School District No. 57 (Prince George)
www.sd57.bc.ca

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2024

Financial Statement Discussion and Analysis for the Year Ended June 30, 2024

The following is a discussion and analysis of the financial performance of School District No. 57 (Prince George) for the fiscal year ended June 30, 2024. This report is a summary of the District's financial activities based on currently known facts, decisions and conditions. The results of the year are discussed in comparison with the prior year and budget. This report should be read in conjunction with the District's financial statements.

Contents

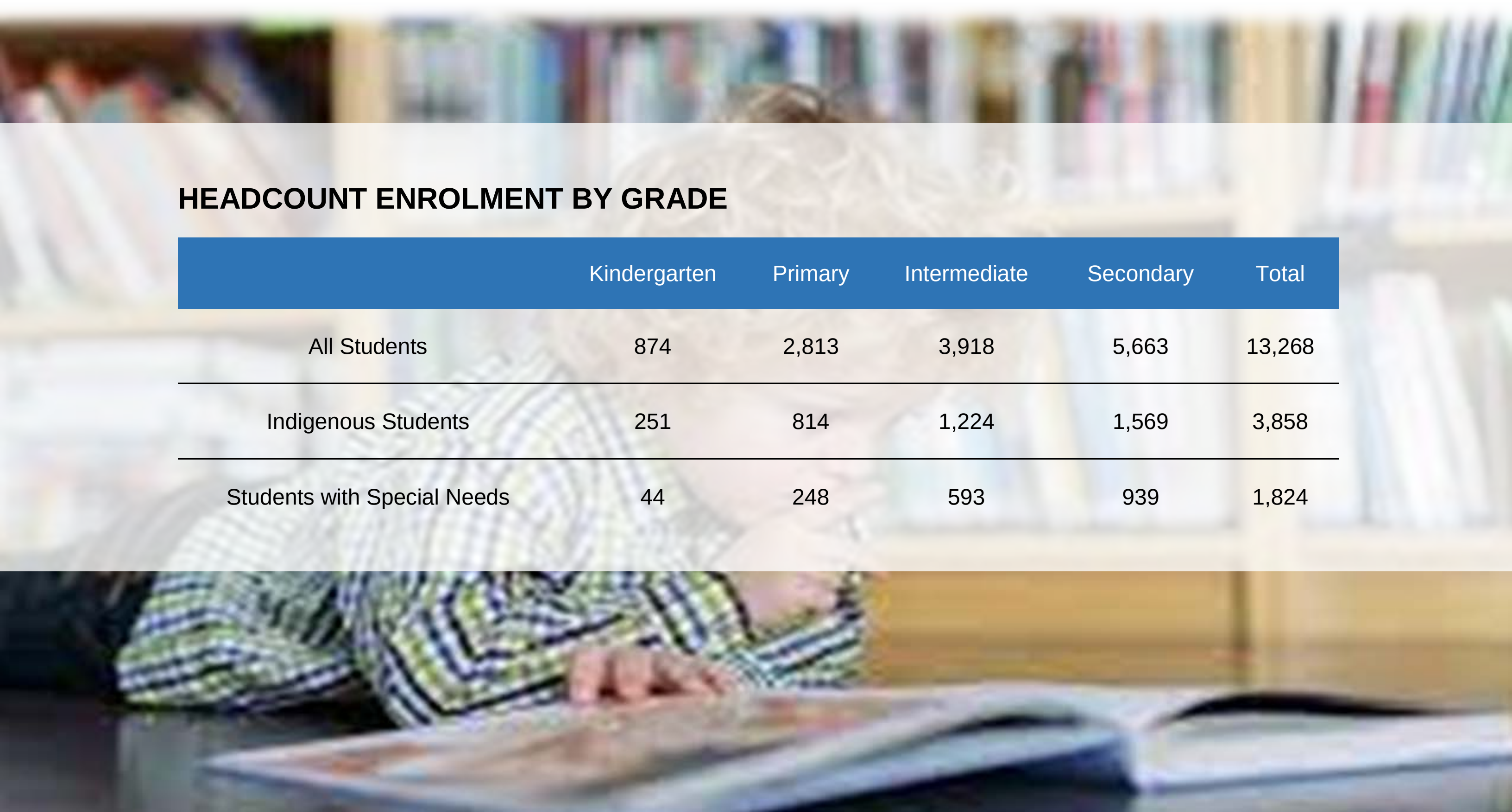
OVERVIEW OF SCHOOL DISTRICT 57

Established in 1946, the District is on the unceded ancestral lands of the Lheidli T'enneh First Nation, McLeod Lake Indian Band and the Simpcw First Nation. ***It is our honor to walk alongside our Indigenous communities in educating our students.***

The District is located in the center of the province, extending north to Mackenzie, south to Hixon, and east to McBride and Valemount. The District encompasses 52,000 square kilometers and is the second largest school district in the province in geographic size. The student population of approximately 13,000 school-age and adult students are enrolled in 32 elementary schools, and 8 secondary schools. Additionally, the District Learner Support Program provides alternate education programs, continuing and distance education programs and Provincial Resource Programs.

Employing approximately 2,000 staff in full-time and part-time positions, the District had an operating, capital and special purpose budget totaling approximately $188 million.

The District's work is governed by the Board of Education, which consists of seven Trustees elected from three Trustee Electoral Areas as follows: five from the Prince George Trustee Electoral Area, one from the Mackenzie Trustee Electoral Area and one from the Robson Valley Trustee Electoral Area.



HEADCOUNT ENROLMENT BY GRADE

	Kindergarten	Primary	Intermediate	Secondary	Total
All Students	874	2,813	3,918	5,663	13,268
Indigenous Students	251	814	1,224	1,569	3,858
Students with Special Needs	44	248	593	939	1,824

STRATEGIC PLAN

- "The pathway to a diverse learning community with purpose, options and choices for all" Skeh Huhoont'i hodul'eh ti.

