



Nicola  
Similkameen  
School District

# Multi-Year Financial Plan

July 1, 2024 – June 30, 2027

*September 6, 2024*



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## Introduction

The multi-year financial plan should not be viewed as a stand-alone document. The District's Annual Budget provides a detailed overview for how the Board of Education planned to utilize its resources in the delivery of educational programs and services, and, the Audited Year-end Financial Statements evaluate the financial health and budget performance of the District for the respective school year. The District's Annual Budget and Audited Year-end Financial Statements are the most critical statements the reader must consider when understanding the District's financial performance. While the Annual Budget and Year End Financial Statements provide information regarding the District's three main areas of spending (i.e. Operating Fund, Special Purpose Fund, Capital Fund) the Multi-Year Financial Plan narrows its scope exclusively to the District's Operating Fund, which is connected to the Board's Accumulated Operating Surplus. In addition to the Annual Budget and Financial Statements, the Financial Statement Discussion and Analysis report is published to accompany the reader with additional information regarding the financial statements.

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*The Multi-Year Financial Plan narrows its scope exclusively to the District's Operating Fund, which is connected to the Board's Accumulated Operating Surplus.*

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The Multi-Year Financial Plan is much broader in scope, covering the span of three school years, providing the reader a suggestion for what the financial landscape of the District will possibly look like over a three-year period, using all of the available information at the time of publication. There are various economic factors that can alter the course of the Multi-Year Financial Plan.

Micro-economic factors include: Enrolment Levels, Funding and Budget Management, Staffing Levels, Resource Allocation, Local Economic Conditions, Community Support, Regulatory Compliance, Competitive Position, Technology and Integration.

Macro-economic factors include: Government Funding and Budget Allocations, Economic Growth & Stability, Demographic Trends, Inflation and Cost of Living, Labour Market Conditions, Technological Advancements, Tax Policies, Public Health and Safety, Political Climate and Policy Change, and Environmental Factors (climate change)

A multi-year Financial Plan can be seen in a similar context as a plane flying at a high altitude; while the view is vast and broad, it is difficult to acquire any sort of intricate details without descending to a lower altitude. In a similar way, while the Multi-Year Financial plan aims to forecast the financial landscape of the District over a three-year period, it is the District's Annual Budget, Year-end Financial Statements and the Strategic Plan that provide the reader with much more detail than a multi-year financial plan is able to accomplish.

The School District's Annual Budget, Year-end Financial Statements, Financial Discussion and Analysis, and the Multi-Year Financial Plan can be downloaded from the District's website: Budget & Financial Statements - SD58 Nicola-Similkameen. The preparation of multi-year financial plan is management's responsibility.

## School District Overview

Located in the Similkameen and Nicola valleys, the School District serves six First Nations, the Metis peoples, the Town of Princeton, Regional District of Okanagan Similkameen (RDOS), the City of Merritt, and the Thompson Nicola Regional District (TNRD) spread throughout the Similkameen and Nicola valleys. The District provides educational services to approximately 2,400 students, which includes the School District's online learning program for students all across the Province of BC.

Services include: Indigenous Education Program, French Immersion, Youth Work in Trades and secondary apprenticeships, sports, Distributed Online Learning, and Alternative Programming. The District operates within the traditional and unceded territories of the Nłeʔképmx and Syilx people and it values the knowledge of, and contributions by, our Métis Communities in both Princeton and Merritt.

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*The District provides educational services to approximately 2,400 students, which includes the School District's online learning program for students all across the Province of BC.*

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The District is working to increase awareness, understanding and integration of Indigenous culture, history and language in all of our schools; it is part of the School District's ongoing commitment to Truth and Reconciliation.

The governing body of the School District is a Board of Education made up of seven trustees who are each elected for a four-year term. Two trustees are elected in the Town of Princeton, one trustee elected in the Regional District of Okanagan Similkameen, three elected in the City of Merritt, and one trustee elected in the Thompson Nicola Regional District. The District's day-to-day operations are carried out by the administrative staff of the School District under the leadership of the Superintendent of Schools (the District's Chief Executive Officer) and, the Secretary Treasurer (the District's Chief Financial Officer).

## Strategic Plan

In June 2021, the School District completed its Strategic Plan, in consultation with our partner groups—a group represented by more than 450 voices. While the full Strategic Plan is available on the School District's website, [www.SD58.bc.ca](http://www.SD58.bc.ca), it's three priorities include:

1. **Meaning & Purpose.** Engage our learning community through a common understanding and commitment to the purpose and pursuit of student success.
2. **Appreciation & Respect.** Create a culture of care built on respect and appreciation
3. **Connection.** Build capacity by connecting students, families, staff and the greater community to learning.

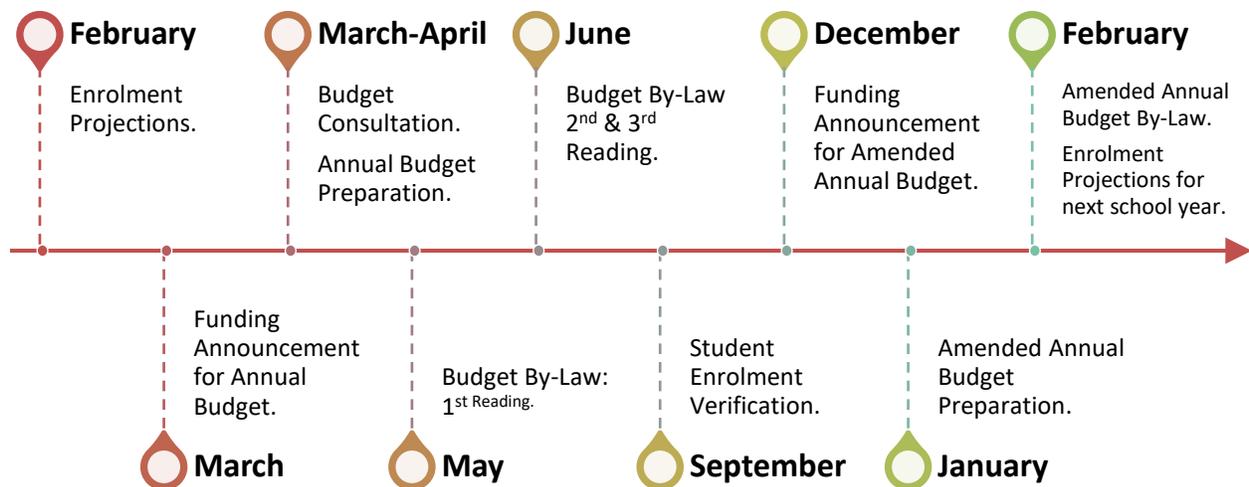
The Board of Education has extended the Strategic Plan to 2026 in light of the operational setbacks resulting from the pandemic, wildfires, and the overland flooding events through the past few years. The guiding principles behind the Strategic Plan include:

1. Innovation & promising educational practices
2. Inclusion, equity, dignity and diversity
3. Relationships built on trust & mutual respect
4. The well-being of student, families, staff, and the community
5. The pursuit of excellence, personal best, and citizenship
6. The heritage and culture of Indigenous people and the recognition of the traditional territories of the Nłeʔképmx and Syilx peoples
7. The important role families have in their children's education

## Budget Cycle & Timeline

The School District's fiscal year begins on July 1 and ends on June 30th. Below is a chronological timeline for how the District prepares its Annual Budget. Funding is largely determined by student enrolment. As a result, the budget year begins with the submission of the District's three-year enrolment projects. The Ministry of Education and Child Care uses the District's enrolment projections to publish the District's funding for the new school year. This sets the stage for the District's budget consultation and preparation of the Annual Budget, which takes place between March and May. The Board of Education approves and submits the budget to the Ministry in June.

