

**OPERATIONS & FINANCE PARTNER ADVISORY COMMITTEE
AGENDA**

TUESDAY, MAY 14, 2024

3:00 PM – 4:30 PM

In person: School Board Office, 811 Stanley Street, Nelson BC

Via video conference: [Zoom](#) - Webinar ID: 657 3277 9733 – Password: 495118

1. Call to Order

2. Acknowledgement of Aboriginal Territory

We acknowledge, respect and honour the First Nations in whose traditional territories the Kootenay Lake School District operates and all Aboriginal people residing within the boundaries of School District No. 8.

3. Changes to Proposed Agenda

4. Adoption of Agenda

5. Receiving Presentations - Nil

6. Opportunity for Comments by the Public regarding items on this Agenda

The public may post comments or questions in the Q&A area on the webinar. These will be read aloud during the meeting.

7. Correspondence - Nil

8. Adoption of Minutes (p. 2)

App. 8

9. Unfinished Business – Nil

10. New Business – Secretary Treasurer

A. 2023-2024 Audit Plan Presentation (p. 4)

App. 10A

Guest: David Bond, KPMG

B. 2024-2025 Annual Budget (p. 46)

App. 10B

11. Comments or Questions from the Public

12. Meeting Schedule & Reminders

The next meeting of the Committee is scheduled for September 10, 2024.

13. Adjournment of Meeting



**OPERATIONS & FINANCE PARTNER ADVISORY COMMITTEE –
PRELIMINARY DRAFT BUDGET DISCUSSION
MINUTES
TUESDAY, APRIL 23, 2024**

- Board:** D. Lang, Chair
J. Bremner, Vice-Chair (*via video conference*)
K. Etheridge, Committee Chair (*via video conference*)
M.J. Blackmore (*via video conference*)
S. Nazaroff (*via video conference*)
- Partners** J. Adams, KLPVPA
C. Bayly, DPAC
R. Bens, CUPE
D. Jones, Secwepemc
S. Kalabis, KLPVPA
D. Kunzelman, KLTF
C. Martin, CUPE
N. Nazaroff, DPAC
K. Wiens, KLPVPA
C. Wilson, KLTF
- District Staff:** T. Smillie, Superintendent
C. MacArthur, Secretary-Treasurer
B. Eaton, Director of Instruction – Innovative Learning
G. Higginbottom, District Principal
D. Holitzki, Assistant Superintendent
C. Kerr, Director of Operations
C. Singh, Director of Human Resources
S. Bruskowski, Executive Assistant
- Regrets:** S. Chew
A. Gribbin
M. Shunter
L. Trenaman

1. Call to Order

The meeting was called to order at 1:31 PM.

2. Acknowledgement of Aboriginal Territory

3. Changes to Proposed Agenda

4. Adoption of Agenda – Nil

5. Receiving Presentations – Nil

6. Opportunity for Comments by the Public regarding items on this Agenda

7. Correspondence - Nil

8. Adoption of Minutes



The minutes were amended to reflect the roles of Chair and Acting Committee Chair.

9. Unfinished Business – Nil

10. New Business – Secretary Treasurer

A. Preliminary Draft Budget 2024-2025 Review

Secretary-Treasurer MacArthur presented the preliminary draft budget 2024-2025. A budget survey had been posted and feedback was received on prioritizing Strategic Priorities as well as allocating surplus funds. Secretary-Treasurer MacArthur highlighted patterns from the feedback received and presented the budget schedule.

Superintendent Smillie presented the Strategic priorities and the strategies in which they are addressed.

Secretary-Treasurer MacArthur presented the budget overview. In the development process staffing requirements, services and supplies are determined on enrolment projections. As per BC School Act, districts are required to provide a balanced budget.

Secretary-Treasurer MacArthur presented the 2024-2025 draft budget which is aligned to the strategic plan and reflects its strategic priorities. A budget overview was provided based on enrolment projections and framework assumptions to ensure expenditures stay within the projected funding increases.

Superintendent Smillie, Secretary-Treasurer MacArthur, and Assistant Superintendent Holitzki answered questions from partners and the public related to staffing, operating surplus, and special purpose funds.

11. Comments or Questions from the Public – Nil

12. Meeting Schedule & Reminders

The next meeting of the Committee is scheduled for May 14, 2024.

13. Adjournment of Meeting

The meeting was adjourned at 2:18 PM.

Committee Chair

Secretary-Treasurer



FROM: Cathy MacArthur, Secretary-Treasurer
DATE: May 14, 2024
SUBJECT: 2023-2024 Audit Plan

For Information

Introduction

This memorandum outlines the annual audit plan as presented by the external auditors engaged by SD8.

Background

Upon completion of every school year all school districts in BC are required to submit audited financial statements to the Ministry of Education and Child Care (MoECC).

Following a competitive bidding process, SD8 engaged KPMG to audit the annual financial statements for a period of three consecutive years commencing with the 2023-2024 fiscal year. The 2023-2024 fiscal year is the first year in this competitive process.

Information

The audit plan lays out the audit process for the 2023-2024 financial statements. Planning is a required part of the audit process and allows for an efficient audit process to ensure a timely completion within the parameters set out.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The 2023-2024 audit plan includes:

- **May - June 2024:** An interim audit which focuses on testing transactions and internal controls during the year. This interim audit takes place prior to the year-end, June 30, 2024.
- **July - August 2024:** A year-end on site audit visit by a KPMG team with the focus on auditing the balance sheet as of the financial year-end. This work is done several weeks after the year-end to allow the District team to prepare for the audit visit.
- **August 2024:** Post visit file work where the District and the auditors will work together on ensuring that any outstanding items are resolved, and that the required financial disclosure in the notes to the financial statements is complete.



September 2024: Following the completion of the audit, the auditors will present the results of the audit and their audit findings to the Board on September 10, 2024.

The submission deadline for the audited financial statements to the MoECC is September 30, 2024.





School District No. 8 (Kootenay Lake)

**Audit Planning Report
for the year ending June 30, 2024**

For presentation on May 14, 2024



kpmg.ca/audit

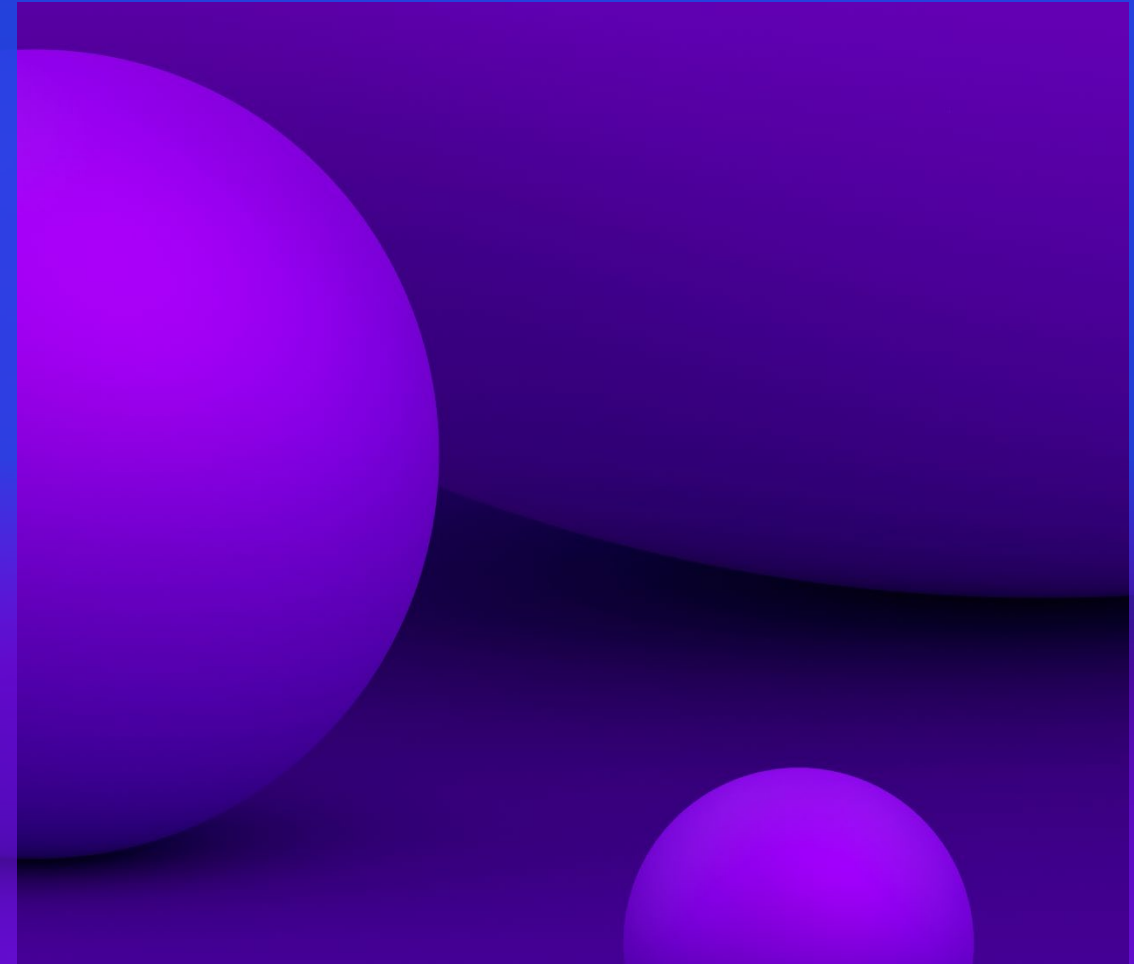


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Digital use information

This Audit Planning Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.



Highlights



Audit strategy



Risk assessment



Key milestones and deliverables



Appendices

This report to the Operations and Finance Committee and Board of Education is intended solely for their information and use of management and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report to the Operations and Finance Committee and the Board of Education has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.





Audit highlights



No matters to report



Matters to report – see link for details

Scope

Our audit of the financial statements (“financial statements”) of School District No.8 (Kootenay Lake) (“the District”) as of and for the year ending June 30, 2024, will be performed in accordance with Canadian generally accepted auditing standards.

Audit strategy

- Materiality \$1.7 million
- Financial reporting framework
- Updates to our prior year audit plan
- Audit timelines
- Required audit communications

Risk assessment

- Risks required by professional standards
- Other significant risks
 - We have not identified any other significant audit risks in addition to the presumed risks required by the professional standards.
- Presumed risk of fraudulent revenue recognition
- Other areas of focus
 - Revenues
 - Procurement
 - Payroll expenses and liabilities
 - Tangible capital assets





Financial reporting framework

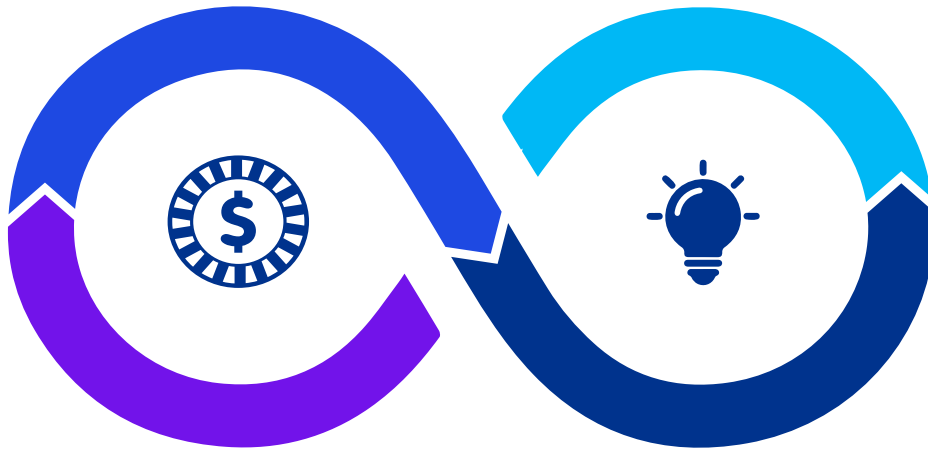
Framework

- The financial statements are prepared in accordance with the requirements of Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.
- These regulations direct the District to apply Public Sector Accounting Standards (PSAS), except in regard to accounting for restricted contributions. Under the regulations, capital contributions are deferred and amortized on the same basis as the amortization of the related tangible capital assets, not in accordance with the underlying stipulations on the funding, as required under PSAS.
- As a result, the District's revenue recognized in the statement of operations and certain related deferred capital revenue would have been recorded differently under Canadian Public Sector Accounting Standards.
- The Office of the Auditor General ("OAG") is the auditor of the Province of BC, in which the financial statements of the District are included. We will receive a letter of instruction from OAG noting their reliance on our audit. The letter of instruction will include additional reporting over the differences noted above, under the Group Auditor requirements, in order to perform the consolidation of the Provincial Accounts under the PSA standards.
- The letter of instruction will be provided to us in June, and may include other requirements that we will discuss with management.





Materiality



We **initially determine materiality** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of **professional judgement**, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We **reassess materiality** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

Plan and perform the audit

We **initially determine materiality** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Evaluate the effect of misstatements

We also **use materiality** to evaluate the effect of:

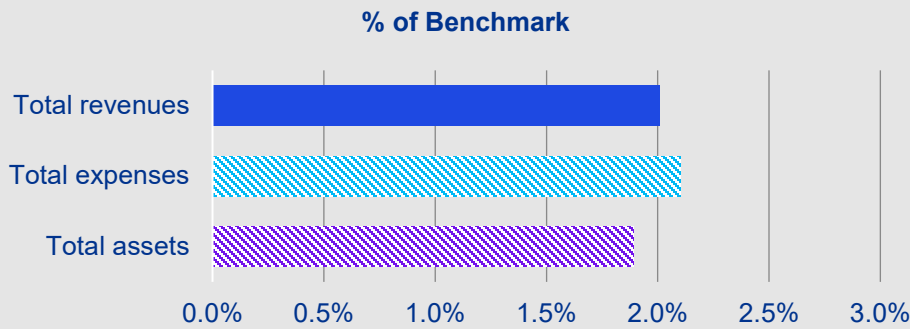
- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.





Initial materiality

Materiality
\$1.7 million
 (2023: \$1.5 million)



Budgeted Revenue
\$84.4 million

% of Benchmark
2.01%
 The prescribed range is between 0.5% and 3% of the benchmark

Audit Misstatement Posting Threshold
\$85,000
 Set as 5% of materiality





Current year audit plan and new standards

New significant risks



Significant risks



Significant risks our outlined on page 9 and relate primarily to those required by professional standards. We have not identified any significant unusual transactions as part of our preliminary planning procedures. Any changes to the audit plan will be communicated to Management and Those Charged with Governance.



Risks of misstatement



Our risks of misstatement are outlined in our risk assessment summary on page 8.

[Risk assessment summary](#)



Other significant changes



Newly effective accounting standards



New accounting standards effective for the year ending June 30, 2024 include:

- PS 3400 *Revenue*
- PS 3160 *Public Private Partnerships*
- PSG-8 *Purchased Intangibles*

See appendix 3.

