

# FINANCIAL STATEMENT DISCUSSION & ANALYSIS

For the year ended June 30, 2023

School District  
No. 59 Peace  
River South



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## Introduction

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2023. It is based on currently known facts, decisions, and conditions. This report should be read in conjunction with the District's financial statements for the same period.

The purpose of a Financial Statement Discussion and Analysis is to provide an explanation of the information included in the financial statements and the trends and factors that influence them. The goal is to increase the reader's understanding of the financial statements.

## The School District

School District No. 59 (Peace River South) has approximately 3,650 students and serves the communities of Chetwynd, Dawson Creek, Tumbler Ridge and the surrounding rural area. We acknowledge the South Peace region is located within Treaty 8 Territory, a traditional travelling route for the Cree, Dunne-Za and Métis. The district has 15 elementary schools, three high schools and offers a distributed learning program.

The governing body of the School District is a Board of Education of seven 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 Mission

To embrace, inspire, and value learning, meaningful communication, and integrity for each individual and for the communities we serve.

### Strategic Plan

The 2020-2024 Strategic Plan identifies three areas of focus, each area has identified goals.

1. Equity
2. Foundational Skills and Core Competencies
3. Sustainable use of our resources

The Strategic Plan serves as a foundation for the senior administration to develop operational initiatives to meet the goals of each priority in the over-arching plan. Targets and fiscal responsibility (if required) are attached to each initiative and reviewed on an ongoing basis.





## Composition of Financial Statements

The financial statements are prepared using fund accounting, they are a consolidation of three separate funds (operating, special purpose and capital). Financial performance is difficult to ascertain in the audited statements as the three funds are all combined. Financial details of each fund are reported in the supplementary schedules that follow the notes of the financial statements.

### Key Audited Statements

1. Statement of Financial Position (Statement 1) summarizes financial assets, liabilities and accumulated surplus as at June 30, 2023.
2. Statement of Operations (Statement 2) summarizes revenues received and expenses incurred between July 1, 2022 and June 30, 2023.

### Schedule 2 – Operating Fund

The Operating Fund accounts for the district's daily operating transactions. Annual and accumulated surplus within the Operating Fund are an important indication of financial health. School districts are unable to incur an accumulated deficit position. When the district has an available accumulated surplus balance, those funds are available to use for future expenses and to reduce the financial risk of unforeseen circumstances.

The Operating Fund is where most of the district's operations are reported; therefore, considerable focus and analysis of the Operating Fund has been provided.

### Schedule 3 – Special Purpose Funds

Special Purpose Funds are funds that are restricted for a specific purpose. These funds do not result in an accumulated surplus position but instead are accounted as deferred revenue (deferral method). This is because revenue is only recognized as related expenses are incurred. If expenses for a program within a Special Purpose Fund exceed the revenues received the deficit must be transferred to the Operating or Capital Fund depending on the nature of the expenditure.

### Schedule 4 – Capital Fund

The Capital Fund reports investments in and financial activities related to tangible capital assets, including land, buildings, furniture, computers and equipment. Capital contributions are accounted for using the deferral method. Recognition of the capital funding revenue is spread out over the life of the related capital asset to match the amortization expense. Therefore, capital fund revenues reflected in the financial statements are not a reflection of actual funding received in a year.



## District Enrollment

Until the 2016/17 school year, the District had been in a steady enrollment decline for over 10 years. From 2016/17 the District has seen modest increases.

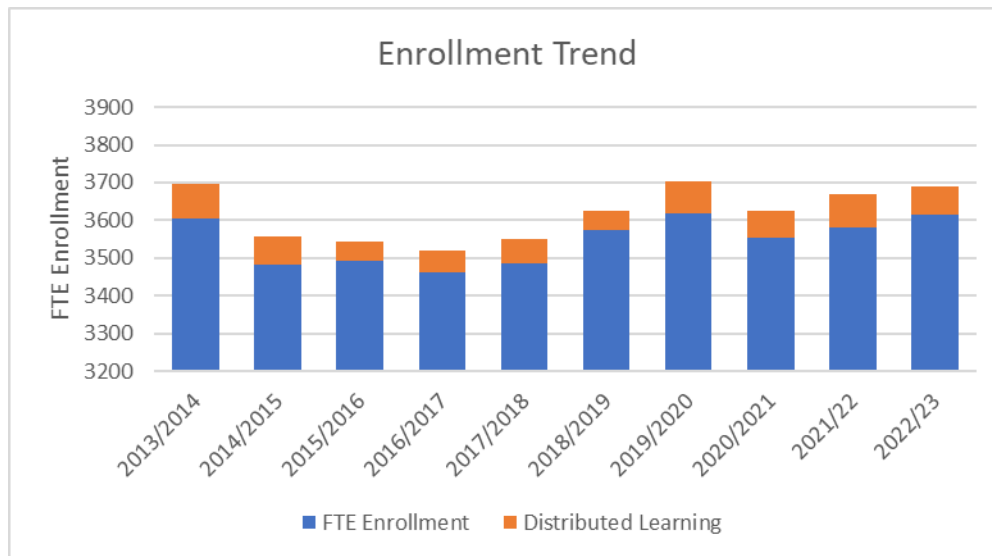
	2022/23 Actual	2022/23 Prelim Budget	2021/22 Actual	Variance to Budget	% Change to Budget	Variance to Prior Year	% Change to Prior Year
Standard School	3615.75	3570	3581.06	45.75	1.28%	34.69	0.97%
DL	72.56	85	87.88	-12.44	-14.63%	-15.31	-17.43%
<b>Total FTE</b>	<b>3688.31</b>	<b>3655</b>	<b>3668.94</b>	<b>33.31</b>	<b>0.91%</b>	<b>19.38</b>	<b>0.53%</b>

### Variance to Budget

The 2022/23 Preliminary Budget Enrollment estimates were submitted in February 2022, a variance of 45.75 FTE (1.28%) is minor. An elementary Distributed Learning (DL) program was created for the 2020/21 school year to accommodate a non-face-to-face option during the COVID-19 pandemic. Enrollment fluctuations in this newly developed program are expected.

### Variance to 2021/2022

An overall variance of 19.38 FTE (0.53%) is minor.





## Employees

Salaries and benefits are the highest operational expense of the School District (84%). The table summarizes the full-time equivalent (FTE) of employees for the prior two years that were allocated to the operating fund.

