



**ROCKY
MOUNTAIN**
School District #6



**FINANCIAL STATEMENT
DISCUSSION AND ANALYSIS**
For the Year Ended June 30, 2024



The following Financial Statement Discussion and Analysis should be read in conjunction with the audited financial statements and accompanying notes for School District No. 6 (Rocky Mountain) (the “District”) for the year ended June 30, 2024. The purpose of the Financial Statement Discussion and Analysis (“FS D&A”) is to highlight information and provide explanations, which enhance the reader’s understanding of the school district’s financial statements as well as the factors that influenced the financial results presented in these statements. The preparation of the Financial Statement Discussion and Analysis is the responsibility of the management of the school district.

This FS D&A contains forward-looking information such as the planned use of local capital funds and accumulated surplus. The purpose of the forward-looking information is to provide management's expectations regarding results of operations, performance, and it may not be appropriate for other purposes.

The FS D&A information has not been audited.



CONTENTS

- Overview of School District No. 6.....1
- Understanding the Financial Statements2
- Summary of Significant Events.....3
- Enrollment and Staffing4
- Statement of Financial Position6
- Capital Operations9
- Operating Operations10





School District No. 6 (Rocky Mountain) is located on the traditional unceded territories of the Ktunaxa and Secwépemc Nations. We honour the cultures, languages, and First Nations people of these territories.



Overview of School District No. 6



School District 6 Rocky Mountain serves all communities from Golden to Kimberley. There are 14 schools and three alternate schools in three zones: Golden, including the community of Nicholson; Windermere, including Edgewater, Invermere, and Canal Flats; and Kimberley, including Marysville.

The District serves approximately 3,500 students and employs approximately 550 staff. Nine Trustees make up the Board of Education; three from each major community. The Board of Education engaged in the development of a strategic plan during 2023-24, building the vision, mission, values and priorities that will set the stage for the next four years. The four priorities of the Board of Education, Equity and Inclusion, Success for Each Learner, Growing the Capacity of Self and Others, and Stewardship for the Future lay a solid foundation for continuous improvement.

School District 6 is committed to true and lasting reconciliation with Indigenous peoples. Our Indigenous partnerships are essential to the success of this plan and together we will journey toward a better future that acknowledges the past and paves the way for better future. The mission, vision and values guide all decisions, made by the Board of Education.

VISION
Limitless Potential

MISSION
To support, nurture and empower each student.

VALUES

- Relationships**
Connections with the land, self, and others develops compassion, safety, and well-being.
- Equity**
Support and opportunity to reach potential.
- Integrity**
Honesty and responsibility in respect and care for others.
- Innovation**
Courageously pursue continuous growth.
- Curiosity**
Seek to understand.



Summary of Significant Events

During the year, the District managed several large capital projects and annual maintenance including:

- Interior and exterior renovation – Invermere Open Doors
- Parking lot repaving – Selkirk Secondary
- Lighting upgrade – McKim Middle School
- HVAC replacement (two units) – Marysville Elementary
- Roofing replacement: Lindsay Park Elementary, Marysville Elementary, and Blarchmont Learning Centre
- Lighting upgrade – Nicholson Elementary
- Entrance refurbishment – Lindsay Park Elementary
- Interior doors, frames and hardware – J. Alfred Laird Elementary
- Outdoor learning space: Eileen Madson Primary, Nicholson Elementary and Windermere Elementary
- Washroom upgrade – Eileen Madson Primary
- Kitchen upgrades through Feeding Futures: Eileen Madson Primary, Edgewater Elementary, and Windermere Elementary
- Appliance purchases for Feeding Futures – all schools
- Multiple building component renewal upgrades throughout the District
- Continuous investment in technology

Overall as of June 30, 2024, the District has strong financial health. This strong financial health can be contributed to sound financial management, planning and governance and is illustrated throughout this report.

