



RESOURCES COMMITTEE
School Board Office
3143 Jacklin Road
September 17, 2019 – 7:00 p.m.

A G E N D A

- 1. CALL TO ORDER AND ACKNOWLEDGMENT OF FIRST NATIONS TERRITORIES**
*We are honoured to be meeting on the traditional territories of the Coast Salish, specifically Esquimalt Nation, Songhees Nation, and acknowledge the three nations SD62 works with directly in our schools: Scia'new Nation, Coast Salish, and T'Sou-ke Nation; including the West Coast Pacheedaht Nation, Nuu-chah-nulth.
(words gifted by the three nations SD62 works with)*
- 2. REPORT**
- 3. PRESENTATIONS (10 min.)**
- 4. NEW BUSINESS**
 - a) Transportation Update & Review
 - b) Goudy Field Use Agreement
 - c) 18/19 Year End Financial Position
 - d) Capital Planning Structure & Update
- 5. ADJOURNMENT**
- 6. NEXT MEETING DATE:** October 8, 2019

Committee Report of Decisions/Discussions

Resources Committee Meeting

June 11, 2019

Attendees:

Dianna Seaton, Trustee (Committee Chair)
Wendy Hobbs (Committee Member)
Allison Watson, Trustee (Committee Member)
Ravi Parmar, Trustee
Amber Leonard, CUPE
Noelle Wass, CUPE
Ed Berlando, STA
Amanda Dowhy, SPEAC

Scott Stinson, Superintendent & CEO
Harold Cull, Secretary Treasurer

4a) 20/21 Capital Plan Submission

- Staff made a presentation to the Committee on the 20/21 Capital Plan submission to the Ministry
- The presentation supplemented the capital plan information on prioritized projects discussed at last month's Committee and Board meetings
- Discussions were focused on options available to the District for some of the higher prioritized projects on the plan
- Discussions also included:
 - any Millstream expansion could cause parking related issues
 - a 350 seat school is the optimal size for an elementary school from an educational perspective
 - consensus was that it is better to build larger schools than adding portables later on (RBSS example)
 - there was support from the Committee on the presented options and timing for the North and South Langford Elementary school projects
 - staff also presented an example of how a Life Cycle Cost Analysis is conducted and could work for the Millstream project(s)
- The Committee was supportive of the Capital Plan options and timing as presented and understand staff will provide a further presentation to the Board on June 25 in order for Trustees to review and consider approving the Capital Plan submission

4b) Catchment Review

- Staff gave an overview of the need for the District to conduct a catchment review
- The review's principles will include:
 - + following Board Policy;
 - + minimizing disruption to students;
 - + respecting the proximity to feeder schools;
 - + maximizing existing space in all schools;
 - + Long-term sustainability; and
 - + minimizing crossing of major roadways.
 - + ensuring equity of opportunity and clear K-12 pathways when reviewing programs of choice.
- Need to consider future growth in enrolment and different program offerings during this review
- Initial plans include developing 3 potential options for public consultation with a preferred option identified
- Consultation will begin early in the next school year with a report planned to be presented to the Board in May 2020 for their review and consideration
- Once revised catchment areas are defined, work can begin on the naming of the new schools that have been approved
- The catchment review model can be used and repeated as new schools are brought on line
- Current policy is believed to be suitable to complete this work but may be reviewed to ensure future reviews are conducted efficiently and effect
- Staff do not feel the current discussions on class size at the provincial level will have a big impact on this process

4c) Capital Asset Inventory

- Staff provided an update on the initial work started on developing a district wide capital asset inventory that will form part of a Capital Asset Management Model
- This model is required to ensure the District considers end of life replacement on a pro-active basis
- An initial inventory of large, district wide capital assets requiring replacement was presented and Committee members were asked to comment on whether they felt the list was complete
- Discussions included:
 - + That replacement of buses runs through the annual capital plan submission process
 - + Grass fields should be looked at from a replacement perspective
 - + Staff should consult with custodians to ensure the inventory is complete
 - + Staff should add custodial scrubbers (not hall Zambonis), phones, kitchen equipment and district used chairs to the inventory

The Resource Committee supports the following motions to be reviewed and considered by the Board:

- 1) The Board of Education receive the report from the Resource Committee meeting of June 11, 2019.

Committee Info Note

Resources Committee Meeting

September 17, 2019

Agenda Item: 4a Transportation Update & Review

Introduction

- Tracey Syrota started with the District on August 26th and comes to us from Nechako Lakes (SD#91) where she was a driver (11 years) and the Manager of Transportation for the last 14 years
- Tracey has great school district experience as well as a provincial perspective with her time working on the Ministry's shared services model and her Secretary Treasurer role with the Association of School Transportation Services of BC (ASTSBC)

19/20 Start Up Update

- This year's start-up has been relatively smooth so far given the transition in leadership roles
- Some updated transportation data:
 - ~4,300 registered riders
 - 29 standard routes and 4 accessible routes
 - 33 regular drivers and 8 casual (replacement) drivers
- For the first few days, a number of routes were overloaded
- Staff reviewed those routes, ensured drivers were transporting only registered riders and in circumstances where there was a continued overload, another bus was arranged to pick up any excess riders
- This caused some delay in arrivals to schools and final stops but ensured the safety of students was maintained
- Staff are currently reviewing bus load and routes in order to maximize efficiency and effectiveness of the system given the resources provided
- Qualitatively, it appears that more registered riders are using the system than in previous years as a route was added to handle the anticipated (and actual) growth in registered riders

Initial System Thoughts

- Some areas that will be reviewed over the next several months for possible inclusion in the 20/21 school year include:
 - ✓ Web based software (Traversa) for routing, activity trips and maintenance schedule
 - ✓ Parent portal that interfaces with Traversa for registration and route status
 - ✓ GPS tracking for all buses
 - ✓ Bell time study with school based administration
- These items will be investigated to determine the benefits of adding to our transportation system