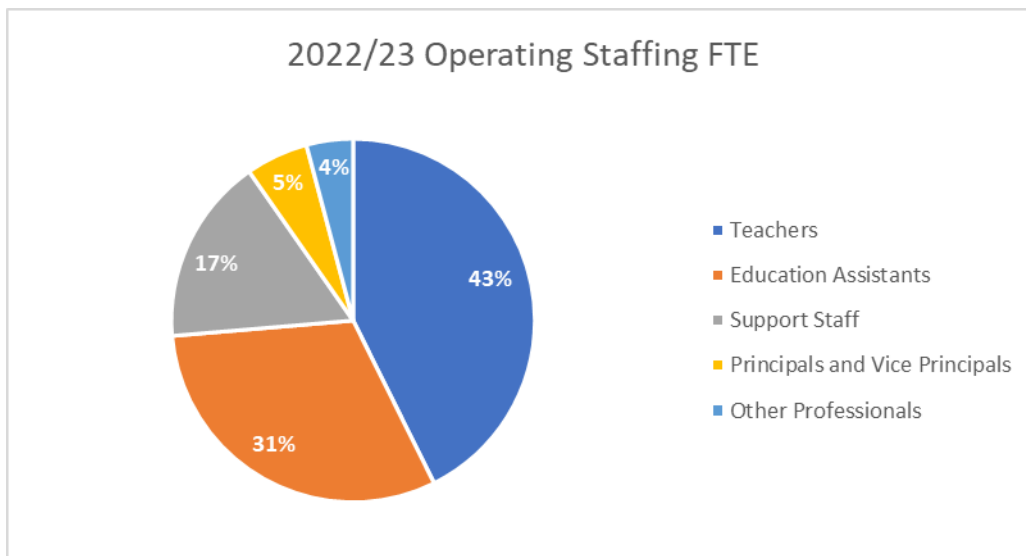
	2022/23	2021/22	Variance	% Change
Teachers	222.588	214.746	7.842	3.65%
Education Assistants	161.760	146.770	14.990	10.21%
Support Staff	86.900	87.720	-0.820	-0.93%
Principals and Vice Principals	29.000	26.000	3.000	11.54%
Other Professionals	21.630	21.630	0.000	0.00%
Total Staffing	521.878	496.866	25.012	5.03%

Teachers increased by 7.872 FTE when enrollment increased by 34.69 FTE, the overall percentage change is very low. Each year, the school’s employee per student FTE can vary depending on the school’s composition and configuration.

There were 286 students claimed under a unique needs category in the 2022/23 school year, this is compared to 281 in 2021/22.

Three additional Vice-Principal positions were re-introduced to larger elementary schools (Crescent Park, Canalta Elementary and Tumbler Ridge Elementary) to aid with the district’s mentorship and succession plans.

The district does always strive to be fully staffed but there are also periods of time in the school year where teaching and education assistant positions were unfilled and being covered by casual subs which are not reflected in the above employee numbers.





## Prior Period Adjustments

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The associated costs have been reported as an increase to the carrying value of the associated tangible capital assets. The prior period figures are therefore being issued as restated in the financial statements.

## Statement of Financial Position

The Statement of Financial Position presents an entity's financial assets and liabilities at a point in time. This statement provides two key performance measures of the District's ability to finance its operations and provide future service; Net Financial Asset (Net Debt) and Accumulated Surplus (Deficit).

### Net Financial Asset (Debt)

Net Debt is a term unique to public sector financial reporting. It is the difference between a district's financial assets and liabilities at a point in time. This measure provides readers with important information regarding the district's requirement to generate future revenues to fund past services and transactions.

School districts will show a Net Financial Debt position due to funding, primarily provided by the Ministry of Education and Child Care, to support capital projects. This balance is reported under the title "Deferred Capital Revenue." Differently from a true liability, these funds do not have to be repaid and are decreased over time. If the Deferred Capital Revenue balance was eliminated from consideration, the District would be in a Net Financial Asset position.

### Accumulated Surplus (Deficit)

The Accumulated Surplus (Deficit) represents the net recognized economic resources (all assets and liabilities) of a district at the date of the financial statements. This measure provides the new economic position of a district from all year's operations at a point in time.

The District was in an Accumulated Surplus position as at June 30, 2023.



	June 30, 2023	June 30, 2022		
	Actual	Actual	Increase	Increase
	\$	(Restated)	(Decrease)	(Decrease)
		\$	\$	%
<b>Financial Assets</b>				
Cash & Cash Equivalents	<b>15,131,835</b>	15,752,624	(620,789)	-4%
Accounts Receivable				
Due from Province - Ministry of Education	<b>26,062</b>	153,117	(127,055)	-83%
Due from First Nations	<b>220,706</b>	-	220,706	-
Other	<b>354,101</b>	450,663	(96,562)	-21%
<b>Total Financial Assets</b>	<b>15,732,704</b>	16,356,404	(623,700)	-4%
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities				
Other	<b>3,224,183</b>	3,153,497	70,686	2%
Unearned Revenue	<b>106,767</b>	91,470	15,297	17%
Deferred Revenue	<b>1,548,720</b>	1,838,892	(290,172)	-16%
Deferred Capital Revenue	<b>28,545,102</b>	28,361,534	183,568	1%
Employee Future Benefits	<b>1,052,413</b>	1,027,807	24,606	2%
Asset Retirement Obligation	<b>6,151,717</b>	6,151,717	-	0%
<b>Total Liabilities</b>	<b>40,628,902</b>	40,624,917	3,985	0%
<b>Net Financial Assets (Debt)</b>	<b>(24,896,198)</b>	(24,268,513)	(627,685)	3%
<b>Non - Financial Assets</b>				
Tangible Capital Assets	<b>39,890,030</b>	39,527,337	362,693	1%
Prepaid Expenses	<b>96,183</b>	107,219	(11,036)	-10%
<b>Total Non-Financial Assets</b>	<b>39,986,213</b>	39,634,556	351,657	1%
<b>Accumulated Surplus (Deficit)</b>	<b>15,090,015</b>	15,366,043	(276,028)	-2%

### Assets

Cash & Cash Equivalents has decreased, even though the district ended in a net Operating Fund surplus position the cash balance won't necessarily increase, this is due to the variability of timing when invoices are received by the District. The Due from Province – Ministry of Education and Child Care decreased due to one-time ventilation funding of \$100,201 that was receivable in the prior year as at June 30, 2022. As of June 30, 2023 the district was owed \$220,706 from First Nations, this amount was aged less than 30 days and was paid soon after year-end on July 6, 2023. Other Accounts Receivable are amounts owed to the District and primarily consist of a GST rebate and other receivables, both of which increased from the prior year.