[Newly effective accounting standards](#)



Newly effective auditing standards



There are three new auditing standards effective for year ending June 30, 2024 related to quality management. See appendix 4.

[Newly effective auditing standards](#)





Risk assessment summary

Our planning begins with an assessment of risks of material misstatement in your financial statements. We draw upon our preliminary understanding of the District (and our understanding of British Columbia school districts), its environment (e.g. the industry, the wider economic environment in which the District operates, etc.), our preliminary understanding of the District's components of its system of internal control, including our business process understanding.

		Risk of fraud	Risk of error	Risk rating
●	Management Override of Controls	✓		Significant
●	Revenue		✓	Base
●	Accounts payable, accrued liabilities and expenses		✓	Base
●	Payroll expenses and liabilities		✓	Base
●	Tangible capital assets		✓	Base

● PRESUMED RISK OF MATERIAL MISSTATEMENT ● OTHER RISK OF MATERIAL MISSTATEMENT





Significant risks



Management Override of Controls (non-rebuttable significant risk of material misstatement)

RISK OF



FRAUD

Why is it significant?

Presumption of the risk of fraud resulting from management override of controls

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

Our planned response

This is a presumed risk of material misstatement in accordance with Canadian auditing standards and is not rebuttable. Our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- testing of journal entries and other adjustments,
- performing a retrospective review of estimates
- evaluating the business rationale of significant unusual transactions.

Inquiries required by professional standards

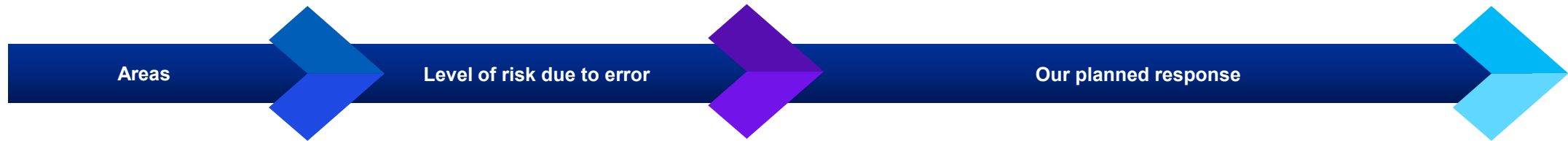
Fraud inquiries of those charged with governance

- How do you oversee fraud risk assessments and the establishment of controls to address fraud risks?
- What are your views about fraud risks, including management override of controls, at the District and whether you have taken any actions to respond to these risks?
- Are you aware of, or have you identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
- Are you aware of or have you received tips or complaints regarding the District's financial reporting (including those received through the internal whistleblower program, if such program exists) and, if so, what was your response to such tips and complaints?
- What is the audit committee's understanding of the District's relationships and transactions with related parties that are significant to the District?
- Does any member of the audit committee have concerns regarding relationships or transactions with related parties and, if so, what are the substance of those concerns?
- Has the District entered into any significant unusual transactions?

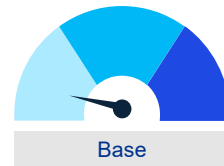




Non-significant risks (continued)



Revenue



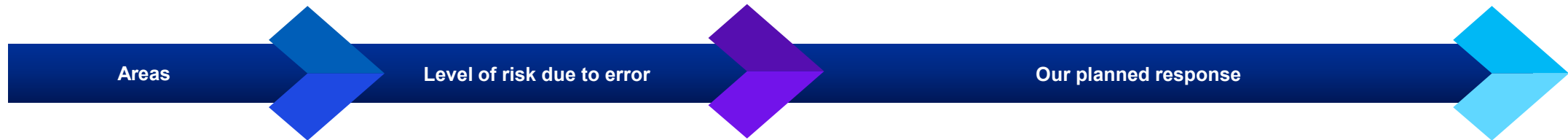
Our audit procedures address the risk associated with the accuracy, existence and completeness of funding from Ministry of Education and Child Care (“MECC”) and other sources, including fees revenue, and international student tuition revenue. To address this risk our planned response will include the following:

- Obtain confirmation from MECC of funding received for the year and assess if it is reported accurately between operating, special purpose and capital funds.
- Perform analytical review over fee revenues from other sources, including international student tuition revenue.
- Understand and test one-time, non-recurring adjustments, including existence, accuracy and presentation in the appropriate fund.
- Test receipt and use of Classroom Enhancement Funds to determine if funds have been used for their intended purpose based on funding restrictions.
- Substantive testing of unspent funding to assess appropriateness of deferral (if applicable) in accordance with related restrictions.
- Assess the impact of new PS 3400 revenue standard on timing, measurement and presentation of revenue.

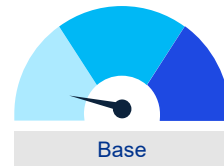




Non-significant risks (continued)



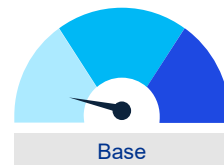
Accounts payable, accrued liabilities and expenses



Our audit procedures address the risk associated with completeness and existence of payables, and accuracy and existence of expenses. To address this risk our planned response will include the following:

- Document our understanding of the District's procurement and accounts payable process and relevant policies.
- Review the District's updated policy for expenditure reimbursement and perform a walkthrough of the process from initiation to completion to ensure compliance to policy.
- Substantive tests of details over appropriate existence, accuracy, classification and allocation of expenses based on source documentation maintained.
- Test completeness of liabilities and expenses recorded in the correct fiscal year.

Payroll expenses and liabilities



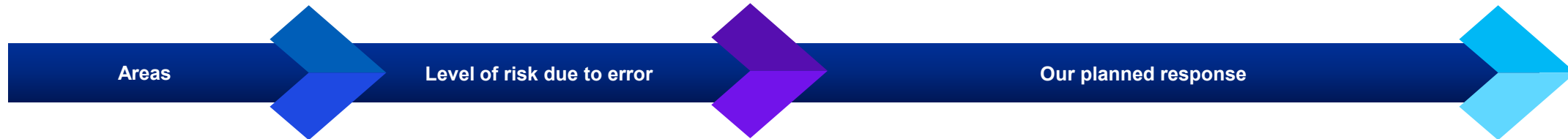
Our audit procedures address the risk associated with accuracy and existence of salaries and wages and measurement of employee future benefits obligation. To address this risk our planned response will include the following:

- Document our understanding of and perform walkthrough of payroll procedures.
- Perform substantive analytical procedures over salaries and payroll benefits expense including testing over headcounts and updates to wage rates.
- Obtain actuarial report from Mercer and agree employee future benefit liability amounts as recorded.

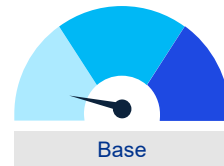




Non-significant risks (continued)



Tangible capital assets



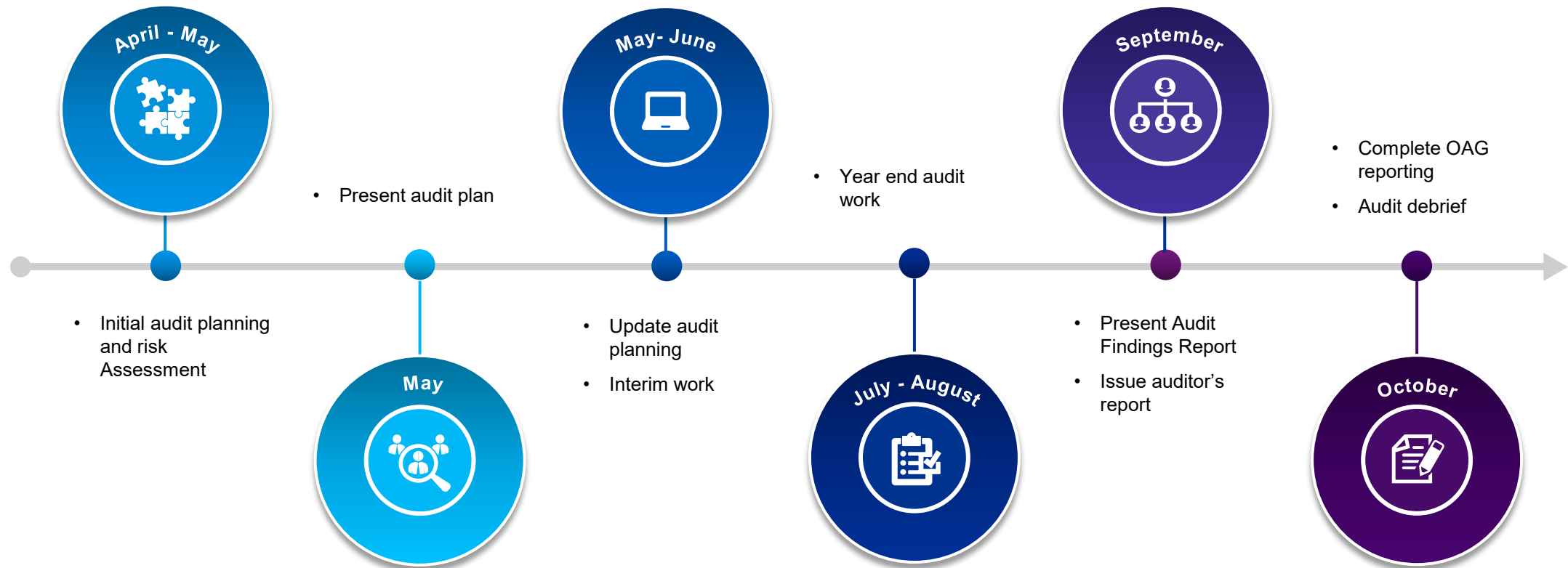
Our audit procedures address the risk associated with completeness, existence and accuracy of capital additions and capital projects in process and related capital funding received. To address this risk our planned response will include the following:

- Understand the approval and related review process for capital expenditures for consistency with approved budgets and Ministry approval.
- Obtain an understanding of the funding sources for tangible capital asset additions incurred during the year.
- Detailed testing of asset purchases and disposals and recalculation of the allocation of proceeds between Ministry restricted funds and internally restricted District funds.
- Review agreements for contractual commitments and related disclosure requirements.
- Assess maintenance of asset retirement obligations (ARO) accounting, additions for new liabilities, reductions for obligations remediated and revaluation for other changes in amount of ARO.





Key milestones and deliverables





Appendices

1

Required communications

2

Audit quality

3

Changes in accounting standards

4

Newly effective and upcoming changes to auditing standards

5

Thought leadership and insights

6

Audit and assurance insights





Appendix 1: Required communications



Auditor's report

A copy of our draft auditor's report setting out the conclusion of our audit will be provided at the completion of the audit.

Engagement letter

The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter.



Audit findings report

At the completion of the audit, we will provide our findings report to the Operations and Finance Committee and Board of Education.

Management representation letter

We will obtain from management certain representations at the completion of the audit. In accordance with professional standards, a copy of the representation letter will be provided to the Operations and Finance Committee .



Independence

We are independent and have a robust and consistent system of quality control. We provide complete transparency on all services and follow the Board of Education's approved protocols. At the completion of our audit, we will re-confirm our independence to the Audit Committee.

Internal control deficiencies

Control deficiencies identified during the audit will be communicated to management and the Operations and Finance Committee .





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PRIVATE & CONFIDENTIAL

Ms. Cathy MacArthur
Secretary- Treasurer
School District No. 8 (Kootenay Lake)
811 Stanley Street
Nelson, BC V1L 1N8

Ms. Dawn Lang
Board Chair
School District No. 8 (Kootenay Lake)
811 Stanley Street
Nelson, BC V1L 1N8

January 24, 2024

The purpose of this letter is to outline the terms of our engagement to audit the annual financial statements ("financial statements" or "annual financial statements") of School District No. 8 (Kootenay Lake) (the "the School District"), commencing for the year ending June 30, 2024.

The terms of the engagement outlined in this letter will continue in effect from period to period, unless amended or terminated in writing. The attached Assurance Terms and Conditions and any exhibits, attachments and appendices hereto and subsequent amendments form an integral part of the terms of this engagement and are incorporated herein by reference (collectively the "Engagement Letter").

FINANCIAL REPORTING FRAMEWORK FOR THE FINANCIAL STATEMENTS

The annual financial statements will be prepared and presented in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia (hereinafter referred to as the "financial reporting framework").

The annual financial statements will include an adequate description of the financial reporting framework.

MANAGEMENT'S RESPONSIBILITIES

Management responsibilities are described in Appendix – Management’s Responsibilities.

An audit of the annual financial statements does not relieve management or those charged with governance of their responsibilities.





School District No. 8 (Kootenay Lake)
January 24, 2024

AUDITOR'S RESPONSIBILITIES

Our responsibilities are described in Appendix – Auditor's Responsibilities.

If management does not fulfill the responsibilities above, we cannot complete our audit.

ADDITIONAL RESPONSIBILITIES REGARDING "OTHER INFORMATION"

"Other information" is defined in professional standards to be the financial or non-financial information (other than the financial statements and the auditor's report thereon) included in the "annual report". An "annual report" is defined in professional standards to comprise a document or combination of documents. Professional standards also indicate that:

- an annual report is prepared typically on an annual basis in accordance with law, regulation or custom (i.e., is reoccurring)
- an annual report contains or accompanies the financial statements and the auditor's report thereon
- an annual report's purpose is to provide owners (or similar stakeholders) with information on the School District's:
 - operations; and/or
 - financial results and financial position as set out in the financial statements.

Based on discussions with management, the following are expected to meet the definition of an "annual report" under professional standards:

- The document likely to be entitled "Financial Statement Discussion & Analysis"

Management agrees, when possible, to provide us with the final versions of the document(s) comprising the "annual report" prior to the date of our auditors' report on the financial statements. If that timing is not possible, management agrees to provide us with the final versions of the document(s) comprising the "annual report" prior to the School District's issuance so that we can complete our responsibilities required under professional standards.

Management is responsible for the "other information". Our responsibility is to read the "other information" and, in doing so, consider whether such information is materially inconsistent with:

- the financial statements; or
- our knowledge obtained in the audit.

Our responsibility is also to remain alert for indications that the "other information" appears to be materially misstated.

Our auditors' report on the financial statements, when applicable under professional standards, will contain a separate section where we will report on this "other information".





School District No. 8 (Kootenay Lake)
January 24, 2024

AUDITOR'S DELIVERABLES

Unless otherwise specified, our report(s) will be in writing and the expected content of our report(s) are provided in *Appendix – Expected Form of Report*. However, there may be circumstances in which a report may differ from its expected form and content.