Student enrolment is verified in September and final budget allocations are announced by the Ministry in December. The School District makes budget adjustments based on the final funding allocation and the Board of Education approves the Amended Annual Budget in February.

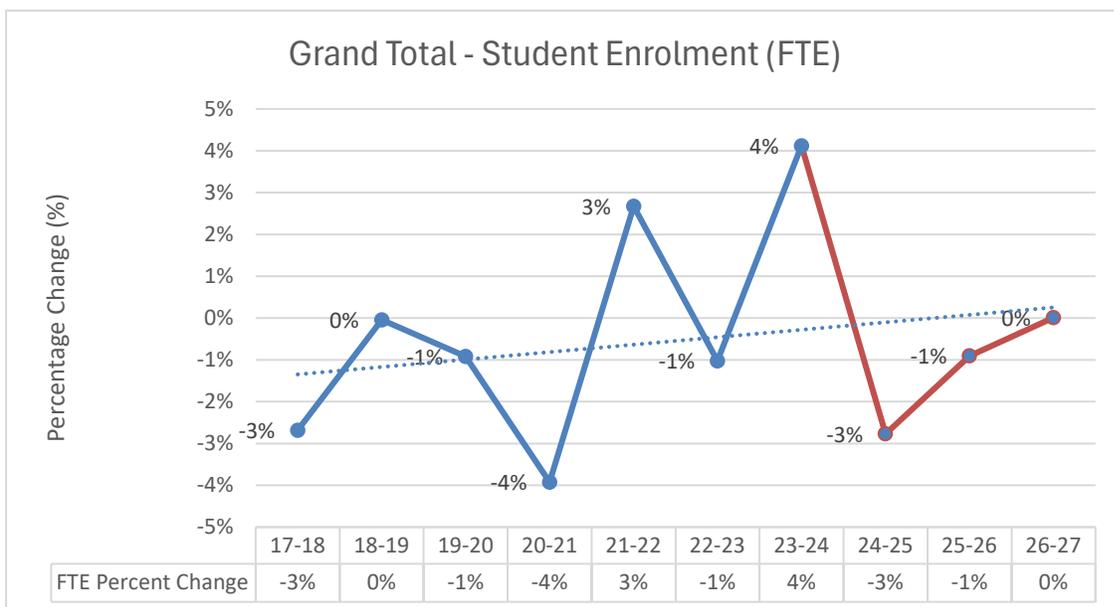
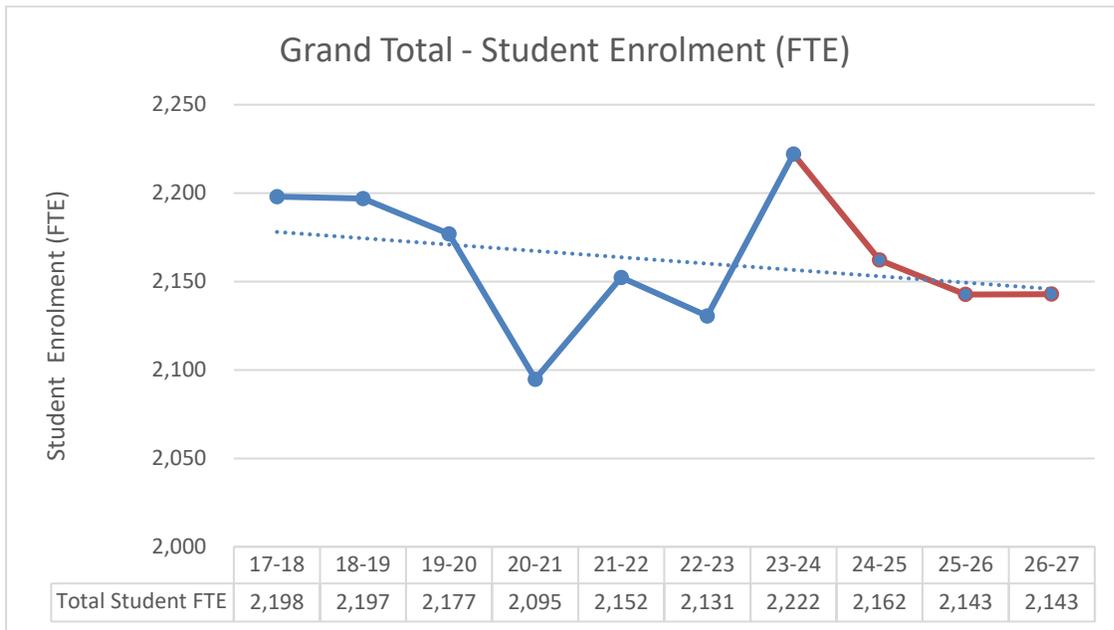


## Enrolment Trends

Total Student Enrolment is highlighted in the two charts below: the first chart expressing the total student enrolment by school year; the second chart expressing the total percentage change in student enrolment, year-over-year.

Total Student Enrolment has dropped from 2,198 FTE in 2017-2018 to 2,131 FTE in 2022-2023. In 2023-2024, the District saw an enrolment increase to 2,222 FTE.

The years 2024-2025 through until 2026-2027 are represented by the School District's three-year enrolment projections and do not factor in real-time enrolment changes that can take place from time-to-time. The District's three-year enrolment projections are in alignment with the Ministry's enrolment projections for the School District.

