

2023/24

**FINANCIAL STATEMENT DISCUSSION &
ANALYSIS**



SCHOOL DISTRICT NO. 62 (SOOKE)

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2024**

The discussion and analysis of School District 62's financial performance provides an overall narrative review of the School District's financial activities for the year ended June 30, 2024. The intent of the Financial Statement Discussion and Analysis (FSDA) is to look at the District's performance. The FSDA should be read in conjunction with the financial statements and note disclosures to enhance the overall understanding of School District 62's financial picture for the year.

THE SCHOOL DISTRICT

The District has over 13,100 students and serves the communities of Sooke, Port Renfrew, Metchosin, Highlands, Langford and Colwood. Surrounded by forests, ocean, mountains and lakes, we are located a short distance from Victoria, the capital city of the province of British Columbia. The District is one of the fastest growing school districts in the province.

The governing body of the School District is a Board of Education of seven school trustees who are each elected for a four-year term. The day-to-day matters are managed by the administrative staff of the School District, headed by the Superintendent of Schools.

More about the District including the traditional territories, the Board of Education, and the Strategic Plan can be found on the District website at www.sd62.bc.ca

FINANCIAL HIGHLIGHTS

The financial statements provide these insights into the results of this year's operations:

Operating Fund

- For the fiscal year 2023/24, the District Operating Fund had a deficit of \$1,482,026 (\$164,650,842 in revenues and \$166,132,868 in total expense and capital asset purchases). When added to the balance of \$5,228,849 at the beginning of the year, the accumulated surplus in the Operating Fund ended the year with a balance of \$3,746,823.
- This year-end balance is restricted for the following purposes:

○ Due to the nature of constraints on funds:	\$ 555,843
○ For operations spanning multiple school years:	\$ 259,089
○ For anticipated unusual expenses identified by the Board:	\$ 0
- The unrestricted accumulated operating surplus is \$2,931,891. This balance is 1.7% of the \$173,240,693 Operating Fund expenses budgeted for the year ending June 30, 2025.

Special Purpose Funds

- Special Purpose Funds had \$34,287,984 in total revenue and expenditures – an increase of 16.5% (\$4,851,534) from the prior year.

Capital Fund

- The District had \$39,687,268 in tangible capital asset additions in the year – an increase of 50.9% (\$13.4M) from the prior year.

OVERVIEW OF FINANCIAL STATEMENTS

The District’s financial statements include a Statement of Financial Position (Statement 1), Statement of Operations (Statement 2), Statement of Changes in Net Financial Assets (Debt) (Statement 4), Statement of Cash Flows (Statement 5), and note disclosures.

These statements present aggregated information and serve as a means by which the District demonstrates its accountability for the resources, obligations and financial affairs for which it is responsible. They report information required to make assessments of and judgments on government financial operations and management.

As the Statement of Financial Position and Statement of Operations will be of particular concern to the users of the financial statements, the focus of this discussion and analysis will be on these two statements.

STATEMENT OF FINANCIAL POSITION

The statement of financial position reports the financial position of the District at the financial statement date. Four key figures help describe the financial position of the District at the financial statement date: financial assets; non-financial assets; liabilities; and accumulated surplus or deficit.

	FY24	FY23	INCR / (DECR)	INCR /
			FROM	(DECR)
FINANCIAL POSITION	ACTUAL	ACTUAL	PRIOR YEAR	%
(in \$ thousands)	A	A	C = A-B	D = C/B
TOTAL FINANCIAL ASSETS	44,727	31,863	12,864	40%
TOTAL NON FINANCIAL ASSETS	427,924	401,542	26,382	7%
TOTAL ASSETS	472,651	433,405	39,246	9%
TOTAL LIABILITIES	338,241	298,523	39,718	13%
ACCUMULATED SURPLUS	134,410	134,882	(472)	0%

The **financial assets** are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations (such as inventory). As at the statement date, the District had financial assets of \$44.7M which is a 40% (\$12.9M) increase from the \$31.9 held the prior year. The increase is primarily due to Cash and Cash Equivalents (\$10.9M) and by an increase in Due from Province – Ministry of Education and Childcare (\$1.3M).

The **non-financial assets** of the District are assets that are, by nature, normally for use in service provision and include purchased, constructed, contributed, developed or leased capital assets, and prepaid expenses. As at the statement date, the District had non-financial assets of \$427.9M which is a 7% (\$26.4M) increase from the \$401.5M held the prior year. The increase is due mainly to \$38.8M in tangible capital asset additions offset by \$12.1M in amortization for the year and a decrease in prepaid expenses (\$1.2M).

