2015/16

**Table 3.6A**

Exam Marks	English 10		Math 10 Pre Calculus		Math 10 Apprentice		Science 10	
	C- (pass) or Better	C+ (good) or Better	C- (pass) or Better	C+ (good) or Better	C- (pass) or Better	C+ (good) or Better	C- (pass) or Better	C+ (good) or Better
2015/16	<b>91%</b>	<b>61%</b>	<b>96%</b>	<b>64%</b>	<b>96%</b>	<b>15%</b>	91%	48%
71 Comox Valley	84%	52%	88%	60%	57%	14%	86%	49%
72 Campbell River	84%	52%	88%	60%	57%	14%	86%	49%
69 Qualicum	88%	65%	75%	45%	59%	3%	88%	47%
68 Nanaimo	87%	56%	77%	49%	55%	8%	87%	47%
63 Saanich	88%	63%	89%	65%	83%	26%	95%	66%
79 Cowichan Valley	88%	54%	75%	43%	66%	17%	88%	45%
Provincial	90%	60%	84%	60%	66%	15%	92%	60%

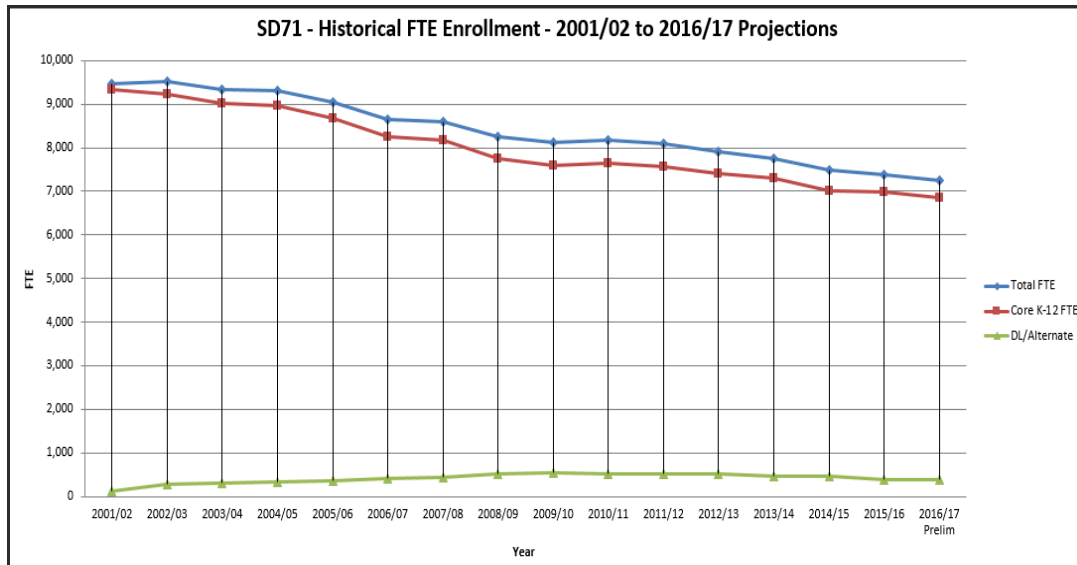
  

**Table 3.6B**

Exam Marks	Social Studies 11		BC 1 <sup>st</sup> Nations 12		English 12		Communications 12	
	C- (pass) or Better	C+ (good) or Better	C- (pass) or Better	C+ (good) or Better	C- (pass) or Better	C+ (good) or Better	C- (pass) or Better	C+ (good) or Better
2015/16	<b>92%</b>	<b>61%</b>	<b>93%</b>	<b>47%</b>	<b>92%</b>	<b>62%</b>	83%	55%
71 Comox Valley	87%	56%	100%	82%	94%	65%	87%	46%
72 Campbell River	87%	56%	100%	82%	94%	65%	87%	46%
69 Qualicum	95%	69%	92%	53%	92%	60%	88%	63%
68 Nanaimo	89%	51%	91%	51%	89%	55%	76%	34%
63 Saanich	96%	72%	94%	50%	90%	60%	76%	33%
79 Cowichan Valley	91%	56%	74%	11%	90%	56%	75%	38%
Provincial	93%	64%	89%	39%	91%	61%	85%	45%