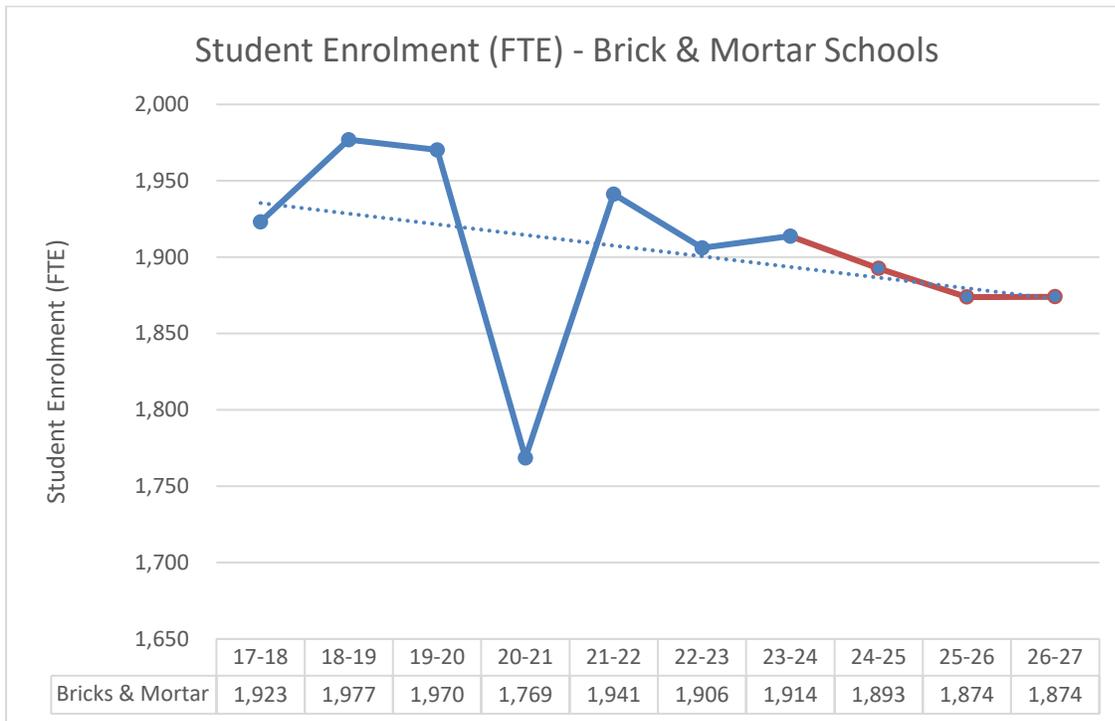


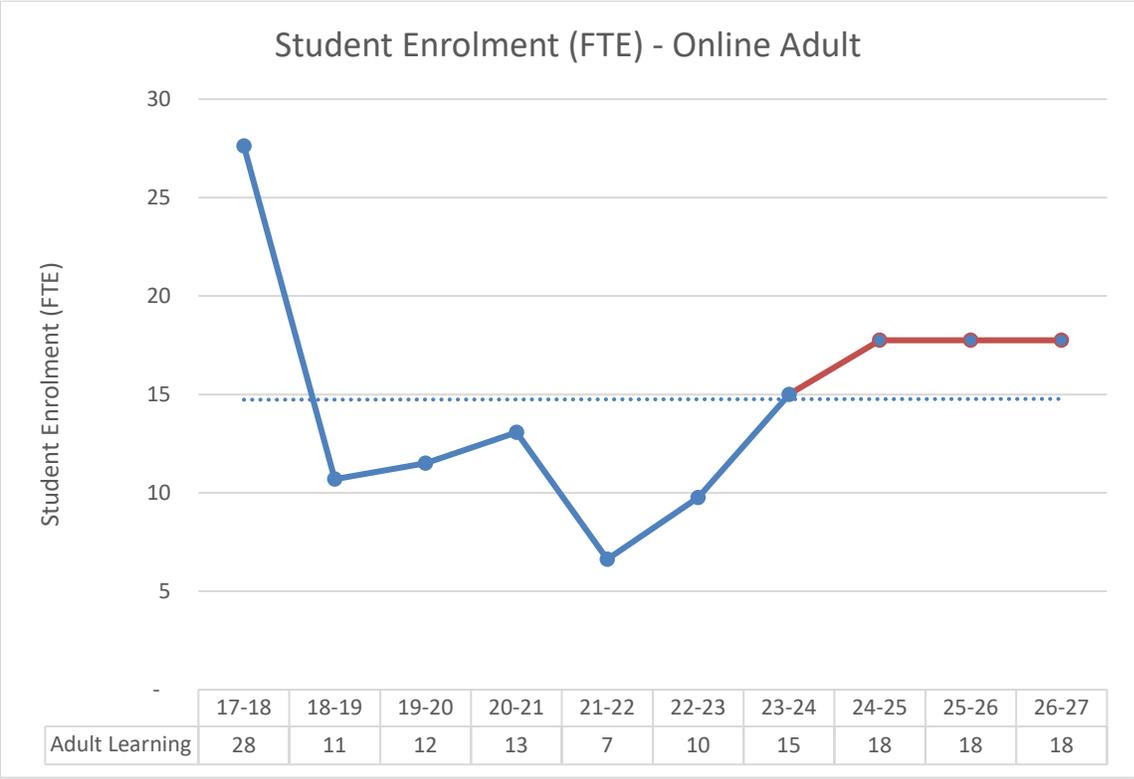
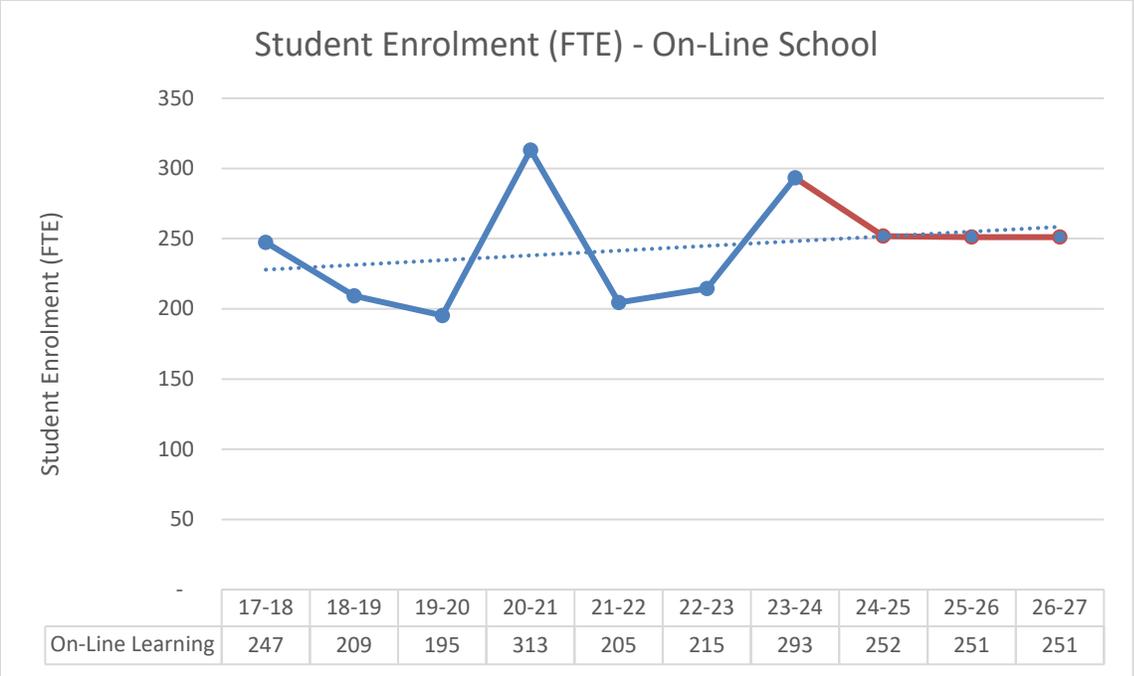
Total Student enrollment is split between Brick & Mortar Schools and On-Line Schools. Brick & Mortar pertains to the physical schools located throughout the School District while the On-Line School is represented by the Districted On-Line Distributed Learning School, South Central Interior Distance Education School (SCIDES). The following three charts provide an overview of Student enrolment firstly, by Bricks & Mortar, and secondly, On-Line.

*Student enrolment is projected to decrease to 1,874 FTE in the 2026-2027 school year. This drop is represented by a combination of factors: birth rates, high school graduation, and displaced families resulting from the overland flooding events in 2021.*

Student enrolment for Brick & Mortar schools has dropped from 1,923 FTE in 2017-2018 to 1,914 FTE in 2023-2024. Based on the enrolment projections for the next three school years, student enrolment is projected to decrease to 1,874 FTE in the 2026-2027 school year. This drop is represented by a combination of factors: birth rates, high school graduation, and displaced families resulting from the overland flooding events in 2021.

On-Line Distributed Learning has been showing signs of growth for the same period of time. Recently, the Province reduced the number of On-Line schools from 60 down to 17. Nicola-Similkameen remains as one of the 17 providers of On-Line learning. The enrolment projections for the next three years reflect a downturn from 2023-2024 with little growth; this is a conservative posture however, there continues to be incremental growth as the Province adjusts from 60 to 17 On-Line schools and as SCIDES introduces new courses in the area of athletics. Online Adult enrolment dropped from 28 in 2017-2018 to 7 in 2021-2022. Since then, adult enrolment has risen to 15 in 2023-2024 and is projected to increase in the next three years.