Follow up from the Transportation Safety Committee Recommendations

- The District has begun to implement some of the recommendations from the Transportation Safety Committee including:
 - a) Installation of interior and exterior cameras (27 of 41 buses)
 - b) Update the driver's manual based on District policies and procedures
 - c) Starting the Provincial School Bus Driver Training Program (module 1 of 7)
 - d) Review school pick up and drop off areas for possible improvements
 - e) Preparing for October's School Bus Safety Week (initial steps of a District campaign)

Board Principles

- Back in 2017, the Board approved the following guiding principles for staff to manage the transportation system through:
 - 1) Transportation services will be provided;
 - 2) Funding levels will remain consistent and will increase with enrolment growth;
 - 3) Staff to utilize central drop off and pick up areas; and
 - 4) Remaining system components to remain status quo
- Transportation remains a popular discussion topic especially at the beginning of the school year as students, drivers and parents slide into their regular routines
- Discussion points have focused on fees and walk limits as potential options for improving the ride and wait times of some of our riders
- With our volume of registered riders (~4,300), it continues to be a challenge to provide adequate service levels to the students of the District
- Staff would like to confirm if the Board is interested in a review of the existing principles in order to improve the existing service levels and if so, which principles to be reviewed

- This review would include looking at a predetermined list of issues (Board to identify the issues in order to create a scope for the project) allowing staff to research and present possible options to the Board for their review and consideration
- This work by staff could be completed over the next two months and be presented to the Resource Committee for review prior to presentation to the Board
- This timing would fit well into the District's planning schedule (budget development to begin in January) as well as the Ministry's review of the existing funding model
- Discussion and debate over the merits of any proposed changes would be held at the time the options are presented to the Resource Committee and ultimately the Board

The Resource Committee supports the following motion to be reviewed and considered by the Board:

- 1) The Board of Education direct staff to review the Board's current transportation principles and to provide a report, including research and possible options for amending the principles, to the Resource Committee at their November meeting

or

- 2) The Board of Education confirm the Board's current transportation principles do not require review at this time

Committee Info Note
Resources Committee Meeting
September 17, 2019
Agenda Item: 4b Goudy Field Use Agreement

Background

- Staff have been working with the City of Langford to develop the attached field use agreement for the re-turfed Goudy field
- The District had an initial field use agreement for the original Goudy Field prior to the replacement of the turf
- Langford agreed to utilize the former Goudy turf at Belmont (replacement of the grass turf) and the replacement was completed last winter
- During discussions prior to the turf replacement, it was determined that a revised field use agreement would be required
- The agreement has been attached for review prior to recommending signing by the Board

The Resource Committee supports the following motion to be reviewed and considered by the Board:

- 1) The Board of Education sign the attached field use agreement with Langford outlining the availability of the Goudy Field by the District's students

Committee Info Note
Resources Committee Meeting
September 17, 2019
Agenda Item: 4c 18/19 Year End Financial Position

Year End Position as reflected by the Accumulated Surplus

- Attached is a summary of the District's Accumulated Surplus that is reflected on the audited financial statements
- These statements will be reviewed by the Audit Committee on September 17th and presented to the Board on September 24th
- The accumulated surplus as at June 30, 2019 was \$4.716 m of which \$.223 m is restricted for specific uses (school generated and supply funds) and \$1.839 m that was committed but not expensed by June 30
- This leaves a balance of \$2.654 m or 2.34% of the operating budget as the amount of the District's financial reserve
- Board policy allows for a total reserve amount of 2% so the District is currently \$.364 m over the allowable amount
- Staff suggest to retain this amount in the reserve until government's recommendations for the Funding Formula Review are known

Details of the Fiscal Year

- To assist the readers of the District's financial statements, staff have prepared the attached Financial Statement Discussion and Analysis document that will also be reviewed by the Audit Committee
- This documents explains the financial highlights for the last year in the District's three financial funds:
 - 1) Operating
 - 2) Special Purpose
 - 3) Capital

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

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, 2019. The intent of the Financial Statement Discussion and Analysis (FSDA) is to look at the District's performance as a whole. The FSDA should be read in conjunction with the financial statements and note disclosures to enhance the overall understanding of School District 62's performance.

THE SCHOOL DISTRICT

The District has approximately 11,400 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.

Our Vision

We honour student voice and choice through engaging, purposeful and experiential learning in a safe and respectful community.

Our Values

– Relationships – Choice – Respect – Integrity – Trust – Safety

FINANCIAL HIGHLIGHTS

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

Operating Fund

- For the fiscal year 2018/19, the District Operating Fund had a surplus of \$330,267 (\$110,231,419 in revenues and \$109,901,152 in total expense and capital asset purchases). When added to the balance at the beginning of the year, the accumulated surplus in the Operating Fund ended the year with a balance of \$4,715,615.
- This year-end balance is fully restricted for the following purposes:
 - Due to the nature of constraints on funds: \$222,554
 - Due to operations spanning the school year: \$1,838,943
 - Due to anticipated unusual expenses: \$2,654,118

Special Purpose Funds

- Special Purpose Funds had \$20,019,903 in total expenditures – an increase of 6% (\$1.2M) from the prior year.

Capital Fund

- The District had \$30,539,108 in tangible capital asset additions in the year – a decrease of 31% (\$13.7M) 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.

	FY19	FY18	INCR / (DECR)	INCR /
	ACTUAL	ACTUAL	FROM	(DECR)
FINANCIAL POSITION			PRIOR YEAR	%
(in \$ thousands)	A	B	C = A-B	D = C/B
TOTAL FINANCIAL ASSETS	25,869	23,744	2,125	9%
TOTAL NON FINANCIAL ASSETS	288,196	265,795	22,401	8%
TOTAL ASSETS	314,065	289,539	24,526	8%
TOTAL LIABILITIES	205,056	201,401	3,655	2%
ACCUMULATED SURPLUS	109,009	88,138	20,871	24%

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 \$25.9M which is a 9% (\$2.1M) increase from the \$23.7M held the prior year.

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 \$288.2M which is an 8% (\$22.4M) increase from the \$265.8M held the prior year.

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.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

As at the statement date, the District had liabilities of \$205.1M which is a 2% (\$3.7M) increase from the \$201.4M held the prior year.

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.