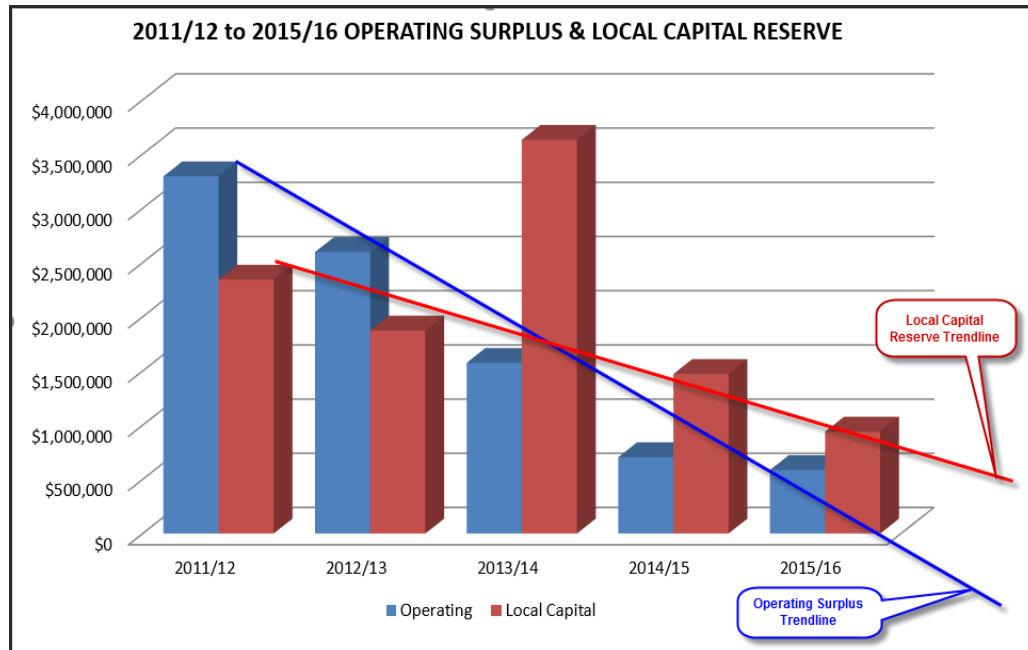
(***Bold Italic Blue***, indicates SD71 achieved higher exam marks than the provincial average)

### CHALLENGES LEADING UP TO THE 2016/17 SCHOOL YEAR – DECLINING ENROLLMENT



Year	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 Prelim	Total FTE Change 2001/02 to 2016/17	Total % Change 2001/02 to 2016/17	Total FTE Change 2015/16 to 2016/17
Total FTE	9460	9515	9393	9314	9263	8951	8602	8260	8132	8189	8086	7904	7763	7480	7376	7243	-2,094	-22.03%	-133
Core K-12 FTE	9349	9239	9029	8980	8883	8242	8177	7740	7600	7650	7587	7397	7308	7010	6996	6859	-2,353	-25.17%	-141
DL/Alternate	111	276	365	334	370	409	425	519	531	539	519	507	455	470	380	384	269	241.89%	9

## CHALLENGES LEADING UP TO THE 2016/17 SCHOOL YEAR – DEPLETING SURPLUS



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## CHALLENGES LEADING UP TO THE 2016/17 SCHOOL YEAR Con't

- FUNDING PROTECTION
- COST & FUNDING PRESSURES \$2.4million

### MAJOR DECISIONS TO ADDRESS CHALLENGES

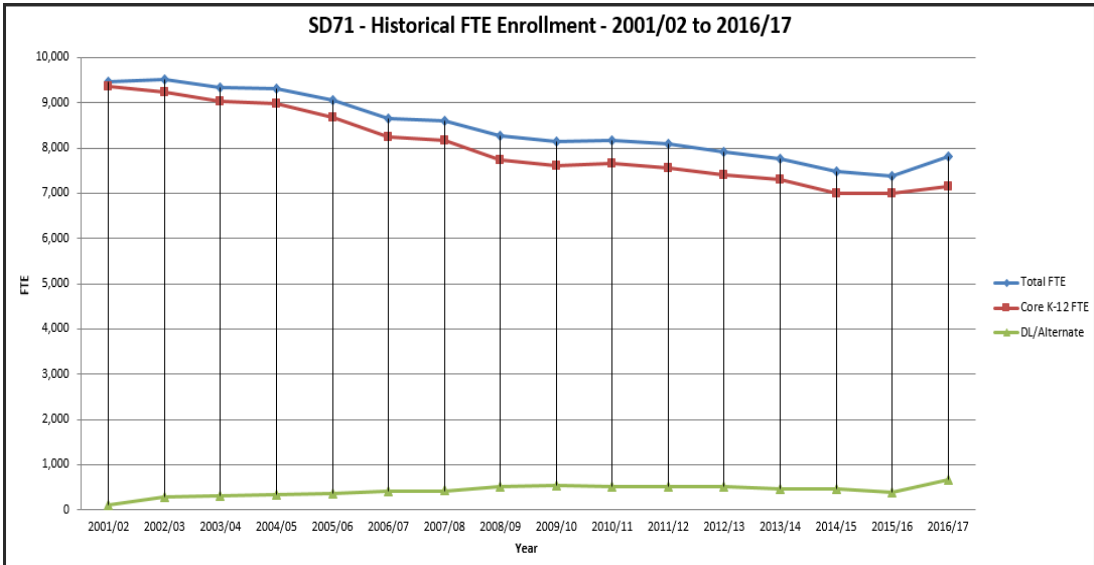
- ALTERNATE CALENDAR
- EXPAND DL PROGRAM

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### HIGHLIGHTS TO 2016/17 – INCREASED ENROLLMENT