### Liabilities

Other Accounts Payable is comprised of amounts the District owes and primarily consist of salaries and benefits payable and accrued vacation pay. Deferred Revenue refers to unused funds from the Special Purpose Funds, the decrease this year is mainly due to the increased spending of the Annual Facilities Grant during the 2022/23 year. The majority of this balance consists of school generated funds and the Annual Facilities Grant. Deferred Capital Revenue relates to funding provided by the Ministry of Education and Child Care for capital projects and is decreased as the tangible capital assets are amortized. Accrued Employee Future Benefits (liabilities) is actuarially calculated annually and includes vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits.

### Non-Financial Assets

Tangible Capital Assets reflect the unamortized cost of land, buildings, furniture, computers and equipment. Prepaid Expenses are a result of making advance payments for a good or service that will be received in the future; a common occurrence for the district is insurance premiums that are paid in advance.

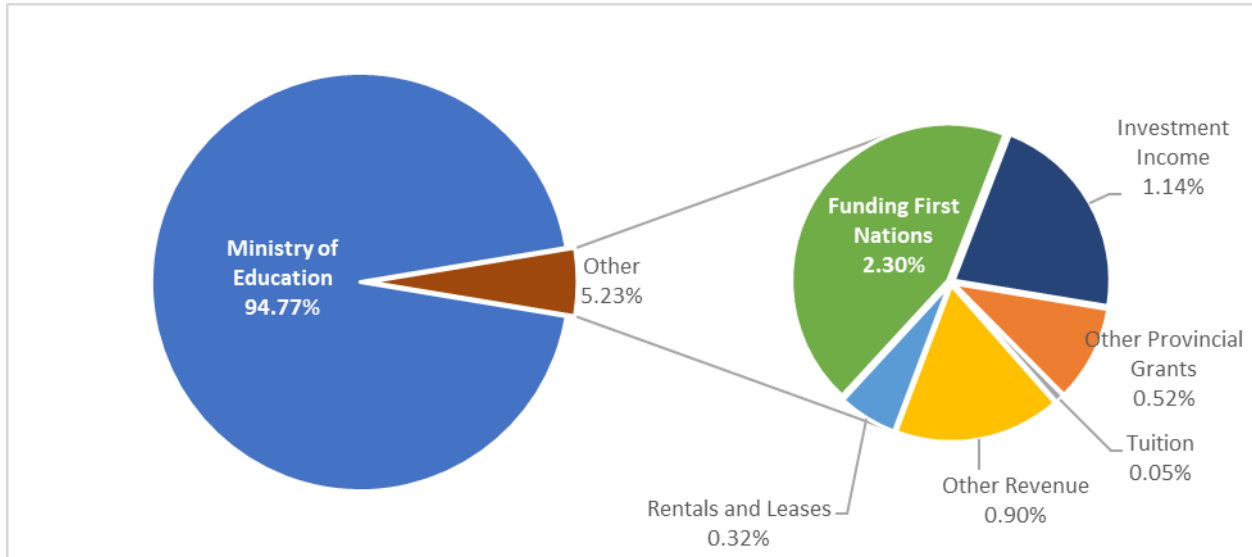
## Operating Fund – Schedule 2

	2022/2023 Actual	2022/2023 Budget	Variance to Budget	2021/2022 Actual	Variance to Prior Year
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	48,165,511	47,349,321	816,190	46,286,062	1,879,449
Other	264,948	273,065	(8,117)	273,111	(8,163)
Tuition	24,735	24,666	69	60,104	(35,369)
Other Revenue	1,629,126	1,907,852	(278,726)	1,662,277	(33,151)
Rentals and Leases	162,594	157,000	5,594	175,139	(12,545)
Investment Income	578,560	440,000	138,560	119,507	459,053
<b>Total Revenue</b>	<b>50,825,474</b>	<b>50,151,904</b>	<b>673,570</b>	<b>48,576,200</b>	<b>2,249,274</b>
<b>Expenses</b>					
Instruction	37,543,650	38,289,770	(746,120)	34,848,384	2,695,266
District Administration	2,383,562	2,378,439	5,123	1,948,917	434,645
Operations and Maintenance	7,054,295	7,051,655	2,640	6,604,219	450,076
Transportation and Housing	3,642,886	3,904,248	(261,362)	3,465,646	177,240
<b>Total Expense</b>	<b>50,624,393</b>	<b>51,624,112</b>	<b>(999,719)</b>	<b>46,867,166</b>	<b>3,757,227</b>
<b>Operating Surplus (Deficit)</b>	<b>201,081</b>	<b>(1,472,208)</b>	<b>1,673,289</b>	<b>1,709,034</b>	<b>(1,507,953)</b>
Budget Appropriation of Surplus		2,315,771			
Net Transfers from other funds					
Tangible Capital Assets Purchased	(792,761)	(843,563)	50,802	(213,163)	579,598
<b>Total Operating Surplus</b>	<b>(591,680)</b>	<b>-</b>	<b>1,724,091</b>	<b>1,495,871</b>	<b>(2,087,551)</b>



### Revenues

Total operating revenues for the District were \$50.8 million for the 2022/23 school year. The Ministry of Education and Child Care funding makes up 95% of total operating revenue for the school district, this means the District is heavily reliant on the Base Operating Grant, which is calculated mainly on student enrollments.



### Revenues - Variance to Budget

Total Variance to Budget was an increase of \$673,570. The positive variance can be broken down to the following.

Operating Grant	28,396
LEA - Funding from First Nations	(10,066)
Support Staff Benefits Grant	583
Labour Settlement Funding	541,817
Early Learning	1,883
ACEIT Grants	(10,000)
Non-resident Tuition	69
Seconded Staff Recoveries	(4,595)
Substitute Staff Recoveries	(12,525)
Misc Revenue	(6,146)
Rentals and Leases	5,594
Investment Income	138,560
	<u>\$ 673,570</u>

Operating Grant - Distance learning was budgeted at 85.66 FTE and the actual FTE as at June 30, 2023 was 72.56 FTE, this resulted in a decrease in funding of \$83,972. This was offset with an increase in the February 1701 report of 18 new students that qualified for additional funding of \$112,368.