The results of the 2024 fiscal year were guided by the vision, mission and values set by the Board of Education:

Vision: All students are prepared for each step of their journey with the skills, knowledge, options and choices to be successful.

Mission: Through innovation, high standards and culturally responsive care, we nurture and empower all students where they are to be proud, confident and engaged lifelong learners.

Values: Together these ways of thinking and acting help form the culture of our schools and workplaces. By upholding these values, we can build an environment that will lead to the fulfilment of our mission and vision.

- **Transparency** – we are open, honest and accountable for the decision we make.
- **Integrity** – we are ethical, fair and follow through on our commitments.
- **Equity** – we create systems where every student has the opportunities and supports to be successful.
- **Community** – we engage all members of our learning community through open and respectful relationships.
- **Respect** – we demonstrate kindness and care for ourselves, others and the environment.
- **Inclusion** – we ensure all students contribute and participate in all aspects of school life.

Priorities: The District's priorities are guided by the four directions of the strategic plan:

- **Truth and Reconciliation** – Committing to the Truth and Reconciliation Calls to Actions implemented throughout our system to ensure a healthier future for Indigenous learners and a system that acknowledges and teaches Canada's True History.
- **Equity of Access** – responsive systems providing accessible educational opportunities for all students to achieve their goals with specific focus for Indigenous learners, children and youth in care and students with diverse abilities/disabilities.
- **Wellness** – culturally safe, caring, inclusive learning communities, where all students thrive with an emphasis on mental health, physical health and overall well-being for students, staff and families.
- **Learning** – engaging, innovative learning communities with options and choice for all students to be successful. The focus of increasing literacy, numeracy and graduation rates will be prioritized. Specific strategies will be implemented to support Indigenous learners, children and youth in care and students with diverse abilities/disabilities.