SD71 - Historical FTE Enrollment - 2001/02 to 2016/17



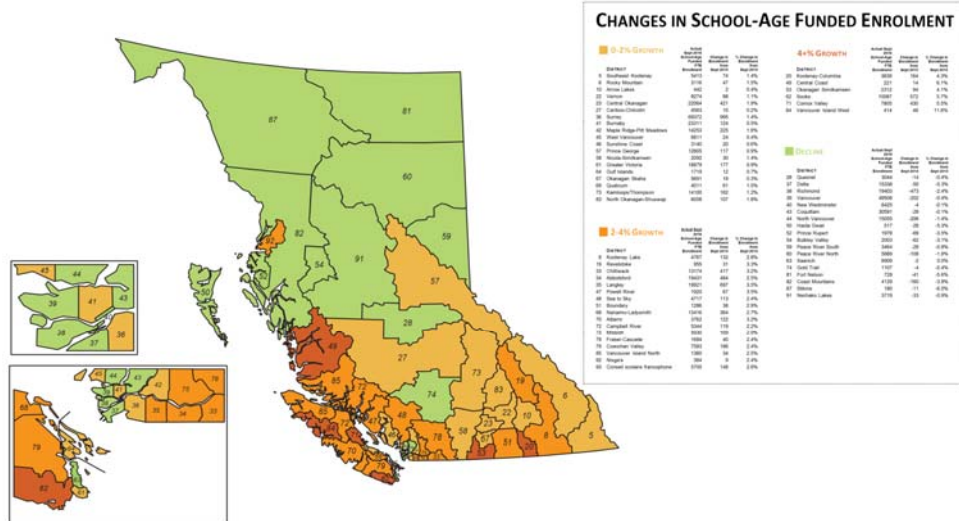
Year	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Total FTE Change 2015/16 to 2016/17	Total % Change 2015/16 to 2016/17
Total FTE	9,460	9,515	9,333	9,314	9,053	8,651	8,602	8,260	8,132	8,169	8,088	7,904	7,763	7,480	7,376	7,021	421	5.70%
Core K-12 FTE	9,340	9,239	9,029	8,990	8,663	8,242	8,177	7,740	7,600	7,650	7,567	7,397	7,300	7,010	6,996	7,143	147	2.10%
DL/Alternate	111	276	305	324	370	409	426	519	531	519	521	507	463	470	380	876	280	73.65%

Net = \$.38million

## 2016/17 enrolment update (from Ministry of Education)

Enrolment growth is strong along the Alberta border and in major urban areas

MINISTRY OF EDUCATION > STUDENT ENROLMENT IN BC 2016/2017



### HIGHLITES TO 2016/17 – INCREASED DL ENROLLMENT

**Table 6.4**

	2015/16 Actual		2016/17 Actual		Difference	
	FTE	Funding	FTE	Funding	FTE	Funding
Sept Enrollment	246.5	\$1,486,000	534.0	\$3,220,000	287.5	\$1,734,000
Feb Enrollment	193.9	\$1,075,000	211.0	\$1,162,000	17.1	\$87,000
May Enrollment	137.5	\$783,000	196.1	\$1,091,000	58.6	\$308,000
<b>Total</b>	<b>577.9</b>	<b>\$3,344,000</b>	<b>941.1</b>	<b>\$5,473,000</b>	<b>363.2</b>	<b>\$2,129,000</b>

**Net = \$1.00million**

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### HIGHLITES TO 2016/17 – UNANTICIPATED FUNDING

<i>Table 6.5</i>	<i>Actual</i>	<i>Annual Budget (AB)</i>	<i>Difference AB vs Act</i>	<i>Amended Annual Budget (AAB)</i>	<i>Difference AAB vs Actual</i>
Transportation Supplement	\$421,000	\$0	\$421,000	\$421,000	\$0
Administrative Savings	\$355,000	\$0	\$355,000	\$355,000	\$0
Student Learning Grant	\$404,000	\$0	\$404,000	\$0	\$404,000
<b>Sub Total Operating Fund</b>	<b>\$1,180,000</b>	<b>\$0</b>	<b>\$1,180,000</b>	<b>\$776,000</b>	<b>\$404,000</b>