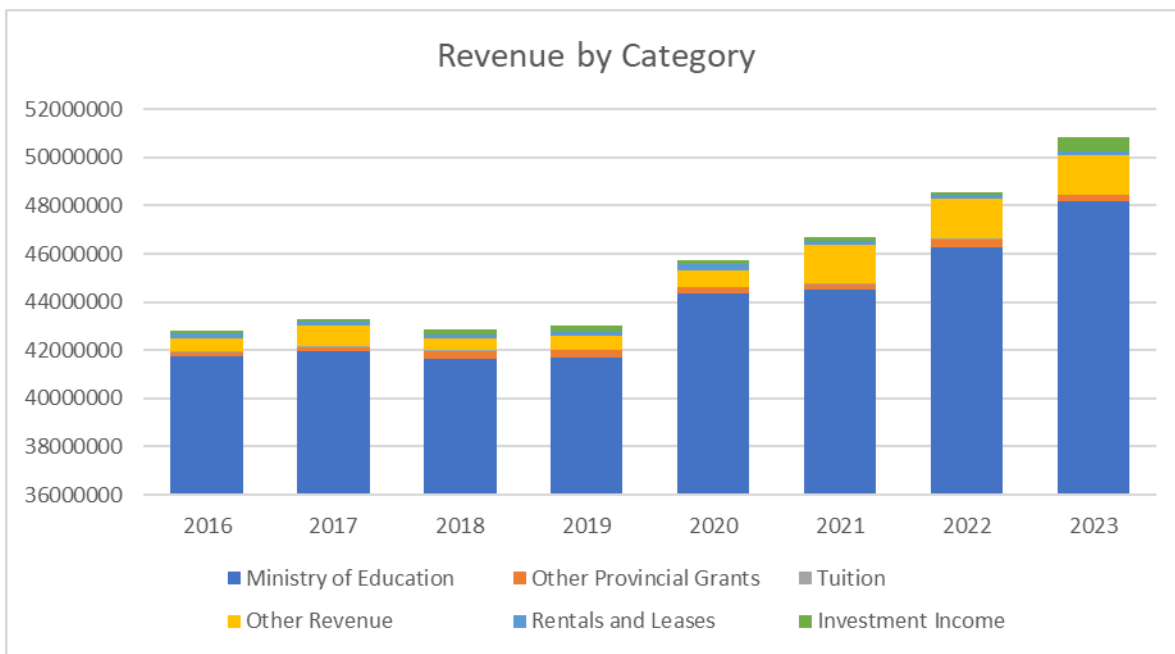


Collective Agreements all expired June 30, 2022, the district and province were negotiating new agreements during the 2022/23 school year. When the amended budget was approved the only funding that was confirmed was for teachers and excluded staff increases, the district is unable to budget for grants not yet announced and therefore the support staff labour settlement funding was not included in the budget as revenue. Given the support staff increases were known the expense was included in the budget and an estimate of the future grant announcement was budgeted from reserves at \$473,616. The variance of \$541,817 is due to \$493,580 in support staff labour settlement, \$29,684 in BCTF transition, and \$18,553 in teacher benefit enhancements. The estimate of the support labour settlement funding from reserves was \$19,964 less than what was received (\$493,580 less \$473,616).

Investment income was budgeted based on the average of interest income received from July 2022 to November 2022. Interest rates continued to increase in the later part of the fiscal year resulting in a Investment Income positive variance of \$138,560 as at June 30, 2023. Interest earned in July 2022 was less than half (45%) of what was earned in June 2023.

#### Revenues - Variance to Prior Year

Total Variance to Prior Year was an increase of \$2,249,274. This is mainly due to the increase in the Labour Settlement Funding to cover collective agreement increases, the additional 19.38 student FTE and the increase Investment Income from higher interest rates.



The large increase in Other Revenue that occurred the previous three fiscal years was as a result of the new LEA agreements. Tuition for First Nations students living on reserve is now flowed from the Federal Government through the First Nations as opposed to from the Ministry of Education and Child Care.



Expenses

Of the School District’s expenses 83.7% (83.6% 2021/22) are related to salaries and benefits, most salaries (49%) are paid to teachers. The remaining 16.3% of operating expenses are related to supplies and services including professional development, student transportation, utilities, and insurance.

In 2022 child care was moved into the Ministry of Education and it became the Ministry of Education and Child Care. A new program code (1.20, 4.20 and 5.20) was added to Schedule 2C Operating Expenses by Function, Program and Object to report Early Learning and Child Care expenses.

Expenses - Variance to Budget

Operating expenses as compared to budget were down \$1.0 million.

**Instruction was underbudget by \$746,120**

The positive variance can be broken down to the following:

School Surpluses	340,500
District 100 account	78,500
District Level Budget	327,000
	<u>\$ 746,000</u>

Of the \$340,500 of School Surpluses, both professional staff (\$164,000) and support staff (\$301,000) were underbudget while substitutes (\$43,000) and supplies and services (\$82,000) were overbudget. Given the difficulty recruiting positions for the 2022/23 school year, the positive variance in staffing is expected. Some of the positions were covered by casual substitutes which explains the overage in that category. It is always the District’s goal to be fully staffed, but when that doesn’t occur, savings are often a result. The district took additional steps this year for students who were affected by unfilled support staff positions, schools were offered the opportunity to purchase technology that assisted in communication which improved students access to learning.

The District 100 account was \$78,500 underbudget. The District 100 account cumulates the difference between the average costs and actual wages, given the balance was a negative (savings) the average costs was higher than the actual wages. The average costs do include a sub component, part of this variance would be explained by the decreased availability of substitutes as compared to the prior year. A variance of \$78,500 is 0.25% of the total \$30 million of salaries and benefits that flow through this account.



The District Level Budget variance of \$327,000 can be broken down as follows:

Indigenous Education	172,000
Literacy	23,000
Learning Services	10,000
Gwillim Lake	13,000
Numeracy	25,000
Employee Future Benefits	60,000
Student Voice	20,000
Reading Recovery	28,000
Technology	150,000
CEF Operating	(230,000)
Miscellaneous	56,000
	<hr/>
	\$ 327,000

#### **Administration was overbudget by \$5,123**

Variances were experienced across the eight district administration departments. Notable variances include an overage in business administration of \$70,000 due to two years of the district software license being expensed (summary of unadjusted errors), savings of \$20,000 in legal expenses and \$25,000 in education administration supplies. The overall variance is minimal.