Enrollment and Staffing

The operations of the District are dependent on continued grant funding from the Ministry primarily based on student enrolment, students identified with special needs and other demographic and geographical factors. Expenditures are primarily associated with staffing and related compensation and benefits. Student enrolment and staffing levels are reflected below.

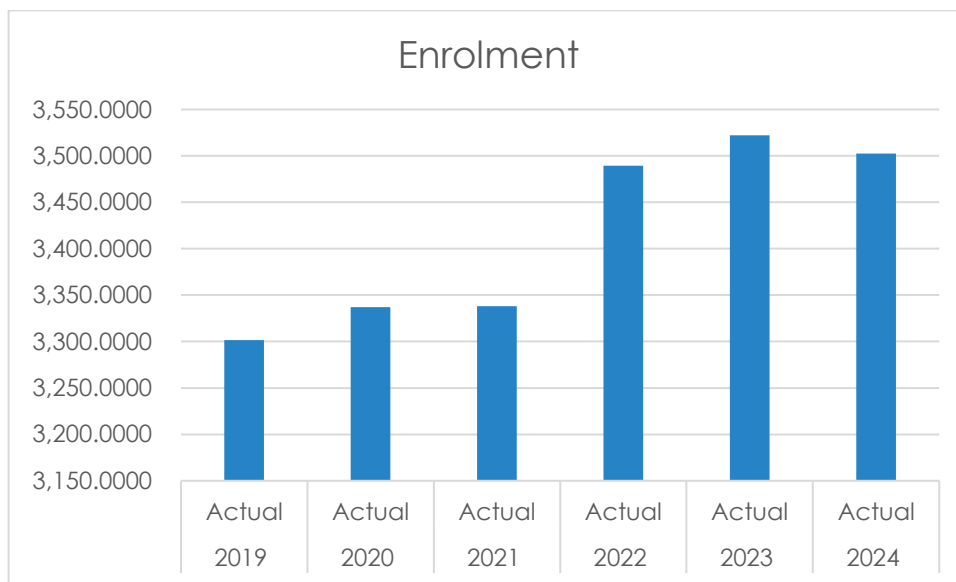
Enrolment

Provincial grant funding is primarily based on student enrolment, unique student needs, and unique geographical requirements, with additional funding for adult and summer school education. The District continues to see a growth in enrolment, as illustrated in the chart below.



Forecasting Enrolment

The District uses local knowledge to forecast enrolment based on the information available. Up until 2021, the District encountered minimal growth. In 2022, the District realized a large growth in enrolment largely due to net migration to the area. This was a result of a combination of factors which included: a large, multi-year capital project near Golden along Highway 1 where hundreds of workers (and families) moved to the area; and a trend caused mainly from COVID-19 where smaller communities realized movement of people from larger cities such as Kelowna and Calgary. The enrolment decreased slightly in 2024. The District is assessing the long term impact to the capacity of the facilities through the update of the long range facility plan expected to be completed in Fall 2024. The District continues to advocate for the replacement of Eileen Madson Primary (Invermere). Refer to the District website ([Capital Planning](#)) for more information on the current capital plans approved by the Board of Education.



