



# Memorandum to the Board of Education

## Meeting in Public

**FROM:** Michael McLellan, Secretary-Treasurer  
**TO:** The Board of Education  
**DATE:** April 16, 2024  
**SUBJECT:** March 31, 2024, Financial Report – Operating Surplus Considerations

**For Information**

### Introduction

At the outset of this year, the Board resolved to allocate \$926,544 from last year's accumulated operating surplus of \$3,205,855 for various purposes. A detailed plan outlining the allocation of this operating surplus is provided as an attachment.

### Use of Operating Surplus

The following purchases have been made year-to-date using surplus:

- Strategic Plan: \$13,523
- Website & Visual Identity: \$20,912
- Two Vans: \$169,571
- Technology Devices & Infrastructure: \$122,000
- Nakusp Elementary School Playground: \$203,369
- Classroom Improvement Fund: \$2,518
- **TOTAL Expenditure of Surplus Year-to-Date= \$531,893**

Prior to the end of the year, the District expects to use surplus for the following additional expenses:

- Software Transitions (ERP Module): \$19,133.
- Classroom Improvement Fund: \$40,000.
- Technology Devices & Infrastructure: \$36,000
- Nakusp Elementary School Playground: \$36,637
- **TOTAL Additional Use of Surplus: Approximately \$131,770**

Overall, it is projected that the District will appropriate around **\$663,000** of surplus funds this year for various initiatives. Since these initiatives primarily involve capital expenses, it is recommended that \$91,372 be funded from the available Local Capital Surplus, with the remaining \$572,000 to be appropriated from operating surplus.



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### Overall Expenditures

Total operating expenses across all funds for this year are in line with the revised budget, and as of March 31, 2024, approximately 28% of the budgeted expenditures are available. An accounting summary covering the period up to March 31, 2024, is included as an attachment.

A deficit of around \$250,000 is currently projected in the operating fund. Factoring in surplus appropriations of \$572,000, the district is set to utilize approximately \$822,000 of operating surplus, resulting in a decrease to around \$2.4 million in accumulated operating surplus by year-end.

Considering capital investments of roughly \$610,000 funded through surplus appropriations this year, the capital surplus is expected to increase by approximately \$465,000 after subtracting the net expense of capital amortization, which totals \$145,000.

In summary, the District is anticipated to experience a deficit across all funds of approximately \$600,000 for the fiscal year, resulting in an overall surplus in all funds of approximately \$3,900,000.