#### **Operation and Maintenance was overbudget by \$2,640**

Total salaries and benefits were underbudget by \$36,700 while supplies and services were overbudget by \$109,600. The increase in supplies and services were mainly concentrated in mechanical, electrical, insurance and a new asbestos reassessment and labelling plan. Utilities were underbudget by \$70,301 mainly from natural gas, electricity, and carbon offsets. Utilities in the prior year were \$1.329 million and therefore the 2022/23 budget was increased to \$1.321 million, actual costs were \$1.25 million and therefore the budgeted increases weren't warranted. The overall variance is minimal.

#### **Transportation was underbudget by \$261,362**

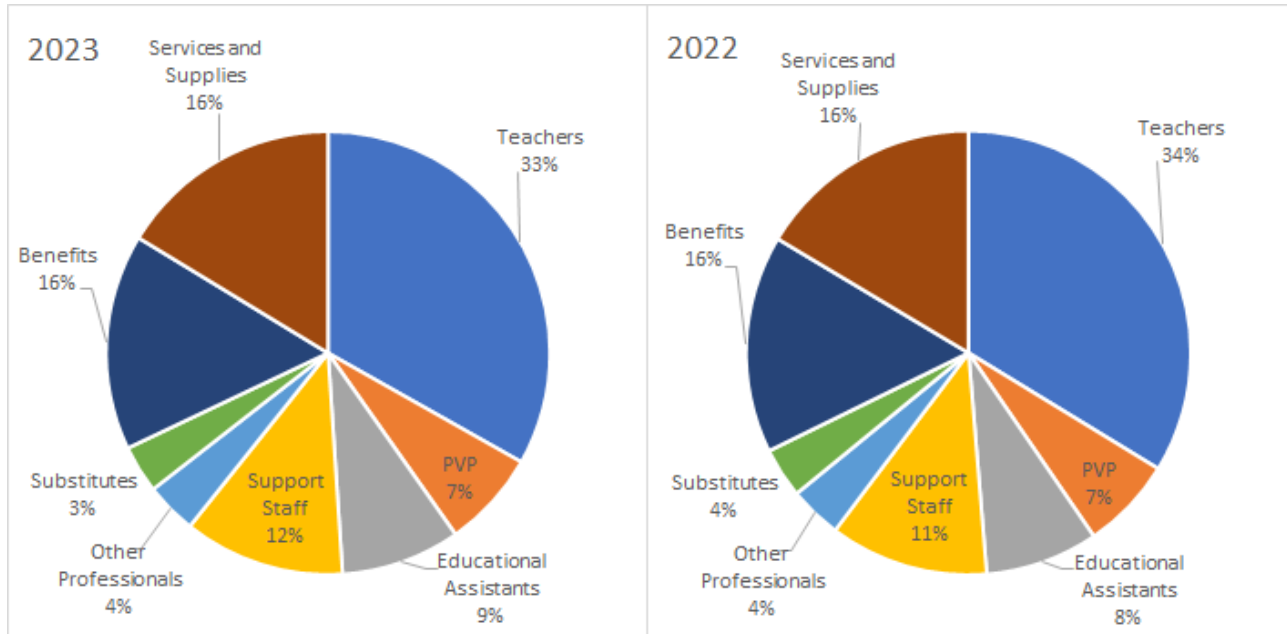
Total salaries and benefits were underbudget by \$80,000, this is due to the shortage of spare bus drivers and the continued occurrence of cancelled runs. Much of the remaining variance is from overbudget supplies of \$35,500 and underbudget vehicle fuel of \$186,000.

#### **Expenses - Variance to Prior Year**

Overall operating expenses are up 8% as compared to the previous year. This is in alignment with the 4.63% increase in revenue as compared to the previous year. Additionally overall inflation from July 2022 to July 2023 was 3%.