## Base Grant Funding Per Student

There are many factors that contribute to the making of the total funding extended to the School District from the Ministry for its key fund, the Operating Budget. Such factors include Enrolment Decline, Unique Student Needs, Supplement for Salary Differential, Supplement for Unique Geographic Factors, and Funding Protection. Funding for Unique Geographic Factors include: Small Community Supplement, Low Enrolment Factor, Rural Factor, Climate Factor, Sparseness Factor and Student Location Factor. The largest portion of funding however, is enrolment-based funding. The two charts below provide the base enrolment funding per student as well as the percentage change of base funding per student, year-over-year.

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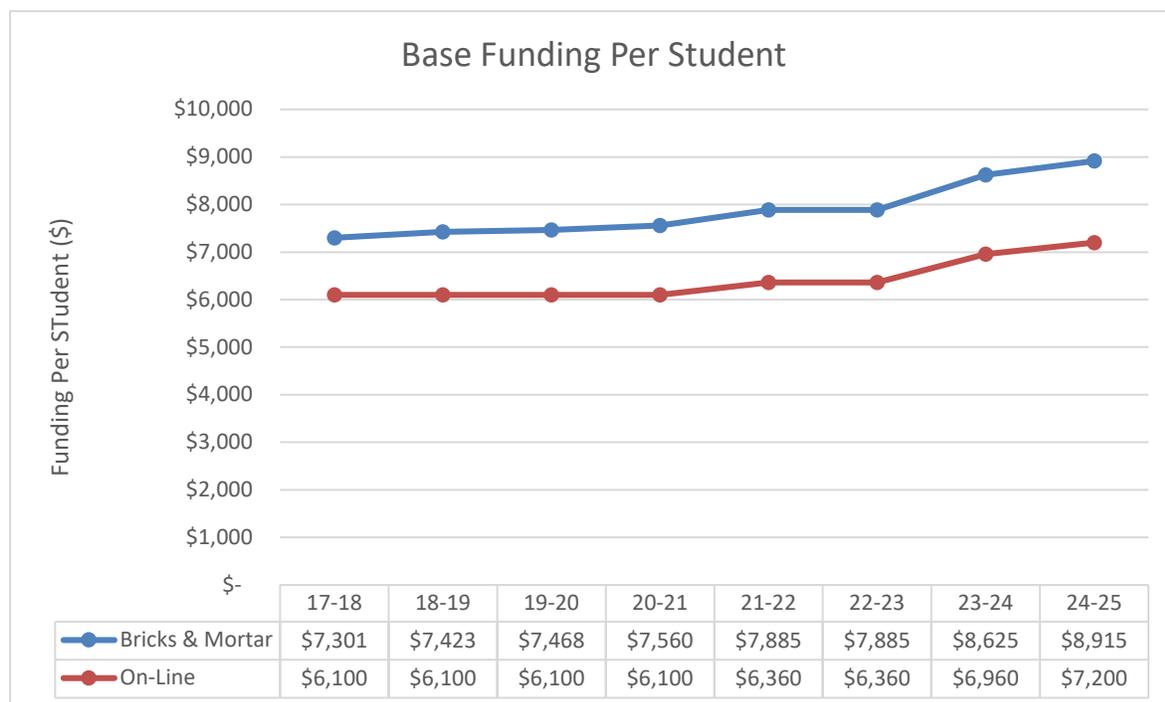
*Base funding per student for Bricks & Mortar Schools has increased from \$7,301 per student in 2017-2018 to \$8,915 in 2024-2025.*

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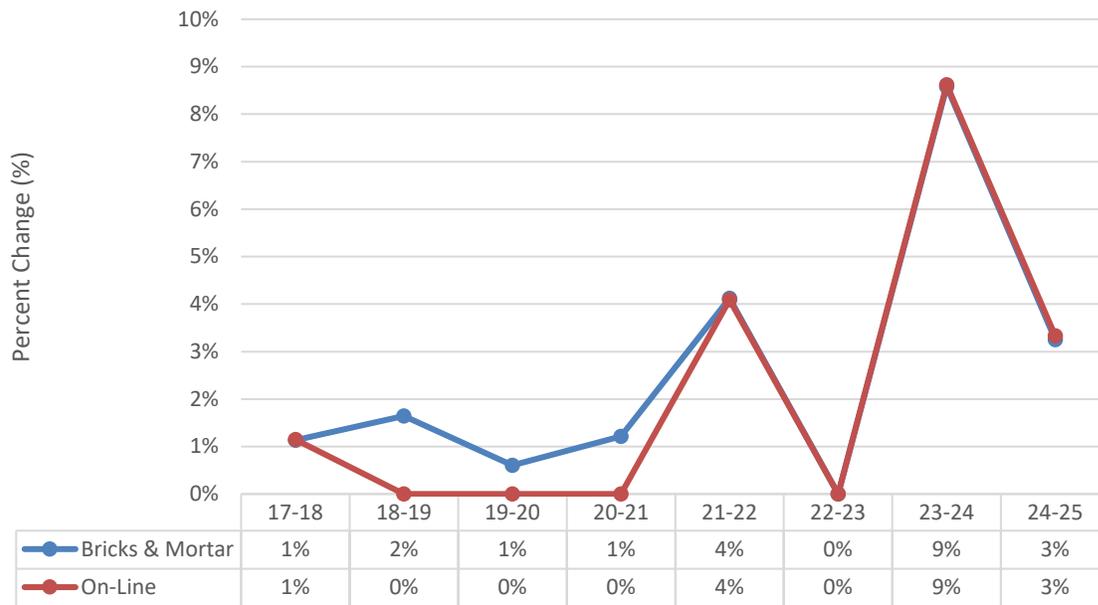
Base funding per student for Bricks & Mortar Schools has increased from \$7,301 per student in 2017-2018 to \$8,915 in 2024-2025. Expressed as a percentage, funding per student increased between 1%-4% between 2017-2020. Since then, there was a 4% increase in 2021-2022, 0% increase in 2022-2023, 9% increase in 2023-2024, and 3% for 2024-2025.

Base funding per student for On-Line learning has increased from \$6,100 per FTE in 2017-2018 to \$7,200 in 2024-2025. There were many years where funding for on-Line learning did not receive a percentage increase however, in the past two years received an increase of 9% and 3% respectively.

Base funding is used for the District's operating expenses that are categorized on the Financial Statements into the following categories: Instruction, District Administration, Operations & Maintenance, and Student Transportation.