**Net Operating Grants = \$1.14million**

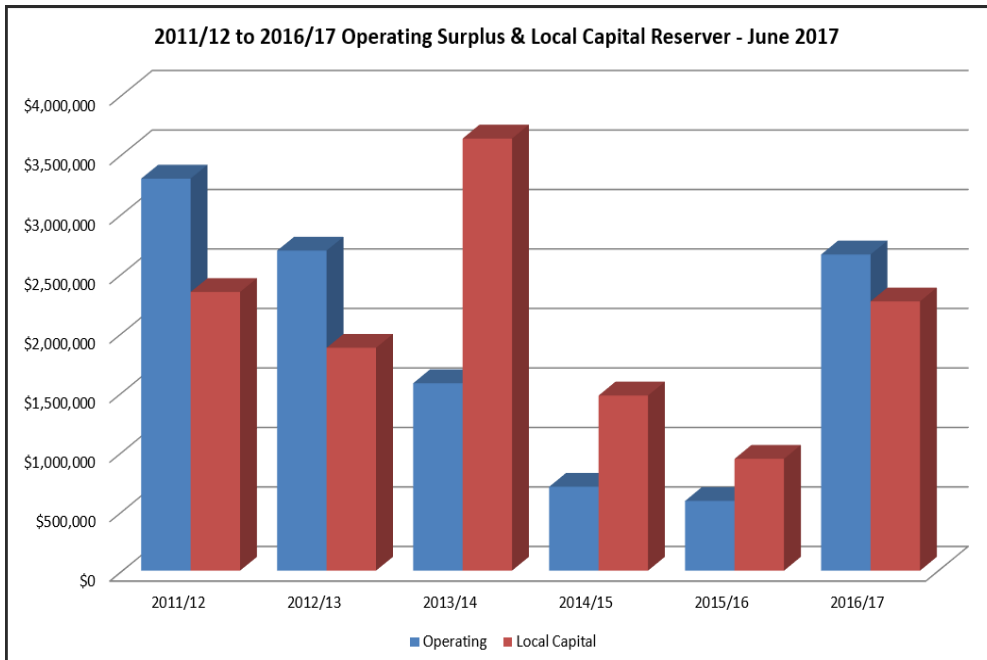
Coding (Special Purpose Funds)	\$83,000	\$0	\$83,000	\$83,000	\$0
Priority Measures SCC (SPF)	\$732,000	\$0	\$732,000	\$0	\$732,000
<b>Sub Total Special Purpose Funds</b>	<b>\$815,000</b>	<b>\$0</b>	<b>\$815,000</b>	<b>\$83,000</b>	<b>\$732,000</b>
<b>Grand Total Unanticipated Funding</b>	<b>\$1,995,000</b>	<b>\$0</b>	<b>\$1,995,000</b>	<b>\$859,000</b>	<b>\$1,136,000</b>

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### Summary to 2016/17 Incremental Surplus Change

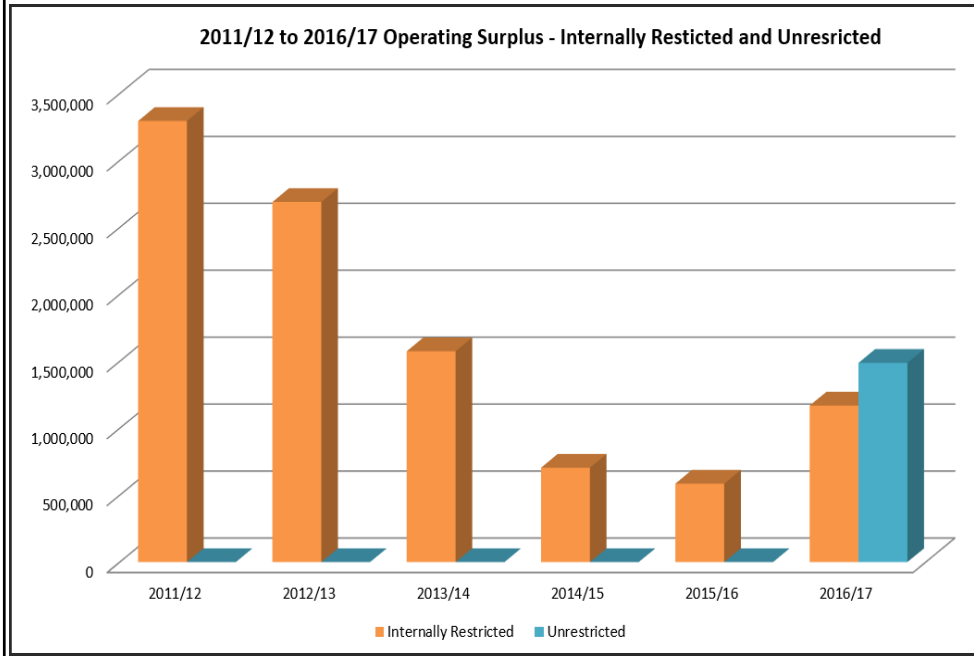
K-12 Enrollment Net		\$380,000	} Total = \$2,520,000
DL Enrollment Net		\$1,000,000	
Unanticipated Operating Grant Net		\$1,140,000	