UNDERSTANDING SCHOOL DISTRICT FINANCIAL STATEMENTS

The District uses fund accounting and deferral accounting and each of its funds has certain restrictions in accounting for funds received and expended. These methods are primarily used in the public sector where the goal is to avoid budget deficits while providing the greatest benefit to the public be strategically allocating the resources that are available. In this respect, school districts are expected to ensure that available funds are being used in the most efficient way possible to maximize the potential benefit of each dollar and in the specific manner for which they were intended.

The District's financial statements include the following audited statements:

- **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)**

The notes to the financial statements provide information regarding the District's accounting policies and detail what is included in the account balances in the financial statements.

Following the notes to the financial statements are supplementary unaudited schedules that provide information about the individual funds.

Changes in Accumulated Surplus (Deficit) (Schedule 1)

- Summarizes the surplus (deficit) for the year and accumulated surplus amounts for the three funds (Operating, Special Purpose and Capital Funds).

Operating Fund (Schedule 2)

- Includes revenues and expenses related to the operations of the District, including school and administrative functions.
- School districts are not permitted to budget for or incur an accumulated deficit position.
- Accumulated surpluses can be used if planned expenditures for the year are estimated to exceed revenues thus balancing the budget, and for unusual or multi-year initiatives not able to be funded by the annual operating grant.

Special Purpose Fund (Schedule 3)

- Includes funding that is restricted for a specific purpose as well as school generated funds.

- Surplus for the year and Accumulated Surplus are always zero because revenues are only recognized when the related expenditures occur (deferral accounting).
- Any special purpose funds that are unspent at the end of the year remain with the District and are referred to as deferred revenue. Deferred revenue may be used in the following fiscal year, but only spent in accordance with its original intended purpose. Certain special purpose funds may have to be repaid to the funding party if the revenue is unspent within specified time periods.
- If expenditures in a year exceed revenues, the resulting deficit is transferred to the Operating or Capital fund in that year, depending on the nature of the expenditures.

Capital Fund (Schedule 4)

- Includes financial activities related to tangible capital assets.
- Capital funding from the Province is accounted for using the deferral accounting method, where capital revenue is recorded in the financial statements over the life of the asset in order to match the amortization expense. Therefore, capital fund revenue is not equal to the actual capital funding received in a year.
- Capital fund revenues, expenses and surplus (deficit) for the year are not meaningful measurements of financial performance.

Categories of Expense

The Ministry of Education and Child Care provides direction as to how Revenues and Expense are to be categorized and reported within our financial system and on our financial reports. Our accounting system is set up under these parameters in alignment with all school districts in the province, allowing the Ministry to consolidate them into their financial statements, and report out to the public on the sector as a whole.

The Ministry requires that we categorize costs within our accounting records and report costs under the following segments: Funds, Functions, Programs and Objects. Examples of each segment are provided below:

Funds include the Operating, Special Purpose (each unique Special Purpose Fund has its own Fund identifier) and Capital (includes the Capital and Local Capital Funds).

Functions are groups of related programs: Instruction, District Administration, Operations and Maintenance, and Transportation and Housing.

Programs are unique and identifiable activities within each function. Examples of Programs included in the Instruction Function includes: Regular Instruction, Career Programs, Library Services, Counselling, Special Education, English Language Learners, Indigenous Education and School Based Administration.