| Schedule of Accumulated Operating Surplus                 | 2022-2023<br>Restrictions | 2023-2024 Restrictions |                             |          |                                  | Future Planned Usage - 2023-2027+ |                     |                     |          | TOTAL<br>Future<br>Planned Usage |
|---|---------------------------|------------------------|-----------------------------|----------|----------------------------------|-----------------------------------|---------------------|---------------------|----------|----------------------------------|
|   |                           | Change                 | Updated<br>June<br>18, 2023 | Change   | Updated<br>September<br>26, 2023 | Year 1<br>2023-2024               | Year 2<br>2024-2025 | Year 3<br>2025-2026 | Years 4+ |                                  |
| Indigenous Education Targetted Funds                      | -                         | -                      | -                           | -        | -                                | -                                 | -                   | -                   | -        | -                                |
| Donations   | -                         | 20,000                 | 20,000                      | -        | 20,000                           | 10,000                            | 10,000              | -                   | -        | 20,000                           |
| <b>Internally Restricted - Fund Constraints</b>           | -                         | 20,000                 | 20,000                      | -        | 20,000                           | 10,000                            | 10,000              | -                   | -        | 20,000                           |
| Contractual Obligations                                   | 48,000                    | (48,000)               | -                           | -        | -                                | -                                 | -                   | -                   | -        | -                                |
| Professional Learning                                     | 21,000                    | (21,000)               | -                           | -        | -                                | -                                 | -                   | -                   | -        | -                                |
| Strategic Planning & School Reconfiguration               | 70,000                    | (47,000)               | 23,000                      | -        | 23,000                           | 23,000                            | -                   | -                   | -        | 23,000                           |
| Website & Visual Identity                                 | 20,000                    | -                      | 20,000                      | -        | 20,000                           | 20,000                            | -                   | -                   | -        | 20,000                           |
| <b>Internally Restricted - Unusual Expenses</b>           | 159,000                   | (116,000)              | 43,000                      | -        | 43,000                           | 43,000                            | -                   | -                   | -        | 43,000                           |
| Software Transitions (ERP Modules)                        | 15,000                    | 148,266                | 163,266                     | (63,266) | 100,000                          | 65,000                            | 35,000              | -                   | -        | 100,000                          |
| <b>Internally Restricted - Operations, Multiple Years</b> | 15,000                    | 148,266                | 163,266                     | (63,266) | 100,000                          | 65,000                            | 35,000              | -                   | -        | 100,000                          |
| Vehicles - Vans   | 140,000                   | 28,056                 | 168,056                     | -        | 168,056                          | 168,056                           | -                   | -                   | -        | 168,056                          |
| Vehicles - Mower  | 60,000                    | 20,000                 | 80,000                      | (32,512) | 47,488                           | 47,488                            | -                   | -                   | -        | 47,488                           |
| Student Technology Devices                                | -                         | 45,000                 | 45,000                      | -        | 45,000                           | 45,000                            | -                   | -                   | -        | 45,000                           |
| Technology Network Infrastructure & Equipment             | 100,000                   | 13,000                 | 113,000                     | -        | 113,000                          | 113,000                           | -                   | -                   | -        | 113,000                          |
| Nakusp Elementary School Playground                       | -                         | -                      | -                           | 240,000  | 240,000                          | 240,000                           | -                   | -                   | -        | 240,000                          |
| Charging Infrastructure                                   | -                         | 90,000                 | 90,000                      | (40,000) | 50,000                           | 50,000                            | -                   | -                   | -        | 50,000                           |
| District Classroom Improvement Fund                       | -                         | 100,000                | 100,000                     | -        | 100,000                          | 35,000                            | 35,000              | 30,000              | -        | 100,000                          |
| <b>Internally Restricted - Capital Cost</b>               | 300,000                   | 296,056                | 596,056                     | 167,488  | 763,544                          | 698,544                           | 35,000              | 30,000              | -        | 763,544                          |
| <b>TOTAL Internally Restricted Operating Fund Surplus</b> | 474,000                   | 348,322                | 822,322                     | 104,222  | 926,544                          | 816,544                           | 80,000              | 30,000              | -        | 926,544                          |
| <b>TOTAL Unrestricted Operating Surplus (Deficit)*</b>    | 2,361,207                 |                        | 1,907,397                   |          | 2,279,311                        |                                   |                     |                     |          | 2,279,311                        |
| <i>Percentage of Operating Budget</i>                     | 17.2%                     |                        | 13.9%                       |          | 16.6%                            |                                   |                     |                     |          | 71.1%                            |
| <b>TOTAL OPERATING FUND SURPLUS</b>                       | 2,835,207                 |                        | 2,729,719                   |          | 3,205,855                        |                                   |                     |                     |          | 3,205,855                        |

\*Note: It is assumed that in future years there will be balanced budgets, so any planned use of surplus decreases the remaining Unrestricted Operating Surplus.