	FY19		INCR / (DECR)	INCR /
	ACTUAL	FY18	FROM	(DECR)
ACCUMULATED SURPLUS / (DEFICIT)	ACTUAL	ACTUAL	PRIOR YEAR	%
(in \$ thousands)	A	B	C = A-B	D = C/B
ENDOWMENTS	643	643	-	0%
INVESTED IN CAPITAL ASSETS	102,571	81,964	20,607	25%
LOCAL CAPITAL	1,080	1,146	(66)	-6%
OPERATING - RESTRICTED	4,716	4,385	330	8%
TOTAL ACCUMULATED SURPLUS	109,009	88,138	20,871	24%

As at the statement date, the District had an accumulated surplus \$109.0M which is a 24% (\$20.9M) increase from the \$88.1M held the prior year. The increase largely is a result of the site acquisition for the North Langford Secondary (\$18.2M). However, the District also increased the Accumulated Surplus in the Operating Fund by \$0.3M.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

WORKING CAPITAL

Working capital is a measure of the District's liquidity and its short-term financial health. Working capital is the difference between the District's current assets (EG cash, accounts receivable, prepaid expenses) and its current liabilities (EG accounts payable). If the current assets do not exceed its current liabilities, then the District may have trouble growing or paying back creditors. If the current assets exceed its current liabilities, then the District has working capital and may have the potential to invest and grow. The working capital for the District as at June 30, 2019 is calculated in the table below:

	CURRENT ASSETS	
	CASH AND CASH EQUIVALENTS	\$ 23,395,777
	ACCOUNTS RECEIVABLE	\$ 2,339,333
	PORTFOLIO INVESTMENTS	\$ 133,447
	PREPAID EXPENSES (excluding the prepaid lease)	\$ 694,853
	OTHER ASSETS	\$ 100,000
A	TOTAL CURRENT ASSETS	\$ 26,663,410
	CURRENT LIABILITIES	
	ACCOUNTS PAYABLE	\$ 8,696,649
	UNEARNED REVENUE	\$ 4,317,878
	DEFERRED REVENUE (SPF BALANCES)	\$ 1,380,559
	DEFERRED CAPITAL REVENUE (UNSPENT)	\$ 2,525,920
	EMPLOYEE FUTURE BENEFITS	\$ 3,946,934
B	TOTAL CURRENT LIABILITIES	\$ 20,867,940
	WORKING CAPITAL	
	ACCUMULATED SURPLUS - LOCAL CAPITAL	\$ 1,079,746
	ACCUMULATED SURPLUS - OPERATING FUND - RESTRICTED	\$ 4,715,615
C = A-B	TOTAL WORKING CAPITAL	\$ 5,795,361

Although the District has a working capital balance of \$5,795,361, this balance is restricted. As noted in Note 24 of the financial statements, the funds are committed for planned future years' operating activities.

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 Districts 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

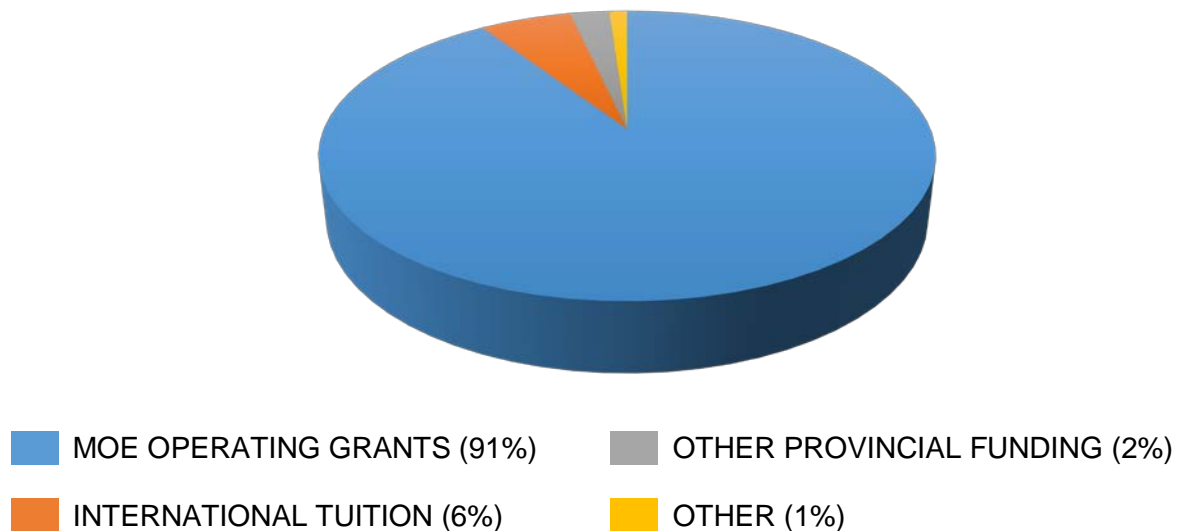
The Operating Fund is comprised of four components: revenues, expenses, tangible capital assets purchased, and operating surplus or deficit. The summary schedule for the Operating Fund can be found in Schedule 2 – the Schedule of Operating Operations in the financial statements.

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



SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

The District’s operating revenues of \$110.2M increased by 7% (\$6.9M) over the prior year. Against a budget of \$109.5M, the \$110.2M in revenues resulted in increased revenue of 1% (\$0.7M).