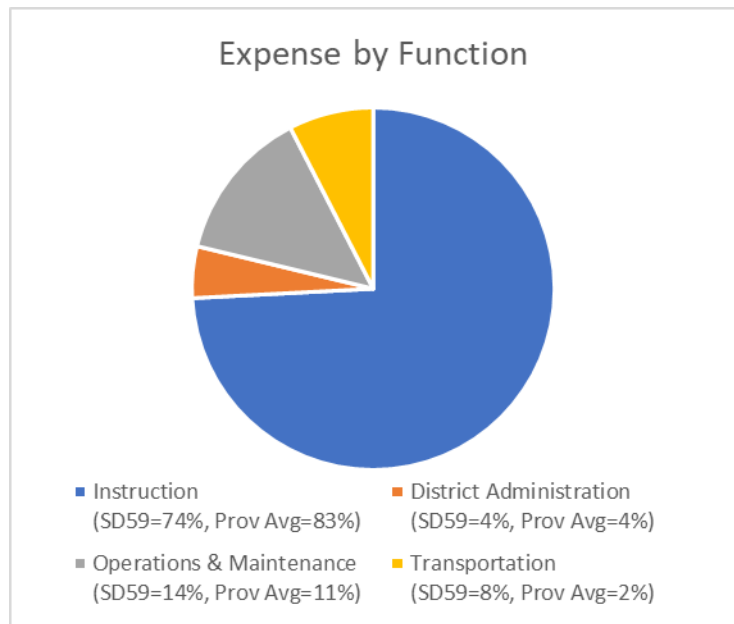
Expenses by Object



Expenses by Function

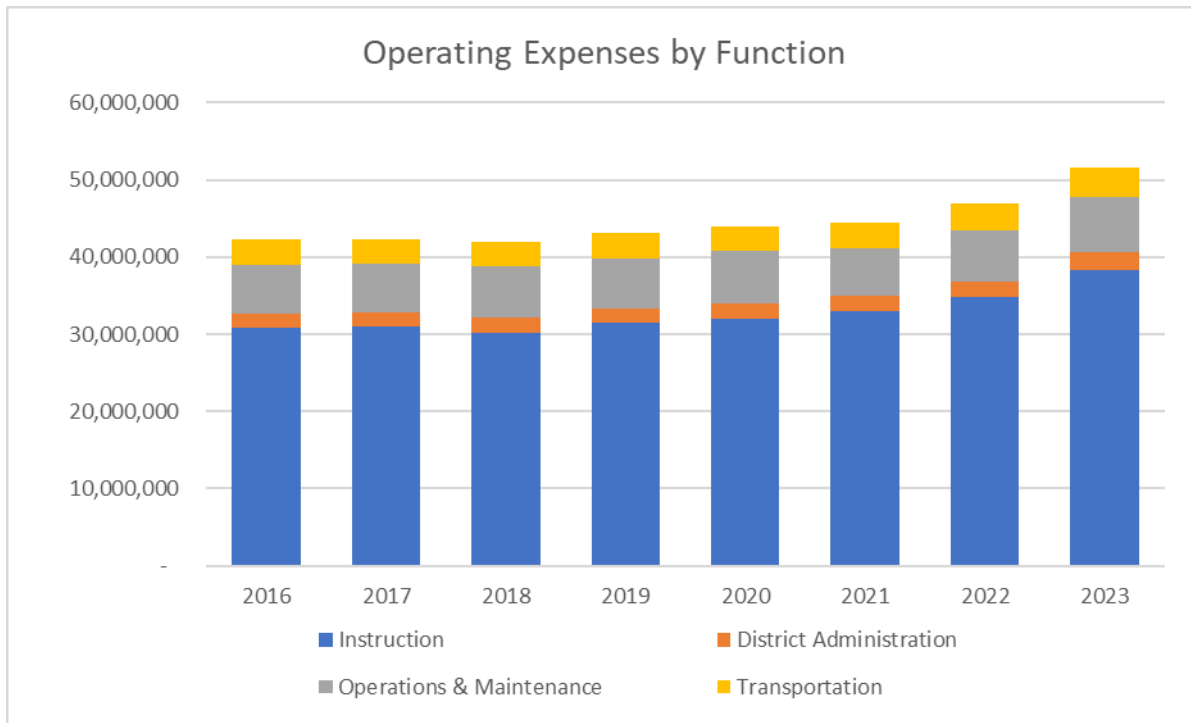
The four functions are described below:

- **Instruction** function includes expenses related to the instruction of students.
- **District Administration** function included expenses related to district governance and district administration of education, business and human resources.
- **Operations and Maintenance** function includes expenses related to the operation, maintenance and safety of buildings and equipment.
- **Transportation** function included expenses involved with the transportation of students.





The percentages per function has remained steady within the district over many years.



### Surplus

The school district ended the 2022/23 fiscal year with an operating deficit of \$591,680. The Amended 2022/23 Budget had draws from operating reserves of \$2,315,771. This was a planned reduction of reserves to support board approved initiatives.

There are certain balances within this years Total Operating Deficit that are restricted for a specific use, it is therefore important to isolate those balances to consider what surplus is as a result of the day-to-day operations. After isolating restricted funds and School Surpluses from the Total Operating Deficit, the district-based portion was \$1,065,247.

<b>Total Operating Surplus (Deficit)</b>	<b>(591,680)</b>
Indigenous Education underspend	79,574
Premier's Award for Excellence in Education	1,000
Service Improvement Allocation	21,699
School Surpluses	371,294
<b>District Based portion of Operating Surplus (Deficit)</b>	<b>(1,065,247)</b>



The planned initiatives that were being funded from reserves are detailed below.

<b>Surplus Appropriation</b>	<b>Budget</b>	<b>Actual</b>
Pouce Coupe Renovation	44,062	44,062
Portables	500,000	464,552
Legal Settlement	85,000	91,660
Strategic Plan Initiatives	370,933	390,696
Labour Settlement Funding	473,616	-
Service Improvement Allocation	11,453	-
Capital Purchases that didn't arrive by year-end	174,436	174,436
Indigenous Education underspend	108,684	108,684
School Surpluses	547,587	547,587
<b>District Based portion of Operating Surplus</b>	<b>2,315,771</b>	<b>1,821,677</b>

The Board of Education approved the allocation of \$2,315,771 from unrestricted reserves to support the above projects. Of the amount budgeted, \$1,821,677 was spent. These initiatives contributed to the current year operating deficit and therefore the actual district surplus would be considered to be \$756,430 (\$1,821,677 less \$1,065,247).

Although school surpluses are treated as a restricted surplus, there is no guarantee that schools would continue to carry-forward 100% of these funds. The Secretary Treasures has authority to monitor and limit these balances when necessary.

### Accumulated Operating Reserves

Policy 5010 Accumulated Operating Surplus states that the Board of Education is responsible for ensuring the District is protected financially from financial forecasting risk and unforeseen circumstances which could negatively impact the education of students. The accumulated operating surplus serves as a contingency reserve for the risk's associated with unexpected increases in expenses and /or decreases in revenues related to major emergent operating issues, one-time costs and intermittent projects. Regulation 5010 states the Board of Education will attempt to maintain an unrestricted operating fund balance of 5% of annual operating expenses.

As at June 30, 2023, the district had \$9,493,672 in operating surplus, of which \$2,305,371 is restricted for specific purposes and \$7,188,301 is unrestricted. Restricted reserve funds are held for an intended purpose.





The breakdown of the restricted operating surplus is as follows:

School Surpluses	371,294
Service Improvement Allocation	21,699
Indigenous Education	79,574
Crescent Park Portable Washrooms	65,000
Strategic Plan Initiatives	1,766,804
Premier's Award for Excellence in Education	1,000
	<u>\$ 2,305,371</u>

An unrestricted accumulated Operating Surplus of \$7,188,301 is 14% of the 2022/23 annual operating expenses. This is well above the policy requirement.

	2018	2019	2020	2021	2022	2023
Internally Restricted	5,410,944	2,570,088	1,256,241	2,058,880	3,643,721	2,305,371
Unrestricted	1,566,321	3,826,524	5,882,422	6,530,601	6,441,631	7,188,301
Total Operating Surplus	\$ 6,977,265	\$ 6,396,612	\$ 7,138,663	\$ 8,589,481	\$ 10,085,352	\$ 9,493,672

Unrestricted Surplus as a % of annual operating expenses	4%	9%	13%	15%	14%	14%
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As the district continues to experience difficulty with recruitment and retention, surpluses will likely continue. The district's goal is always to remain fully staffed and will budget accordingly. The district will continue to prioritize efforts to allocate and spend the funding received for the education of students within the school district.