In addition, if we become aware of information that relates to the information we reported on after we have issued our report, but which was not known to us at the date of our report, and which is of such a nature and from such a source that we would have investigated that information had it come to our attention during the course of our engagement, we will, as soon as practicable: (1) communicate such an occurrence to those charged with governance; and (2) undertake an investigation to determine whether the information is reliable and whether the facts existed at the date of our report. Further, management agrees that in conducting that investigation, we will have the full cooperation of the the School District's personnel. If the subsequently discovered information is found to be of such a nature that: (a) our report would have been affected if the information had been known as of the date of our report; and (b) we believe that the report may have been distributed to someone who would attach importance to the information, appropriate steps will be taken by KPMG, and appropriate steps will also be taken by the School District, to advise of the newly discovered facts and the impact to the information we reported on.

INCOME TAX COMPLIANCE AND ADVISORY SERVICES

This letter details the general tax advisory services to be provided to the the School District for the year ended June 30, 2024 and in the future. If there are tax services to be delivered outside the scope of those described in this letter, we will require a separate engagement letter for those services.

We will perform the following services under the terms of this engagement:

General tax advisory services

Our tax advice generally falls under one of the following situations:

1. On an ongoing basis, we will provide advisory services of a general nature relating to various payroll and indirect tax matters as they arise. This type of service generally arises on a periodic basis as a result of preliminary inquiries made by you. In rendering these services, it is important to recognize that the advice provided is dependent on the detail of the information provided and the environment in which it is rendered. When professional judgment suggests written confirmation of the facts and advice is necessary, we will draft the appropriate correspondence to ensure the appropriate standard of care is met by all parties.





School District No. 8 (Kootenay Lake)
January 24, 2024

2. Periodically, you will seek detailed advice from us in connection with a specific transaction or undertaking you are contemplating. In such a situation, our advice will be based on the information provided to us. It is the responsibility of the School District to ensure we are provided with all the information necessary in order for us to render the advice sought. Our tax advice will most likely be communicated to you, or your designate, in writing.

Our tax advisory services, both written and oral, will be based on the facts and assumptions submitted to us. We will not independently verify this information. Inaccuracy or incompleteness of the information could have a material effect on our conclusions.

Client's Responsibilities

With respect to KPMG's services, Client agrees it will:

- Evaluate the adequacy and results of services performed;
- Make management decisions and perform all management functions;
- Accept responsibility for the results of the services;

Client also acknowledges and agrees that:

- KPMG's services may include high level advice and recommendations, but all decisions in connection with such advice and recommendations shall be the responsibility of, and made by the School District's management;

A number of domestic and foreign jurisdictions, including, among others, Canada, the Province of Quebec, the United States and the European Union, are enacting or have enacted mandatory disclosure regimes ("MDRs"), which require taxpayers and their advisors to provide notice of or disclose certain transactions or arrangements ("Reportable Arrangements") to the relevant local taxing authorities. Non-compliance with MDRs may result in adverse tax consequences, including significant penalties. Accordingly, the parties hereby acknowledge that KPMG, other KPMG member firms located outside of Canada who are involved in the Services, and/or the School District may, as required, disclose details of the advice and/or work product provided under this Agreement to relevant taxing authorities with respect to a Reportable Arrangement (an "MDR Disclosure"). Unless prevented by law, KPMG will use commercially reasonable efforts to inform the School District if KPMG is required to make, or KPMG becomes aware that another KPMG member firm is required to make, an MDR Disclosure. Unless prevented by law, the School District will use commercially reasonable efforts to inform KPMG if Client is required to make an MDR Disclosure. The School District is advised to consult with a tax or legal professional service provider proficient in MDRs for assistance in this regard; for greater certainty, unless expressly provided for in this engagement letter, the Services do not include advice in relation to the application of, and compliance with, MDRs. To the fullest extent permitted by law, KPMG is not liable to the School District for any consequences that may result or arise from or otherwise be connected with any MDR Disclosure. The School District agrees to use commercially reasonable efforts to inform KPMG of any confidential protection or conditions of confidentiality imposed by





School District No. 8 (Kootenay Lake)
January 24, 2024

any third party advisor or promoter (or person who does not deal at arm's length with such advisor or promoter) with respect to any transaction or series on which KPMG's advice is requested. Such notification must occur prior to KPMG providing any advice with respect to the transaction or series.

Our advice will be limited to the conclusions specifically set forth in our reporting letter and KPMG will not express an opinion with respect to any other federal, provincial or foreign tax or legal aspect of the transactions described therein. It should be noted that the Canada Revenue Agency and/or the relevant provincial tax authority and/or any other governmental tax authority (collectively a Tax or Revenue Authority) could take a different position with respect to these transactions, in which case it may be necessary for you to defend this position on appeal from an assessment or litigate the dispute before the courts, including one or more appellate courts, in order for our conclusions to prevail. If a settlement were reached with a Tax or Revenue Authority or if such appeal and litigation were not, or were not entirely, successful, the result would likely be different from the views we express in our reporting letter. Unless expressly provided for, KPMG's services do not include representing the School District in the event of a challenge by a Tax or Revenue Authority or litigation before any court.

Advice delivered outside the scope described in this letter will require a separate engagement letter. In addition, after providing the advice referred to herein, we will not be responsible for updating such advice to take into account any subsequent changes in law or administrative practice unless specifically provided for under the terms of this engagement.

FEES

Appendix - Fees for Professional Services to this letter lists our fees for professional services to be performed under this Engagement Letter.

* * * * *

We are available to provide a wide range of services beyond those outlined above. Additional services are subject to separate terms and arrangements.

The attached Terms and Conditions for Advisory and Tax Services are incorporated into, and form an integral part of, this engagement letter. However, the prohibition regarding the distribution or disclosure of KPMG's reports and written advice or any information provided by KPMG to Client, set out in Sections 5 and 6 of such Terms and Conditions for Advisory and Tax Services, or any similar prohibition set out in this engagement letter, and the first sentence of Section 30(b) of such Terms and Conditions for Advisory and Tax Services, shall not apply. For certainty, no provision of this engagement letter is or is intended to be construed as confidential protection within the meaning of subsection 237.3(1) of the Income Tax Act (Canada) or any applicable regulations or under any similar or analogous provisions of the laws of a province or other jurisdiction, and Client may disclose to any and all persons, without limitation of any kind, the tax treatment of a transaction or series of transactions within the scope of the engagement. Client agrees that, if any such disclosure is made, Client will, at the time of disclosure, inform the person(s) to whom/which





School District No. 8 (Kootenay Lake)
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disclosure is made that KPMG accepts no responsibility or liability to such person(s) in connection with the details or structure disclosed.

We are proud to serve the School District and we appreciate your confidence in our work. We shall be pleased to discuss this letter with you at any time. If the arrangements and terms are acceptable, please sign the duplicate of this letter in the space provided and return it to us.

Yours very truly,

David Bond, CPA, CA, CBV
Partner, responsible for the engagement and its performance, and for the report that is issued on behalf of KPMG LLP, and who, where required, has the appropriate authority from a professional, legal or regulatory body
250-9779-7154

Enclosure

The terms of the engagement set out are as agreed:

Cathy MacArthur, Secretary- Treasurer
(having the appropriate authority to engage the the School District as defined above)

Date (DD/MM/YY)

Dawn Lang, Board Chair
(having the appropriate authority to engage the the School District as defined above)

Date (DD/MM/YY)





School District No. 8 (Kootenay Lake)
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Appendix - Management's Responsibilities

Management acknowledges and understands that they are responsible for:

- (a) the preparation and fair presentation of the financial statements in accordance with the financial reporting framework referred to above.
- (b) providing us with all information of which management is aware that is relevant to the preparation of the financial statements ("relevant information") such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties
 - complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors, and committees of the board of directors that may affect the financial statements. All significant actions are to be included in such summaries.
- (c) providing us with unrestricted access to such relevant information.
- (d) providing us with complete responses to all enquiries made by us during the engagement.
- (e) providing us with additional information that we may request from management for the purpose of the engagement.
- (f) providing us with unrestricted access to persons within the School District from whom we determine it necessary to obtain evidence.
- (g) such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management also acknowledges and understands that they are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- (h) ensuring that all transactions have been recorded and are reflected in the financial statements.
- (i) providing us with written representations required to be obtained under professional standards and written representations that we determine are necessary. Management also acknowledges and understands that, as required by professional standards, we may disclaim an audit opinion when management does not provide certain written representations required.



School District No. 8 (Kootenay Lake)
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Appendix - Auditor's Responsibilities

Our function as auditors of the School District is:

- to express an opinion on whether the School District's annual financial statements, prepared by management with the oversight of those charged with governance, are, in all material respects, in accordance with the financial reporting framework referred to above
- to report on the annual financial statements

We will conduct the audit of the School District's annual financial statements in accordance with Canadian generally accepted auditing standards and relevant ethical requirements, including those pertaining to independence (hereinafter referred to as applicable "professional standards").

We will plan and perform the audit to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error. Accordingly, we will, among other things:

- identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the School District and its environment, including the School District's internal control. In making those risk assessments, we consider internal control relevant to the School District's preparation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control
- obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks
- form an opinion on the School District's annual financial statements based on conclusions drawn from the audit evidence obtained
- communicate matters required by professional standards, to the extent that such matters come to our attention, to the appropriate level of management, those charged with governance and/or the board of directors. The form (oral or in writing) and the timing will depend on the importance of the matter and the requirements under professional standards





School District No. 8 (Kootenay Lake)
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Appendix - Expected Form of Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 8 (Kootenay Lake)

Opinion

We have audited the financial statements of School District No. 8 (Kootenay Lake) (the School District), which comprise:

- the statement of financial position as at June 30, 2024
- the statement of operations for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements are prepared in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the School District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia , and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.





School District No. 8 (Kootenay Lake)
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Appendix - Expected Form of Report (continued)

In preparing the financial statements, management is responsible for assessing the School District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the School District or to cease operations, or has no realistic alternative but to do so.

Those charged governance are responsible for overseeing the School District's financial reporting process.

Emphasis of Matter - Financial Reporting Framework

We draw attention to note 2 to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises information, other than the financial statements and the auditors' report thereon, included in unaudited schedules 1-4 attached to the audited financial statements and the management discussion and analysis document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We obtained the Information, other than the financial statements and the auditors' report thereon, included in the unaudited schedules 1-4 attached to the audited financial statements and the management discussion and analysis document, at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.





School District No. 8 (Kootenay Lake)
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Appendix - Expected Form of Report (continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School District's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





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Appendix - Fees for Professional Services

Fees for professional services rendered will be billed based on fees outlined below:

Service	Amount
Audit of the annual financial statements and related services	\$ 34,600
Technology and support charge (7% of professional fees)	2,422
Estimated out of pocket expenses (will only be charged if travel costs are incurred to attend audit fieldwork onsite at SD8 office, based on actual, up to maximum shown)	2,500
Total fees	\$ 39,522

Our audit fees (prior to technology and support charge and disbursements) will be billed based on the schedule outlined below:

<ul style="list-style-type: none"> July 8, 2024 	\$26,000
<ul style="list-style-type: none"> Final Bill (to be billed upon completion of all services) 	Remainder and maximum disbursements

Our professional fees are also subject to a technology and support charge to cover information technology infrastructure costs and administrative support of our client service personnel which are not included in our client service personnel fee. The technology and support fee covers costs such as our client service personnel computer hardware and customized KPMG software, telecommunications equipment, client service professional administrative support, IT programming professional services and other client support services. Other direct out-of-pocket costs, such as travel, will be charged separately based on our actual costs.

Goods and Services Tax (GST) will be computed and shown separately on our invoices, together with our firm's GST registration number, so that you will have the information required to claim input tax credits and input tax refunds, if applicable.

The School District agrees, by accepting the terms of this engagement, to pay all invoices to KPMG within 30 days of receipt.





**TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS
(NON-LISTED COMPANY CLIENTS)**

These Terms and Conditions are an integral part of the accompanying engagement letter or proposal from KPMG that identifies the engagement to which they relate (and collectively form the "Engagement Letter"). The Engagement Letter supersedes all written or oral representations on this matter. The term "Entity" used herein has the meaning set out in the accompanying engagement letter or proposal. The term "Management" used herein means the management of Entity.

1. DOCUMENTS AND LICENSES.

- a. All working papers, files and other internal materials created or produced by KPMG in relation to this engagement and all copyright and intellectual property rights therein are the property of KPMG.
- b. Only in connection with the services herein, Entity hereby grants to KPMG a limited, revocable, non-exclusive, non-transferable, paid up and royalty-free license, without right of sublicense, to use all logos, trademarks and service marks of Entity solely for presentations or reports to Entity or for internal KPMG presentations and intranet sites. Further, Entity agrees that KPMG may list Entity as a customer in KPMG's internal and external marketing materials, including KPMG websites and social media, indicating the general services rendered (e.g., "Client is an Audit, Advisory, and/or Tax client of KPMG LLP").

2. ENTITY'S RESPONSIBILITIES.

- a. Entity agrees that all management responsibilities will be performed and all management decisions will be made by Entity, and not by KPMG.
- b. Entity's provision of documents and information to KPMG on a timely basis is an important factor in our ability to issue any reports under this Engagement Letter. KPMG is not responsible for any consequences arising from Entity's failure to deliver documents and information as required.
- c. To the extent that KPMG personnel are on Entity's premises, Entity will take all reasonable precautions for their safety.
- d. Entity understands and acknowledges that KPMG's independence may be impaired if any KPMG partner, employee or contractor accepts any offer of employment from Entity.
- e. Except as required by applicable law or regulation, Entity shall keep confidential the terms of this Engagement Letter, and such confidential information shall not be distributed, published or made available to any other person without KPMG's express written permission.
- f. Management agrees to promptly provide us with a copy of any comment letter or request for information issued by any securities or other regulatory authority in respect of information on which KPMG reported, including without limitation any continuous disclosure filings.

3. FEE AND OTHER ARRANGEMENTS.

- a. KPMG's estimated fee is based in part on the quality of Entity's records, the agreed-upon level of preparation and assistance from Entity's personnel, and adherence by Entity to the agreed-upon timetable. KPMG's estimated fee also assumes that Entity's financial statements and/or other financial information, as applicable, are prepared in accordance with the relevant financial reporting framework or the relevant criteria, as applicable, and that there are no significant changes to the relevant financial reporting framework or the relevant criteria, as applicable; no significant new or changed accounting policies; no significant changes to internal control; and no other significant issues.

- b. Additional time may be incurred for such matters as significant issues, significant unusual and/or complex transactions, informing management about new professional standards, and any related accounting advice. Where these matters arise and require research, consultation and work beyond that included in the estimated fee, Entity and KPMG agree to revise the estimated fee. Our professional fees are also subject to an additional charge to cover information technology infrastructure costs and administrative support of our client service personnel. Disbursements for items such as travel, accommodation and meals will be charged based on KPMG's actual disbursements.
- c. KPMG's invoices are due and payable upon receipt. In order to avoid the possible implication that unpaid fees might be viewed as creating a threat to KPMG's independence, it is important that KPMG's bills be paid promptly when rendered. If a situation arises in which it may appear that KPMG's independence is threatened because of significant unpaid bills, KPMG may be prohibited from signing any applicable report and/or consent.
- d. Fees for any other services will be billed separately from the services described in this Engagement Letter and may be subject to written terms and conditions supplemental to those in the Engagement Letter.
- e. Canadian Public Accountability Board ("CPAB") participation fees, when applicable, are charged to Entity based on the annual fees levied by CPAB.