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2024

The **liabilities** are present obligations of the District to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. As at the statement date, the District had liabilities of \$338.2M which is a 13% (\$39.7M) increase from the \$298.5M held the prior year. The increase is primarily due to an increase in Deferred Capital Revenues (\$31.0M) and Accounts Payable (\$6.8M).

The **accumulated surplus or deficit** of the District is calculated as the sum of the total assets less the liabilities of the District. This indicator represents the net assets of the District.

	FY24	FY23	INCR / (DECR)	INCR /
			FROM	(DECR)
ACCUMULATED SURPLUS / (DEFICIT)	ACTUAL	ACTUAL	PRIOR YEAR	%
(in \$ thousands)	A	B	C = A-B	D = C/B
ENDOWMENTS	673	673	0	0.0%
INVESTED IN CAPITAL ASSETS	129,990	128,979	1,010	0.8%
LOCAL CAPITAL	-	-	-	100.0%
OPERATING	3,747	5,229	(1,482)	(28.3%)
TOTAL ACCUMULATED SURPLUS	134,410	134,882	(472)	(0.3%)

As at the statement date, the District had an accumulated surplus of \$134.4M which is a 0.3% (\$0.5M) decrease from the \$134.9M held the prior year.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2024

STATEMENT OF FINANCIAL POSITION METRICS

The following are some statement of financial position metrics that indicate the financial health of the District.

Working capital ratio / Current ratio is an indication of the ability of the District to meet its current financial obligations from the liquid assets it has at a point in time. The ratio is calculated as current assets divided by current liabilities.

If the ratio is less than 1.0, then the District may have trouble paying back creditors. If the ratio is greater than 1.0, then the District has working capital and may have the potential to invest and grow.

The District had a ratio of 1.28 as at June 30 2024, which is consistent with the prior year and with neighbouring districts SD61 (1.09) and SD63 (1.45) from 2022/23.

Cash asset ratio is a measure of the District's ability to pay its short-term obligations. The ratio is calculated as cash and cash equivalents divided by total current liabilities. The District had a ratio of 1.14 as at June 30, 2024, a slight decrease from the prior year (1.31). The District's ratio is within the Office of the Comptroller General of BC suggested ratio of greater than 1.0 and is consistent with neighbouring districts SD61 (0.99) and SD63 (1.20) from 2022/23.

		FY24	FY23	INCR / (DECR)
		ACTUAL	ACTUAL	FROM
	STATEMENT OF FINANCIAL POSITION METRICS (in \$ thousands)			PRIOR YEAR
	CURRENT ASSETS			
	CASH AND CASH EQUIVALENTS	\$ 40,653	\$ 29,776	\$ 10,877
	ACCOUNTS RECEIVABLE	\$ 4,075	\$ 2,087	\$ 1,988
	PORTFOLIO INVESTMENTS	\$ -	\$ -	\$ -
	PREPAID EXPENSES (excluding the prepaid lease)	\$ 838	\$ 1,103	\$ (265)
	OTHER ASSETS	\$ 250	\$ 1,124	\$ (874)
A	TOTAL CURRENT ASSETS	\$ 45,815	\$ 34,090	\$ 11,726
	CURRENT LIABILITIES			
	ACCOUNTS PAYABLE	\$ 17,022	\$ 10,213	\$ 6,809
	UNEARNED REVENUE	\$ 6,048	\$ 5,130	\$ 918
	DEFERRED REVENUE (SPF BALANCES)	\$ 2,569	\$ 1,878	\$ 691
	DEFERRED CAPITAL REVENUE (UNSPENT)	\$ 10,021	\$ 5,535	\$ 4,486
				\$ -
B	TOTAL CURRENT LIABILITIES	\$ 35,660	\$ 22,755	\$ 12,905
	WORKING CAPITAL			
	LONG TERM LIABILITIES: EMPLOYEE FUTURE BENEFITS	\$ 6,408	\$ 6,105	\$ 303
	ACCUMULATED SURPLUS - LOCAL CAPITAL	\$ -	\$ -	\$ -
	ACCUMULATED SURPLUS - OPERATING FUND - RESTRICTED	\$ 3,747	\$ 5,229	\$ (1,482)
C = A-B	TOTAL WORKING CAPITAL	\$ 10,155	\$ 11,334	\$ (1,179)
D = A/B	CURRENT RATIO = CURRENT ASSETS / CURRENT LIABILITIES	1.2848	1.4981	(0.21)
	CASH ASSET RATIO = CASH AND CASH EQUIVALENTS / CURRENT LIAB	1.1400	1.3085	(0.17)

STATEMENT OF OPERATIONS

The Statement of Operations reports the surplus or deficit from operations in the accounting period. The statement displays the cost of District services provided in the period, the revenues it has recognized in the period and the difference between them.