### Summary to 2016/17 Incremental Surplus Change



2016/17 Balance  
 Op Sur = \$2,657,000  
 Local Cap = \$2,263,000

### Allocation 2016/17 Operating Surplus



**2016/17 Balance**  
**Restricted = \$1,169,000**  
**Unrestricted = \$1,488,000**

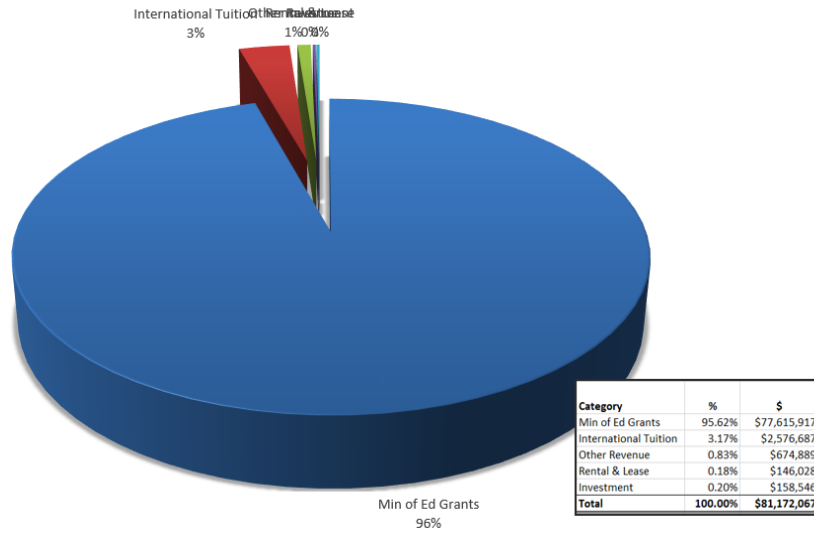
### Allocation 2016/17 Operating Surplus con't

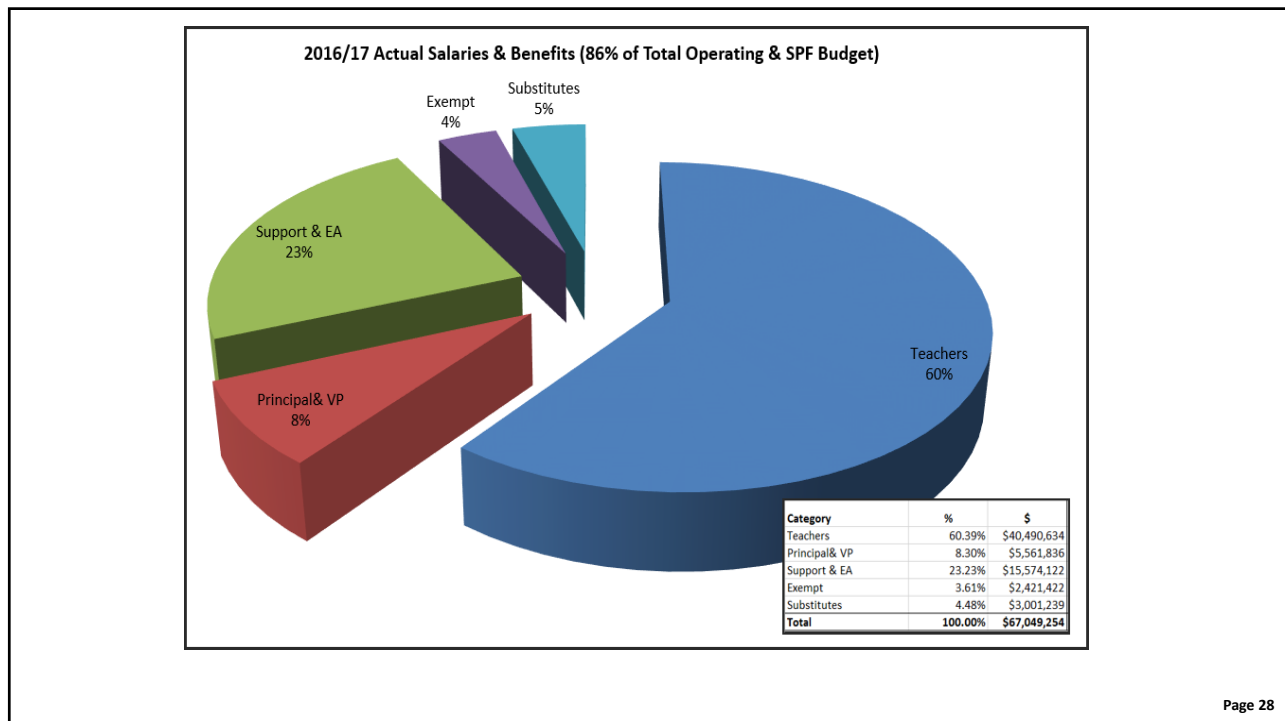
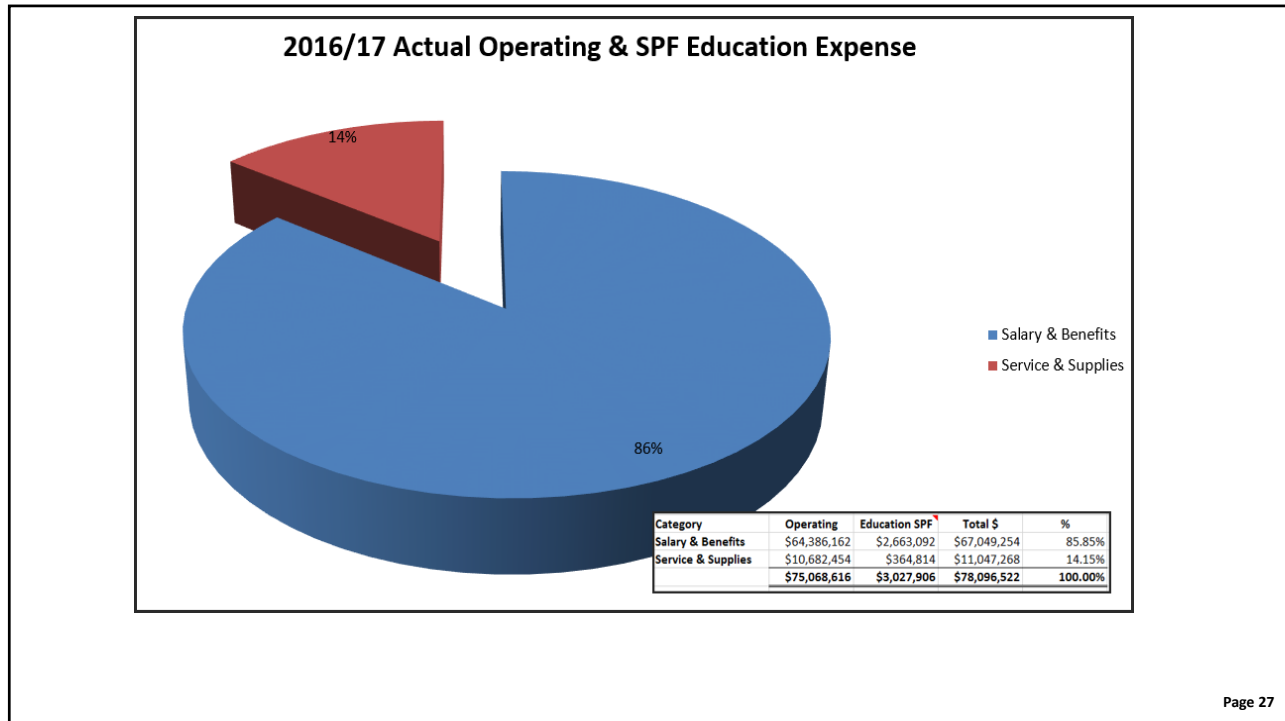
School Supplies Accounts		\$78,000	
Student Learning Grant		\$364,000	
Aboriginal Education		\$124,000	
Student Services	\$90,000		
21 <sup>st</sup> Century Learning	\$100,000		
Various School Grant Carry Forward	\$118,000		
Exempt Staff General Salary Increase	\$82,000		
Wage and Benefit Cost Pressures	\$213,000		
		\$603,000	
<b>Total Internally Restricted Surplus</b>		<b>\$1,169,000</b>	
<b>Total Unrestricted Surplus</b>		<b>\$1,488,000</b>	
<b>Total Internally Restricted &amp; Unrestricted Surplus</b>			<b>\$2,657,000</b>