4. USE OF MEMBER FIRMS AND THIRD PARTY SERVICE PROVIDERS; STORAGE AND USE OF INFORMATION.

- a. KPMG is a member firm of the KPMG International Cooperative ("KPMG International"). Entity acknowledges that in connection with the provision of services hereunder, KPMG may use the services of KPMG International member firms, as well as other third party service providers or subcontractors, and KPMG shall be entitled to share with them all documentation and information related to the engagement, including Entity's confidential information and personal information ("information"). KPMG may also: (i) directly, or using such aforementioned KPMG International member firms, third party service providers or subcontractors, perform data analytics in respect of the information; and (ii) retain and disclose to KPMG International member firms the information to share best practices or for knowledge sharing purposes. In all such cases, such information may be used, retained, processed, or stored outside of Canada by such KPMG International member firms, other third party service providers or subcontractors, and may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is used, retained, processed or stored, which laws may not provide the same level of protection for such information as will Canadian laws. KPMG represents that such KPMG International member firms, other third party service providers or subcontractors have agreed or shall agree to conditions of confidentiality with respect to Entity's confidential information, and that KPMG is responsible to ensure their compliance with those conditions. Any services performed by KPMG International member firms or other third party service providers or subcontractors shall be performed in accordance with the terms of this Engagement Letter, but KPMG remains solely responsible to Entity for the delivery of the services hereunder. Entity agrees that any claims that may arise out of the engagement will be brought solely against KPMG, the contracting party, and not against any other KPMG International member firms or other third party service providers or subcontractors referred to





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above.

b. Certain information (including information relating to time, billing and conflicts) collected by KPMG during the course of the engagement may be used, retained, processed and stored outside of Canada by KPMG, KPMG International member firms or third party service providers or subcontractors providing support services to KPMG for administrative, technological and clerical/organizational purposes, including in respect of client engagement acceptance procedures and maintaining engagement profiles; and to comply with applicable law, regulation or professional standards (including for quality performance reviews). Such information may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is used, retained, processed or stored, which laws may not provide the same level of protection for such information as will Canadian laws. KPMG may also share information with its legal advisers and insurers for the purposes of obtaining advice.

c. Entity acknowledges that KPMG aggregates anonymous information from sources including the Entity for various purposes, including to monitor quality of service, and Entity consents to such use. KPMG may also use Entity's information to offer services that may be of interest to Entity.

5. PERSONAL INFORMATION CONSENTS AND NOTICES.

KPMG may be required to collect, use and disclose personal information about individuals during the course of the engagement. Any collection, use or disclosure of personal information is subject to KPMG's Privacy Policy available at www.kpmg.ca. Entity represents and warrants that (i) it will obtain any consents required to allow KPMG to collect, use and disclose personal information in the course of the engagement, and (ii) it has provided notice to those individuals whose personal information may be collected, used and disclosed by KPMG hereunder of the potential processing of such personal information outside of Canada (as described in Section 4 above). KPMG's Privacy Officer noted in KPMG's privacy policy is able to answer any individual's questions about the collection of personal information required for KPMG to deliver services hereunder.

6. THIRD PARTY DEMANDS FOR DOCUMENTATION AND INFORMATION / LEGAL AND REGULATORY PROCESSES.

a. Entity on its own behalf hereby acknowledges and agrees to cause its subsidiaries and affiliates to acknowledge that KPMG or a foreign component auditor which has been engaged in connection with an assurance engagement ("component auditor") may from time to time receive demands from a third party (each, a "third party demand"), including without limitation (i) from CPAB or from professional, securities or other regulatory, taxation, judicial or governmental authorities (both in Canada and abroad), to provide them with information and copies of documents in KPMG's or the component auditor's files including (without limitation) working papers and other work-product relating to the affairs of Entity, its subsidiaries and affiliates, and (ii) summons for production of documents or information related to the services provided hereunder; which information and documents may contain confidential information of Entity, its subsidiaries or affiliates. Except where prohibited by law, KPMG or its component auditor, as applicable, will advise Entity or its affiliate or subsidiary of the third party demand. Entity acknowledges, and agrees to cause its subsidiaries and affiliates to acknowledge, that KPMG or its component auditor, as applicable, will produce documents and

provide information in response to the third party demand, without further authority from Entity, its subsidiaries or affiliates.

b. KPMG will use reasonable efforts to withhold from production any documentation or information over which Entity asserts privilege. Entity must identify any such documentation or information at the time of its provision to KPMG by marking it as "privileged". Notwithstanding the foregoing, where disclosure of such privileged documents is required by law, KPMG will disclose such privileged documents. If and only if the authority requires such access to such privileged documents pursuant to the laws of a jurisdiction in which express consent of Entity is required for such disclosure, then Entity hereby provides its consent.

c. Entity agrees to reimburse KPMG for its professional time and any disbursements, including reasonable legal fees and taxes, in responding to third party demands.

d. Entity waives and releases KPMG from any and all claims that it may have against KPMG as a result of any disclosure or production by KPMG of documents or information as contemplated herein.

e. Entity agrees to notify KPMG promptly of any request received by Entity from any third party with respect to the services hereunder, KPMG's confidential information, KPMG's advice or report or any related document.

7. CONNECTING TO THE ENTITY'S IT NETWORK; EMAIL AND ONLINE FILE SHARING AND STORAGE TOOLS.

a. Entity authorizes KPMG personnel to connect their computers to Entity's IT Network and the Internet via the Network while at the Entity's premises for the purpose of conducting normal business activities.

b. Entity recognizes and accepts the risks associated with communicating electronically, and using online file sharing, storage, collaboration and other similar online tools to transmit information to or sharing information with KPMG, including (but without limitation) the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Entity assumes all responsibility or liability in respect of the risk associated with the use of the foregoing, and agrees that KPMG is not responsible for any issues that might arise (including loss of data) as a result of Entity using the foregoing to transmit information to or otherwise share information with KPMG and, in the case of online tools other than email, KPMG's access to and use of the same in connection with obtaining Entity information and documents.

8. LIMITATION ON WARRANTIES.

THIS IS A SERVICES ENGAGEMENT. KPMG WARRANTS THAT IT WILL PERFORM SERVICES HEREUNDER IN GOOD FAITH WITH QUALIFIED PERSONNEL IN A COMPETENT AND WORKMANLIKE MANNER IN ACCORDANCE WITH APPLICABLE INDUSTRY STANDARDS. SUBJECT TO SECTION 14, KPMG DISCLAIMS ALL OTHER WARRANTIES, REPRESENTATIONS OR CONDITIONS, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES, REPRESENTATIONS OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9. LIMITATION ON LIABILITY AND INDEMNIFICATION

a. Subject to Section 14: (i) Entity agrees that KPMG shall not be liable to Entity for any actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses (collectively, "Claims") in any way arising out





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of or relating to the services performed hereunder for an aggregate amount in excess of the lesser of one million dollars (\$1,000,000) or two times the fees paid by Entity to KPMG under the engagement; and (ii) on a multi-phase engagement, KPMG's liability shall be based on the amount actually paid to KPMG for the particular phase that gives rise to the liability.

b. Subject to Section 14, in the event of a Claim by any third party against KPMG that arises out of or relates to the services performed hereunder, Entity will indemnify and hold harmless KPMG from all such Claims, including, without limitation, reasonable legal fees, except to the extent finally determined to have resulted from the intentional, deliberate or fraudulent misconduct of KPMG.

c. Subject to Section 14: (i) in no event shall KPMG be liable for consequential, special, indirect, incidental, punitive or exemplary damages, liabilities, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs); (ii) in any Claim arising out of the engagement, Entity agrees that KPMG's liability will be several and not joint and several; and (iii) Entity may only claim payment from KPMG of KPMG's proportionate share of the total liability based on degree of fault.

d. For purposes of this Section 9, the term KPMG shall include its subsidiaries, its associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives. The provisions of this Section 9 shall apply regardless of the form of Claim, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.

10. CONSENT TO THE USE OF THE KPMG NAME OR KPMG REPORT.

Except as otherwise specifically agreed in this Engagement Letter, KPMG does not consent to:

- i. the use of our name or our report in connection with information, other than what we have reported on as part of this engagement letter or our report thereon, that contains, incorporates by reference, or otherwise accompanies our report or our name;
- ii. the use of our report in another language, or the use of our report in connection with information that we reported on that has been translated into another language, or the use of our name in connection with information that we reported on that has been translated into another language;
- iii. the use of our report in connection with an offering document or other securities filing, including continuous disclosure filings; or
- iv. the use of our name or our report in connection with the interim financial statements (or other interim financial information) to any statement by the Entity regarding the services that we provided on the interim financial statements or other interim financial information.

Any communication, report, statement or conclusion on the interim financial statements may not be included in, or otherwise referred to in any public document or public oral statements except when the interim review conclusion contains a modified conclusion, in which case our interim review report will accompany the interim financial statements.

If the Entity wishes to obtain KPMG's consent regarding the matters above or other matters not otherwise specifically covered by this Engagement Letter, we will be required to perform procedures as required by applicable professional standards, and such procedures would be a separate engagement and subject to

separate engagement terms.

11. ALTERNATIVE DISPUTE RESOLUTION.

Any dispute or claim between the parties arising under or relating to this Engagement Letter or the services provided hereunder (the "Dispute") shall be submitted to non-binding mediation. If mediation is not successful within 90 days after the issuance by a party of a request for mediation, then the Dispute shall be referred to and finally resolved by arbitration under the Arbitration Rules of the ADR Institute of Canada in force at that time. The Seat of Arbitration shall be the province where KPMG's principal office performing this engagement is located. The language of the arbitration shall be English. The Arbitral Tribunal shall be made up of a single Arbitrator. The arbitration award shall be final, conclusive and binding upon the parties, and not subject to appeal.

12. POTENTIAL CONFLICTS OF INTEREST.

a. KPMG is or may be engaged by entities and individuals who have potentially conflicting legal and business interests to Entity. Entity agrees that, without further notice or disclosure to Entity, KPMG may: (i) accept or continue such engagements on matters unrelated to KPMG's engagement for Entity; and (ii) provide advice or services to any other person or Entity making a competing bid or proposal to that of Entity whether or not KPMG is providing advice or services to Entity in respect of Entity's competing bid or proposal.

b. In accordance with professional standards, KPMG will not use any confidential information regarding Entity in connection with its engagements with other clients, and will establish confidentiality and other safeguards to manage conflicts, which may include, in KPMG's sole discretion, the use of separate engagement teams and data access controls.

c. In no event shall KPMG be liable to Entity, or shall Entity be entitled to a return of fees or disbursements, or any other compensation whatsoever as a result of KPMG accepting or continuing a conflicting engagement in accordance with the terms of this Engagement Letter.

d. Entity agrees that KPMG may, in its sole discretion, disclose the fact and nature of its engagement for Entity to (i) KPMG International member firms to inform conflict searches, and (ii) to the extent reasonably required in order to obtain the consent of another Entity or individual in order to permit KPMG to act for such Entity or individual, or for Entity, in connection with the engagement or any future engagement.

e. In the event that circumstances arise that place KPMG into a conflict of interest as between Entity and a pre-existing client, which in KPMG's sole opinion cannot be adequately addressed through the use of confidentiality and other safeguards, KPMG shall be entitled to immediately terminate the engagement with Entity, without liability.

f. Other KPMG International member firms are or may be engaged by entities and individuals who have potentially conflicting legal and business interests to Entity. Entity agrees that (i) it will not assert that other KPMG International member firms are precluded from being engaged by those other entities or individuals, and (ii) those engagements of other KPMG International member firms do not conflict with KPMG's engagement for Entity.

13. LOBBYING.

Unless expressly stated in this Engagement Letter, KPMG will not





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undertake any lobbying activity, as that term is defined in all applicable federal, provincial and municipal lobbyist registration statutes and regulations, in connection with the engagement. In the event that KPMG and Entity agree that KPMG will undertake lobbying activity in connection with the engagement, such agreement shall be set out in an amendment to this Engagement Letter.

14. SEVERABILITY.

The provisions of these Terms and Conditions and the accompanying proposal or engagement letter shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of the provisions of these Terms and Conditions or the accompanying proposal or engagement letter are determined to be invalid, void or unenforceable, the remaining provisions of these Terms and Conditions or the accompanying proposal or engagement letter, as the case may be, shall not be affected, impaired or invalidated, and each such provision shall remain valid and in effect and be enforceable and binding on the parties to the fullest extent permitted by law.

15. GOVERNING LAW.

This Engagement Letter shall be subject to and governed by the laws of the province where KPMG's principal office performing this engagement is located (without regard to such province's rules on conflicts of law).

16. LLP STATUS.

KPMG is a registered limited liability partnership ("LLP") established under the laws of the Province of Ontario and, where applicable, has been registered extra-provincially under provincial LLP legislation.

17. INDEPENDENT LEGAL ADVICE.

Entity agrees that it been advised to retain independent legal advice at its own expense prior to signing this Engagement Letter (including without limitation with respect to Entity's rights in connection with potential future conflicts) and agrees that any failure on its part to retain such independent legal counsel shall not affect (and it shall not assert that the same affects) the validity of the provisions of this Engagement Letter.

18. SURVIVAL.

All sections hereof other than Section 7(a) shall survive the expiration or termination of the engagement.





Appendix 2: Audit quality - How do we deliver audit quality?