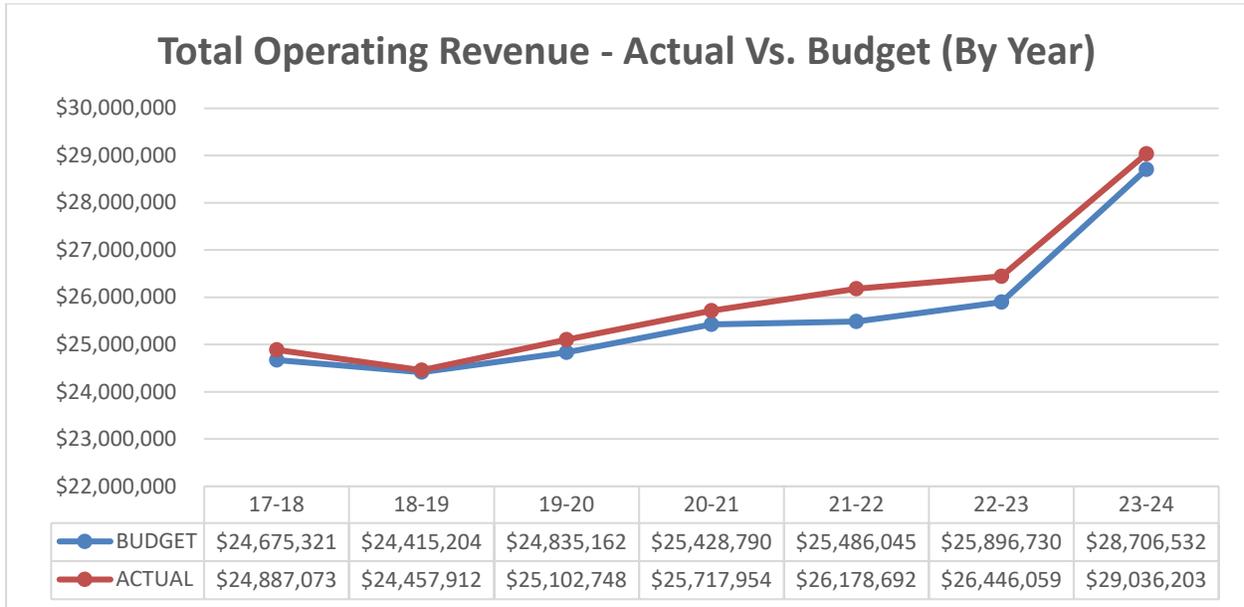


Base Funding Per Student (Percentage Change)

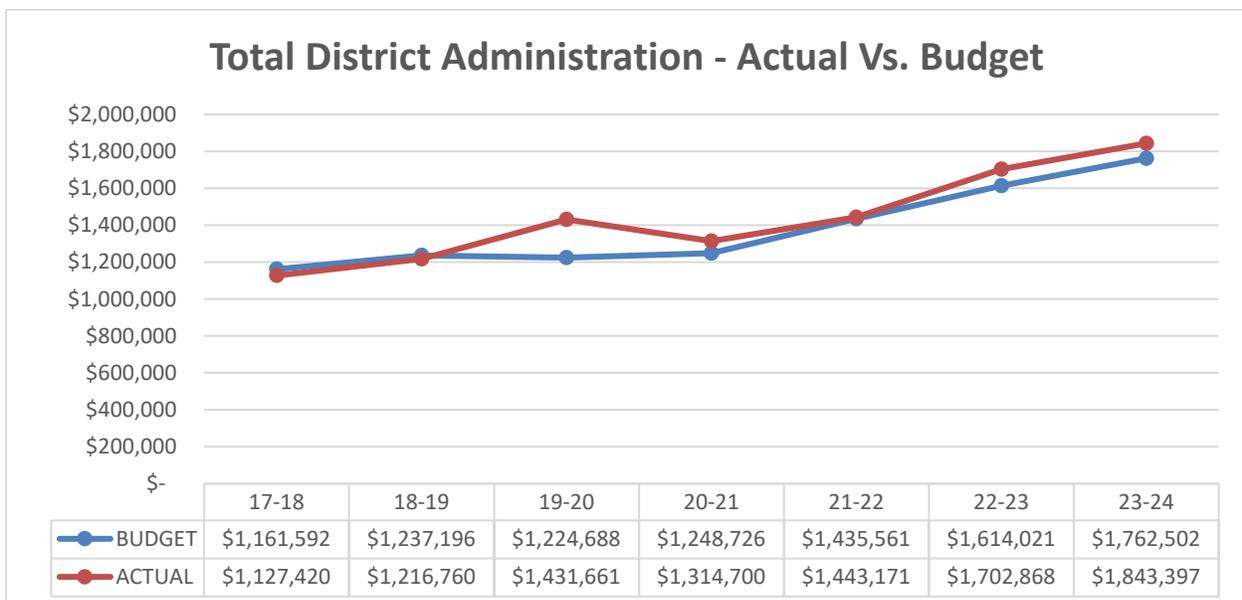
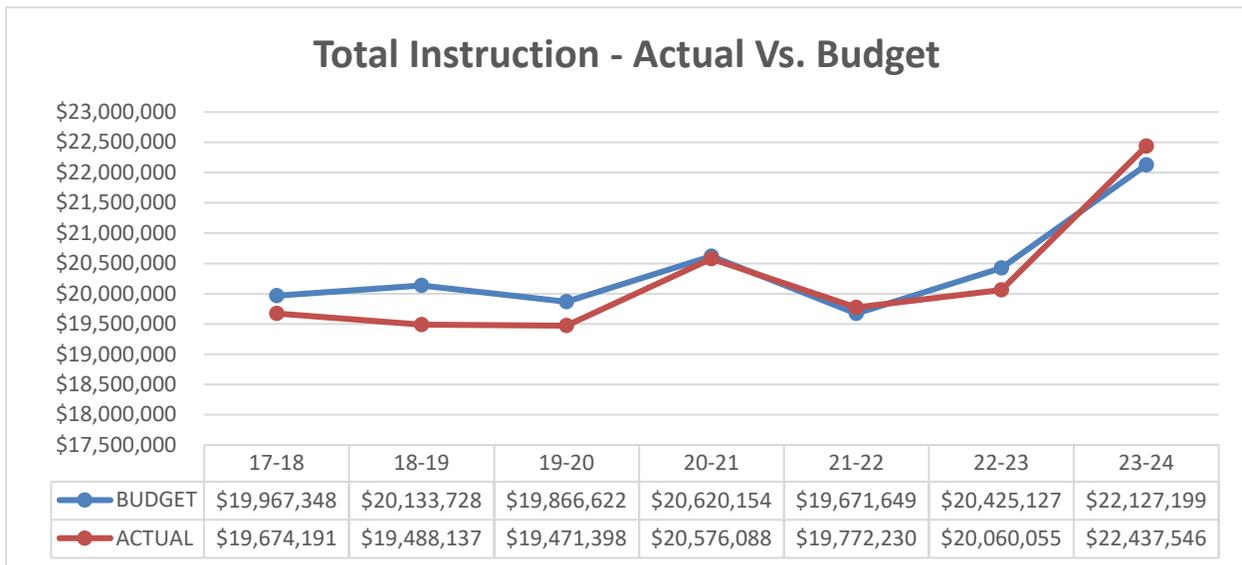