**School District No. 10 (Arrow Lakes)**

**2023-2024 Financial update for the period ended March 31, 2024**

*Prepared for the Board Meeting April 16, 2024*

|   | 2023-2024<br>At March 31, 2024 |                    |                  | 2023-2024<br>Amended Budget |                   |            |
|---|--------------------------------|--------------------|------------------|-----------------------------|-------------------|------------|
|   | Operating<br>Fund              | Special<br>Purpose | Capital<br>Fund  | Actual                      | Budget            | Remaining  |
| <b>ENROLMENT</b>                                  |                                |                    |                  |                             |                   |            |
| Elementary  |                                |                    |                  |                             |                   |            |
| Elementary & Secondary                            |                                |                    |                  | 486.5325                    | 486.5325          |            |
| Online Learning - Elementary                      |                                |                    |                  | 22.0000                     | 22.0000           |            |
| Online Learning - Secondary                       |                                |                    |                  | 4.8750                      | 4.8750            |            |
| Home Schooling                                    |                                |                    |                  | 6.0000                      | 6.0000            |            |
| <b>TOTAL Ministry of Education (FTE)</b>          |                                |                    |                  | <b>519.4075</b>             | <b>519.408</b>    |            |
| <b>REVENUES</b>                                   |                                |                    |                  |                             |                   |            |
| Provincial Grants                                 |                                |                    |                  | -                           |                   |            |
| Ministry of Education                             | 7,671,677                      | 777,154            |                  | 8,448,831                   | 12,316,777        | 31%        |
| Other   | 19,836                         | -                  |                  | 19,836                      | 67,921            | 71%        |
| Tuition   | -                              | -                  |                  | -                           |                   | 0%         |
| Other Revenue                                     | 95,250                         | 107,291            |                  | 202,541                     | 264,092           | 23%        |
| Rentals & Leases                                  | 5,156                          | -                  |                  | 5,156                       | 7,656             | 33%        |
| Investment Income                                 | 146,894                        | -                  | 2,912            | 149,806                     | 176,550           | 15%        |
| Amortization of Deferred Capital Revenue          |                                |                    | 636,020          | 636,020                     | 862,435           | 26%        |
| <b>TOTAL Revenues</b>                             | <b>7,938,814</b>               | <b>884,444</b>     | <b>638,932</b>   | <b>9,462,191</b>            | <b>13,695,431</b> | <b>31%</b> |
|   | 83.9%                          | 9.3%               | 6.8%             |                             |                   |            |
| <b>EXPENSES BY FUNCTION</b>                       |                                |                    |                  |                             |                   |            |
|   | 90.0%                          | 10.0%              |                  |                             |                   |            |
| Instruction                                       | 6,007,877                      | 858,760            |                  | 6,866,638                   | 9,577,682         | 28%        |
| District Administration                           | 950,879                        | -                  |                  | 950,879                     | 1,235,841         | 23%        |
| Operations & Maintenance (Including Amortization) | 903,373                        | 25,684             | 634,750          | 1,563,806                   | 2,149,835         | 27%        |
| Transportation & Housing                          | 367,324                        | -                  | 148,900          | 516,224                     | 842,568           | 39%        |
| <b>TOTAL Expenses</b>                             | <b>8,229,453</b>               | <b>884,444</b>     | <b>783,650</b>   | <b>9,897,547</b>            | <b>13,805,926</b> | <b>28%</b> |
|   | 83.1%                          | 8.9%               | 7.9%             |                             |                   |            |
| <b>Surplus (Deficit) for the year (to date)</b>   | <b>(290,639)</b>               | <b>-</b>           | <b>(144,718)</b> | <b>(435,356)</b>            |                   |            |

|  | 2023-2024<br>At March 31, 2024 |                 |                  | Actual           | 2023-2024<br>Amended Budget |           |
|--|--------------------------------|-----------------|------------------|------------------|-----------------------------|-----------|
|  | Operating Fund                 | Special Purpose | Capital Fund     |                  | Budget                      | Remaining |
| <b>ACCUMULATED SURPLUSES (DEFICITS)</b>          |                                |                 |                  |                  |                             |           |
| <b>Opening Balance, Beginning of Year</b>        | <b>3,205,855</b>               | -               | <b>1,308,052</b> | <b>4,513,907</b> |                             |           |
| Operating Surplus (Deficit)                      | (290,639)                      |                 |                  | (290,639)        |                             |           |
| Special Purpose Fund Surplus (Deficit)           |                                | -               |                  | -                |                             |           |
| Capital Fund Surplus (Deficit)                   |                                |                 | (144,718)        | (144,718)        |                             |           |
| <u>Interfund Transfers</u>                       |                                |                 |                  |                  |                             |           |
| Operating Surplus (Deficit)                      | (501,889)                      |                 |                  | (501,889)        |                             |           |
| Special Purpose Fund Surplus (Deficit)           |                                | -               |                  | -                |                             |           |
| Capital Fund Surplus (Deficit)                   |                                |                 | 501,889          | 501,889          |                             |           |
| <b>Surplus (Deficit), for the Year (to date)</b> | <b>(792,528)</b>               | -               | <b>357,171</b>   | <b>(435,356)</b> |                             |           |
| <b>Balance, End of Period/Year</b>               | <b>2,413,327</b>               | -               | <b>1,665,223</b> | <b>4,078,551</b> |                             |           |