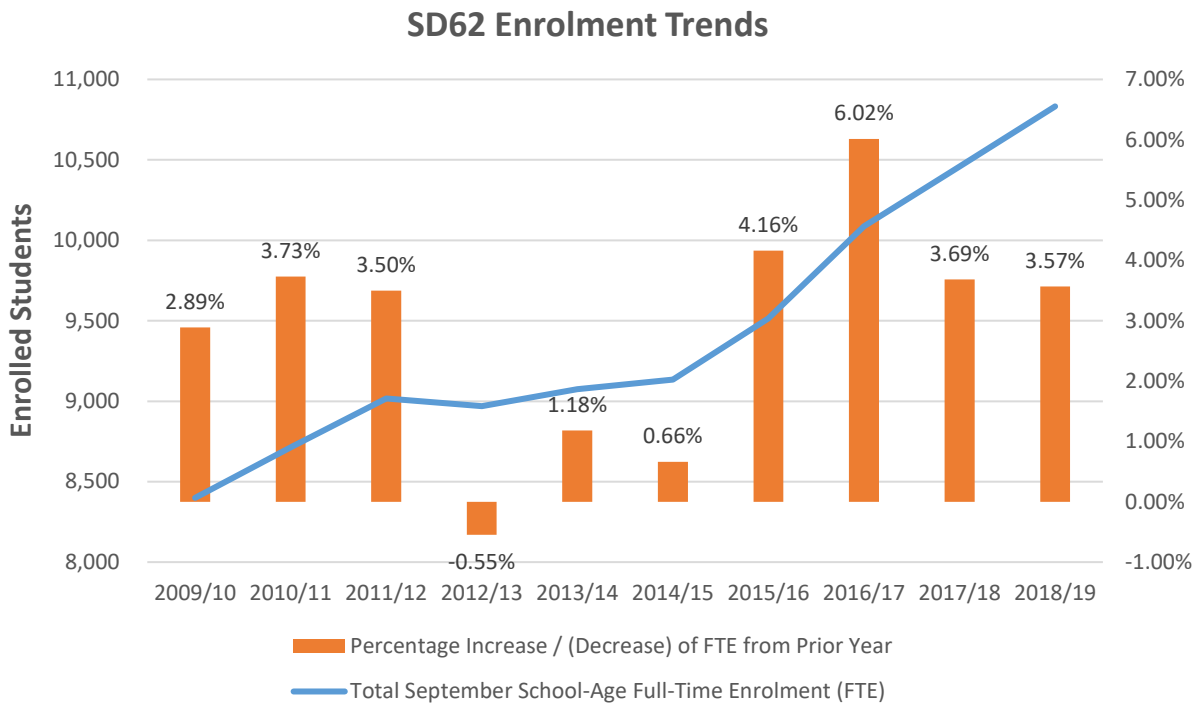
	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY19	FY19	FY18	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
	A	B	C	D = A-B	E = D/A	PRIOR YEAR	%
OPERATING REVENUES (in \$ thousands)						F = B-C	G = F/C
MOE OPERATING GRANTS	99,979	99,820	93,394	(159)	(0%)	6,426	7%
OTHER PROVINCIAL FUNDING	1,436	1,921	2,029	485	34%	(108)	(5%)
NET LEA FUNDING	-	30	-	30	100%	30	100%
CONTINUING ED TUITION	110	96	73	(14)	(13%)	23	32%
INTERNATIONAL TUITION	6,886	6,927	6,676	41	1%	252	4%
MISCELLANEOUS	491	649	565	158	32%	84	15%
RENTALS AND LEASES	389	436	409	48	12%	27	7%
INVESTMENT INCOME	203	351	220	148	73%	131	60%
TOTAL OPERATING REVENUES	109,494	110,231	103,366	738	1%	6,866	7%

The \$0.7M in savings was largely from other provincial funding (\$0.5M), investment income (\$0.1M), and miscellaneous revenues (\$0.2M). These savings created flexibility in the budget to address other strategic priorities of the District.

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 significantly increased over the past decade.



SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

The upward trajectory of student enrolment continued in the 2018/19 school year. As detailed in the table below, there was a 3% (408.13 FTE) increase in total enrolment from the prior year.

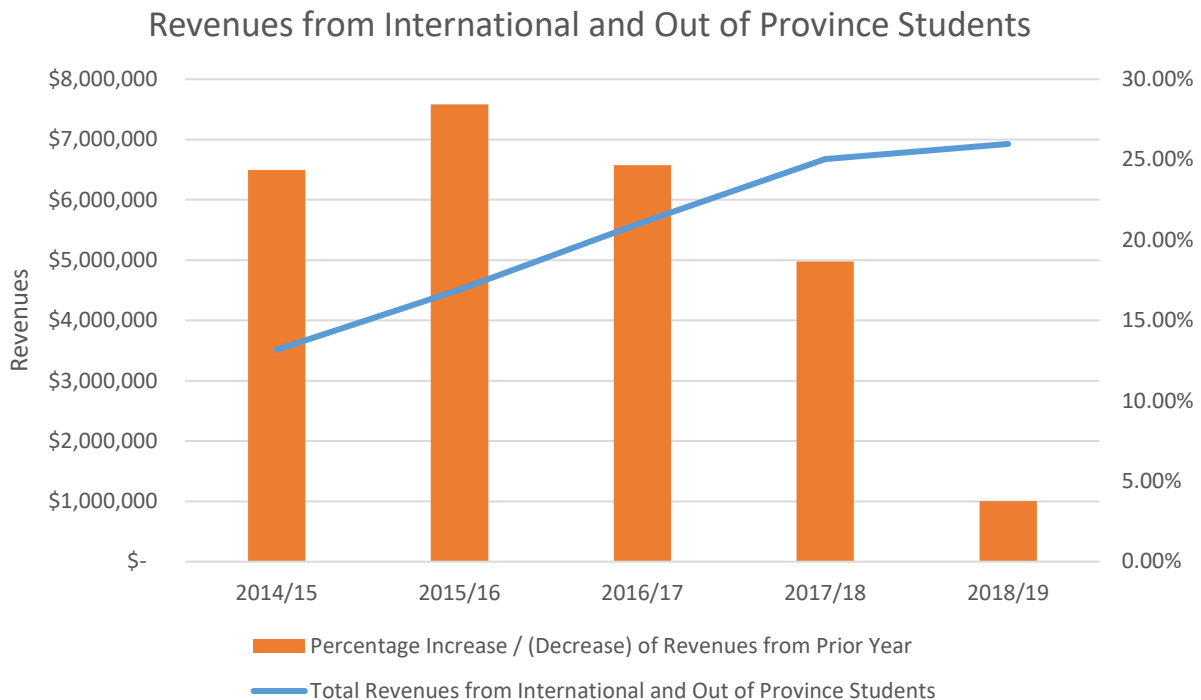
	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY19	FY19	FY18	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
	A	B	C	D = B-A	E = D/A	F = B-C	G = F/C
ENROLMENT (in FTE)							
SEPTEMBER							
STANDARD (REGULAR) SCHOOLS	10,443.63	10,443.63	10,026.00	-	0.0%	417.63	4.2%
CONTINUING EDUCATION	21.00	21.00	26.13	-	0.0%	(5.13)	-19.6%
ALTERNATE SCHOOLS	243.00	243.00	242.38	-	0.0%	0.63	0.3%
DISTRIBUTED LEARNING	124.69	124.69	164.75	-	0.0%	(40.06)	-24.3%
HOME SCHOOLING & COURSE CHALLENGES	6.00	6.00	19.00	-	0.0%	(13.00)	-68.4%
DESIGNATED STUDENTS	655.00	655.00	564.00	-	0.0%	91.00	16.1%
ENGLISH LANGUAGE LEARNING	551.00	551.00	559.00	-	0.0%	(8.00)	-1.4%
ABORIGINAL EDUCATION	1,173.00	1,173.00	1,193.00	-	0.0%	(20.00)	-1.7%
ADULT EDUCATION	12.88	12.88	11.38	-	0.0%	1.50	13.2%
TOTAL SEPTEMBER COUNT	13,230.19	13,230.19	12,805.63	-	0.0%	424.56	3.3%
FEBRUARY COUNT	163.00	213.38	226.50	50.38	30.9%	(13.13)	-5.8%
MAY COUNT	115.00	52.63	55.94	(62.38)	-54.2%	(3.31)	-5.9%
TOTAL ENROLMENT	13,508.19	13,496.19	13,088.06	(12.00)	-0.1%	408.13	3.1%