The Statement of Operations consolidates all revenues and expenses by function reported for the Operating (Schedule 2), Special Purpose (Schedule 3) and Capital funds (Schedule 4).

The Operating Fund is where the majority of the District's operations are reported. As this will be of particular concern to the users of the financial statements, considerable focus and analysis is provided on the Operating Fund.

OPERATING FUND

The Operating Fund is comprised of four components: revenues, expenses, tangible capital assets purchased, and operating surplus or deficit. The summary schedule for the Operating Fund can be found in Schedule 2 – the Schedule of Operating Operations in the financial statements.





REVENUES

The summary schedule for the District operating revenues can be found in Schedule 2A – the Schedule of Operating Revenue by Source.

The most significant District operating revenues are generated from three sources: the operating grant, international tuition, and other Ministry of Education grants.

OPERATING REVENUE ALLOCATION



 PROVINCIAL OPERATING GRANT (91.1%)	 OTHER PROVINCIAL FUNDING (2.6%)
 INTERNATIONAL TUITION (4.0%)	 OTHER (2.3%)

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2024

The District’s operating revenues of \$150.1M increased by 16% (\$20.3M) over the prior year. Against a budget of \$162.5M, the \$164.7 in revenues resulted in savings of 1% (\$2.1M).

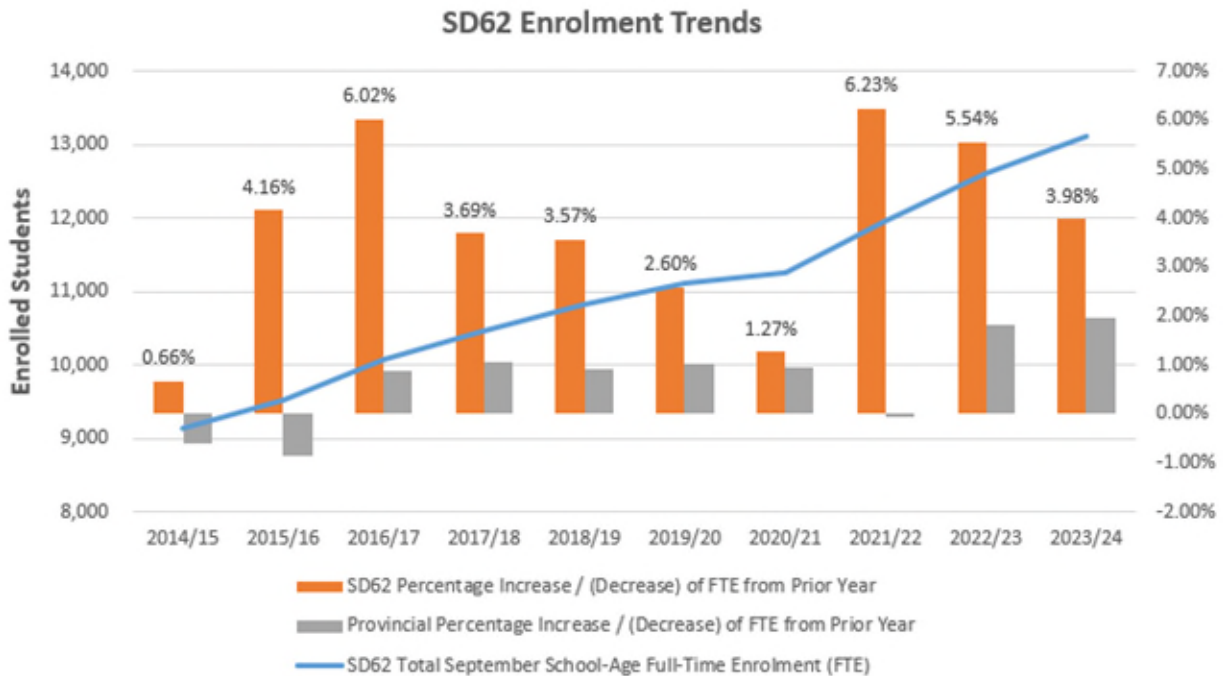
	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY24	FY24	FY23	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
				FY24	FY24	PRIOR YEAR	%
OPERATING REVENUES (in \$ thousands)	A	B	C	D = A-B	E = D/A	F = B-C	G = F/C
PROVINCIAL OPERATING GRANT	149,125	150,060	129,770	935	1%	20,289	16%
OTHER PROVINCIAL FUNDING	4,108	4,174	6,629	66	2%	(2,455)	(37%)
FUNDING FROM FIRST NATIONS	573	634	645	61	11%	(12)	(2%)
CONTINUING ED TUITION	90	74	80	(16)	(18%)	(6)	(8%)
INTERNATIONAL TUITION	6,825	6,629	6,282	(196)	(3%)	348	6%
MISCELLANEOUS	476	923	825	446	94%	98	12%
RENTALS AND LEASES	503	576	492	73	15%	84	17%
INVESTMENT INCOME	836	1,582	1,052	746	89%	530	50%
TOTAL OPERATING REVENUES	162,535	164,651	145,776	2,116	1%	18,875	13%