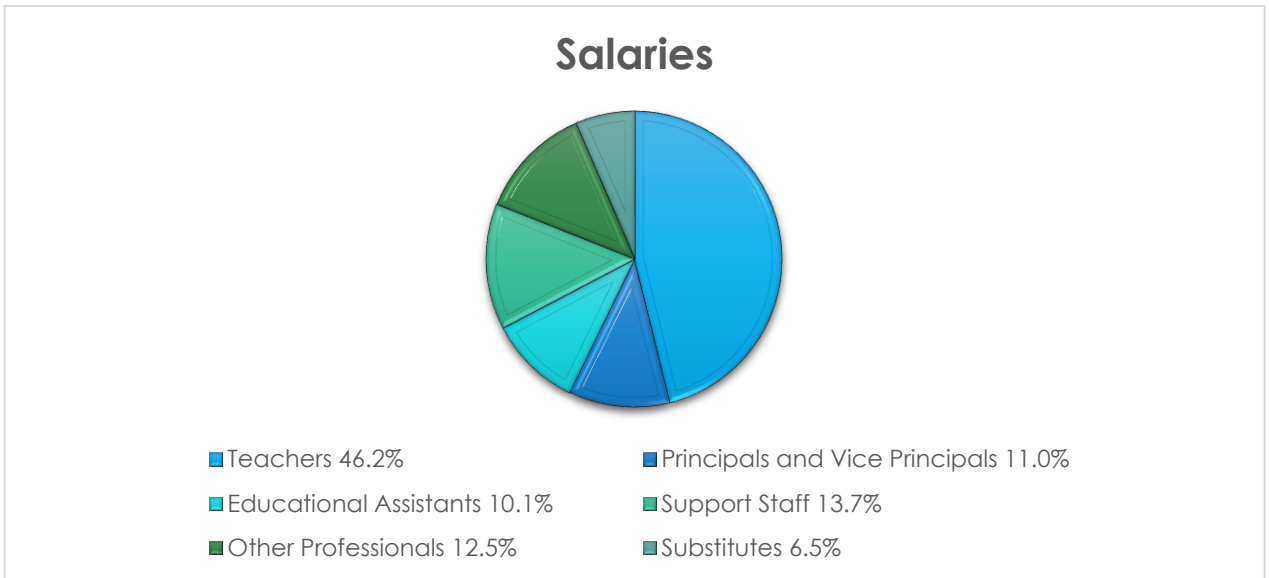
Staffing

Staffing is the most significant operational expenditure of school districts. During the Spring, the Administrators work with Finance and Human Resources to configure the schools for the following September. This process derives the number of classroom Teachers required. In addition, the configuration and student needs of each classroom are reviewed and additional supports are allocated (Learning Services Teachers, Educational Assistants, Youth Care Workers and Indigenous Education Workers). This process determines a large part of the staffing compliment and is finalized once enrolment numbers are confirmed in September.



The Staffing budget is summarized below:

	Fiscal 2023/24		Fiscal 2022/23	Variance from Budget		Variance from Prior Year	
	Amended Budget	Actual	Actual	\$	%	\$	%
Teachers	\$16,323,519	\$16,617,587	\$15,479,612	\$294,068	1.80%	\$1,137,975	6.85%
Principals and Vice Principals	\$4,022,255	\$3,983,887	\$3,632,546	(\$38,368)	-0.95%	\$351,341	8.82%
Educational Assistants	\$3,336,025	\$3,632,264	\$3,215,403	\$296,239	8.88%	\$416,861	11.48%
Support Staff	\$4,719,097	\$4,940,059	\$4,482,688	\$220,962	4.68%	\$457,371	9.26%
Other Professionals	\$4,514,127	\$4,497,669	\$4,313,693	(\$16,458)	-0.36%	\$183,976	4.09%
Substitutes	\$2,028,572	\$2,327,716	\$2,020,531	\$299,144	14.75%	\$307,185	13.20%
Total Salaries	\$34,943,595	\$35,999,182	\$33,144,473	\$1,055,587	3.02%	\$2,854,709	7.93%