## Operating Revenue Trends

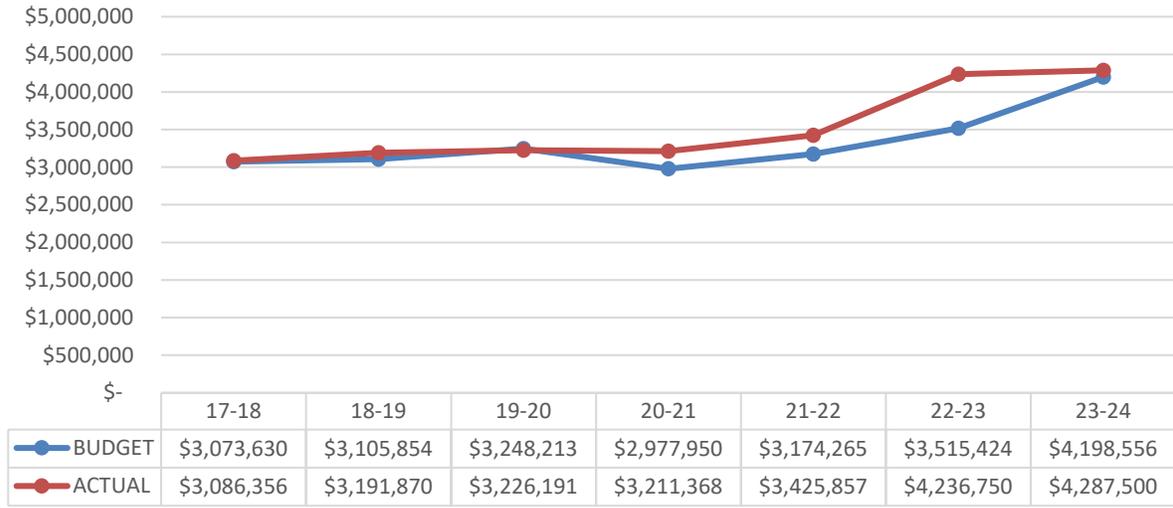
Operating Revenue has increased from \$24.8 million in 2017-2018 to \$28.7 million in 2023-2024 (See Chart below) and has exceeded budgeted expectation for the same period due mainly in part to increased student enrolment combined with the increased Base Funding amount per student. Other factors that have contributed to increased revenue, to a lesser extent, include income received from rentals and interest revenue.



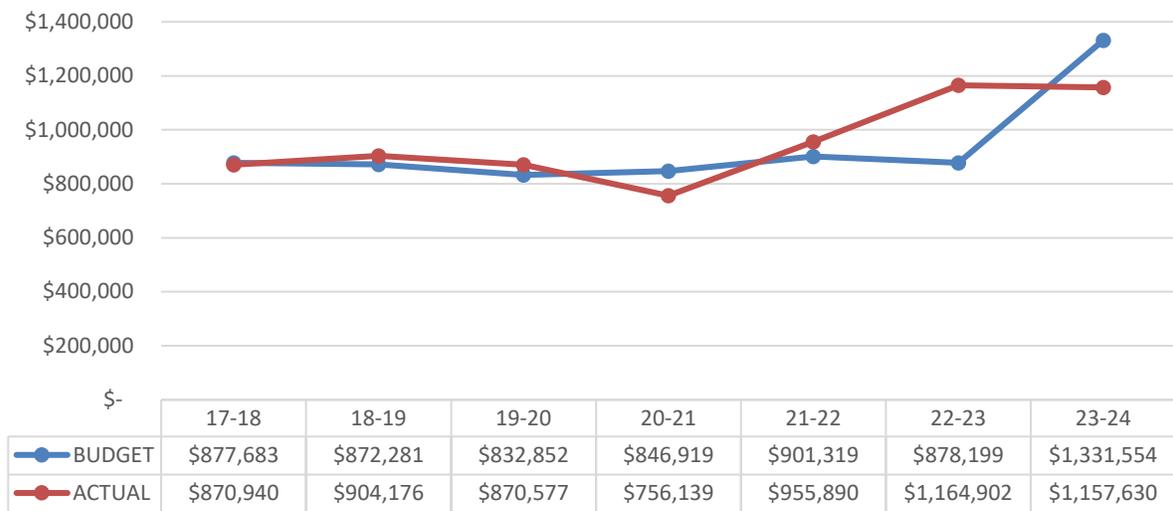
## Operating Expense Trends



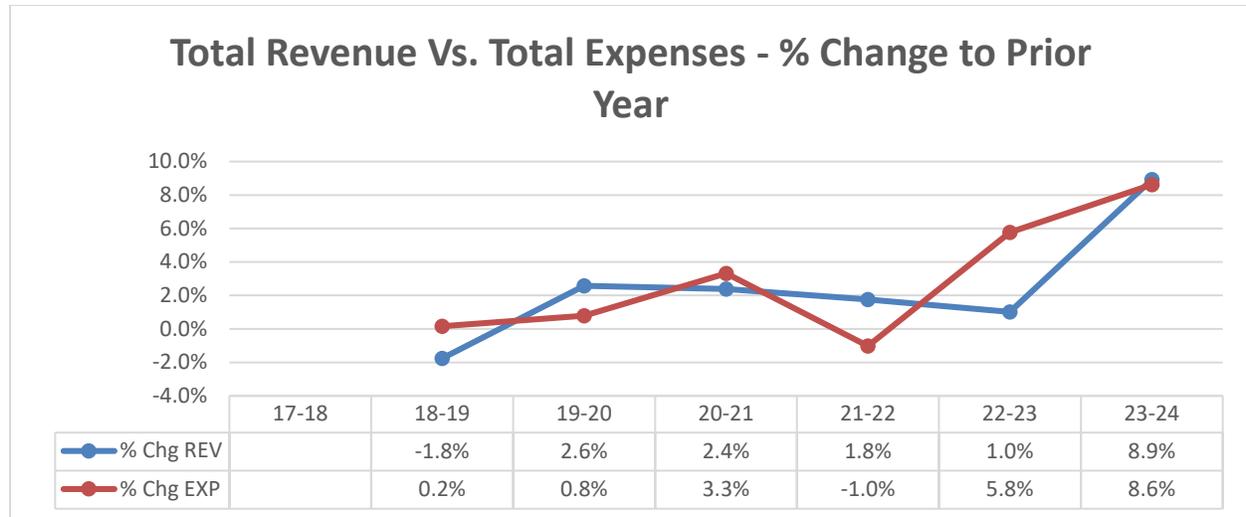
### Total Operations & Maintenance - Actual Vs. Budget



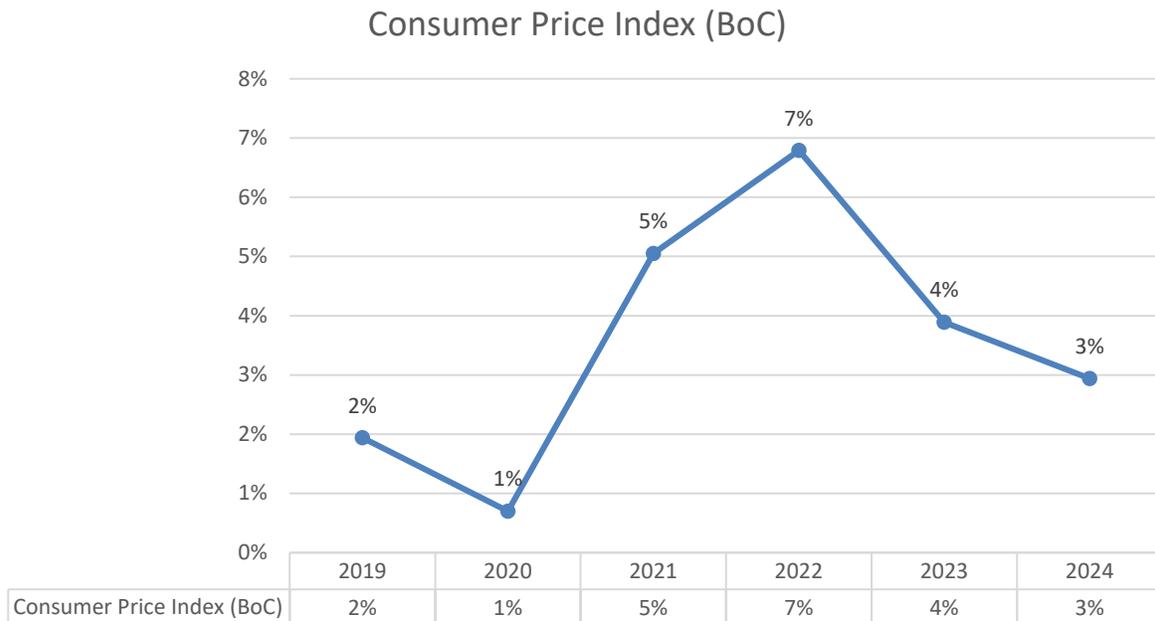
### Total Transportation - Actual Vs. Budget



On average, Operating Revenue has increased 1% year-over-year, with the largest increase in 2023-2024, of 8.9%. Increased enrolment and interest revenue are the primary reasons for increased revenue this past school year. Operating Expenses, on the other hand, have increased an average of 2% with the largest increase, 8.6%, in 2023-2024. The effects of inflation coming out of the worldwide pandemic are noted in the later years of the chart below.