The \$2.1M in savings was largely from the Operating Grant (\$0.9M) and investment Income (\$0.7M).

Operating Grant

The Funding Allocation System allocates the General Operating Grants using individual district enrolments and specific factors that apply to each school district.

As highlighted in the graph below, enrolment has increased every year over the past decade.



Prior to 2021/22 the enrolment growth had slowed from 3.69% in 2017/18 to 1.27% in 2020/21. In 2021/22 the district experienced a significant increase in enrolment growth (6.23%) over the

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2024

prior year. Again, in 2023/2024 the district showed a steady growth of 3.98%. At an average enrolment increase of 3.92% over the past 5 years, the District's growth is significantly higher than the provincial average (1.40%) over the same time period.

The upward trajectory of student enrolment continued in the 2023/24 school year. As detailed in the table below, there was a 5.9% (970.32 FTE) increase in total enrolment from the prior year.

	BUDGET	ACTUAL	ACTUAL	SAVINGS / (PRESSURE)	SAVINGS / (PRESSURE) %	INCR / (DECR) FROM	INCR / (DECR)
	FY24	FY24	FY23	FY24	FY24	PRIOR YEAR	%
	A	B	C	D = B-A	E = D/A	F = B-C	G = F/C
ENROLMENT (in FTE)							
SEPTEMBER							
STANDARD (REGULAR) SCHOOLS	12,748.75	12,748.75	12,248.18	-	0.0%	500.57	4.1%
CONTINUING EDUCATION	23.63	23.63	18.63	-	0.0%	5.00	26.8%
ALTERNATE SCHOOLS	209.00	209.00	204.00	-	0.0%	5.00	2.5%
DISTRIBUTED LEARNING	139.25	139.25	148.06	-	0.0%	(8.81)	(6.0%)
HOME SCHOOLING & COURSE CHALLENGES	40.00	40.00	27.00	-	0.0%	13.00	48.1%
DESIGNATED STUDENTS	1,216.00	1,216.00	1,033.00	-	0.0%	183.00	17.7%
ENGLISH LANGUAGE LEARNING	1,408.00	1,408.00	1,115.00	-	0.0%	293.00	26.3%
INDIGENOUS EDUCATION	1,243.00	1,243.00	1,235.00	-	0.0%	8.00	0.6%
ADULT EDUCATION	10.88	10.88	11.44	-	0.0%	(0.56)	(4.9%)
TOTAL SEPTEMBER COUNT	17,038.50	17,038.50	16,040.31	-	0.0%	998.19	6.2%
FEBRUARY COUNT	177.50	292.13	308.06	114.63	64.6%	(15.94)	(5.2%)
MAY COUNT	39.00	53.63	65.56	14.63	37.5%	(11.94)	(18.2%)
TOTAL ENROLMENT	17,255.00	17,384.25	16,413.93	129.25	0.7%	970.32	5.9%

The increased enrolment along with funding level increases resulted in a 16% (\$20.3M) increase in the operating grant from the prior year. There were savings of \$0.9M due to the February and May counts being higher than budgeted.