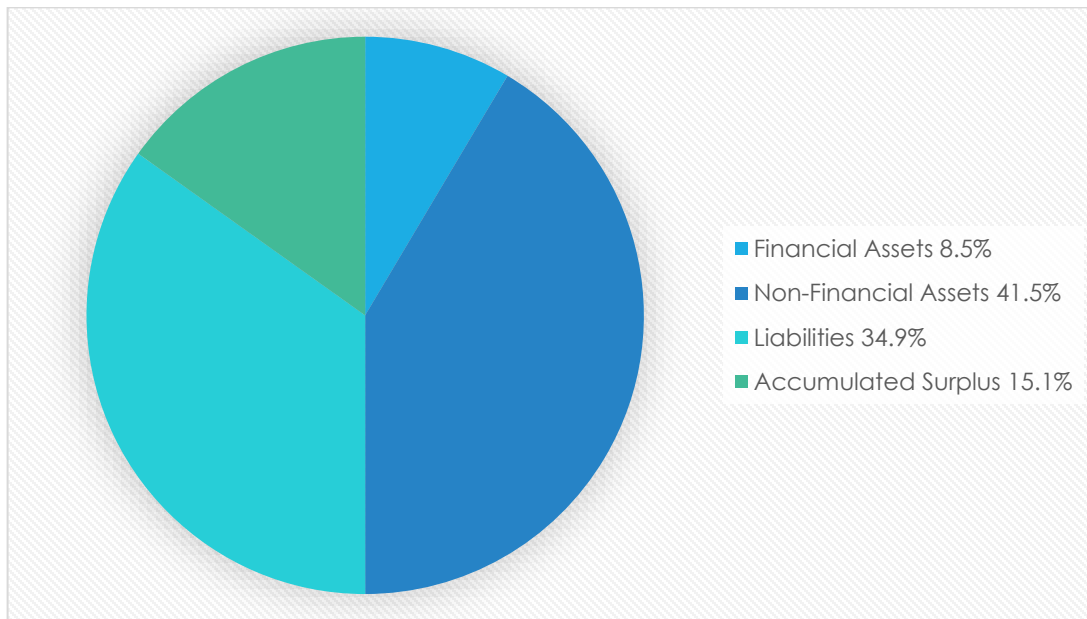


Statement of Financial Position

The following table provides a comparative analysis of the District's Net Financial Position for the fiscal years ended June 30, 2024 and 2023 with a review of the more significant year over year changes discussed below.

	2024	2023	Variance	
			\$	%
Financial Assets				
Cash and Cash Equivalents	12,951,336	17,599,634	(4,648,298)	65%
Accounts Receivable				
Due from Ministry of Education	29,390	75,418	(46,028)	-70%
Due from LEA/Direct Funding	94,116	2,758	91,358	100%
Other	374,868	217,505	157,363	-12%
Portfolio Investments	125,504	1,229,782	(1,104,278)	-51%
Total Financial Assets	13,575,214	19,125,097	(5,549,883)	40%
Liabilities				
Trade Accounts and Other Payables	5,078,433	4,064,640	1,013,793	14%
Unearned Revenue	2,911,046	2,580,683	330,363	-17%
Deferred Revenue	1,396,710	1,290,966	105,744	-5%
Deferred Capital Revenue	40,308,053	39,738,462	569,591	24%
Employee Future Benefits	580,542	667,933	(87,391)	0%
Capital Lease Obligations	381,611	685,490	(303,879)	23%
Asset Retirement Obligations	4,786,000	4,786,000	0	0%
Total Liabilities	55,442,395	53,814,174	1,628,221	17%
Net Debt	(41,867,181)	(34,689,077)	(7,178,104)	7%
Non-Financial Assets				
Tangible Capital Assets	65,812,830	60,114,975	5,697,855	3%
Restricted Assets	54,031	54,031	0	0%
Prepaid Expenses	86,620	91,252	(4,632)	3%
Total Non-Financial Assets	65,953,481	60,260,258	5,693,223	3%
Accumulated Surplus	24,086,300	25,571,181	(1,484,881)	-2%





Financial Assets are assets that can be used to discharge liabilities and provide working capital funds in the normal course of operations. The decrease in financial assets from prior year resulted mainly from cash used from the New Spaces Fund for development of facilities in Marysville and Invermere. The projects commenced in 2023/24 and the cash is beginning to draw down to historical levels.

Liabilities are obligations of the District to others arising from prior transactions, the settlement of which will require the use of current and future financial assets. The increase in liabilities from 2022/23 resulted from changes in the following accounts:

- Increase to accounts payable and accrued liabilities due to constructions costs of the childcare facility in Marysville.
- Increase to unearned revenue as a result of unspent special purpose funds.
- Increase to deferred revenue related to funds received for the International Program
- Increase in deferred capital revenue related to receipt of New Spaces funds for the development of childcare centres as noted above in cash.