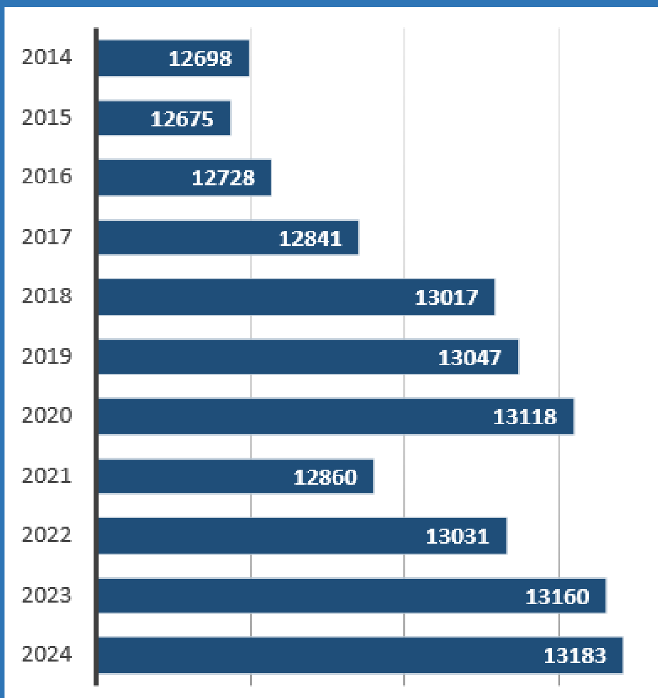
Objects are categories of costs within programs and include accounts for various Salaries by employee type, Employee Benefits, Services, Student Transportation, Professional Development and Travel, Rentals and Leases, Dues & Fees, Insurance, Supplies and Utilities.

FINANCIAL HIGHLIGHTS

Enrolment

The District saw enrolment growth of 23 FTE, as well as increases in the number of students with special needs designated for additional funding, English language learners, and Indigenous students. Overall enrolment increases had minimal impact on the Ministry of Education and Child Care operating grant; operating grant increases were mainly attributable to funding rate increases, and in increase in the number of students with special needs designated for additional funding.

SEPTEMBER ENROLMENT FTE BY FISCAL YEAR



SEPTEMBER ENROLMENT (FTE)

September	2024	2023
Standard (Regular) Schools	12,920.88	12,923.69
Continuing Education	0.25	0.63
Adult Education	8.75	9.13
Alternate Schools	158.00	127.00
Distributed Learning	95.06	99.19
Total Enrolment	13,182.94	13,159.64
Included in Total Enrolment (categories that receive additional per student funding)		
Designated Students	1,215	1,071
English Language Learning	1,269	1,184
Indigenous Education	3,858	3,851

Labour Settlement Funding and Wage Increases

Teachers and support staff received a 6.75% wage increase resulting from collective agreements that were negotiated by the Province. A portion of these increases were funded through student enrollment funding rates. In addition, the District received $2.8 million of Labour Settlement Funding for the remaining portion of the increases, as well as for comparable wage increases for non-unionized employees.

FINANCIAL ANALYSIS

financial position

The Statement of Financial Position (Statement 1 of the financial statements) presents the District's assets, liabilities and surplus, and includes all funds (Operating, Special Purpose and Capital Funds).

	2024	2023	$ Change	% Change
Financial Assets	41,021,283	31,387,877	9,633,406	31%
Liabilities	138,594,809	135,697,407	2,897,402	2%
Net Debt	97,573,526	104,309,530	6,736,004	-6%
Non-Financial Assets	144,233,350	145,215,687	(982,337)	-1%
Accumulated Surplus	46,659,824	40,906,157	5,753,667	14%

Financial Assets include cash, receivables and portfolio investments. The increase in financial assets from 2023 resulted from the following:

- Increase of $676K in cash and cash equivalents primarily due to operating funding received in 2023/24 in excess of expenditures.
- Decrease of $248K in receivables due to the timing of collections.
- Increase of $9.2M in portfolio investments due to investing excess cash in Guaranteed Investment Certificates. Excess cash arose from funding for capital projects received in advance of construction, and operating funding received in 2023/24 in excess of expenditures.

Liabilities are obligations of the District to others arising from prior transactions, the settlement of which will require the use of current and future assets. The increase in liabilities from 2023 resulted mainly from the following:

- Decrease in trade payables of $1.7M due to the timing of when invoices were received from vendors compared to the prior year.

- Increase in deferred revenue of $777K resulting from special purpose funds received from the Ministry of Education and Child Care in excess of expenditures
- Increase in deferred capital revenue of $3.3M resulting from the receipt of Ministry of Education and Child Care funding for projects funded by the various capital programs, less the current year's amortization.
- Increase in other liabilities, which are primarily payroll related liabilities, of $1.3M due to increased wage rates and the timing of pay period dates spanning the year end.
- Decrease in Asset Retirement Obligation of $710K resulting from expenditures on asbestos remediation during the year.