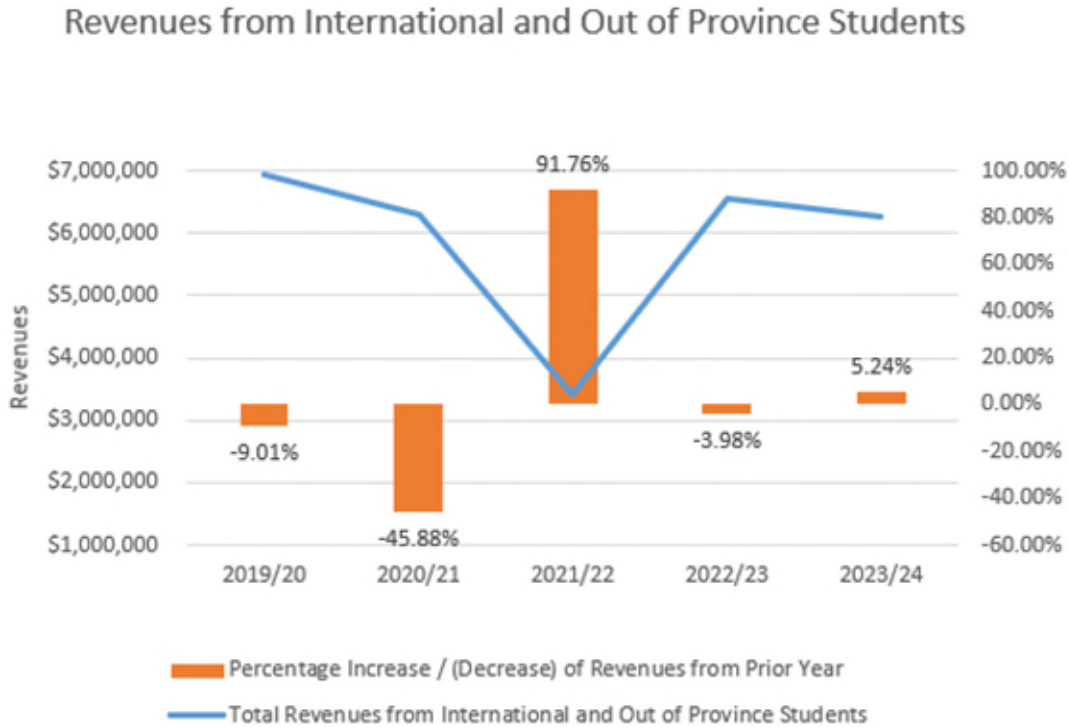
Other Provincial Funding

There was a decrease of \$2.4M in other Ministry of Education grants from the prior year mainly because of lesser provision of Labour Settlement Funding (2.6M). Against a budget of \$4.1M, the \$4.2M in other provincial funding revenues was primarily on budget for the year.

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2024**

International Tuition

The International Program stabilized after a significant increase in revenues in 2021/2022 due to lifted travel restrictions. At \$6.6M for 2023/24, revenues increased by \$0.35M from the prior year.



The International Program cost \$5.3M in expenses to generate the \$6.6M in revenues – for net revenues of \$1.3M in 2023/24. The \$1.3M in net revenues is consistent with the prior year. The funds generated from the International Program go to support discretionary programs in the District.

EXPENSES

The summary schedule for the District operating expenses can be found in Schedule 2B (the Schedule of Operating Expense by Object) and Schedule 2C (the Schedule of Operating Expense by Function, Program and Object).

The provincial averages are taken from data available to the public on the Ministry of Education financial reporting website. At the time of issuance of this report, the provincial actuals for fiscal 2023 were not yet available, as such the provincial budgets for fiscal 2023 were used for comparative purposes.

**SCHOOL DISTRICT NO. 62 (SOOKE)
 FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
 YEAR ENDED JUNE 30, 2024**

Expenses by Type (Object)

The District's spending allocations by object were in line with provincial averages - with 89.6% of its expenses on salaries and benefits (Province = 88.9%) and 10.4% on services and supplies (Province = 11.1%).

The chart below further details spending allocations for the District in the year compared to provincial averages.

FY24 EXPENSES BY OBJECT



- | | |
|--|---|
| ■ TEACHERS SALARIES (SD62=37.7%; Prov=41.8%) | ■ PVP SALARIES (SD62=6.2%; Prov=5.6%) |
| ■ EA SALARIES (SD62=10.2%; Prov=8.5%) | ■ SUPPORT STAFF SALARIES (SD62=9.4%; Prov=8.7%) |
| ■ OTHER PROF. SALARIES (SD62=3.7%; Prov=2.9%) | ■ SUBSTITUTE SALARIES (SD62=4.3%; Prov=3.7%) |
| ■ EMPLOYEE BENEFITS (SD62=18.2%; Prov=17.7%) | ■ TOTAL SERVICES AND SUPPLIES (SD62=10.4%; Prov=11.1%) |

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2024

The District's operating expenditures of \$164.4M increased by 13.4% (\$19.4M) over the prior year. Against a budget of \$162.9M, the \$164.4M in expenditures resulted in a pressure of \$1.58M (1.0%).