The current ratio is a liquidity ratio that measures the District’s ability to pay off its current liabilities with current assets. A ratio greater than one is desirable as it means the District has the ability to pay current liabilities as they become due. A ratio of less than one indicates that the District would have to borrow to meet short term obligations. The current ratio is calculated as current assets divided by current liabilities. The District’s current ratio is healthy and well above 1:1 (2024 – 1.4:1; 2023 – 2.2:1).

Tangible capital assets (TCA) are non-financial assets used in providing the services of the District and include buildings, equipment, furniture, technology and vehicles purchased, constructed or contributed to the District. The balance in the financial statements is the historical cost of the assets less accumulated amortization to June 30. The increase in TCA is comprised of new assets purchased totaling \$4.0M, Work-in progress of \$5.4M, less amortization of \$3.6M.

Prepaid expenses result from the District making advanced payments for goods or services to be received in the future. The amount is initially recorded as an asset, but their value is expensed over time through the income statement.

Accumulated surplus or deficit represents the net assets or debt of the District. The District had a deficit for the 2023/24 fiscal year and continues to be in an accumulated surplus position.

	2024	2023
Accumulated Surplus, beginning of the year	25,571,181	26,195,244
Net Changes for the year	(1,484,881)	(624,063)
Accumulated Surplus, end of the year	<u>24,086,300</u>	<u>25,571,181</u>
Comprised of:		
Capital fund	23,283,339	24,228,108
Special Purpose fund	54,031	54,031
Operating fund	748,930	1,262,724
Total	<u>24,086,300</u>	<u>25,544,863</u>



The Capital fund surplus is comprised of \$22.6M invested in capital assets and \$713K of local capital. Invested in capital assets in the net book value of the tangible capital assets less the balance of the deferred capital revenue.

Local capital is money that is set aside for future capital purchases. The District completed numerous projects during the year.

The balance of the local capital is as follows:

MULTI-YEAR LOCAL CAPITAL SURPLUS PLANNING AND REPORTING (in 000's)

Local Capital	June 30, 2024	Budgeted for 2025	Planned for 2026	Planned for 2027	Planned for 2028
Opening Balance	\$ 2,316	\$ 715	\$ 127	\$ 47	\$ 167
Total Sale of Property	-	-	-	-	-
Transfer from Operating	-	-	400	600	600
Investment Income	30	10	5	5	5
Uses of Local Capital					
Operations Capital Projects	578	-			
School Use	375	50	50	50	50
Capital lease payment	303	303	320	320	320
Capital lease interest	34	37	35	35	35
Vehicles/equipment	-	100	80	80	80
ERP System	278	50			
IT	63	58			
Total Assets Purchased	\$ 1,631	\$ 598	\$ 485	\$ 485	\$ 485
Closing Balance	\$ 715	\$ 127	\$ 47	\$ 167	\$ 287



The planned used for local capital is as follows:

	23/24 Available	24/25 Planned
Schools	\$ 102	\$ 50
IT		
Capital leases	340	340
IT Projects	50	50
Hardware	8	8
Vehicles/Machinery	100	100
ERP/District	50	50
	<u>\$ 715</u>	<u>\$ 598</u>

The operating surplus and planned use for the next three years is as follows:

MULTI-YEAR OPERATING SURPLUS PLANNING AND REPORTING (in 000's)