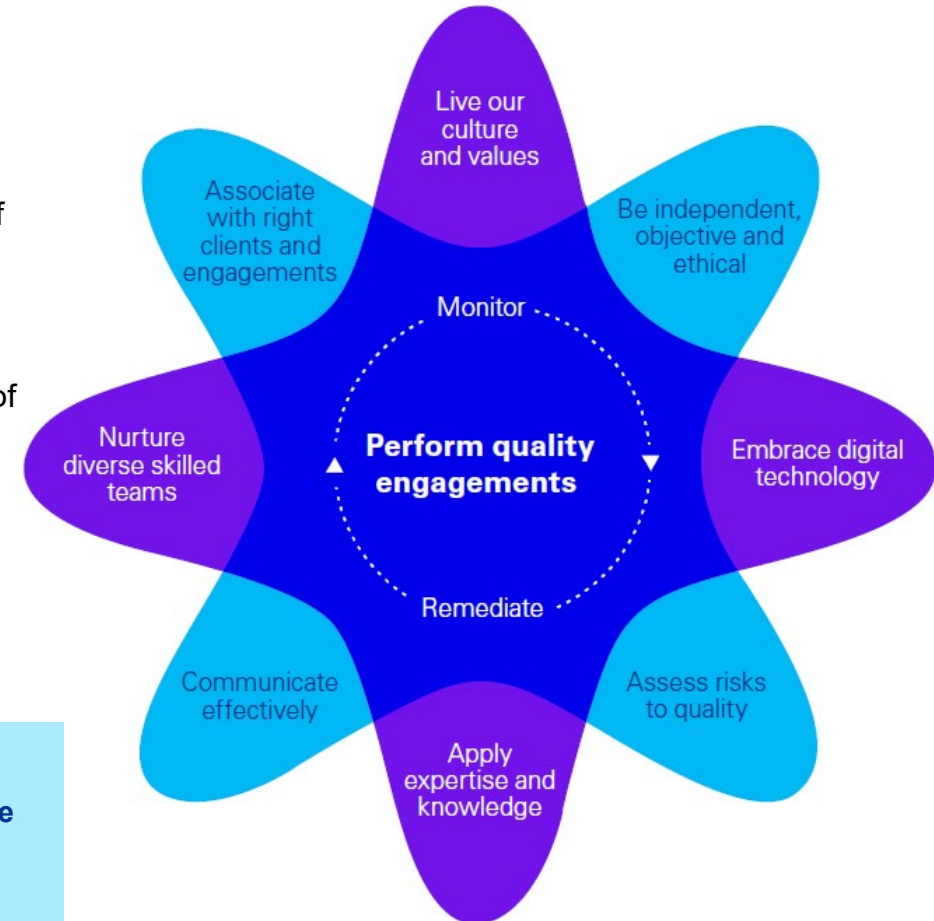
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

 [KPMG 2023 Audit Quality and Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



Doing the right thing. Always.





Appendix 3: Current developments

Changes in accounting standards

Standard	Summary and implications
<p>Revenue</p> <p><i>Effective 2024</i></p>	<ul style="list-style-type: none"> • The new standard PS 3400 <i>Revenue</i> is effective for fiscal years beginning on or after April 1, 2023. • The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. • The standard notes that in the case of revenue arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. • The standard notes that unilateral revenue arises when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
<p>Public Private Partnerships</p> <p><i>Effective 2024</i></p>	<ul style="list-style-type: none"> • The new standard PS 3160 <i>Public private partnerships</i> is effective for fiscal years beginning on or after April 1, 2023. • The standard includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. • The standard notes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the public private partnership ends. • The public sector entity recognizes a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure. • The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project. • The standard can be applied retroactively or prospectively.





Appendix 3: Current developments (continued)

Changes in accounting standards (continued)

Standard	Summary and implications
Purchased Intangibles <i>Effective 2024</i>	<ul style="list-style-type: none"> The new Public Sector Guideline 8 <i>Purchased intangibles</i> is effective for fiscal years beginning on or after April 1, 2023 with earlier adoption permitted. The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and GAAP hierarchy are used to account for purchased intangibles. Narrow scope amendments were made to PS 1000 <i>Financial statement concepts</i> to remove the prohibition to recognize purchased intangibles and to PS 1201 <i>Financial statement presentation</i> to remove the requirement to disclose purchased intangibles not recognized. The guideline can be applied retroactively or prospectively.
Employee benefits <i>Proposed 2027</i>	<ul style="list-style-type: none"> The Public Sector Accounting Board has initiated a review of sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. The intention is to use principles from International Public Sector Accounting Standard 39 <i>Employee benefits</i> as a starting point to develop the Canadian standard. Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues. The proposed section PS 3251 <i>Employee benefits</i> will replace the current sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. It will apply to fiscal years beginning on or after April 1, 2026. Early adoption will be permitted and guidance applied retroactively. This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations. The Public Sector Accounting Board is in the process of evaluating comments received from stakeholders on the exposure draft.





Appendix 4: Newly effective and upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards - see Current Developments 

Effective for periods beginning on or after December 15, 2022

ISA/CAS 220

.....
(Revised) Quality management for an audit of financial statements

ISQM1/CSQM1

.....
Quality management for firms that perform audits or reviews of financial statements or other assurance or related services engagements

ISQM2/CSQM2

.....
Engagement quality reviews

Effective for periods beginning on or after December 15, 2023

ISA 600/CAS 600

.....
Revised special considerations – Audits of group financial statements





Appendix 5: Thought leadership and insights

Thought leadership – Environmental, social and governance (“ESG”)

First IFRS Sustainability Disclosure Standards

The arrival of the first two IFRS Sustainability Disclosure Standards marks a key milestone in sustainability reporting and is a significant step towards creation of a global baseline for stakeholder-focused sustainability reporting that local jurisdictions can build on. **Although the standards are not required to be adopted by the District, the new IFRS sustainability standards provide key insights into what the future of sustainability reporting may look like for the District. The Canadian Sustainability Standards Board released the first proposed Canadian standards for public comments due by June 10, 2024.**

Summary of the recently released standards

The standards build on the four-pillar structure of the **Task Force on Climate-related Financial Disclosures**.

The **general requirements standard (IFRS S1)** defines the scope and objectives of reporting and provides core content, presentation and practical requirements.

It requires disclosure of material information on all sustainability-related risks and opportunities – not just on climate.

The **climate standard (IFRS S2)** replicates the core content requirements and supplements them with climate-specific reporting requirements.



Visit KPMG’s Sustainability Reporting website for more information, including a comprehensive summary of the new requirements and KPMG’s insights and illustrative examples for the new standards.

[Click here](#) to access KPMG’s portal





Appendix 5: Thought leadership and insights (continued)

Climate Risk in the Financial Statements

All entities are facing climate-related risks and opportunities – and are making strategic decisions in response. The impacts of climate-related risks in the financial statements are broad, potentially complex and will depend on industry-specific risks.

How might climate-related risks impact the financial statements?

01

Assets

Consider the useful lives and residual values of assets, cash flow projections used for impairment testing of non-financial assets, and the potential impacts on inventories.

02

Liabilities

Consider the recognition of environmental and decommissioning obligations, accounting for emissions or 'green' schemes, impact on employee-benefit arrangements, and restructuring provisions.

03

Borrowers

Consider the accounting for different forms of government assistance, potential for embedded derivatives in green bonds, lease of green technology, impacts of leasing polluting assets.

04

Lenders

Consider how climate-related risks impact operating and financing leases, the potential impact on expected credit losses, and whether green loans meet the solely payments of principal and interest (SPPI) criterion.

05

Disclosures

Consider the impact on the going concern assessment and related disclosures and whether the impacts of climate-related matters have been disclosed clearly.

[See here for more information](#)





Appendix 5: Thought leadership and insights (continued)



KPMG research shows that:

Eighty-seven percent of IT decision makers believe that technologies powered by AI should be subject to regulation.

- Of that group, 32 percent believe that regulation should come from a combination of both government and industry.
- Twenty-five percent believe that regulation should be the responsibility of an independent industry consortium.

Ninety-four percent of IT decision makers feel that firms need to focus more on corporate responsibility and ethics while developing AI solutions.

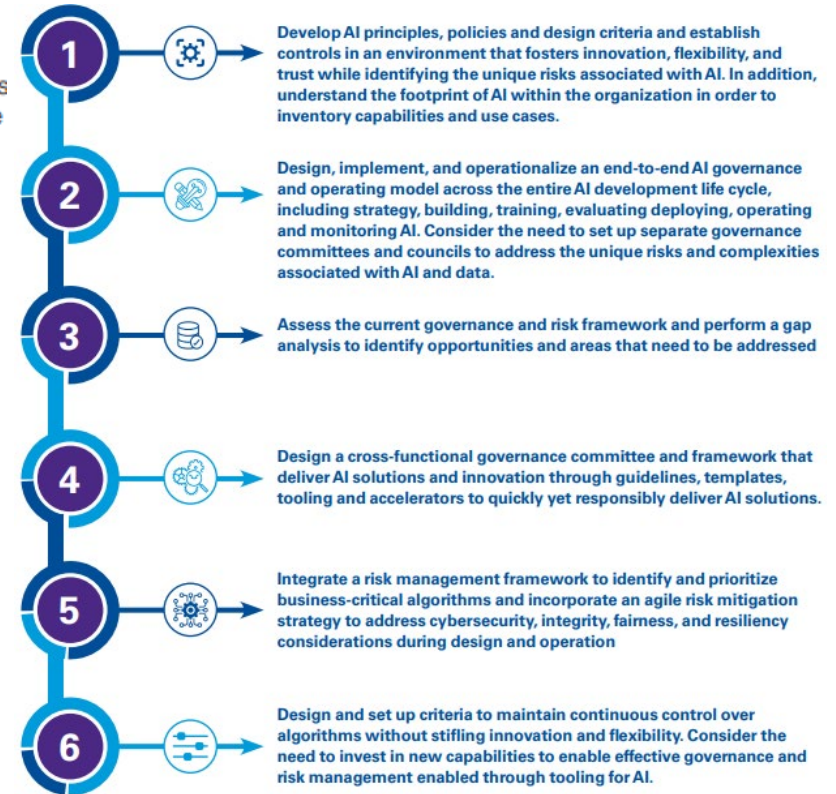
Source:

Per a study of 300 ITDMs from the UK and the US, conducted by Vanson Bourne on behalf of SnapLogic:

<https://www.businesswire.com/news/home/20190326005362/en/AI-Ethics-Deficit-%E2%80%94-94-Leaders-Call>

For AI solutions to be transformative, trust is imperative. This trust rests on four main anchors: integrity, explainability, fairness, and resilience. These four principles (enabled through governance) will help organizations drive greater trust, transparency, and accountability.

- 1. Integrity** — algorithm integrity and data validity including lineage and appropriateness of how data is used
- 2. Explainability** — transparency through understanding the algorithmic decision-making process in simple terms
- 3. Fairness** — ensuring AI systems are ethical, free from bias, free from prejudice and that protected attributes are not being used
- 4. Resilience** — technical robustness and compliance of your AI and its agility across platforms and resistance against bad actors



home.kpmg/ShapeofAIGovernance





Appendix 6: Audit and assurance insights

Our latest thinking on the issues that matter most to Finance, Audit and Facilities Committees, board of directors and management.

KPMG Audit & Assurance Insights

Curated research and insights for Finance, Audit and Facilities Committees and boards.

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US Outlook reports.

Finance, Audit and Facilities Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping Finance, Audit and Facilities Committee effectiveness in Canada.

Accelerate 2023

The key issues driving the Finance, Audit and Facilities Committee agenda in 2023.

Momentum

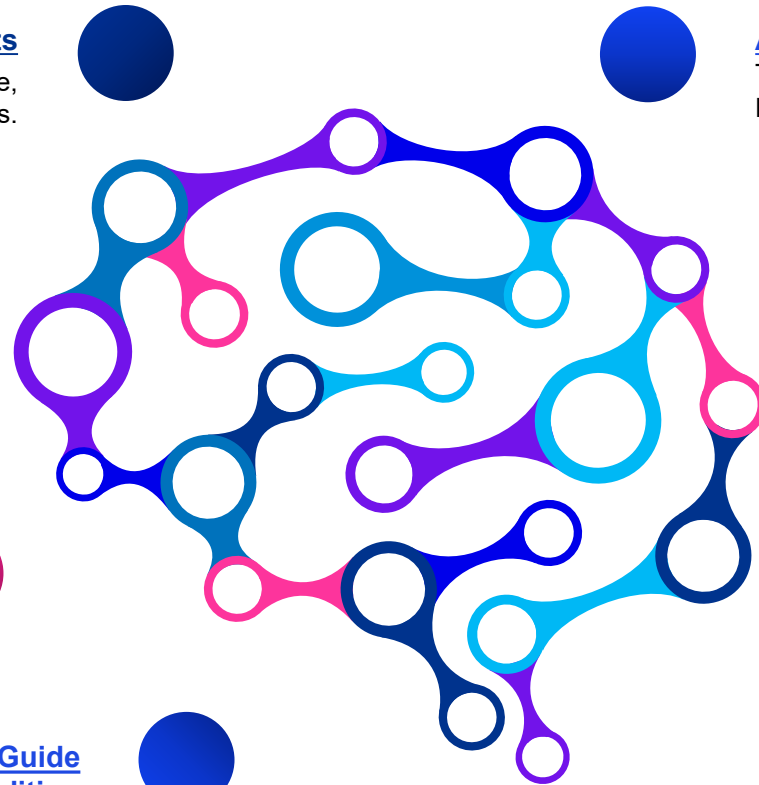
A quarterly newsletter with the latest thought-leadership from KPMG's subject matter leaders across Canada and valuable audit resources for clients.

KPMG Climate Change Financial Reporting Resource Centre

Our climate change resource center provides insights to help you identify the potential financial statement impacts to your business.

IFRS Breaking News

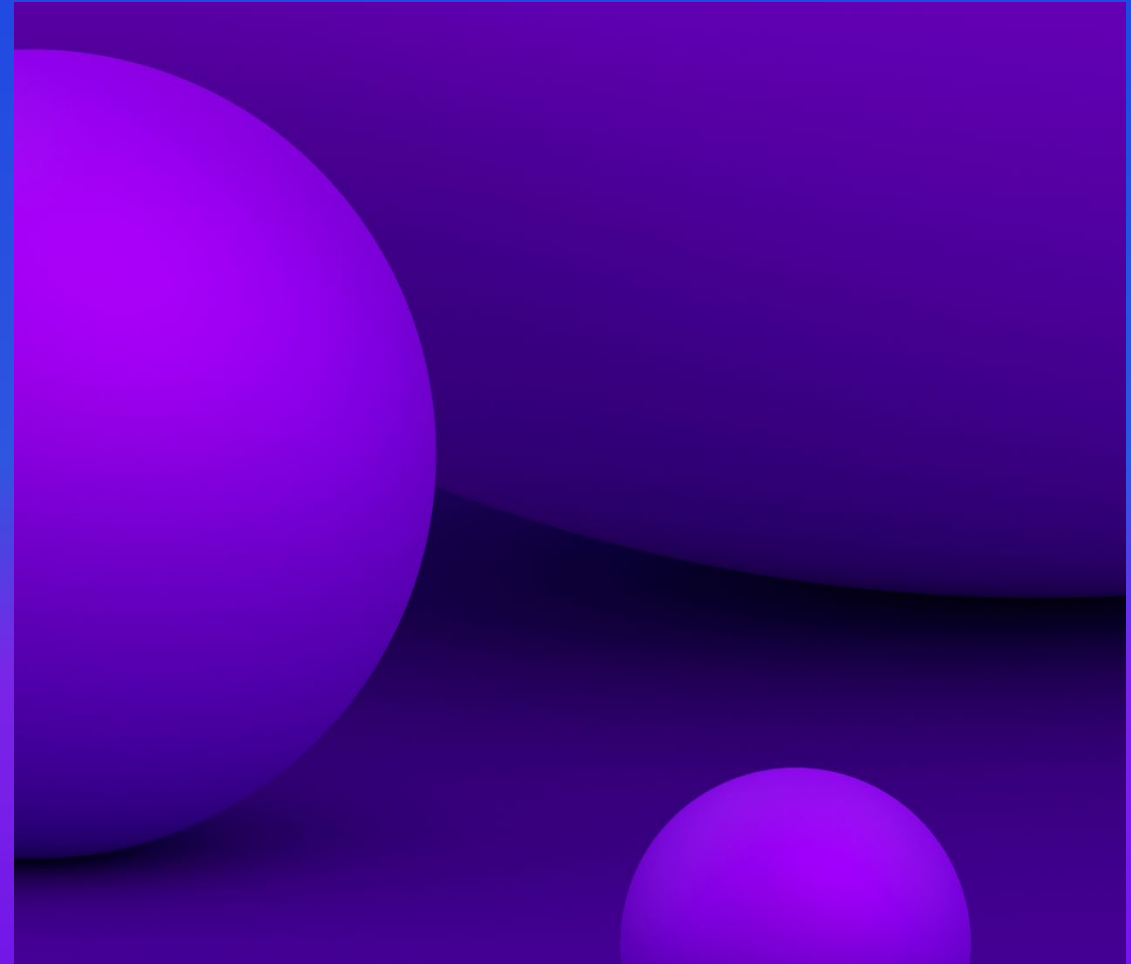
A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.