	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY24	FY24	FY23	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
	A	B	C	D = A-B	E = D/A	F = B-C	G = F/C
EXPENSES (in \$ thousands)							
TEACHERS SALARIES	60,977	61,916	53,901	(939)	(1.5%)	8,015	14.9%
PVP SALARIES	10,461	10,219	9,620	242	2.3%	599	6.2%
EA SALARIES	16,459	16,849	13,652	(390)	(2.4%)	3,197	23.4%
SUPPORT STAFF SALARIES	15,510	15,417	13,493	93	0.6%	1,923	14.3%
OTHER PROFESSIONAL SALARIES	5,996	6,007	5,344	(11)	(0.2%)	663	12.4%
SUBSTITUTES SALARIES	6,178	7,007	6,091	(829)	(13.4%)	916	15.0%
EMPLOYEE BENEFITS	29,783	29,886	26,185	(103)	(0.3%)	3,701	14.1%
TOTAL SERVICES AND SUPPLIES	17,493	17,140	16,740	353	2.0%	400	2.4%
TOTAL OPERATING EXPENSES	162,857	164,441	145,026	(1,584)	(1.0%)	19,415	13.4%

The \$1.58M in pressure was largely from teacher salaries (\$0.9M), Substitutes salaries (\$0.8M), EA salaries (\$0.4M) offset by savings in total services and supplies (0.4M) and PVP salaries (\$0.2M).

The \$0.9M teacher salaries pressure is largely due to an increase in student enrolment.

The \$0.8M substitutes salaries pressure us is largely due to higher teacher on call.

The \$0.4M EA salaries pressure is largely due to higher special need student enrolment.

The \$0.35M savings in total services and supplies is largely due to supply savings across various departments and initiatives.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2024

Expenses by Function

The District's expenditures can be categorized by the following functions: Instruction; District Administration; Operations and Maintenance; and Transportation. The functions are defined as follows:

- The **Instruction** function incorporates all programs related to the instruction of students.
- The **District Administration** function incorporates the cost of all programs related to district governance and district administration of educational, business, human resource and labour relations activities.
- The **Operations and Maintenance** function incorporates all programs related to the district's responsibility for the operation, maintenance and safety of sites, buildings, and equipment.
- The **Transportation** function incorporates programs involving the transportation of students.

Over 84% of the District's expenses are categorized under the Instruction function.

FY24 EXPENSES BY FUNCTION



INSTRUCTION
(SD62=84.8%; Prov=82.9%)

OPERATIONS AND MAINTENANCE
(SD62=8.4%; Prov=11.2%)

TRANSPORTATION
(SD62=2.4%; Prov=1.9%)

DISTRICT ADMINISTRATION
(SD62=4.4%; Prov=4.1%)

The District's expense allocations are generally in line with the Provincial averages; however, the District's expenditures are slightly more heavily allocated towards Instruction and less in Operations and Maintenance than other Districts.

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2024**

	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY24	FY24	FY23	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
				FY24	FY24	PRIOR YEAR	%
EXPENSES BY FUNCTION (in \$ thousands)	A	B	C	D = A-B	E = D/A	F = B-C	G = F/C
INSTRUCTION	138,249	139,399	122,200	(1,150)	(1%)	17,199	14%
DISTRICT ADMINISTRATION	7,413	7,190	6,998	224	3%	192	3%
OPERATIONS AND MAINTENANCE	13,380	13,852	12,406	(472)	(4%)	1,446	12%
TRANSPORTATION	3,814	4,000	3,423	(186)	(5%)	577	17%
TOTAL OPERATING EXPENSES	162,857	164,441	145,026	(1,584)	(1%)	19,415	13%

Instruction

The District’s \$139.4M expenditure on Instruction for the year was an increase of \$17.2M over the prior year. The \$17.2M increase was largely from Regular Instruction (\$9.2M – mostly teacher salaries and benefits), and Special Education (\$9.1M – mostly EA salaries and benefits).

Against a budget of \$138.2M, the \$139.4M expenditures resulted in pressures of 1% (\$1.2M). The pressures were largely driven pressures in Special Education (\$0.6M) and Regular Instruction (\$0.5M) offset by savings in International Education (\$0.3M).

District Administration

The District’s \$7.2M expenditures on District Administration for the year was an increase of 3% (\$0.2M) over the prior year.

The increase is largely due to an increase in salaries and benefits (\$0.4M) offset by a decrease in services and supplies (\$0.2M).

Against a budget of \$7.4M, the \$7.2M expenditures were primarily on budget for the year.

Operations and Maintenance

The District’s \$13.8M expenditures on Operations and Maintenance for the year was an increase of 12% (\$1.4M) over the prior year. This was largely due to an increase in Maintenance Operations (\$1.0M – mostly support salaries and benefits) and Grounds (\$0.26M).