Schedule of Accumulated Operating Surplus	Opening Balance	Planned Use	Actual Use	Additions	Closing Balance	Planned	Planned	Planned	Expected Balance
	July 1, 2023	Current Year	Current Year		June 30, 2024	2025	2026	2027	
Internally Restricted Due to the Nature of Constraints on the Funds									
School surpluses	\$ 590	\$ (60)	\$ (530)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
International Program	150	-	(150)	-	-	-	-	-	-
Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 740	\$ (60)	\$ (680)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
% of Operating Budget	\$ 52,500	1.4%			0.0%				0.0%
Internally Restricted Operating Fund	\$ 740	\$ (60)	\$ (680)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted Operating Surplus	\$ 549	\$ -	\$ 200	\$ -	\$ 749	\$ (250)	\$ -	\$ -	\$ 499
% of Operating Budget	\$ 52,500	1.0%			1.4%				1.0%
Total Operating Fund Surplus	\$ 1,289	\$ (60)	\$ (480)	\$ -	\$ 749	\$ (250)	\$ -	\$ -	\$ 499
% of Operating Budget	\$ 52,500	2.5%			1.4%				1.0%

Per District Practice 3200, the unrestricted operating surplus should be no less than 1% and no more than 3%. The District is within the Board approved parameters of the surplus guidelines.

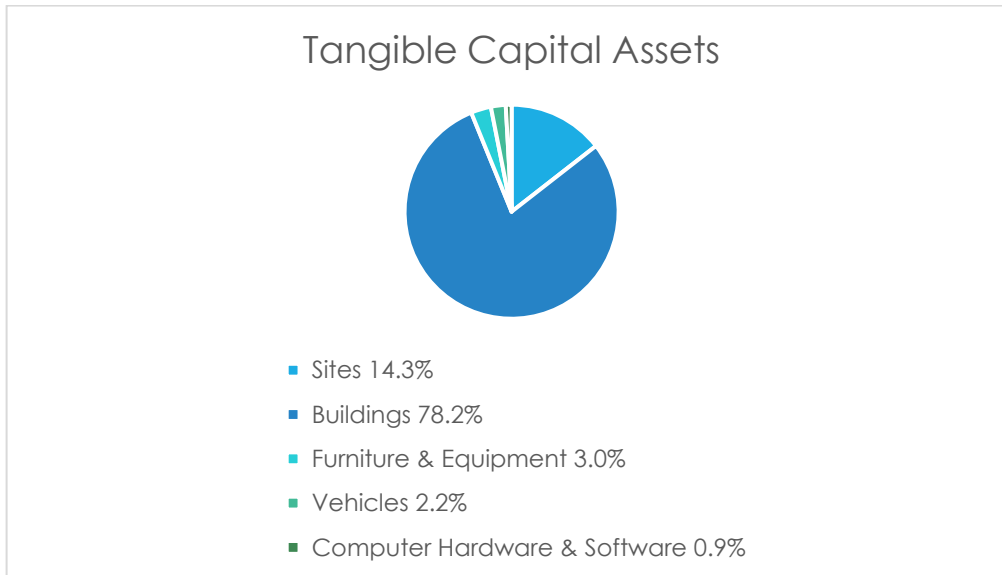


Capital Fund Balances are as Follows:

Capital Funds	June 30, 2024	June 30, 2023	Variance
Tangible Capital Assets	65,812,830	60,114,975	5,697,855
Other Provincial Capital	7,104,519	1,815,873	5,288,646
Local Capital Balance	715,145	2,316,091	(1,600,946)

(Ministry) Restricted capital are funds held on behalf of the Ministry of Education and require approval from the Ministry to be used. The balance at June 30, 2024 is \$nil.

Tangible Capital Assets are non-financial assets used in providing the services of the District and include sites, buildings, equipment, furniture, vehicles and technology purchased or constructed by the District. The balance in the financial statements is the historical cost of the assets less accumulated amortization to June 30.



Other Provincial capital are funds provided by the Ministry of Jobs, Tourism and Skills Training to purchase trades training equipment in support of Industrial Training Authority Youth Trades programs.