Inflation, as expressed in the chart below, taking from the Bank of Canada represents an aggregate increase of 22% over the six year period charted below. The Bank of Canada announcing interest rate cuts with its key lending rate show signs that inflation may be easing. The School District continues to adjust to the inflationary increases for goods and services in the delivery of educational programs and services.



## Composition of the Financial Statements

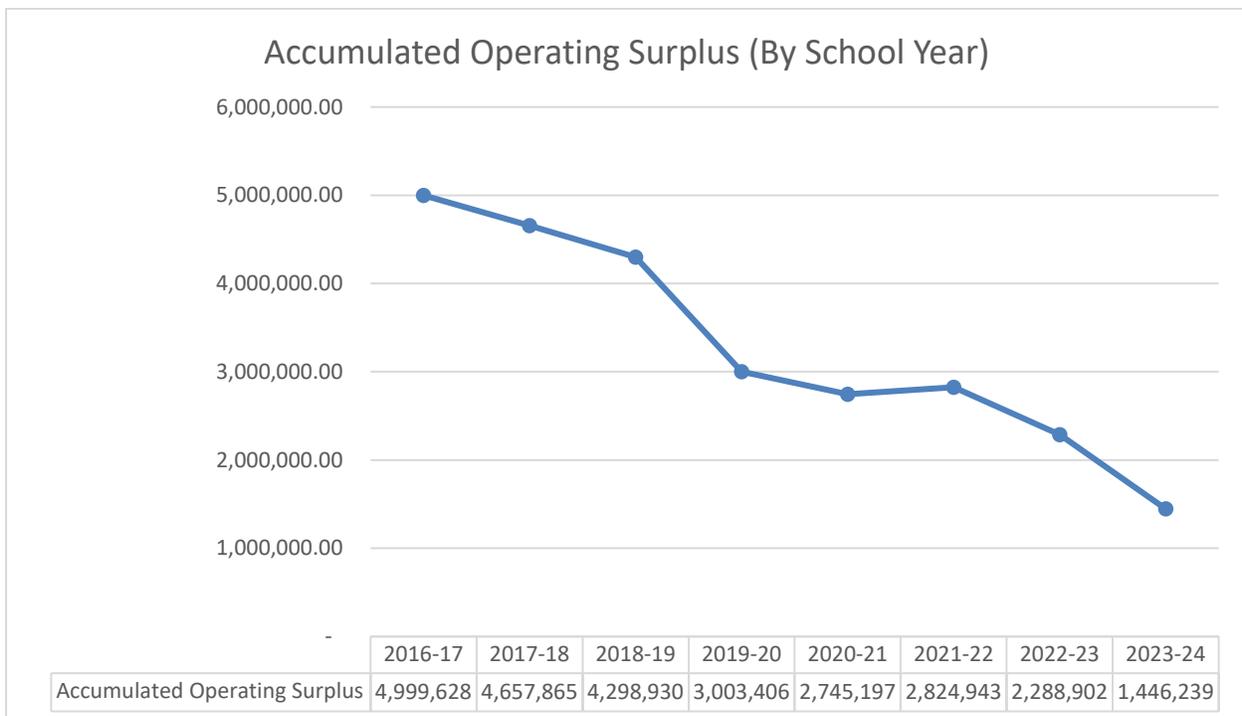
School District financial statements are prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. This section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards, except regarding the accounting for government transfers.

The Financial Statements are broken up into three distinct areas: 1) Operating Fund, 2) Special Purpose Funds, 3) Capital Funds. The Multi-Year Financial Plan focuses on the District's Operating Fund, where the majority of the Board's day-to-day operating expenses are tracked. A copy of the financial statements can be downloaded at Budget & Financial Statements - SD58 Nicola-Similkameen.

## Accumulated Operation Surplus

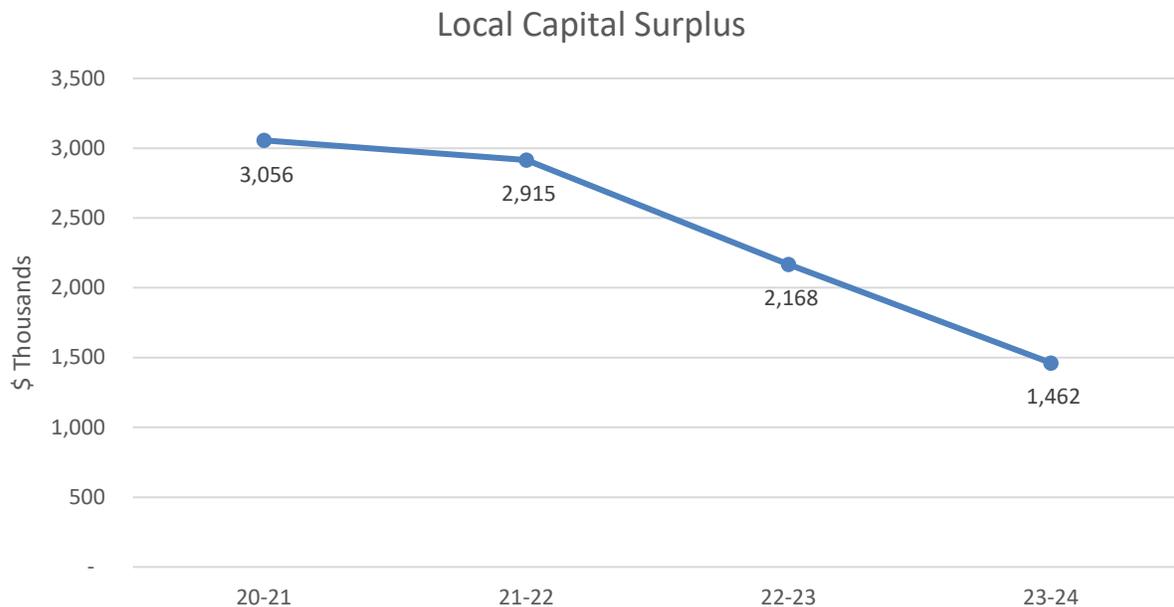
School District's are mandated to submit a balanced budget to the Ministry of Education and Child Care. A balanced budget means that the total amount of spending must be equal to the total amount of revenue. The School District's Financial Statements are prepared as of June 30 each year, which provide a detailed report on revenue and expenses.

The Board of Education has an Accumulated Operating Surplus that it can draw funds from should there be a need to increase spending, that extends past the budgeted revenue, in the delivery of educational programs and services. Throughout the past number of years the Board of Education has been intentionally drawing down its Accumulated Operating Surplus, as highlighted in the chart below. The Accumulated Operating Surplus decreased from \$4.9 million dollars in 2016-2017 to \$1.4 million dollars in 2023-2024.