### Allocation 2016/17 of Local Capital Reserve

<b>Table 6.2</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
GP Vanier Seismic	\$350,000			<b>\$350,000</b>
Technology Infrastructure	\$257,527	\$250,000		<b>\$507,527</b>
Extra Curricular Bus	\$80,000			<b>\$80,000</b>
Maintenance Vehicles	\$115,000	\$115,000		<b>\$230,000</b>
Career Education Equipment	\$30,000	\$30,000		<b>\$60,000</b>
Multi-Function Devices/Copiers	\$60,000	\$60,000		<b>\$120,000</b>
Board Office Upgrades and Prepaid Rent			\$915,000	<b>\$915,000</b>
<b>Grand Totals Local Capital Commitments</b>	<b>\$892,527</b>	<b>\$455,000</b>	<b>\$915,000</b>	<b>\$2,262,527</b>

### 2016/17 Actual - Revenue (Operating & Education SPF)



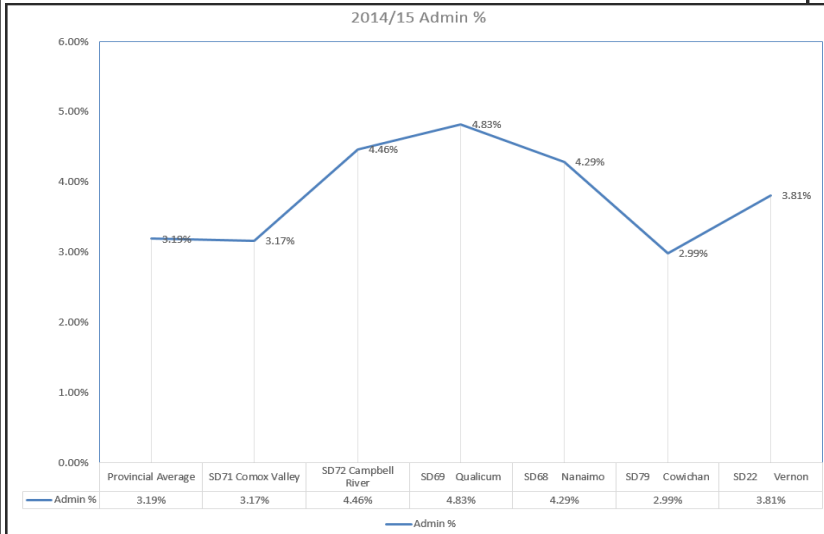


### 2016/17 Administration Expenditures

Table 6.8	\$	% Total Operating \$75m
Total District Administration (refer to Financial Statement – Schedule 2C, Function 4)	\$2,337,000	3.15%