The increased enrolment resulted in a 7% (\$6.4M) increase in the operating grant from the prior year. However, against the budget there was a 0.1% pressure (\$0.2M) largely due to the May count being lower (62.38 FTE) than budgeted.

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

International Tuition

The International Program continues to grow along with the rest of the District. However, as highlighted in the chart below, as the District experiences capacity challenges, the growth in revenues was significantly lower (3.77%; \$251,552) in 2018/19 than the prior four years (24.04% average; \$962,677 average).



Other Provincial Funding

There was a decrease of \$0.1M in other Ministry of Education grants from the prior year largely due to the Return of Administrative Savings grant (\$450,041) received in the prior year but not in 2018/19 which was offset by a new Employer Health Tax Grant (\$254,511). Against a budget of \$1.4M, the \$1.9M in other provincial funding revenues resulted in savings of 34% (\$0.5M) which largely was due to the Employer Health Tax Grant (\$0.3M), and Economic Stability Dividend (\$0.1M) being more than budgeted.

**SCHOOL DISTRICT NO. 62 (SOOKE)
 FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
 YEAR ENDED JUNE 30, 2019**

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).

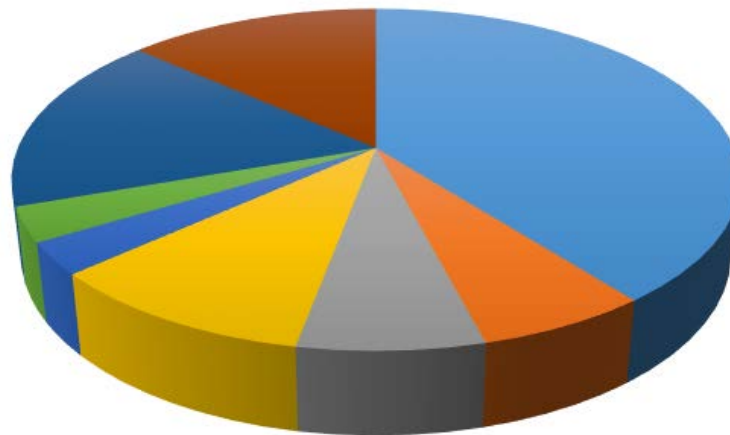
The provincial averages are taken from data available to the public on the Ministry of Education financial reporting website. At the time of issuance of this report, the provincial actuals for fiscal 2019 were not yet available, as such the provincial budgets for fiscal 2019 were used for comparative purposes.

Expenses by Type (Object)

The District’s spending allocations by object were in line with provincial averages - with 86.6% of its expenses on salaries and benefits and 13.4% on services and supplies.

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

FY19 EXPENSES BY OBJECT



- | | |
|---|--|
| TEACHER SALARIES (SD62=39.5%; Prov=42.5%) | PVP SALARIES (SD62=6.5%; Prov=5.6%) |
| EA SALARIES (SD62=7.0%; Prov=7.5%) | SUPPORT STAFF SALARIES (SD62=10.4%; Prov=9.1%) |
| OTHER PROF. SALARIES (SD62=3.0%; Prov=2.6%) | SUBSTITUTE SALARIES (SD62=3.3%; Prov=3.1%) |
| EMPLOYEE BENEFITS (SD62=17.0%; Prov=17.1%) | TOTAL SERVICES AND SUPPLIES (SD62=13.4%; Prov=12.5%) |

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

The District's operating expenditures of \$108.5M increased by 9.9% (\$9.7M) over the prior year. Against a budget of \$111.3M, the \$108.5M in expenditures resulted in savings of 2.5% (\$2.8M).

	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY19	FY19	FY18	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
EXPENSES (in \$ thousands)	A	B	C	D = A-B	E = D/A	F = B-C	G = F/C
TEACHERS SALARIES	42,673	42,794	39,599	(121)	(0.3%)	3,195	8.1%
PVP SALARIES	7,302	7,044	6,778	258	3.5%	266	3.9%
EA SALARIES	7,533	7,590	6,513	(57)	(0.8%)	1,077	16.5%
SUPPORT STAFF SALARIES	11,048	11,247	10,112	(200)	(1.8%)	1,136	11.2%
OTHER PROFESSIONAL SALARIES	3,639	3,279	2,787	360	9.9%	492	17.7%
SUBSTITUTES SALARIES	3,806	3,537	2,836	269	7.1%	700	24.7%
EMPLOYEE BENEFITS	19,825	18,440	16,637	1,385	7.0%	1,803	10.8%
TOTAL SERVICES AND SUPPLIES	15,441	14,544	13,476	897	5.8%	1,068	7.9%
TOTAL OPERATING EXPENSES	111,266	108,475	98,738	2,791	2.5%	9,737	9.9%

The \$2.8M in savings was largely from employee benefits (\$1.4M) and from services and supplies (\$0.9M). The District average employee benefit rate (24.4%) was lower than anticipated (26.1%). These savings created flexibility in the budget to address other strategic priorities of the District and expected enrolment growth.