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FROM: Trish Smillie, Superintendent
DATE: May 14, 2024
SUBJECT: 2024-2025 Annual Budget

For Information

Introduction

This memorandum outlines the recommended Annual Budget 2024-2025.

Background

The Ministry of Education and Child Care requires every school district to submit a balanced budget for the next school year by June 30. The Board of Education of School District No. 8 (Kootenay Lake) is therefore required to approve and submit its 2024-2025 budget on or before June 30, 2024.

In preparation of the 2024-2025 annual budget, a detailed review was performed of ancillary budgets and programming budgets, and despite financial pressures, the district has ensured that resources were focused on classroom support.

The budget process is based on the following main considerations:

- Alignment to the 2024-2029 Strategic Plan and maintaining a focus on the new strategic priorities of: Lifelong Learners, Connected Learners, Caring and Inclusive Learning Culture, Cultural and Identity Development, and Career Development.
- Board consultation with key partners in April of each year: Kootenay Lake Principals and Vice Principals, Kootenay Lake Teachers' Association, CUPE Local 748, Aboriginal Education Council, Lower Kootenay Band, Kootenay Lake District Parent Advisory Committee, and students as well as the public.
- A public survey that provides feedback from parents and other partners on the annual budget.
- A recognition that teachers and education assistants in school classrooms and virtual spaces are vital to the success of our students.

As a result of these considerations, the district ensured that the expenditures related to the classroom were maintained and that the budget supported the Board of Education's 2024-2029 mission, "To inspire and support each learner to thrive in a caring learning environment."



Annual Budget

School District No. 08 (Kootenay Lake)

June 30, 2025



School District No. 08 (Kootenay Lake)

June 30, 2025

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*NOTE - Statement 1, Statement 3, Statement 5, Schedule 1 and Schedules 4A - 4D are used for Financial Statement reporting only.



ANNUAL BUDGET BYLAW

A Bylaw of THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 08 (KOOTENAY LAKE) (called the "Board") to adopt the Annual Budget of the Board for the fiscal year 2024/2025 pursuant to section 113 of the *School Act*, R.S.B.C., 1996, c. 412 as amended from time to time (called the "Act").

1. The Board has complied with the provisions of the *Act*, Ministerial Orders, and Ministry of Education and Child Care Policies respecting the Annual Budget adopted by this bylaw.
2. This bylaw may be cited as School District No. 08 (Kootenay Lake) Annual Budget Bylaw for fiscal year 2024/2025.
3. The attached Statement 2 showing the estimated revenue and expense for the 2024/2025 fiscal year and the total budget bylaw amount of \$85,002,642 for the 2024/2025 fiscal year was prepared in accordance with the *Act*.
4. Statement 2, 4 and Schedules 2 to 4 are adopted as the Annual Budget of the Board for the fiscal year 2024/2025.

READ A FIRST TIME THE 14th DAY OF MAY, 2024;

READ A SECOND TIME THE 14th DAY OF MAY, 2024;

READ A THIRD TIME, PASSED AND ADOPTED THE 14th DAY OF MAY, 2024;

Chairperson of the Board

(Corporate Seal)

Secretary Treasurer

I HEREBY CERTIFY this to be a true original of School District No. 08 (Kootenay Lake) Annual Budget Bylaw 2024/2025, adopted by the Board the _____ DAY OF _____, 2024.

Secretary Treasurer



School District No. 08 (Kootenay Lake)

Statement 2

Annual Budget - Revenue and Expense

Year Ended June 30, 2025

	2025 Annual Budget	2024 Amended Annual Budget
Ministry Operating Grant Funded FTE's		
School-Age	4,753,000	4,823,438
Adult	1,750	1,750
Total Ministry Operating Grant Funded FTE's	4,754,750	4,825,188
Revenues	\$	\$
Provincial Grants		
Ministry of Education and Child Care	76,036,264	77,303,500
Other	413,984	400,685
Tuition	1,196,250	1,198,450
Other Revenue	1,848,398	1,848,368
Rentals and Leases	90,000	90,000
Investment Income	402,000	508,000
Amortization of Deferred Capital Revenue	2,976,801	3,002,516
Total Revenue	82,963,697	84,351,519
Expenses		
Instruction	62,552,540	62,869,316
District Administration	4,838,570	4,774,110
Operations and Maintenance	13,087,974	13,130,755
Transportation and Housing	3,711,558	3,474,128
Total Expense	84,190,642	84,248,309
Net Revenue (Expense)	(1,226,945)	103,210
Budgeted Allocation (Retirement) of Surplus (Deficit)	1,154,408	
Budgeted Surplus (Deficit), for the year	(72,537)	103,210
Budgeted Surplus (Deficit), for the year comprised of:		
Operating Fund Surplus (Deficit)		
Special Purpose Fund Surplus (Deficit)		
Capital Fund Surplus (Deficit)	(72,537)	103,210
Budgeted Surplus (Deficit), for the year	(72,537)	103,210



School District No. 08 (Kootenay Lake)

Annual Budget - Revenue and Expense

Year Ended June 30, 2025

	2025 Annual Budget	2024 Amended Annual Budget
Budget Bylaw Amount		
Operating - Total Expense	66,637,000	65,186,084
Operating - Tangible Capital Assets Purchased	662,000	1,000,000
Special Purpose Funds - Total Expense	13,684,304	15,053,919
Special Purpose Funds - Tangible Capital Assets Purchased	150,000	100,000
Capital Fund - Total Expense	3,869,338	4,008,306
Total Budget Bylaw Amount	85,002,642	85,348,309

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed



School District No. 08 (Kootenay Lake)

Annual Budget - Changes in Net Financial Assets (Debt)

Year Ended June 30, 2025

	2025 Annual Budget \$	2024 Amended Annual Budget \$
Surplus (Deficit) for the year	<u>(1,226,945)</u>	<u>103,210</u>
Effect of change in Tangible Capital Assets		
Acquisition of Tangible Capital Assets		
From Operating and Special Purpose Funds	(812,000)	(1,100,000)
From Deferred Capital Revenue	<u>(3,158,689)</u>	<u>(4,514,362)</u>
Total Acquisition of Tangible Capital Assets	(3,970,689)	(5,614,362)
Amortization of Tangible Capital Assets	<u>3,869,338</u>	<u>4,008,306</u>
Total Effect of change in Tangible Capital Assets	(101,351)	(1,606,056)
	<u>-</u>	<u>-</u>
(Increase) Decrease in Net Financial Assets (Debt)	<u>(1,328,296)</u>	<u>(1,502,846)</u>



School District No. 08 (Kootenay Lake)

Schedule 2

Annual Budget - Operating Revenue and Expense

Year Ended June 30, 2025

	2025 Annual Budget	2024 Amended Annual Budget
	\$	\$
Revenues		
Provincial Grants		
Ministry of Education and Child Care	63,605,094	63,567,090
Other	324,850	296,176
Tuition	1,196,250	1,198,450
Other Revenue	548,398	551,368
Rentals and Leases	90,000	90,000
Investment Income	380,000	483,000
Total Revenue	66,144,592	66,186,084
Expenses		
Instruction	49,022,573	48,019,734
District Administration	4,838,570	4,774,110
Operations and Maintenance	9,088,996	8,942,809
Transportation and Housing	3,686,861	3,449,431
Total Expense	66,637,000	65,186,084
Net Revenue (Expense)	(492,408)	1,000,000
Budgeted Prior Year Surplus Appropriation	1,154,408	
Net Transfers (to) from other funds		
Tangible Capital Assets Purchased	(662,000)	(1,000,000)
Total Net Transfers	(662,000)	(1,000,000)
Budgeted Surplus (Deficit), for the year	-	-



School District No. 08 (Kootenay Lake)

Schedule 2A

Annual Budget - Schedule of Operating Revenue by Source
Year Ended June 30, 2025

	2025 Annual Budget	2024 Amended Annual Budget
	\$	\$
Provincial Grants - Ministry of Education and Child Care		
Operating Grant, Ministry of Education and Child Care	62,906,594	61,835,495
ISC/LEA Recovery	(87,632)	(87,632)
Other Ministry of Education and Child Care Grants		
Pay Equity	300,996	300,996
Funding for Graduated Adults	14,147	14,147
Student Transportation Fund	419,602	419,602
FSA Scorer Grant	8,187	8,187
Labour Settlement Funding	-	1,018,885
NGN Self-Provisioned Sites	43,200	52,410
Equity Scan Grant	-	5,000
Total Provincial Grants - Ministry of Education and Child Care	63,605,094	63,567,090
Provincial Grants - Other	324,850	296,176
Tuition		
Continuing Education	40,000	40,000
International and Out of Province Students	1,156,250	1,158,450
Total Tuition	1,196,250	1,198,450
Other Revenues		
Other School District/Education Authorities	367,018	367,018
Funding from First Nations	87,632	87,632
Miscellaneous		
Private School Bussing	67,348	67,348
Cultural Grants	10,500	10,370
Other Fees	11,900	15,000
After School Program Fees	4,000	4,000
Total Other Revenue	548,398	551,368
Rentals and Leases	90,000	90,000
Investment Income	380,000	483,000
Total Operating Revenue	66,144,592	66,186,084



School District No. 08 (Kootenay Lake)

Annual Budget - Schedule of Operating Expense by Object
Year Ended June 30, 2025

	2025 Annual Budget	2024 Amended Annual Budget
	\$	\$
Salaries		
Teachers	23,281,146	22,759,615
Principals and Vice Principals	4,393,591	4,420,655
Educational Assistants	3,925,608	3,614,535
Support Staff	8,112,498	7,440,581
Other Professionals	2,938,064	2,602,102
Substitutes	3,317,015	3,371,661
Total Salaries	45,967,922	44,209,149
Employee Benefits	11,582,652	11,255,197
Total Salaries and Benefits	57,550,574	55,464,346
Services and Supplies		
Services	2,423,721	2,552,661
Student Transportation	377,202	340,309
Professional Development and Travel	673,745	932,742
Rentals and Leases	120,751	79,891
Dues and Fees	101,485	118,682
Insurance	200,000	177,539
Supplies	3,419,644	3,745,465
Utilities	1,769,878	1,774,449
Total Services and Supplies	9,086,426	9,721,738
Total Operating Expense	66,637,000	65,186,084



School District No. 08 (Kootenay Lake)

Annual Budget - Operating Expense by Function, Program and Object

Year Ended June 30, 2025

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	19,711,835					2,574,257	22,286,092
1.03 Career Programs							-
1.07 Library Services				87,732			87,732
1.08 Counselling	393,228						393,228
1.10 Inclusive Education	2,227,407		3,724,832	51,313		268,735	6,272,287
1.31 Indigenous Education	948,676		200,776			3,205	1,152,657
1.41 School Administration		3,973,702		1,425,899	439,759	50,000	5,889,360
1.62 International and Out of Province Students		184,594		83,637			268,231
Total Function 1	23,281,146	4,158,296	3,925,608	1,648,581	439,759	2,896,197	36,349,587
4 District Administration							
4.11 Educational Administration		235,295			707,607		942,902
4.40 School District Governance					180,793		180,793
4.41 Business Administration				352,984	1,154,317		1,507,301
Total Function 4	-	235,295	-	352,984	2,042,717	-	2,630,996
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				31,886	343,596	3,000	378,482
5.50 Maintenance Operations				3,850,645		221,646	4,072,291
5.52 Maintenance of Grounds				188,448		5,172	193,620
5.56 Utilities							-
Total Function 5	-	-	-	4,070,979	343,596	229,818	4,644,393
7 Transportation and Housing							
7.41 Transportation and Housing Administration				90,555	111,992		202,547
7.70 Student Transportation				1,949,399		191,000	2,140,399
Total Function 7	-	-	-	2,039,954	111,992	191,000	2,342,946
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	23,281,146	4,393,591	3,925,608	8,112,498	2,938,064	3,317,015	45,967,922



School District No. 08 (Kootenay Lake)

Annual Budget - Operating Expense by Function, Program and Object

Year Ended June 30, 2025

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2025 Annual Budget	2024 Amended Annual Budget
	\$	\$	\$	\$	\$	\$
1 Instruction						
1.02 Regular Instruction	22,286,092	5,526,278	27,812,370	2,027,125	29,839,495	30,884,852
1.03 Career Programs	-		-		-	2,000
1.07 Library Services	87,732	25,004	112,736	61,903	174,639	289,159
1.08 Counselling	393,228	97,521	490,749		490,749	148,181
1.10 Inclusive Education	6,272,287	1,692,346	7,964,633	318,329	8,282,962	7,300,457
1.31 Indigenous Education	1,152,657	293,288	1,445,945	228,330	1,674,275	1,568,284
1.41 School Administration	5,889,360	1,393,350	7,282,710	198,484	7,481,194	6,806,260
1.62 International and Out of Province Students	268,231	42,595	310,826	768,433	1,079,259	1,020,541
Total Function 1	36,349,587	9,070,382	45,419,969	3,602,604	49,022,573	48,019,734
4 District Administration						
4.11 Educational Administration	942,902	201,692	1,144,594	236,549	1,381,143	1,372,518
4.40 School District Governance	180,793	40,678	221,471	248,063	469,534	488,319
4.41 Business Administration	1,507,301	333,899	1,841,200	1,146,693	2,987,893	2,913,273
Total Function 4	2,630,996	576,269	3,207,265	1,631,305	4,838,570	4,774,110
5 Operations and Maintenance						
5.41 Operations and Maintenance Administration	378,482	84,212	462,694	282,948	745,642	770,573
5.50 Maintenance Operations	4,072,291	1,140,282	5,212,573	776,562	5,989,135	5,785,290
5.52 Maintenance of Grounds	193,620	70,409	264,029	135,000	399,029	428,685
5.56 Utilities	-		-	1,955,190	1,955,190	1,958,261
Total Function 5	4,644,393	1,294,903	5,939,296	3,149,700	9,088,996	8,942,809
7 Transportation and Housing						
7.41 Transportation and Housing Administration	202,547	50,568	253,115	28,506	281,621	245,269
7.70 Student Transportation	2,140,399	590,530	2,730,929	674,311	3,405,240	3,204,162
Total Function 7	2,342,946	641,098	2,984,044	702,817	3,686,861	3,449,431
9 Debt Services						
Total Function 9	-	-	-	-	-	-
Total Functions 1 - 9	45,967,922	11,582,652	57,550,574	9,086,426	66,637,000	65,186,084