Chart 6.8A Comparison to other Jurisdictions \*

District Administration Spending as a Percentage of Total Operational Spending	
School District Average:	
2014/15	3.19%
2013/14	3.29%
2009/10	3.07%
2003/04	2.80%
Douglas College	7.69%
University of Victoria	3.55%
Fraser Valley Health Authority	4.89%
Okanagan College	5.11%
Manitoba School Districts	3.49%
Alberta School Districts	3.74%



### 2016/17 Capital Asset

	Beginning	Ending	\$ Change	% Change
Site	\$14,154,000	\$14,152,000	-\$2,000	-0.01%
Buildings	83,228,000	92,270,000	9,042,000	10.86%
Furniture and Equipment	109,000	229,000	120,000	110.09%
Vehicles	433,000	430,000	-3,000	-0.69%
Computer Hardware	2,604,000	1,963,000	-641,000	-24.62%
<b>Total</b>	<b>\$100,528,000</b>	<b>\$109,044,000</b>	<b>\$8,516,000</b>	<b>8.47%</b>

Tangible Asset Changes	
GP Vanier Seismic project, Work In Progress	\$11,003,000
Courtenay Elementary Cladding upgrade, Work in Progress	730,000
Brooklyn Elementary Roof upgrade	400,000
Lake Trail Boiler Upgrade	100,000
Cumberland Mechanical and DCC upgrade	170,000
Various school building upgrades	1,602,000
Furniture & Equipment, Vehicle, and Computer additions	308,000
Amortization of Capital Assets	-5,797,000
<b>Total Change Summarized</b>	<b>\$8,516,000</b>

### 2016/17 Capital Reserves

Capital Fund	Description	June 30, 2016 Balance	June 30, 2017 Balance	\$ Change
Local Capital	Funds generated by the school district to be utilized for localized capital expenditures as determined by the school district. (refer to section 6.2 for detail allocation of reserve)	\$1,323,000	\$2,263,000	\$940,000
Ministry of Education Restricted Capital	Funds are generated by the proceeds received from the disposal of capital assets that was funded by the Ministry. Utilization of these funds must seek Ministry approval. The funds will be utilized on the GP Vanier Seismic project.	84,000	84,000	0
Other Provincial Capital	Grant received from the Industry Training Authority; to be utilized to support the purchases of trades' capital equipment.	0	113,000	113,000
	<b>Total Capital Reserve balance at June 30, 2017</b>		<b>\$2,460,000</b>	

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### 2016/17 Special Purpose Funds Reserves

Special Purpose Fund	Description to the SPF	June 30, 2016 Balance	June 30, 2017 Balance	\$ Change
Special Education Equipment	Grant received from Ministry of Education; to be utilized for the purpose of purchasing Special Education Equipment	\$24,000	\$14,000	-\$10,000
Scholarship & Bursaries	Funds received from donors; to support graduating students with their post secondary tuition with scholarships and bursaries as set out by the donors.	642,000	622,000	-20,000
Service Delivery Transformation	Grant received from the Ministry of Education; to be utilized with supporting districts with shared service delivery initiatives	39,000	39,000	0
School Generated Funds	Funds generated by schools; to be utilized by the individual schools for various expenditures e.g. field trips, graduation, year book, etc.	707,000	706,000	-1,000
Community Links	Grants received from the Ministry of Education; to be utilized for the support of community based expenditures e.g. Community Schools, School meals, etc.	33,000	147,000	114,000
Coding and Curriculum Implementation	Grant received from Ministry of Education; to be utilized by the school district with implementing computer coding courses	0	82,000	82,000
Priority Measures	Grant received from Ministry of Education; to support the school district with implementing the Supreme Court of Canada ruling with reinstating Class Size and Class Composition languages	0	20,000	20,000
Professional Development	Funds provided by the school district; to support exempt staff and Principals and Vice Principals professional development	75,000	87,000	12,000
	<b>Total Special Purpose balance at June 30, 2017</b>		<b>\$1,717,000</b>	

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<b>2016/17 Statement of Financial Position (BS)</b>			
<b>Financial Assets</b>			
	2017 Actual	2016 Actual	Change
Cash or Cash Equivalent	\$20,681,000	\$14,942,000	\$5,739,000
Acct Receivable - Due from Ministry	1,351,000	808,000	543,000
Other Accts Receivable	484,000	327,000	157,000
<b>Total Financial Assets</b>	<b>\$22,516,000</b>	<b>\$16,077,000</b>	<b>\$6,439,000</b>
<b>Liabilities</b>			
Accounts Payables	\$9,928,000	\$7,851,000	\$2,077,000
Unearned Revenue	2,613,000	2,020,000	593,000
Deferred Revenue	1,717,000	1,521,000	196,000
<del>Deferred Capital Revenue</del>	<del>80,867,000</del>	<del>71,343,000</del>	<del>9,524,000</del>
Employee Future Benefits	3,915,000	3,881,000	34,000
Capital Lease Obligations	348,000	550,000	<202,000>
<b>Total Liabilities</b>	<b>\$99,388,000</b>	<b>\$87,166,000</b>	<b>\$12,222,000</b>
<b>Net Financial Assets</b>	<b>&lt;\$76,872,000&gt;</b>	<b>&lt;\$71,089,000&gt;</b>	<b>&lt;-\$5,783,000&gt;</b>
<b>Revised Net Financial Assets</b>	<b>\$4,995,000</b>	<b>\$254,000</b>	<b>\$4,741,000</b>