Expenses by Function

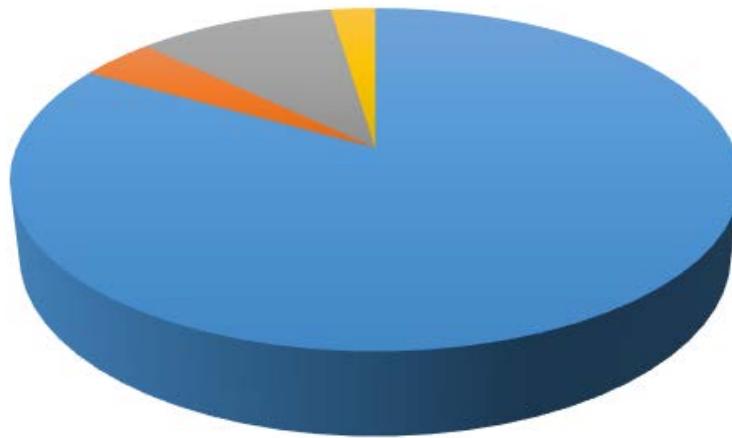
The Districts expenditures can be categorized by the following functions: Instruction; District Administration; Operations and Maintenance; and Transportation. The functions are defined as follows:

- 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.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

Over 83% of the District’s expenses are categorized under the Instruction function.

FY19 EXPENSES BY FUNCTION



- INSTRUCTION**
(SD62=83%; Prov=82%)
- OPERATIONS AND MAINTENANCE**
(SD62=11%; Prov=12%)
- TRANSPORTATION**
(SD62=2%; Prov=2%)
- DISTRICT ADMINISTRATION**
(SD62=4%; Prov=4%)

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.

	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY19	FY19	FY18	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
				FY19	FY19	PRIOR YEAR	%
EXPENSES BY FUNCTION (in \$ thousands)	A	B	C	D = A-B	E = D/A	F = B-C	G = F/C
INSTRUCTION	92,651	90,280	83,152	2,371	3%	7,128	9%
DISTRICT ADMINISTRATION	4,630	4,272	3,131	358	8%	1,142	36%
OPERATIONS AND MAINTENANCE	11,466	11,373	10,135	92	1%	1,238	12%
TRANSPORTATION	2,519	2,549	2,320	(30)	(1%)	229	10%
TOTAL OPERATING EXPENSES	111,266	108,475	98,738	2,791	3%	9,737	10%

Instruction

The District’s \$90.3M expenditures on Instruction for the year was an increase of \$7.1M over the prior year. The \$7.1M increase was largely from Regular Instruction (\$2.4M – mostly teacher salaries and benefits), Special Education (\$2.0M – mostly education assistant salaries and benefits) and School Administration (\$1.0M – mostly PVP salaries and benefits).

Against a budget of \$92.7M, the \$90.3M expenditures resulted in savings of 3% (\$2.4M). The savings were largely driven by employee benefits (\$1.2M), services and supplies (\$0.5M), substitute salaries (\$0.3M), and PVP salaries (\$0.3M) due to staff on leave.

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

District Administration

The District's \$4.2M expenditures on District Administration for the year was an increase of 36% (\$1.1M) over the prior year. The increase is largely due to a \$0.5M expenditure increase in Business Administration to accommodate growth and the implementation of both a Human Resources Strategic Plan and Communications Strategic Plan. Additionally, the prior year Business Administration figures are understated by \$475,954 due to the capital purchases from the Operating Fund incorrectly credited to Business Administration when transferred to the Capital Fund. When adjusted, the increase is 18% (\$0.7M) over the prior year.

Against a budget of \$4.6M, the \$4.2M expenditures resulted in a savings of 8% (\$0.4M). The savings was largely driven by services and supplies (such as legal, software, and general services) being lower than anticipated.

Operations and Maintenance

The District's \$11.4M expenditures on Operations and Maintenance for the year was an increase of 12% (\$1.2M) over the prior year. This was largely due to field upgrades at Happy Valley Elementary and Poirier Elementary. Against a budget of \$11.5M, this resulted in savings of 1% (\$0.1M).

Transportation

The District's \$2.5M expenditures on Transportation for the year was an increase of 10% (\$0.2M) over the prior year – which stems from an additional bus route and an increase in support staff salaries.

Against a budget of \$2.5M, the \$2.5M in expenditures resulted in an insignificant pressure of \$30k.

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 \$46,854 on tangible capital assets purchased in 2018/19 and \$1,379,274 on tangible capital assets that are a work in progress. These assets include \$1.0M in portables to address growth (at David Cameron Elementary, Wishart Elementary, Journey Middle, and Belmont Secondary); much needed replacement of facilities vehicles; an upgrade of the kitchen at Belmont; and replacement of shop equipment at middle schools.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

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 is a nil unrestricted surplus.