Against a budget of \$13.4M, the \$13.9M expenditures resulted in a pressure of 4% (\$0.5M) due to Utilities (\$0.1M) and Maintenance Operations (\$0.4M).

Transportation

The District’s \$4.0M expenditures on Transportation for the year was an increase of 17% (\$0.58M) over the prior year. This is largely due to an increase in student transportation salaries and benefits (\$0.47M). Against a budget of \$3.8M the \$4.0M expenditures resulted in a pressure of 5% (\$0.2M) largely due to bus driver salaries and benefits.

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2024**

TANGIBLE CAPITAL ASSETS PURCHASED AND WORK IN PROGRESS

The amount of tangible capital assets purchased and tangible capital assets that are a work in progress can be found in Schedule 2 – the Schedule of Operating Operations in the financial statements. The District spent \$1,342,027 on tangible capital assets including portables and electric buses.

ACCUMULATED SURPLUS (DEFICIT)

Pursuant to *Section 156(12)* of the *School Act*, school districts must obtain prior approval from the Minister before incurring deficits in the operating fund. The District’s year end position as reflected in the table below shows an accumulated operating surplus of \$3,746,823 of which \$814,932 is internally restricted and \$2,931,891 is unrestricted/contingency.

**OPERATING FUND SURPLUS
FOR THE FISCAL YEAR ENDING JUNE 30 2024**

	FINAL AMOUNT	
A	OPERATING SURPLUS, BEGINNING OF YEAR	\$ 5,228,849
B	OPERATING SURPLUS / (DEFICIT), FOR THE YEAR 2023/24	\$ (1,482,026)
C = A+B	OPERATING SURPLUS, END OF YEAR	\$ 3,746,823

INTERNALLY RESTRICTED SURPLUS

Restricted Due to the Nature of Constraints on the Funds

Discretionary School Generated Funds	\$ 309,424
School budget balances	\$ 57,531
Transportation safety fees	\$ 113,338
Indigenous Education	\$ 68,294
Kindergarten settlement	\$ 1,539
Various unspent grants	\$ 5,571
BCTF Mentorship Grant	\$ 146

Total - Restricted Due to the Nature of Constraints on the Funds **\$ 555,843**

Restricted for Operations Spanning Multiple School Years

Transportation tablets	\$ 132,404
Departmental operations	\$ 126,685

Total - Restricted for Operations Spanning Multiple School Years **\$ 259,089**

Restricted for Anticipated Unusual Expenses Identified by the Board

Total - Restricted for Anticipated Unusual Expenses Identified by the Board **\$ -**

D	TOTAL INTERNALLY RESTRICTED SURPLUS	\$ 814,932
E = C-D	UNRESTRICTED SURPLUS	\$ 2,931,891

The unrestricted accumulated operating surplus of \$2,931,891 is 1.7% of the \$173,240,693 Operating Fund expenses currently budgeted for the year ended June 30, 2025.

**SCHOOL DISTRICT NO. 62 (SOOKE)
 FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
 YEAR ENDED JUNE 30, 2024**

SPECIAL PURPOSE FUNDS

All restricted contributions received, except for capital contributions and unearned revenues (tuition, rentals, etc.) must be reported as special purpose funds. Revenues are recognized when the stipulation or restriction the contribution is subject to is met.

The following table compares the most material expenditures for the year to the prior year of the special purpose funds.

	FY24	FY23	INCR / (DECR)	INCR /
	ACTUAL	ACTUAL	FROM	(DECR)
			PRIOR YEAR	%
SPECIAL PURPOSE FUNDS (in \$ thousands)	A	B	C = A-B	D = C/B
ANNUAL FACILITIES GRANT	337	337	-	0%
LEARNING IMPROVEMENT FUND	570	445	125	28%
SCHOOL GENERATED FUNDS	3,454	3,210	244	8%
STRONG START	203	197	7	3%
OFFICIAL LANGUAGES IN EDUCATION PROTOCOL	448	593	(146)	(25%)
COMMUNITY LINK	755	802	(46)	(6%)
ACADEMIES	1,239	1,109	130	12%
CLASSROOM ENHANCEMENT FUND	25,171	21,101	4,071	19%
FEDERAL SAFE RETURN TO CLASS FUND	-	118	(118)	(100%)
STUDENT AND FAMILY AFFORDABILITY FUND	220	998	(778)	(78%)
FEEDING FUTURES FUND	1,097	-	1,097	100%
EARLY CARE AND LEARNING	224	99	125	126%
PROJECT PENNY	107	-	107	100%
OTHER	462	414	48	12%
TOTAL SPECIAL PURPOSE FUNDS EXPENSES	34,288	29,422	4,866	17%
CAPITAL PURCHASES	-	14	(14)	(100%)
TOTAL SPECIAL PURPOSE FUNDS	34,288	29,436	4,852	16%

The District's \$34.3M expenditures on Special Purpose Funds for the year was a 16% (\$4.9M) increase over the prior year. There were increases in Classroom Enhancement Fund expenditures of (\$4.1M) and Feeding Futures Fund (1.1M).