School District No. 08 (Kootenay Lake)

Annual Budget - Special Purpose Revenue and Expense
Year Ended June 30, 2025

	2025 Annual Budget \$	2024 Amended Annual Budget \$
Revenues		
Provincial Grants		
Ministry of Education and Child Care	12,431,170	13,736,410
Other	89,134	104,509
Other Revenue	1,300,000	1,297,000
Investment Income	14,000	16,000
Total Revenue	13,834,304	15,153,919
Expenses		
Instruction	13,529,967	14,849,582
Operations and Maintenance	129,640	179,640
Transportation and Housing	24,697	24,697
Total Expense	13,684,304	15,053,919
Net Revenue (Expense)	150,000	100,000
Net Transfers (to) from other funds		
Tangible Capital Assets Purchased	(150,000)	(100,000)
Total Net Transfers	(150,000)	(100,000)
Budgeted Surplus (Deficit), for the year	-	-



School District No. 08 (Kootenay Lake)

Annual Budget - Changes in Special Purpose Funds

Year Ended June 30, 2025

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$		\$	\$	\$
Deferred Revenue, beginning of year	-	-	-	-	-	-	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	279,640	223,017			160,000	39,200	89,101	750,517	233,446
Other			30,000	1,245,000					
Investment Income			9,000	5,000					
	279,640	223,017	39,000	1,250,000	160,000	39,200	89,101	750,517	233,446
Less: Allocated to Revenue	279,640	223,017	39,000	1,250,000	160,000	39,200	89,101	750,517	233,446
Deferred Revenue, end of year	-	-	-	-	-	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	279,640	223,017			160,000	39,200	89,101	750,517	233,446
Provincial Grants - Other									
Other Revenue			30,000	1,245,000					
Investment Income			9,000	5,000					
	279,640	223,017	39,000	1,250,000	160,000	39,200	89,101	750,517	233,446
Expenses									
Salaries									
Teachers							18,952	51,454	
Principals and Vice Principals									
Educational Assistants		173,554					27,324	335,243	
Support Staff									172,223
Other Professionals									
Substitutes						13,123			
	-	173,554	-	-	-	13,123	46,276	386,697	172,223
Employee Benefits		49,463				4,254	13,717	108,305	47,127
Services and Supplies	129,640		39,000	1,250,000	160,000	21,823	29,108	255,515	14,096
	129,640	223,017	39,000	1,250,000	160,000	39,200	89,101	750,517	233,446
Net Revenue (Expense) before Interfund Transfers	150,000	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(150,000)								
	(150,000)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-



School District No. 08 (Kootenay Lake)

Annual Budget - Changes in Special Purpose Funds

Year Ended June 30, 2025

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program	Student & Family Affordability	SEY2KT (Early Years to Kindergarten)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	-	-	-	-	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	10,411,633	-	24,697	55,000	-	55,400	80,156	200,000	19,000
Other									
Investment Income									
	10,411,633	-	24,697	55,000	-	55,400	80,156	200,000	19,000
Less: Allocated to Revenue	9,376,906	-	24,697	55,000	-	55,400	80,156	200,000	19,000
Deferred Revenue, end of year	1,034,727	-	-	-	-	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	9,376,906		24,697	55,000		55,400	80,156	200,000	19,000
Provincial Grants - Other									
Other Revenue									
Investment Income									
	9,376,906	-	24,697	55,000	-	55,400	80,156	200,000	19,000
Expenses									
Salaries									
Teachers	7,513,546			44,070					
Principals and Vice Principals									
Educational Assistants						38,534			
Support Staff									
Other Professionals									
Substitutes									
	7,513,546	-	-	44,070	-	38,534	-	-	-
Employee Benefits	1,863,360			10,930		10,982			
Services and Supplies			24,697			5,884	80,156	200,000	19,000
	9,376,906	-	24,697	55,000	-	55,400	80,156	200,000	19,000
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-



School District No. 08 (Kootenay Lake)

Annual Budget - Changes in Special Purpose Funds

Year Ended June 30, 2025

	ECL Early Care & Learning	Feeding Futures Fund	After School Sports & Arts Grant	Donations	Health Promoting Schools	Work Experience Enhancement	Health Resource Entered	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	-	-	-	50,000	5,000	55,000
Add: Restricted Grants								
Provincial Grants - Ministry of Education and Child Care	175,000	615,090	62,134	25,000	27,000	-	-	13,525,031
Other								1,275,000
Investment Income								14,000
	175,000	615,090	62,134	25,000	27,000	-	-	14,814,031
Less: Allocated to Revenue	175,000	615,090	62,134	25,000	27,000	50,000	5,000	13,834,304
Deferred Revenue, end of year	-	-	-	-	-	-	-	1,034,727
Revenues								
Provincial Grants - Ministry of Education and Child Care	175,000	615,090				50,000	5,000	12,431,170
Provincial Grants - Other			62,134		27,000			89,134
Other Revenue				25,000				1,300,000
Investment Income								14,000
	175,000	615,090	62,134	25,000	27,000	50,000	5,000	13,834,304
Expenses								
Salaries								
Teachers					21,635			7,649,657
Principals and Vice Principals	142,857							142,857
Educational Assistants								574,655
Support Staff								172,223
Other Professionals		81,885						81,885
Substitutes		18,077						31,200
	142,857	99,962	-	-	21,635	-	-	8,652,477
Employee Benefits								2,108,138
Services and Supplies	32,143	515,128	62,134	25,000	5,365	50,000	5,000	2,923,689
	175,000	615,090	62,134	25,000	27,000	50,000	5,000	13,684,304
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	150,000
Interfund Transfers								
Tangible Capital Assets Purchased								(150,000)
	-	-	-	-	-	-	-	(150,000)
Net Revenue (Expense)	-	-	-	-	-	-	-	-



School District No. 08 (Kootenay Lake)

Annual Budget - Capital Revenue and Expense
Year Ended June 30, 2025

	2025 Annual Budget			2024 Amended Annual Budget
	Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$
Revenues				
Investment Income		8,000	8,000	9,000
Amortization of Deferred Capital Revenue	2,976,801		2,976,801	3,002,516
Total Revenue	2,976,801	8,000	2,984,801	3,011,516
Expenses				
Amortization of Tangible Capital Assets				
Operations and Maintenance	3,869,338		3,869,338	4,008,306
Total Expense	3,869,338	-	3,869,338	4,008,306
Net Revenue (Expense)	(892,537)	8,000	(884,537)	(996,790)
Net Transfers (to) from other funds				
Tangible Capital Assets Purchased	812,000		812,000	1,100,000
Total Net Transfers	812,000	-	812,000	1,100,000
Other Adjustments to Fund Balances				
Total Other Adjustments to Fund Balances	-	-	-	-
Budgeted Surplus (Deficit), for the year	(80,537)	8,000	(72,537)	103,210





2024-2025 Annual Budget Superintendent's Recommendations





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Gratitude

The Board of Education is grateful for the dedication to the students of SD8 by all employees, Indigenous rights holders and partners, and education partners. Thank you to the Kootenay Lake Teachers' Association (KLTF); CUPE 748; Kootenay Lake Principals' and Vice-Principals' Association (KLPVPA); the Lower Kootenay Band; the Okanagan Nation Alliance; West Kootenay Métis; Sinixt (Lakes); Secwepemc (Splatshin); the District Parent Advisory Council (DPAC); the school Parent Advisory Councils (PACs); Student Trustees; exempt staff; and especially students.

District Context

School District No. 8 (Kootenay Lake) (SD8) is a rural area comprising six unique school communities. Within the district lies the highest mountain pass in British Columbia, spanning two different time zones. Nestled between the Selkirk and Purcell mountain ranges, Kootenay Lake stands as one of the largest lakes in British Columbia, a widening of the Kootenay River, which in turn drains into the Columbia River system.

SD8 meets the learning needs of approximately 4,800 students across 21 schools. The district serves an area of approximately 15,000 square kilometers which includes the two main population centres of Nelson and Creston, and 11 elementary schools, 1 online learning school, 3 elementary-secondary schools (K-12), 1 middle school, 1 middle-secondary school and 4 secondary schools. SD8 employs about 900 staff.

SD8 serves the Lower Kootenay Band located in Creston, BC. According to the BC Adolescent Health Survey for SD8, of the Indigenous student population, which constitutes 15% of the student body, 56% identified as First Nations, 45% as Métis, and 8% as having another Indigenous background (including Inuit). Additionally, 9% of students are identified with diverse abilities, and less than 1% of students are identified as children and youth in care.

Climate change is raising the risk of more frequent and severe wildfires, consequently affecting the summer months with smoke from these fires and surrounding areas. Within the Kootenay Lake area, there is the highest median age of all the economic regions in the province. Unemployment in this region has consistently been higher than the provincial average. Workforce recruitment challenges impact the district.





School District No.8 (Kootenay Lake)

Families of Schools

SD8 operates six families of schools to serve students and families in five municipalities and more than 15 rural communities across the Regional District of Central Kootenay

6
municipalities

21
schools

15+
rural communities

1
blended online learning school

900
employees

1
provincial online learning school

4800
students

15,000
square kilometres

**Provincial
Context**

60
school districts in BC

15th
largest in geographic size

28th
by # of students enrolled



District Strategic Plan 2024-2029

The 2024-2025 Annual Budget is guided by the district’s strategic priorities outlined in the SD8 Strategic Plan. These priorities are guided by SD8’s vision, mission and values, supported by school learning plans. All SD8 decisions are guided by a clear vision and core values and are based on evidence and extensive consultation. District initiatives and resources align with Ministry of Education and Child Care goals.



**School District 8
Kootenay Lake**

Mission
We inspire and support each learner to thrive in a caring learning environment.

Vision
Our learners grow as global citizens in an innovative and inclusive community.

Values
Our values help shape the culture of our schools and workplaces. By upholding these beliefs and attitudes, we can build learning communities that will lead to the fulfilment of our mission.

Strategic Priorities

- Lifelong Learners**
We aim to improve student learning through interest-based, competency-based, flexible and innovative approaches.
- Connected Learners**
We aim to inspire learners to become curious, critical, and creative stewards of the natural world and the local and global community.
- Caring and Inclusive Learning Culture**
We aim to foster compassionate learners and to promote physical and mental well-being through social-emotional learning.
- Cultural and Identity Development**
We aim to include Indigenous worldviews and ways of knowing in our teaching and learning.
- Career Development**
We aim to prepare students to graduate with options for their future life and career goals.



2024-2025 Budget Alignment to Continuous Student Learning

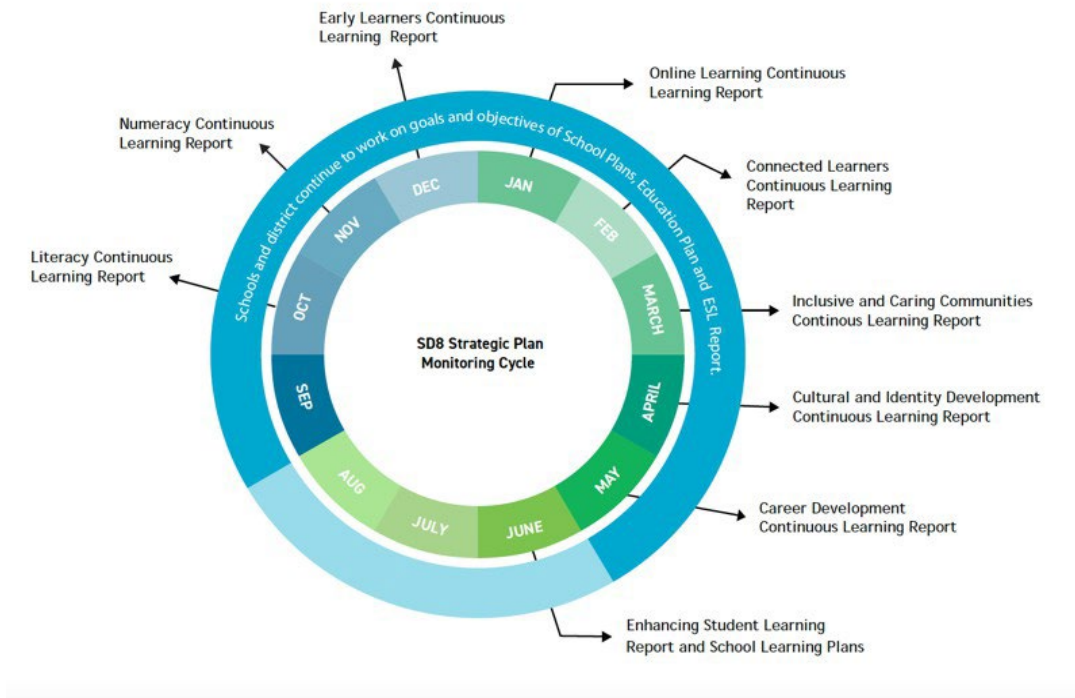
The mandate for public education is outlined in the Statement of [Education Policy Order](#), the [Framework for Enhancing Student Learning Policy](#), and the [Declaration of the Rights of Indigenous Peoples Act](#). SD8 supports this public education mandate.

The preamble to the School Act and the Statement of Education Policy Order states the purpose of the British Columbia school system is to enable all learners to become literate, to develop their individual potential and to acquire the knowledge, skills and attitudes needed to contribute to a healthy, democratic, and pluralistic society and a prosperous and sustainable economy. To achieve this purpose, there is a collective mandate to develop the Educated Citizen defined as the intellectual, human, and social and career development of every student.

SD8 has a continued focus on improving learning, inclusion and equity based on the Educated Citizen using high yield research-based strategies that are consistent with the Provincial curriculum. Since 2022-2023, SD8 has seen improved student outcomes in literacy, school completion, Indigenous student success, assessment participation and reliability, and monitoring of student learning initiatives.