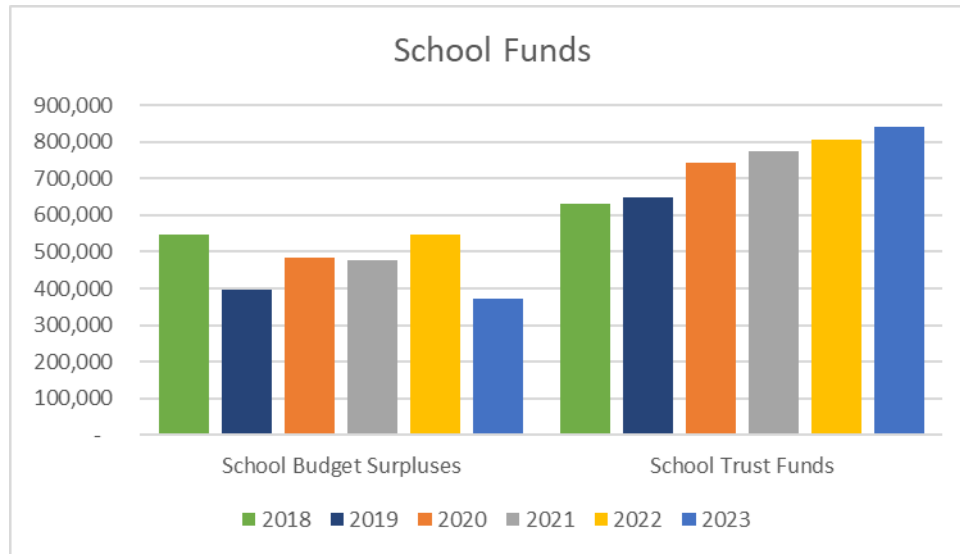
### School Funds

The District practices school-based budgeting which allows schools that end the year in a surplus position to carry forward any balances. These balances are restricted at year-end and then pulled out of reserves at the beginning of each school year for the schools to apply to their new budget. For the last four years, school surpluses greater than 2.5-3% of budget were restricted. This was done to stop the trend of increasing surpluses that was occurring. This year the limitation of 2.5-3% of budget resulted in a decrease of \$13,799 (\$206,847 prior year) in the school surpluses.

	2018	2019	2020	2021	2022	2023
School Budget Surpluses	547,282	395,250	483,810	477,553	547,586	371,294
School Trust Funds	630,905	648,912	742,970	775,774	804,636	840,937
School Funds Total	\$ 1,178,187	\$ 1,044,162	\$ 1,226,780	\$ 1,253,327	\$ 1,352,222	\$ 1,212,231



The graph below includes school trust funds which are funds that are held by the schools in independent bank accounts. The school trust funds are tracked and maintained by the school administrator and secretary. Most of these funds exist for a specific purpose (field trips, grad fundraising, hot lunch programs, yearbook sales, etc.). The school trust funds are tracked within a special purpose fund and are not part of the operating reserve.



### Special Purpose Fund – Schedule 3

The Special Purpose Funds (SPF) are utilized to track funding for designated purposes. The balances can often be deferred to subsequent years for the intended purpose. Some of the funds require ministry approval to carry forward surpluses, whereas any carry forward in the Classroom Enhancement Fund will reduce the funding allocated in the next fiscal year.



The following table summarizes the transactions for the year.

	Opening	Revenue	Expense	Closing June 30, 2023
<b>Ministry of Education Grants</b>				
Annual Facility Grant	368,311	285,788	(610,483)	43,616
Learning Improvement Fund	23,525	162,608	(143,947)	42,186
StrongStart	29,701	192,000	(193,646)	28,055
Ready Set Learn	-	31,850	(26,418)	5,432
French Language	63,237	86,872	(141,607)	8,502
Community Links	80,773	390,125	(320,007)	150,891
Mental Health in Schools	85,101	55,000	(67,145)	72,956
First Nation Student Transportation	24,459	14,782	(19,229)	20,012
Classroom Enhancement Fund	-	3,855,645	(3,837,059)	18,586
Safe Return to School Grant	-			-
Federal Safe Return to Class Fund	89,021		(89,021)	-
Early Childhood Education Dual Credit Program	200,248	2,000	(86,230)	116,018
Student & Family Affordability Fund	-	459,079	(314,707)	144,372
Just B4	-	25,000	(25,000)	-
Early Care & Learning Grant	-	175,000	(175,000)	-
<b>Other Special Purpose Funds</b>				
School Generated Funds	804,636	1,231,459	(1,195,158)	840,937
Early Learning Funds	49,193	20,165	(27,509)	41,849
Career Grants	20,687	6,000	(11,379)	15,308
<b>Total</b>	<b>1,838,892</b>	<b>6,993,373</b>	<b>(7,283,545)</b>	<b>1,548,720</b>

Vacancies within the StrongStart, Learning Improvement Fund, and Community Links all contributed to underspending this year.

The Student and Family Affordability Fund is one-time funding to help school districts expand school meals programs, make sure students have the school supplies they need and cover any additional fees so that students in need can take part in activities. The goal was to make back-to-school more affordable for students and their families who maybe struggling with the rising costs of living due to global inflation.

Just B4 is an early childhood education program that is specifically designed to support children the year before they enter Kindergarten. It is a half-day licensed pre-school child care program located within Tremblay Elementary for three to four year old children that utilizes the existing StrongStart space.

The Early Care and Learning Grant supported the district in the responsibility for child care transitioning to the Ministry of Education and Child Care in April 2022. The funding was provided to



support the completion of an environmental scan of existing early learning and child care programs that serve families in the area and to engage more deeply in the early learning child care work.

### Capital Fund – Schedule 4

#### Ministry of Education

DCSS - SP Campus - HVAC Upgrade - SEP program	511,126
Tremblay - Electrical Upgrade - SEP program	50,109
Pouce Coupe - HVAC Upgrade - CNCP program	100,639
DCSS - SP Campus - Roof Renewal - SEP program	650,000
Tumbler Ridge Elementary - HVAC Upgrade - CNCP program	48,643
Pouce Coupe - Expansion program	800,000
School Buses	447,768
<b>Total</b>	<b>\$ 2,608,285</b>

#### District Operating Fund

Pouce Coupe Expansion	508,614
1 Ton Work Van	63,249
Plow Truck	69,671
SUV	30,637
1/2 Ton Pickup Truck	38,987
Bus Replacement Over-Charge	21,410
Bobcat renewal program	32,062
John Deere Gator	24,457
Box Sander	9,904
Floor Burnisher	10,473
School Furniture	4,922
Budgeted Credit from Prior Year	(21,625)
<b>Total</b>	<b>\$ 792,761</b>

The School District invested \$3.4 million in capital additions. Funding to make these additions came from the following sources: \$2,608,285 from the Ministry of Education and Child Care and \$792,761 from the District Operating Fund.