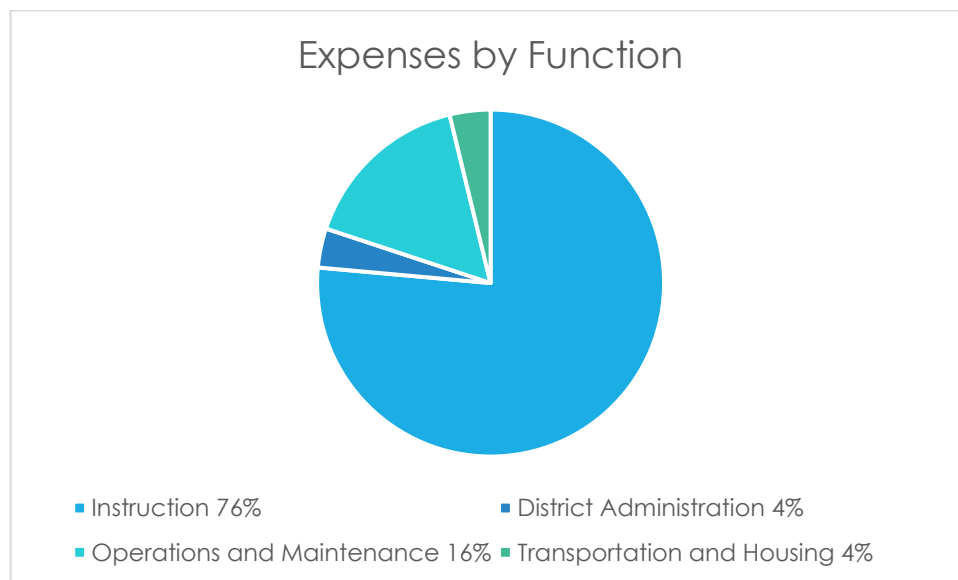


Operating Operations

The District's revenue is heavily reliant upon the Operating Grant from the Ministry. Approximately 90% of District operating revenue comes in the form of an operating grant which is based on enrolment levels and other student and geographical factors. Approximately 7% of revenue is generated from International Education programs and the balance through other revenue programs such as special purpose funding, facility rental and lease income, investment income and donations.

85% of District expenditures are associated with salaries and benefits. The balance of expenditures are related to supplies and services including utilities, professional development, transportation and maintenance.

	Amended Budget	2024	2023	Variance
Revenue	61,096,221	62,066,067	58,907,085	3,158,982
Expenses	62,104,969	63,550,948	59,531,148	4,019,800
Surplus (Deficit) for the year			0	0
	(1,008,748)	(1,484,881)	(624,063)	(860,818)
Accumulated Surplus - Opening		25,571,181	26,195,244	(624,063)
Total Accumulated Surplus		24,086,300	25,571,181	(1,484,881)



	Fiscal 2023/24		Fiscal 2022/23	Variance from Budget		Variance from Prior Year	
	Amended Budget	Actual	Actual	\$	%	\$	%
Instruction	47,054,117	48,549,206	45,214,998	1,495,089	3.08%	3,334,208	6.87%
District Administration	2,228,445	2,318,652	2,322,306	90,207	3.89%	(3,654)	(0.16%)
Operations and Maintenance	10,298,686	10,231,209	9,630,078	(63,477)	(0.66%)	601,131	5.88%
Transportation and Housing	2,489,950	2,418,110	2,327,148	(71,840)	(2.97%)	90,962	3.76%
Debt Services	33,771	33,771	36,618	-	-%	(2,847)	(8.43%)
Total Expense	62,104,969	63,550,948	59,531,148	1,445,979	2.28%	4,019,800	6.33%

Instruction expenses increased from 2022/23 mainly due to increases to staff wages and increases due to inflationary costs for supplies. The portion of salaries compared to total expenses increased from 82.47% in 2022/23 to 84.85% in 2023/24.

District Administration costs increased from prior year due to increases in wages, additional supports targeted at supportive the development of child care within the district, and professional services and travel required for Ministry and association meetings.

Operations and Maintenance costs increased from prior year and budget due to a variety of factors including:

- Wage increases across all employee groups
- Increase of supplies and materials due to inflationary pressures.

Transportation costs increased from prior year and budgeted amounts due to salary increases across all employee groups. This was partially offset by lower than anticipated repairs to the bus fleet.

