



Staff Report to the Board of Education

April 24, 2024

MULTI-YEAR FINANCIAL PROJECTION

Adrian Johnson, Secretary Treasurer

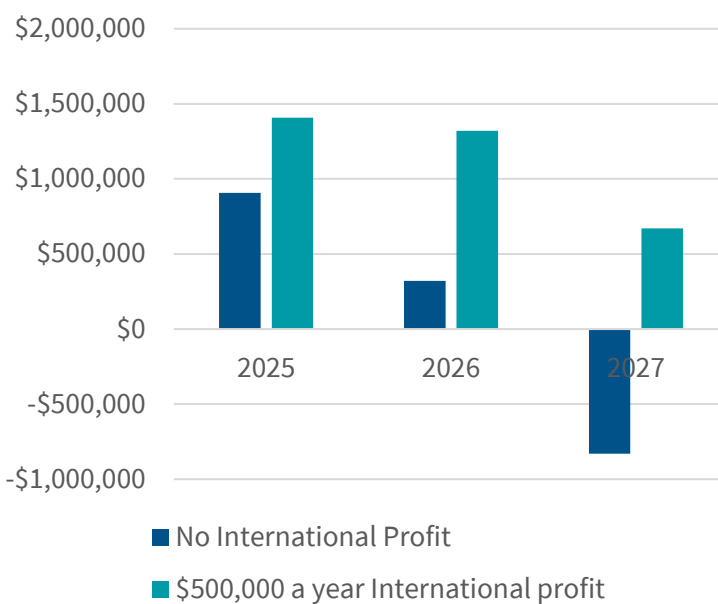
The following table projects the proposed 2025 operating fund budget (Schedule 2, page 5 of the Budget Bylaw document) over the next three years.

Year ended June 30	2025	Change	2026	Change	2027
Revenues					
Provincial grants					
Ministry of Education	\$108,902,459	\$2,854,405	\$111,756,864	\$2,854,405	\$114,611,270
Other	\$518,338	\$-	\$518,338	\$-	\$518,338
Tuition	\$6,382,500	\$-	\$6,382,500	\$-	\$6,382,500
Other revenue	\$1,563,148	\$-	\$1,563,148	\$-	\$1,563,148
Rentals and leases	\$150,000	\$-	\$150,000	\$-	\$150,000
Investment income	\$800,000	\$-	\$800,000	\$-	\$800,000
Total revenue	\$118,316,445		\$121,170,850		\$124,025,256
Expenses					
Instruction	\$98,529,360	\$2,888,141	\$101,417,501	\$2,888,141	\$104,305,643
District Administration	\$4,467,235	\$130,870	\$4,598,105	\$130,870	\$4,728,975
Operations and Maintenance	\$11,138,233	\$324,371	\$11,462,604	\$324,371	\$11,786,975
Transportation and Housing	\$2,727,163	\$76,571	\$2,803,734	\$76,571	\$2,880,304
Total expense	\$116,861,991		\$120,281,944		\$123,701,897
Net Revenue (Expense)	\$1,454,454		\$888,907		\$323,359
Transfers to other funds					
Capital assets purchased	\$(341,628)	\$-	\$(341,628)	\$-	\$(341,628)
Local Capital	\$(1,163,000)	\$-	\$(1,163,000)	\$-	\$(1,163,000)
Other	\$30,000	\$-	\$30,000	\$-	\$30,000
Total net transfers	\$(1,474,628)		\$(1,474,628)		\$(1,474,628)
Forecast reserve use					
Use of unrestricted reserves	\$20,174		\$585,721		\$1,151,269
Forecast reserves					
Unrestricted reserves, beginning of year	\$927,178		\$907,004		\$321,283
Unrestricted reserves, end of year	\$907,004		\$321,283		\$(829,986)
End of year unrestricted reserves as %age of expense	0.78%		0.27%		-0.67%

Key assumptions used in this projection are:

- No availability or use of restricted reserves.
- No profit from the International program
- Available reserves at July 1, 2024 are \$927,178, as forecast in the March financial update to the Board. Current expenditure trends indicate that this is optimistic, and actual available reserves will be less than this.
- Decrease in enrolment of 40 students in the 2025/26 year and also in the 2026/27 year, net of an increase of 100 ELL students in each of this years
- Funded wage and benefit increases of 3% each year
- Unfunded inflationary increase of 3% of service and supply costs.

Chart: Projection year-end reserves at current expenditure levels



With these assumptions, reserves will be depleted after a couple of years, driven by declining enrolment and unfunded inflationary costs.

The picture looks brighter when factoring in potential profit from the International program.

Additionally, all these fluctuations are within about 1% of total operating expenses. That is within the margin of forecasting error.

Given this forecast, it is unlikely the Board will have additional funds for the next few years.

Budgets will focus on making more effective use of existing funds to continue to improve services to students.