Specific balances in the Capital Fund are as follows:

<b>Capital Fund</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>Change</b>
Work-In-Progress	-	1,555,937	(1,555,937)
Unspent Deferred Capital	231,172	96,178	134,994
Deferred Capital	28,313,930	28,265,356	48,574
Local Capital	171,958	170,425	1,533
<b>Total</b>	<b>28,717,060</b>	<b>30,087,896</b>	<b>(1,370,836)</b>



Opening work-in-progress reported on Schedule 4B represents costs incurred up to June 30, 2022 on the Pouce Coupe Elementary School expansion project, given the project is completed it is no longer considered work-in-progress.

Included in the \$231,172 of Unspent Deferred Capital is \$150,000 which is a transfer from Bylaw Capital. The \$150,000 was funding not spent on the Pouce Coupe Expansion project that the ministry approved to transfer to Ministry of Education and Child Care Restricted Capital.

There are two capital fund surpluses:

The **Local Capital** fund of \$171,958 represents accumulated surpluses designated to fund the purchase of Tangible Capital Assets. This balance can increase if the Board makes a motion to transfer operating surpluses to Local Capital or when the district receives the unrestricted portion (25%) on sales or property.

The **Investment in Tangible Capital Assets** fund of \$5,424,385 represents capital investments that are funded by operating funds (shows as a net transfer from other funds). As an asset is amortized (shown as an expense), the surplus will decrease. Therefore, the balance is used to fund future amortization costs and does not represent funds that are available for other purposes.

## Other Significant Matters

### Strategic Plan

A new Strategic Plan was developed during the 2019/20 school year. During the 2022/23 school year, the District was in year three of the four-year plan.

During the 2022/23 school year, the work on the Strategic/Operational Plan included:

- Continuation of offered Universal Design for Learning (UDL) training with Dr Katz (train the trainer);
- Training in schools on the new Competency-based Individual Education Plan (ICBIEP) within MyEd.
- Training on the new K-12 Reporting Policy Framework
- Investing in Compassionate Systems Leadership training;
- The district hosted their first professional development day “Reconciliation, Our Path Forward” that was solely focused on Indigenous Education, it included keynote speakers Monique Gray Smith and Kevin Lamoureux.
- Second year of investment into the Middle Years Development Instrument, this tool helps the district gain a deeper understanding of children’s social and emotional health, well-being and assets during middle childhood, from the child’s own perspective.
- Continuation of Literacy and Numeracy PLC meetings
- Student Voice conducted environmental scans at schools throughout the district. The scan included reviewing the school website and a site visit to gain valuable information about first



impressions, utilities and spaces, and social connection which included talking to staff and students at the school. The focus of the scan was to generate collaborative discussion to improve schools from the ground level.

- The start of a new Leadership Academy cohort in January 2023 that will finish in June 2024.
- Continued support of district Vice-Principal positions to support the district mentorship and succession planning.
- Additional investment in recruitment initiatives including the development of a district teacher recruitment webpage “Discover Your Path” (<https://discover59.com/>).
- Completion of a technology database listing the technology allocation and access at each school to assess equity in the district.

More information on the Strategic and Operational plan can be found on the District website (<https://www.sd59.bc.ca/district/achievement>).

#### Infrastructure

The majority of the buildings within the school district were built in the 1960’s, with a few that were built in the late 1950’s. Given the age of our schools, there is a concern on the ability to maintain buildings that are beyond a normal life expectancy. A large portion of the provincial K-12 capital budget is used to support seismic upgrades and the financial support for replacement schools is minimal. The District continues to prioritize submission of major and minor capital projects to the Ministry of Education and Child Care to support our infrastructure, this is supported with the Long Range Facility Plan that was created during this fiscal year. The district’s current priority continues to be an expansion request for Crescent Park Elementary.

#### Capacity

Capacity continues to be a concern at Crescent Park Elementary and Canalta Elementary. The board approved the purchase of an additional two portables in June 2022 to assist the two schools with instructional and meeting space. The expansion request for Crescent Park Elementary to the Ministry of Education and Child Care has been included in the major capital submission for the past three years.

#### Operating Reserves

As at June 30, 2023, the unrestricted accumulated operating surplus was 14% of the 2022/23 annual operating expenses, this is well above the policy requirement of 5%. Senior administration continues to strive to spend budgeted funds but struggle with increased vacancies throughout the district. Reserve balances continue to face scrutiny from the Ministry and it is important the District is using resources effectively and responsibly.

#### Ministry of Education and Child Care

In March 2022, The Ministry of Education changed to the Ministry of Education and Child Care. The amalgamation of the two branches of the Ministry is still in early stages. With the new role of child care under the Ministry of Education the district is exploring ways to support child care initiatives; some of



the initiatives include creation of an environmental scan, partnering with the YMCA for before and after school care, and creating relationships with early learning organizations in the area. The district currently has before and after school child care programs within 4 schools, Windrem Elementary, Ecole Frank Ross Elementary, Crescent Park Elementary and Tumbler Ridge Elementary. The district aimed for an additional location at Pouce Coupe Elementary but enrollment was not high enough for it to open; however, an arrangement is in place and the facility setup if enrollment is high enough for it to open. A JustB4 program opened within Tremblay Elementary. The program is a half-day licensed pre-school that is specifically designed to support children the year before they enter Kindergarten. Two applications were also submitted for the ChildCareBC New Spaces Fund to open new licensed child care spaces for children 0-5 at Tremblay Elementary and Tumbler Ridge Elementary.

### Contact Management

This financial report was completed with the purpose to provide a general overview of the School District's finances as at June 30, 2023 and to demonstrate the District's accountability for the funding it receives.

If you have any questions about the report, please contact the Secretary Treasurer's office at 250-782-8571.