OPERATING FUND SURPLUS			
FOR THE FISCAL YEAR ENDING JUNE 30 2019			
			FINAL
			AMOUNT
A	OPERATING SURPLUS, BEGINNING OF YEAR		\$ 4,385,348
B	OPERATING SURPLUS, FOR THE YEAR 2018/19		\$ 330,267
C = A+B	OPERATING SURPLUS, END OF YEAR		\$ 4,715,615
INTERNALLY RESTRICTED SURPLUS			
	Due to nature of constraints on funds		
		Discretionary School Generated Funds	\$ 162,578
		School budget balances	\$ 59,976
		Total - Due to nature of constraints on funds	\$ 222,554
	Due to operations spanning the school year		
		FY20 Portables	\$ 711,559
		New Spaces	\$ 298,708
		Other	\$ 648,260
		IT Dept	\$ 172,044
		IRT Seats	\$ 8,372
		Total - Due to operations spanning the school year	\$ 1,838,943
	Due to anticipated unusual expenses		
		Financial reserve - FY18	\$ 1,012,286
		Financial reserve - annual	\$ 210,000
		Financial reserve - excess	\$ 1,431,832
		Total - Due to anticipated unusual expenses	\$ 2,654,118
D	TOTAL INTERNALLY RESTRICTED SURPLUS		\$ 4,715,615
E = C-D	UNRESTRICTED SURPLUS		\$ 0

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

SPECIAL PURPOSE FUNDS

All restricted contributions received, with the exception of 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.

	FY19 ACTUAL	FY18 ACTUAL	INCR / (DECR) FROM PRIOR YEAR	INCR / (DECR) %
SPECIAL PURPOSE FUNDS (in \$ thousands)	A	B	C = A-B	D = C/B
ANNUAL FACILITIES GRANT	337	337	-	0%
LEARNING IMPROVEMENT FUND	382	373	9	2%
SCHOOL GENERATED FUNDS	3,112	2,831	281	10%
STRONG START	228	228	0	0%
OFFICIAL LANGUAGES IN EDUCATION PROTOCOL	242	258	(17)	-6%
COMMUNITY LINK	818	863	(45)	-5%
ACADEMIES	791	656	135	21%
CLASSROOM ENHANCEMENT FUND	13,610	12,809	801	6%
RURAL EDUCATION ENHANCEMENT FUND	230	230	-	0%
OTHER	271	200	71	35%
TOTAL SPECIAL PURPOSE FUNDS EXPENSES	20,020	18,785	1,235	7%

The District's \$20.0M expenditures on Special Purpose Funds for the year was a 7% (\$1.2M) increase over the prior year. This is largely (\$0.8M) due to an increase in Classroom Enhancement Fund expenditures.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

CAPITAL FUND

The District's tangible capital asset additions of \$30,539,108 for the year was a 31% (\$13.7M) decrease from the prior year. The decrease is largely due to a reduction in Expansion Program purchases from the prior year and the Classroom Enhancement Fund capital project work coming to a conclusion at the beginning of the year.

				INCR / (DECR)	INCR /
		FY19	FY18	FROM	(DECR)
		ACTUAL	ACTUAL	PRIOR YEAR	%
		A	B	C = A-B	D = C/B
CAPITAL ADDITIONS (in \$ thousands)					
CAPITAL FUND					
	EXPANSION PROGRAM	26,380	32,163	(5,783)	-18%
	SCHOOL ENHANCEMENT PROGRAM	1,228	1,045	183	17%
	SEISMIC MITIGATION PROGRAM	449	1,881	(1,432)	-76%
	CARBON NEUTRAL CAPITAL PROGRAM	27	168	(141)	-84%
	BUS ACQUISITION PROGRAM	462	337	125	37%
	ANNUAL FACILITIES GRANT	121	255	(134)	-52%
	CLASSROOM ENHANCEMENT FUND	217	6,561	(6,345)	-97%
	PLAYGROUNDS	107	-	107	100%
	LOCAL CAPITAL	99	-	99	100%
	OTHER	23	353	(330)	-94%
	OPERATING FUND	1,426	1,430	(4)	0%
	SPECIAL PURPOSE FUND	-	57	(57)	-100%
	TOTAL CAPITAL ADDITIONS	30,539	44,250	(13,711)	-31%

Some of the more significant capital projects include:

- **Expansion Program (EXP)** – in 2018/19 the District acquired one site with a total cost of \$18.3M for an eventual new secondary school construction in North Langford. Also, \$7.8M was spent on the expansion of Royal Bay Secondary.
- **School Enhancement Program (SEP)** - work concluded Ruth King Elementary building envelope repair project with costs of \$0.3M and \$0.8M was spent on dust collectors.
- **Seismic Mitigation Program (SMP)** – work concluded on the Ruth King Elementary seismic project with costs of \$0.4M.
- **Classroom Enhancement Fund (CEF)** – construction concluded (\$0.2M) on the additional classrooms required as a result of the Supreme Court decision on classroom sizes requiring the District to hire more teaching staff.
- **Operating Fund** – there were \$1.4M in capital purchases and work in progress completed in 2018/19 funded out of Operating. Projects include portables to address growth (at David Cameron Elementary, Wishart Elementary, Journey Middle, and Belmont Secondary); much needed replacement of facilities vehicles; an upgrade of the kitchen at Belmont; and replacement of shop equipment at middle schools.

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.
- **Staff benefit rates** – benefit rates fluctuate from year to year dependent on staff usage so are difficult to accurately predict. In 2018/19, the District benefit rate increased by 0.18% from the prior year (2018/19= 24.43%; 2017/18= 24.24%). A one per cent fluctuation in \$70M in salaries amounts to \$700,000.
- **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. Since it is impossible to predict whether the district's average teacher salary is higher or lower than the provincial average, this could reduce the amount of the Operating Grant the district receives. In 2018/19, the District received \$294,868 more than the prior year (FY19=\$1,632,165; FY18=\$1,337,297).