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2024**

CAPITAL FUND

The District's tangible capital asset additions of \$39,687,268 for the year was a 51% (\$13.4M) increase from the prior year. The increase is largely due to an increase in expenditures in the Expansion Program (\$6.6M), the Child Care Capital Funding Program (\$2.8M), and projects funded from other sources outside the provincial government (\$3.1M).

	FY24 ACTUAL	FY23 ACTUAL	INCR / (DECR) FROM PRIOR YEAR	INCR / (DECR) %
	A	B	C = A-B	D = C/B
CAPITAL ADDITIONS (in \$ thousands)				
CAPITAL FUND				
EXPANSION PROGRAM	27,381	20,814	6,567	32%
SCHOOL ENHANCEMENT PROGRAM	1,001	1,585	(584)	(37%)
SEISMIC MITIGATION PROGRAM	262	-	262	100%
CARBON NEUTRAL CAPITAL PROGRAM	222	-	222	100%
BUILDING ENVELOPE PROGRAM	9	247	(238)	(96%)
BUS ACQUISITION PROGRAM	1,452	1,434	18	1%
ANNUAL FACILITIES GRANT	735	192	543	283%
PLAYGROUNDS	195	2	193	10,616%
CHILD CARE CAPITAL FUNDING PROGRAM	3,675	918	2,757	301%
LOCAL CAPITAL	350	350	-	0%
OTHER	3,062	-	3,062	100%
OPERATING FUND	1,342	747	595	80%
SPECIAL PURPOSE FUND	-	14	(14)	(100%)
TOTAL CAPITAL ADDITIONS	39,686	26,301	13,386	51%

Some of the more significant capital projects include:

- **Expansion Program (EXP)** – In 2023/24, \$15.4M was spent on the continuing construction of SCIANEW STEELKEEL Elementary. In addition, \$11.8M was spent on the construction of the prefabricated modulars at Ruth King Elementary and David Cameron Elementary.
- **School Enhancement Program (SEP)** - \$1.0M was spent on energy upgrade work at Millstream, Spencer, and Willway.
- **Bus Acquisition Program (BUS)** - \$1.5M was spent on the purchase of 7 electric school buses.
- **Child Care Capital Funding Program** - \$3.7M was spent on Childcare New Spaces at Colwood Elementary.
- **Other** - \$1.1M was spent on the turf and lights at the North Langford Elementary site, and \$1.6M was spent on electric buses.
- **Operating Fund** – there were \$1.3M in Operating Fund tangible capital asset purchases including electric buses (\$0.2M), and portables (\$1.1M).

RISKS AND UNCERTAINTIES

The following list are some of the significant financial risks that the District is aware of that could negatively affect operations:

- **Enrolment** – Enrolment drives the District's revenues and an inaccurate estimation of future enrolment could result in either an over or under deployment of resources. Additionally, an inaccurate estimation of future enrolment could further exacerbate the capacity issues the District is currently experiencing.
- **Classroom Capacity** – Continued enrollment increases will provide significant pressure on remaining space availability.
- **Staff benefit rates** – Benefit rates fluctuate from year to year dependent on staff usage so are difficult to accurately predict. In 2023/24, the District benefit rate decreased by 0.19% from the prior year (2023/24 = 25.45%; 2022/23 = 25.65%). A one per cent fluctuation in \$117M in salaries amounts to \$1,170,000.
- **Utilities** – Expenditures on utilities fluctuate based on usage, and usage typically depends on the weather which, even for the Farmers' Almanac, is impossible to predict.
- **Leave liability** – Leave balances (such as unused vacation balances) are recorded in the year they are earned. The larger the balance, the larger the expense. It is difficult to predict with accuracy across the District exactly how many vacation days staff plan on using in any given year.
- **Salary differential** – A component of the Operating Grant is the supplement for salary differential which provides additional funding to districts with average teacher salaries higher than the provincial average. In 2023/24, the District received \$172,340 less than the prior year (FY24 = \$2,029,502; FY23 = \$2,201,842).