## Local Capital Reserve

In addition to the Accumulated Operating Surplus, the Board of Education has its Local Capital Reserve Fund, which represents a portion of Accumulated Operating Fund Surpluses specifically for the purchase of Tangible Capital Assets (TCA). TCAs are assets owned by the School District that have a useful life of more than one year. Examples of TCAs include software, computers, vehicles, furniture and equipment, and buildings. The Local Capital Reserve Fund increases when: 1) The Board approves a motion to transfer funds into the Local Capital Fund, 2) Investment Income, and 3) when the Board sells its land and/or buildings. As expressed in the chart below, the District's Local Capital has decreased from \$3 million in 2020-2021 to \$1.4 million in 2023-2024.



**Schedule 1** of the Financial Statements provides the schedule of changes in Accumulated Surplus for the following funds: Operating Fund, Local Capital Reserve, and Capital. For the Multi-Year Financial Plan, discussion will not include the Capital Fund. As of June 30, 2024, the Board has access to \$2.9 million of Surplus that is represented by both the Accumulated Operating Surplus and the Local Capital Reserve.

### Schedule 1 - Changes in Accumulated Surplus

\$ Thousands	2024
Operating Fund	1,446
Local Capital Fund	1,462
<b>Total Accumulated Surplus (Deficit)</b>	<b>2,908</b>

Policy 611, Accumulated Operating Surplus, requires that the Board of Education retain a contingency reserve that is between 2%-4% of the prior year's Operating Expenses. When use of the contingency reduces the balance below what is determined to be sufficient, the District will adopt strategies for replenishing the contingency reserve. As of June 30, 2024, having \$1.4 million in its Accumulated Operating Surplus translates to 4.7% of its 2023-2024 Operating Expenses, \$29,726,000.

## Multi-Year Financial Plan

The Multi-Year Financial Plan provided below, uses all of the metrics discussed in this document and provides a projection of Revenue and Expenses for the District’s Operating Fund over the next three fiscal years: 2024-2025, 2025-2026, and 2026-2027.

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*Student Enrolment and Unique Student Needs will be verified in September, February, and May and this will have an impact on the total funding received by the Ministry...  
...both the Teachers’ Union and CUPE Support Staff Union are scheduled to engage in collective bargaining...  
...Inflation and Interest rates will also influence this Multi-Year Plan.*

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Several assumptions were used in the preparation of the Multi-Year Financial Plan, student enrolment being a key factor. The three-year enrolment that was prepared and submitted to the Ministry is conservative with a small decline in enrolment at Bricks & Mortar School and conservative increase to on-line learning for the same period.

A Multi-Year Plan should be taken into proper context—it provides a very high-level financial outlook given the assumptions used. The following factors will have an impact on how the Multi-Year Plan is adjusted as we head into the 2024-2025 school year: Student Enrolment and Unique Student Needs will be verified in September, February, and May and this will have an impact on the total funding received by the Ministry. In the upcoming school year both the Teachers’ Union and CUPE Support Staff Union are scheduled to engage in collective bargaining, the outcome of which, will have an impact on this plan. Finally, Inflation and Interest rates will also influence this Multi-Year Plan. For those reason, the reader should be exercise caution as the factors that impact the Multi-Year Financial Plan can have a significant impact on the financial health of the District.

For the three-year period, 2024-2025 through to 2026-2027, all things being equal, the School District is said to have a -\$525,678 deficit in Year 1, -\$426,028 in Year 2, and -\$305,705 in Year 3. This will draw down the Accumulated Operating Surplus to \$920,561 in Year 1, \$494,533 in Year 2, and \$188,828 in Year 3. Comparing these respective surplus’ as a percentage of Total Expenses, is 2.39%, 1.06%, and 0.17% respectively.

<b>Adjusted Accumulated Operating Surplus</b>				
		2024-2025	2025-2026	2026-2027
<b>End of Year Surplus</b>	\$	920,561	\$ 494,533	\$ 188,828
<b>% of Total Expenses</b>		2.39%	1.06%	0.17%

**Nicola-Similkameen School District**  
**Multi-year Financial Plan, Operating Fund**

Year ended June 30	2025	Change	2026	Change	2027
	<i>From original budget schedule 2</i>				
<b>Revenues</b>					
Provincial grants					
Ministry of Education	\$ 25,750,270	\$ 1,192,877	\$ 26,943,147	\$ 1,033,550	\$ 27,976,697
Other	\$ 69,385	\$ -	\$ 69,385	\$ -	\$ 69,385
Tuition	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue	\$ 3,590,172	\$ -	\$ 3,590,172	\$ -	\$ 3,590,172
Rentals and leases	\$ 181,688	\$ -	\$ 181,688	\$ -	\$ 181,688
Investment income	\$ 323,710	\$ (180,000)	\$ 143,710	\$ -	\$ 143,710
<b>Total revenue</b>	<b>\$ 29,915,225</b>		<b>\$ 30,928,102</b>		<b>\$ 31,961,652</b>
<b>Expenses</b>					
Instruction	\$ 22,789,100	\$ 683,673	\$ 23,472,773	\$ 683,673	\$ 24,156,446
District Administration	\$ 1,868,437	\$ 56,053	\$ 1,924,490	\$ 56,053	\$ 1,980,543
Operations and Maintenance	\$ 4,341,495	\$ 130,245	\$ 4,471,740	\$ 130,245	\$ 4,601,985
Transportation and Housing	\$ 1,441,871	\$ 43,256	\$ 1,485,127	\$ 43,256	\$ 1,528,383
<b>Total expense</b>	<b>\$ 30,440,903</b>		<b>\$ 31,354,130</b>		<b>\$ 32,267,357</b>
<b>Net Revenue (Expense)</b>	<b>\$ (525,678)</b>		<b>\$ (426,028)</b>		<b>\$ (305,705)</b>
<b>Transfers to (from) other funds</b>					
Capital assets purchased		\$ -	\$ -	\$ -	\$ -
Local Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Other		\$ -	\$ -	\$ -	\$ -
<b>Total net transfers</b>	<b>\$ -</b>		<b>\$ -</b>		<b>\$ -</b>
<b>Forecast prior year surplus appropriations</b>					
Appropriation of restricted reserves	\$ 232,767		\$ 30,000		\$ 30,000
Appropriation of unrestricted reserves	\$ 292,911		\$ 396,028		\$ 275,705
<b>Total appropriation</b>	<b>\$ 525,678</b>		<b>\$ 426,028</b>		<b>\$ 305,705</b>
<b>Forecast surplus (deficit) for the year</b>	<b>\$ -</b>		<b>\$ (0)</b>		<b>\$ (0)</b>
Restricted reserves, beginning of year	\$ 426,036		\$ 193,269		\$ 163,269
Restricted reserves, end of year	\$ 193,269		\$ 163,269		\$ 133,269
Unrestricted reserves, beginning of year	\$ 1,020,203		\$ 727,292		\$ 331,264
Unrestricted reserves, end of year	\$ 727,292		\$ 331,264		\$ 55,559
<b>End of year unrestricted reserves as %age of expense</b>	<b>2.39%</b>		<b>1.06%</b>		<b>0.17%</b>
Ttl Surp. (Unrestricted + Restricted), end of year	\$ 920,561		\$ 494,533		\$ 188,828

## For more information:

This Multi-Year Financial Plan is designed to provide a general overview of the School District's Operating Fund for a three-year period. If you have questions resulting from this financial report, please contact the Office of the Secretary Treasurer/CFO at 250-378-5161. You can also find additional information on the District, and its strategic vision, on our website: [www.SD58.bc.ca](http://www.SD58.bc.ca).