**SCHOOL DISTRICT SIX TWO
OPERATING FUND SURPLUS
FOR THE FISCAL YEAR ENDING JUNE 30 2019**

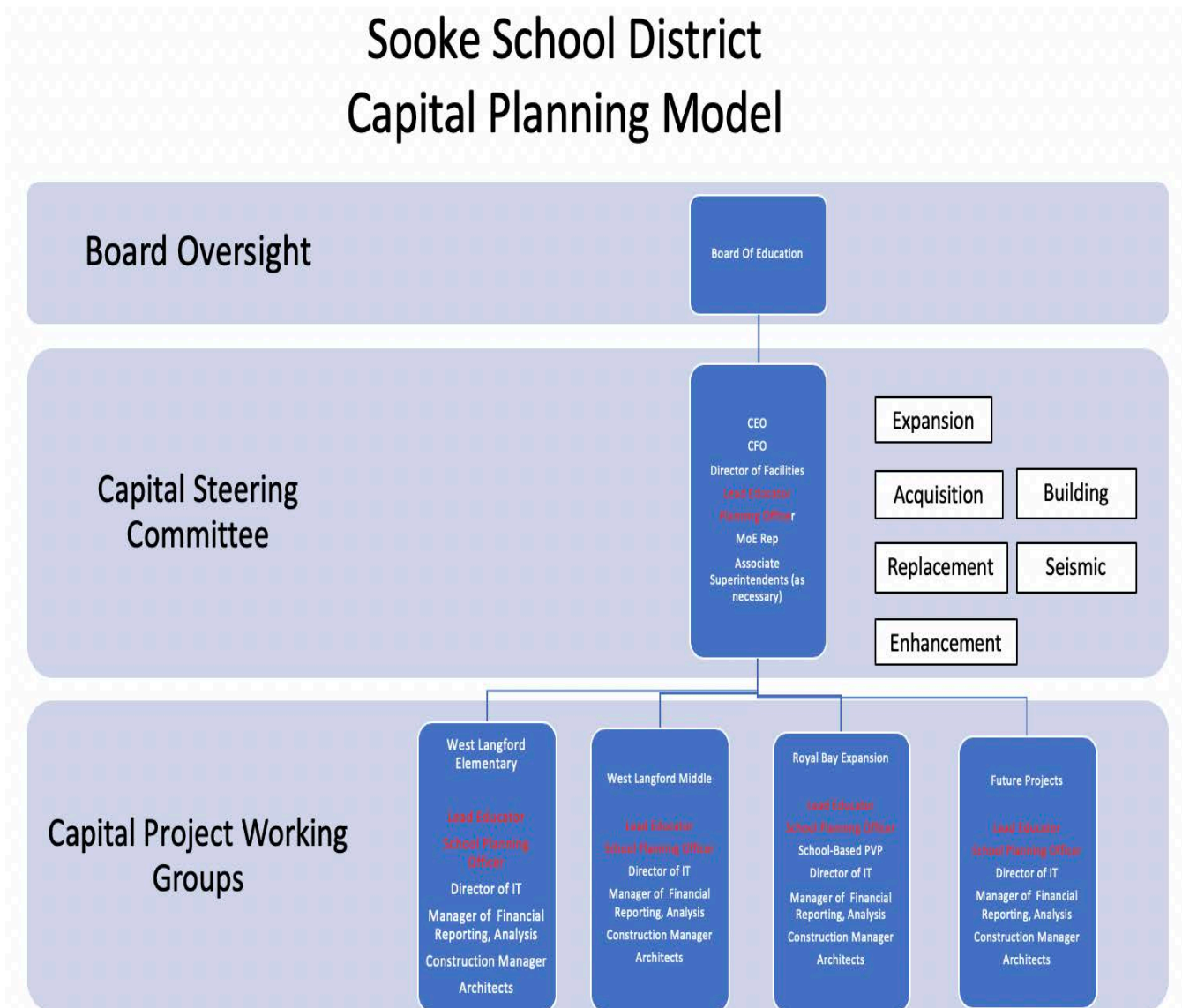
	FINAL AMOUNT	% of Operating Budget
A	OPERATING SURPLUS, BEGINNING OF YEAR	\$ 4,385,348
B	OPERATING SURPLUS, FOR THE YEAR 2018/19	\$ 330,267
C = A+B	OPERATING SURPLUS, END OF YEAR	\$ 4,715,615
INTERNALLY RESTRICTED SURPLUS		
	Due to nature of constraints on funds	
	Discretionary School Generated Funds	\$ 162,578
	School budget balances	\$ 59,976
	Total - Due to nature of constraints on funds	\$ 222,554
	Due to operations spanning the school year	
	FY20 Portables	\$ 711,559
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	Other	\$ 648,260
	IT Dept	\$ 172,044
	IRT Seats	\$ 8,372
	Total - Due to operations spanning the school year	\$ 1,838,943
	Due to anticipated unusual expenses	
	Financial reserve - FY18	\$ 1,012,286
	Financial reserve - annual	\$ 210,000
	Financial reserve - excess	\$ 1,431,832
	Total - Due to anticipated unusual expenses	\$ 2,654,118
		2.32%
D	TOTAL INTERNALLY RESTRICTED SURPLUS	\$ 4,715,615
E = C-D	UNRESTRICTED SURPLUS	\$ 0

Committee Info Note Resources Committee Meeting September 17, 2019

Agenda Item: 4d Capital Planning Structure & Update

Capital Planning Structure

- Staff have developed the following capital planning governance structure to help manage the multiple capital projects (existing and future) of the District



- The Capital Steering Committee (CSC) has met several times and the focus of the discussions have been around the West Langford builds, the RBSS expansion project and land acquisition in support of the Capital Plan
- A further layer of the governance structure includes *Consultation Groups* that will assist each Working Group on a project by project basis
- These groups will be consulted with and provide input into the design and functionality of each of the projects
- The consultation groups include representatives from the leadership team in the areas of school based administrators, facilities, grounds, transportation and custodial departments
- The groups for the West Langford properties have met and began the valuable conversations around the initial planning and design of these two new builds

West Langford Builds

- HCMA Architects have been selected (from the District approved list of architects) to design both the middle and elementary school at West Langford
- Staff are working with HCMA to begin planning for the locations of the schools, fields, parking lots and bus stop on the site
- Each school will be a separate building with separate fields and parking lots (the bus loop will be shared)
- The site planning will continue for the next month or so at which time we hope to tender the contract for the civil work (blasting and elevations)
- Meanwhile, designs for the schools will continue and we hope to tender the construction portion of the work by the spring which could lead to construction beginning in the summer of 2020



PARKING

86m

FIELD

92m

96m

MIDDLE SCHOOL

100m-102m

106m-108m

PARKING

102m

BUS

109.5m

108m

103.5m-104m

ELEMENTARY SCHOOL

106.5m

FIELD

105m

PARKING

W SHORE PKWY

CONSTELLATION AVE