The following annual cycle illustrates how continuous student learning is monitored:

Enhancing Student Learning Report, Continuous Learning Reports and School Learning Plans



Budget Process

The Ministry of Education and Child Care requires every school district to submit a balanced budget for the next school year by June 30. The Board of Education of School District No. 8 (Kootenay Lake) is therefore required to approve and submit its 2024-2025 budget on or before June 30, 2024.

In preparation of the 2024-2025 annual budget, organizational efficiencies were achieved through a detailed review of ancillary budgets and programming budgets, and despite financial pressures, the district has ensured that resources were focused on classroom support.

The budget process is based on the following main considerations:

- Alignment to the 2024-2029 Strategic Plan and maintaining a focus on the strategic priorities of: Lifelong Learners, Connected Learners, Caring and Inclusive Learning Culture, Cultural and Identity Development, and Career Development.
- Board consultation with key partners in April of each year: Kootenay Lake Principals and Vice Principals, Kootenay Lake Teachers’ Association, CUPE Local 748, Aboriginal Committee of Education, Lower Kootenay Band, Kootenay Lake District Parent Advisory Committee, and students as well as the public.
- A public survey that provides feedback from parents and other partners on the annual budget.
- A recognition that teachers and education assistants in school classrooms and virtual spaces are vital to the success of our students.

As a result of these considerations, the district ensured that the expenditures related to the classroom were maintained and that the budget supported the Board of Education’s 2024-2029 mission, “To inspire and support each learner to thrive in a caring learning environment.”

Student Enrolments

SD8 is predicting an enrolment decline over the next several years; however, the decline will not be as rapid or as large as expected due to the population growth of British Columbia and some shifting of population between urban and rural centres.

The table below shows a district enrolment decline of 70.438 FTE (1.5%) for school aged students and no change in adult learners with total enrolments declining from 4,825.188 in 2023-2024 to 4,754.75 in 2024-2025.

	2024-2025	2023-2024	Increase (Decrease)	
	Annual Budget	Amended Budget	\$	%
MoECC Grant Funded Student FTEs				
School-Age	4,753.000	4,823.438	(70.438)	(1.5%)
Adult	1.750	1.750	-	0.0%
Total MoECC Grant Funded Student FTEs	4,754.750	4,825.188	(70.438)	(1.5%)



All Funds

The table below shows district revenues, expenses, and surpluses (deficits) for the Operating, Special Purpose, and Capital Funds and transfers between funds for the 2024-2025 Annual Budget and the 2023-2024 Amended Budget.

	Operating Fund	Special Purpose Funds	Capital Fund	2024-2025 Annual Budget	2023-2024 Amended Budget	Increase (Decrease)	
	\$	\$	\$		\$	\$	%
Revenues							
Provincial Grants - MoECC	63,605,094	12,431,170	-	76,036,264	77,303,500	(1,267,236)	(1.6%)
Provincial Grants - Other	324,850	-	-	324,850	400,685	(75,835)	(18.9%)
Tuition	1,196,250	89,134	-	1,285,384	1,198,450	86,934	7.3%
Other Revenue	548,398	1,300,000	-	1,848,398	1,848,368	30	0.0%
Rentals and Leases	90,000	-	-	90,000	90,000	-	0.0%
Investment Income	380,000	14,000	8,000	402,000	508,000	(106,000)	(20.9%)
Amortization Revenue	-	-	2,976,801	2,976,801	3,002,516	(25,715)	(0.9%)
Total Revenue	66,144,592	13,834,304	2,984,801	82,963,697	84,351,519	(1,387,822)	(1.6%)
Expenses							
Instruction	49,022,573	13,529,967	-	62,552,540	62,869,316	(316,776)	(0.5%)
District Administration	4,838,570	-	-	4,838,570	4,774,110	64,460	1.4%
Operation and Maintenance	9,088,996	129,640	3,869,338	13,087,974	12,997,986	89,988	0.7%
Transportation and Housing	3,686,861	24,697	-	3,711,558	3,606,897	104,661	2.9%
Total Expenses	66,637,000	13,684,304	3,869,338	84,190,642	84,248,309	(57,667)	(0.1%)
Surplus (Deficit) Before Inter-fund Transfers	(492,408)	150,000	(884,537)	(1,226,945)	103,210	(1,330,155)	(1288.8%)
Tangible Capital Assets Purchased	(662,000)	(150,000)	812,000	-	-	-	-
Budgeted Surplus (Deficit) After Inter-fund Transfers	(1,154,408)	-	(72,537)	(1,226,945)	103,210	(1,330,155)	(1288.8%)
Budgeted Prior Year Surplus Appropriation	1,154,408	-	-	1,154,408	-	-	-
Budgeted Surplus (Deficit) After Appropriations	-	-	(72,537)	(72,537)	103,210	(1,330,155)	(1288.8%)

The Board will have \$1.4 million less resources in 2024-2025 compared to the 2023-2024 Amended Budget. Special Purpose Fund grants from the Ministry of Education and Child Care (MOECC) account for \$1.3 million of the decrease in budgeted revenue. The remaining \$0.1 million decrease in revenue relates to lower investment income due to lower interest rates.

The expenses are budgeted to decrease by \$0.5 million relating to:

- an increase in salaries and benefits of \$0.5 million,
- a decrease in supplies and services of \$0.5 million, and
- a decrease in amortization of \$0.1 million.

The Operating Fund Deficit Before Inter-Fund Transfers of \$0.5 million relates to additional labour settlement costs. The MoECC has confirmed that these costs will be funded through a special labour settlement grant which will be reflected in the 2024-2025 amended budget, eliminating the Operating Fund Deficit Before Inter-Fund Transfers.

The inter-fund transfer of \$0.7 million from the Operating Fund to the Capital Fund for capital purchases will be funded from Opening Accumulated Surplus. Opening Accumulated Surplus amounts were internally restricted by the Board for future capital purchases on September 12, 2023. The Capital Fund Deficit After Inter-fund Transfers as shown above is \$0.1 million.



Operating Fund Revenue

The operating revenues as shown below are projected to decrease by \$41K (0.1%) compared to 2023-2024.

	2024-2025	2023-2024	Increase (Decrease)	
	Annual Budget	Amended Budget	\$	%
Revenue	\$	\$	\$	%
Provincial Grants - MoECC	63,605,094	63,567,090	38,004	0.1%
Provincial Grants - Other	324,850	296,176	28,674	9.7%
Tuition	1,196,250	1,198,450	(2,200)	(0.2%)
Other Revenue	548,398	551,368	(2,970)	(0.5%)
Rentals and Leases	90,000	90,000	-	0.0%
Investment Income	380,000	483,000	(103,000)	(21.3%)
Total Revenue	66,144,592	66,186,084	(41,492)	(0.1%)

The MoECC has increased the block funding per student by 3.4%. The district's reduction in enrolments of 70.438 student FTEs is offsetting the increase in revenue for per student funding.

The block funding increase covers wage increases of 2% for teachers, support staff and non-educator exempt positions and other inflationary cost increases. The additional 1% COLA increase for the teachers, support staff and non-educator exempt positions and the 3% increase for educator exempt positions will be received from the MoECC as a special grant and reflected in the 2024-2025 Amended Budget. The additional estimated revenue of \$0.5 million will increase the Provincial Grants-MoECC by \$0.5 million to \$64.1 million (an increase of 0.8% over 2023-2024).

Investment income is projected to decrease due to lower interest rates.

Operating Fund Expenses

The operating expenses as shown below are projected to increase by \$1.5 million (2.2%) compared to 2023-2024.



	2024-2025	2023-2024	Increase (Decrease)	
	Annual Budget	Amended Budget	\$	%
Salaries	\$	\$	\$	%
Teachers	23,281,146	22,759,615	521,531	2.3%
Principals and Vice-Principals	4,393,591	4,420,655	(27,064)	(0.6%)
Educational Assistants	3,925,608	3,614,535	311,073	8.6%
Support Staff	8,112,498	7,440,581	671,917	9.0%
Other Professionals	2,938,064	2,602,102	335,962	12.9%
Substitutes	3,317,015	3,371,661	(54,646)	(1.6%)
Total Salaries	45,967,922	44,209,149	1,758,773	4.0%
Employee Benefits	11,582,652	11,255,197	327,455	2.9%
Total Salaries and Benefits	57,550,574	55,464,346	2,086,228	3.8%
Services and Supplies				
Services	2,423,721	2,552,661	(128,940)	(5.1%)
Student Transportation	377,202	340,309	36,893	10.8%
Professional Development and Travel	673,745	932,742	(258,997)	(27.8%)
Rentals and Leases	120,751	79,891	40,860	51.1%
Dues and Fees	101,485	118,682	(17,197)	(14.5%)
Insurance	200,000	177,539	22,461	12.7%
Supplies	3,419,644	3,745,465	(325,821)	(8.7%)
Utilities	1,769,878	1,774,449	(4,571)	(0.3%)
Total Services and Supplies	9,086,426	9,721,738	(635,312)	(6.5%)
Total Operating Expenses	66,637,000	65,186,084	1,450,916	2.2%

Expenditures are focused on maintaining staffing levels across the district despite lower enrolments. The salaries and benefits are projected to increase by \$2.1 million (3.8%). As a percentage of total operating expenses, they have increased from 85.1% in 2023-2024 to 86.4% in 2024-2025.

Salaries and wages for all staffing groups have been increased by 3% as per the collective agreements and BCPSEA directive for exempt staff. In addition to this change, other changes include:

- Replacement of one District Principal position with a Director of Instruction which shifts salaries from Principals and Vice-Principals to Other Professionals
- Increase in Educational Assistants funded through the Operating Fund which were previously funded from Special Purpose Funds
- Anticipated higher levels of filled positions which shifts wages from substitutes to support staff

Services and Supplies are projected to decrease by \$0.6 million (6.5%) due to the elimination of one-time costs, more virtual and in-house embedded learning for professional development, shifting from leasing to purchasing technology assets, savings from contract re-negotiations, and utility savings (HVAC upgrades).



Special Purpose Funds

The revenue from Special Purpose Funds as shown below is projected to decrease by \$1.3 million (8.7%) compared to 2023-2024.

	2024-2025	2023-2024	Increase (Decrease)	
	Annual Budget	Amended Budget	\$	%
After School Sports & Arts Grant	\$ 62,134	\$ 77,509	(15,375)	(19.8%)
Annual Facility Grant	279,640	279,640	-	0.0%
Classroom Enhancement Fund	9,610,352	10,658,832	(1,048,480)	(9.8%)
Community Link	750,517	776,078	(25,561)	(3.3%)
ECE Dual Credit Program	80,156	162,881	(82,725)	(50.8%)
Early Care & Learning (ECL) Funding to Schools	175,000	175,000	-	0.0%
Feeding Futures Fund	615,090	644,263	(29,173)	(4.5%)
Learning Improvement Fund	223,017	233,351	(10,334)	(4.4%)
Mental Health in Schools	55,000	55,000	-	0.0%
OLEP	89,101	115,909	(26,808)	(23.1%)
Seamless Day Kindergarten	55,400	63,872	(8,472)	(13.3%)
Student & Family Affordability Fund	200,000	244,058	(44,058)	(18.1%)
Strong Start	160,000	230,549	(70,549)	(30.6%)
School Generated Funds	1,250,000	1,250,000	-	0.0%
Work Experience Enhancement	50,000	-	50,000	0.0%
Other Special Purpose Funds under \$100K	178,897	186,977	(8,080)	(4.3%)
	13,834,304	15,153,919	(1,319,615)	(8.7%)

The most significant decrease of \$1.0 million (9.8%) relates to the Classroom Enhancement Fund which provides additional funding for teachers based on required class size and composition.

Decreases in the After School Sports & Arts Grant, Early Childhood Education Dual Credit Program, OLEP, Seamless Day Kindergarten, and Student & Family Affordability Fund, totalling \$0.2 million relate to the assumption of no carry forward amounts being available in 2024-2025 compared to 2023-2024.

The remaining decrease in Community Link, Feeding Futures Fund and Learning Improvement Fund, totalling \$0.1 million relates to lower funding due to lower enrolments.

Capital Fund

Capital Acquisitions

The Board is scheduled to receive three new buses and will continue to upgrade its facilities during the 2024-2025 school year investing \$3,970,689.





	Transfer from Operating Fund	Transfer from Special Purpose	Bylaw Capital	Total
	\$	\$	\$	\$
Classroom Furniture and Equipment	350,000	-	-	350,000
Operations Equipment and Vehicles	-	80,000	-	80,000
Technology Equipment	312,000	70,000	-	382,000
Building Upgrades	-	-	3,020,789	3,020,789
Kitchen Upgrades	-	-	137,900	137,900
Total Capital Purchases	662,000	150,000	3,158,689	3,970,689

Capital Revenue and Expenses

The Capital Fund Deficit After Inter-fund Transfers as shown below is \$0.1 million.

	2024-2025 Annual Budget	2023-2024 Amended Budget	Increase (Decrease)
	\$	\$	\$
Revenues			
Amortization of Deferred Capital Revenue	2,976,801	3,002,516	(25,715)
Investment Income	8,000	9,000	(1,000)
Total Revenue	2,984,801	3,011,516	(26,715)
Expenses			
Amortization Expense	3,869,338	4,008,306	(138,968)
Total Expenses	3,869,338	4,008,306	(138,968)
Surplus (Deficit) Before Inter-fund Transfers	(884,537)	(996,790)	112,253
Inter-Fund Transfers	812,000	1,100,000	(288,000)
Surplus (Deficit) After Inter-fund Transfers	(72,537)	103,210	(175,747)

The Capital Fund Deficit Before Inter-Fund Transfers of \$0.9 million relates to applying the prescribed accounting standards to amortization expense and amortization of deferred capital revenue and is permitted by the MoECC. This is offset by transfers from the Operating and Special Purpose Funds of \$0.8 million for the purchase of capital assets.

Annual Budget Bylaw Summary

The table below is a breakdown by bylaw category of the district's total Annual Budget Bylaw in the amount of \$85,002,642 for the 2024-2025 fiscal year.

	2024-2025 Annual Budget	2023-2024 Amended Budget	Increase (Decrease)
	\$	\$	\$
Budget Bylaw Amounts			
Operating - Total Expense	66,637,000	65,186,084	1,450,916
Operating - Tangible Capital Assets Purchased	662,000	1,000,000	(338,000)
Special Purpose Funds - Total Expense	13,684,304	15,053,919	(1,369,615)
Special Purpose Funds - Tangible Capital Assets Purchased	150,000	100,000	50,000
Capital Fund - Total Expense	3,869,338	4,008,306	(138,968)
	85,002,642	85,348,309	(345,667)





Conclusion

The 2024-2025 Annual Budget supports SD8's focus on continuous student learning and ensuring students are at the centre of all planning and decision making. SD8's Strategic Plan 2024-2029 guides the district in the delivery of educational programming.