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## Supreme Court of Canada Ruling

- **Impact to Alternate Calendar initiative**

- **Option A:**

Options A: Total \$2.44million budget reduction (total of 32.15 fte positions), focused of the reductions was on Administration and Support Staff:

• Reduce 3.0 fte School Board office support staff	\$105,000
• Reduce 4.25 fte School Principals	410,000
• Reduce 3.0 fte Maintenance Staff	170,000
• Reduce school supplies	50,000
• Implement a student rider fees	200,000
• Reduce 11.0 fte various Ed Ast and Support Staff	450,000
• Increase Secondary pupil teaching ratio = 3.6 fte	346,000
• Reduce 3.6 fte elective course teachers	350,000
• Reduce 3.0 fte Curriculum teachers	289,000
• Reduce 0.7 fte Library	71,000 *

- **Option A:**

- **Only able to restore \$71,000 from SCC**
- **Require \$2.33million from Operating**

- **Option B:**

Option B: Total \$2.42million budget reductions (total of 26.4 fte positions), focused of the reductions of Student Support Teachers:

• Reduce 3.0 fte School Board office support staff	\$105,000
• Reduce school supplies	50,000
• Increase Secondary pupil teaching ratio = 3.6 fte	346,000
• Reduce 4.6 fte elective course teachers	446,000
• Reduce 3.0 fte Curriculum teachers	289,000
• Reduce 1.6 fte Speech/Language, Psychologists, and Occupational Therapist	154,000
• Reduce 0.7 fte Library	71,000 *
• Reduce 6.9 fte Learning Support teachers	666,000 *
• Reduce 3.0 fte School Counsellors	289,000 *

- **Option B:**

- **Only able to restore \$1.0million from SCC**
- **Require \$1.4million from Operating**

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### **Future Outlook for SD71 2017/18 and Onwards**

- **Enrollment Outlook**
- **Implementation of SCC**
  - Physical Classroom Space (required 50 classes, 44 from existing & 6 portables)
  - Teaching staff
- **Capital Projects**
  - GP Vanier Seismic
  - Portable Classrooms
  - Long Range Facilities Plan
  - Board Office
- **Enterprise Risk Management (ERM)**
  - Organizational Capacity (program reviews)
  - Succession Planning
  - Funding Continuity/Stability
  - Contract Negotiation (Expires June 2019), impact on:
    - SCC Class Size and Class Composition
    - Funding of CBA
    - Legislated or negotiated settlement

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### **Acknowledgments**

- **Board of Education**
- **Educational Partners/Stakeholders**
- **Finance/Audit Committee**
- **Office of Auditor General**
- **Schools Administrators and School Admin Assistance**
- **Finance, Payroll, & HR Staff**
- **Senior Administrative Team**
- **The Director of Finance, Candice Hilton**

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<b>2016/17 Statement of Financial Position (BS)</b>			
<b>Financial Assets</b>			
	2017 Actual	2016 Actual	Change
Cash or Cash Equivalent	\$20,681,000	\$14,942,000	\$5,739,000
Acct Receivable - Due from Ministry	1,351,000	808,000	543,000
Other Accts Receivable	484,000	327,000	157,000
<b>Total Financial Assets</b>	<b>\$22,516,000</b>	<b>\$16,077,000</b>	<b>\$6,439,000</b>
<b>Liabilities</b>			
Accounts Payables	\$9,928,000	\$7,851,000	\$2,077,000
Unearned Revenue	2,613,000	2,020,000	593,000
Deferred Revenue	1,717,000	1,521,000	196,000
<del>Deferred Capital Revenue</del>	<del>80,867,000</del>	<del>71,343,000</del>	<del>9,524,000</del>
Employee Future Benefits	3,915,000	3,881,000	34,000
Capital Lease Obligations	348,000	550,000	<202,000>
<b>Total Liabilities</b>	<b>\$99,388,000</b>	<b>\$87,166,000</b>	<b>\$12,222,000</b>
<b>Net Financial Assets</b>	<b>&lt;\$76,872,000&gt;</b>	<b>&lt;\$71,089,000&gt;</b>	<b>&lt;\$5,783,000&gt;</b>
<b>Revised Net Financial Assets</b>	<b>\$4,995,000</b>	<b>\$254,000</b>	<b>\$4,741,000&gt;</b>

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**End**