Non-financial assets include tangible capital assets and prepaid expenses. Tangible capital assets are used in providing the services of the District and include buildings, equipment, furniture, technology and vehicles purchased or constructed by the District. The increase in non-financial assets is primarily related to the increase in capital assets with new assets purchased or constructed totaling $5.6M, less amortization of $6.6M.

Capital Asset additions and their funding source during 2024 include the following:

	Investment	Funding Source
Sites		
Mackenzie Elementary demolition	1,319,000	Province – Capital Funding
STKRSS site completion	107,000	Province – Capital Funding
Child Care Spaces – site improvements	7,000	Province – Childcare BC New Spaces Fund

	Investment	Funding Source
Buildings		
HVAC upgrades (Van Bien, Pineview, Peden Hill, Quinson)	1,274,000	Province – School Enhancement Program, Ventilation Improvement Funding
HVAC upgrades (Foothills, Beaverly)	388,000	Province – Carbon Neutral Capital Program
HVAC and other building improvements	354,000	Province – Annual Facilities Grant
Mackenzie daycare (work in progress)	351,000	Province – Childcare BC New Spaces Fund
Elevator (Lac de Bois)	146,000	Province – School Enhancement Program
Diefenbaker Daycare building renovation	98,000	Province – Childcare BC New Spaces Fund
Building upgrades (trades program shop ventilation, other building improvements)	72,000	Province – Capital Funding, Special Purpose Funds, Operating Fund

Furniture & Equipment	Investment	Funding Source
Classroom and school furnishings and equipment	376,000	Operating Fund
School playground equipment	163,000	Province – Annual Facilities Grant
Kitchen equipment – school meals programs	68,000	Province - Special Purpose Fund
Facilities equipment (forklift)	57,000	Local Capital
School furnishings and equipment	44,000	Special Purpose Fund (School Generated Funds - PAC)
Maintenance and Operations equipment (custodial and facilities)	32,000	Operating Fund
School trades programs – shop equipment	12,000	Industry Training Authority grant
Classroom equipment	3,000	Province - Special Purpose Fund

Technology	Investment	Funding Source
Classroom technology (computers, laptops, network hardware and data storage)	499,000	Operating Fund, Special Purpose Fund
District administration technology	104,000	Operating Fund, Local Capital

Vehicles	Investment	Funding Source
District fleet vehicles (lease buyouts)	170,000	Operating Fund, Special Purpose Fund, Local Capital

Accumulated surplus of $46.7M is comprised of the operating fund surplus of $9.1M and the capital fund surplus of $37.6M. Unspent funding in the Special Purpose Fund is accounted for as deferred revenue (a liability) and does not form part of the District's accumulated surplus.

A district has an **Operating Fund Surplus** when its annual operating revenue exceeds annual expenditures. Transfers of operating surplus can then be made to the Local Capital Fund for capital asset purchases in future years. An operating surplus means that the District has financial resources that can be used to fund District operations for a period longer than one year. The ability to carry forward unspent funds enables a board to effectively plan for future years.

	2024	2023	$ Change
Operating surplus, beginning of year	6,760,735	5,160,902	1,599,833
Surplus (deficit) from operations	5,661,320	3,262,287	2,399,033
Capital Assets purchased	(977,209)	(1,147,407)	170,198
Transfers to Local Capital	(2,330,000)	(515,047)	(1,814,953)
Operating Surplus, end of year	**9,114,846**	6,760,735	2,354,111

Boards can set aside (internally restrict) a portion of operating surplus for items that are linked to multi-year strategic objectives and future operational needs. There are three categories of **internally restricted surplus**:

- Restricted due to the nature of constraints on the funds: Districts receive grants from the Ministry for specific or targeted purposes. If these funds aren't spent, the balance is internally restricted to be used for future years. Districts may have commitments to spend certain operating funds, in future years, on identified activities. These commitments may be legally binding or they may be implied commitments, such as funds donated to a school but not explicitly restricted by the donor.
- Restricted for anticipated unusual expenses identified by the board: to support effective planning, there will be situations where management identifies one-time and intermittent projects that will not be funded by revenues in that year, such as short term or variable staffing needs, or implementation of new initiatives.
- Restricted for operations spanning multiple school years: to support effective operational planning there will be situations where operating surplus funds may need to be carried over to future years (i.e. future year's Operating budget, schools and department surplus, operating projects in progress, future technology and capital project reserves that have not yet been identified for specific initiatives, and educational programs spanning multiple years, such as online learning programs.

Unrestricted Operating Surplus is the portion of accumulated operating surplus that has not been designated for specific uses. From time to time, boards may require emergency or contingency funds for unexpected increases expenses or decreases in revenues. In these situations, boards need to have access to enough funds to continue to provide educational services and maintain regular operations.

Operating Fund Surplus	2024	2023	$ change
Internally Restricted – nature of constraints on funds:			
Ministry of Education and Child Care			
Indigenous Education - targeted	539,285	445,542	93,743
Specific Purpose Funds			
CUPE 3742, CUPE 4991 and PGDTA funds	183,816	157,049	26,767
Specific purpose grants	281,964	242,686	39,278
Cultural Activities – specific purpose grant	38,337	36,403	1,934
Recreation Trusts and Other Funds			
Mackenzie Community Use	121,493	115,191	6,302
Harrower	18,569	17,605	964
BCSTA – Northern Interior Branch funds	12,676	8,744	3,932
BCASBO – Zone 3 funds	-	1,261	-1,261
	1,196,140	1,024,481	171,659
Internally Restricted – anticipated unusual expenses			
Board meeting software	-	20,000	-20,000
Communications support	70,000	-	70,000
Department optimization reviews	60,000	30,000	30,000
Long Range Facilities Plan	35,000	75,000	-40,000
Policy review	40,000	15,000	25,000
Recruitment and retention	100,000	-	100,000
Superintendent search	-	70,000	-70,000
Superintendent initiatives	50,000	50,000	-
YMCA program	75,000	-	75,000
	430,000	260,000	-5,000
Internally Restricted – operations spanning multiple school years			
2024 operating budget	-	437,650	-437,650
2024 operating budget – staffing commitment	-	139,837	-139,837
School surpluses	1,600,599	1,298,901	301,698
School capital projects	586,714	315,453	271,261
Department and program surpluses:			
Inclusive Education	502,607	299,923	202,684
Continuing Education/Distance Education	148,896	142,514	6,382
Technology reserve	100,000	100,000	-
School Technology replacement deferred to 2024/25	360,000	-	360,000
Facilities:			
Facility lease commitment	30,000	110,000	-80,000
Building renewal and landlord commitments	200,000	200,000	-
Vanier Hall	46,565	-	46,585
Snow removal reserve	250,000	250,000	-
Energy management projects	80,528	61,778	18,750
	3,905,909	3,356,056	549,853
Total Internally Restricted Surplus	**5,532,049**	**4,640,537**	**891,512**
Unrestricted Operating Surplus (Contingency)	3,582,797	2,120,198	1,937,599
Total Available for Future Operations	**9,414,846**	**6,760,735**	**2,654,111**

There are two types of **Capital Fund Surplus**:

- **Invested in Tangible Capital Assets surplus** of $34.2M represents capital investments that are funded by operating revenues (recorded as transfers of accumulated operating surplus to the capital fund). Then, as these assets are amortized, the amortization expense is deducted from the Invested in Tangible Capital Assets surplus. Therefore, the balance in this fund is to cover future amortization costs and is not available for other purposes.
- **Local Capital surplus** of $3.3M is comprised of previous years' available operating surplus transferred to Local Capital with board approval, and investment income earned on these funds.

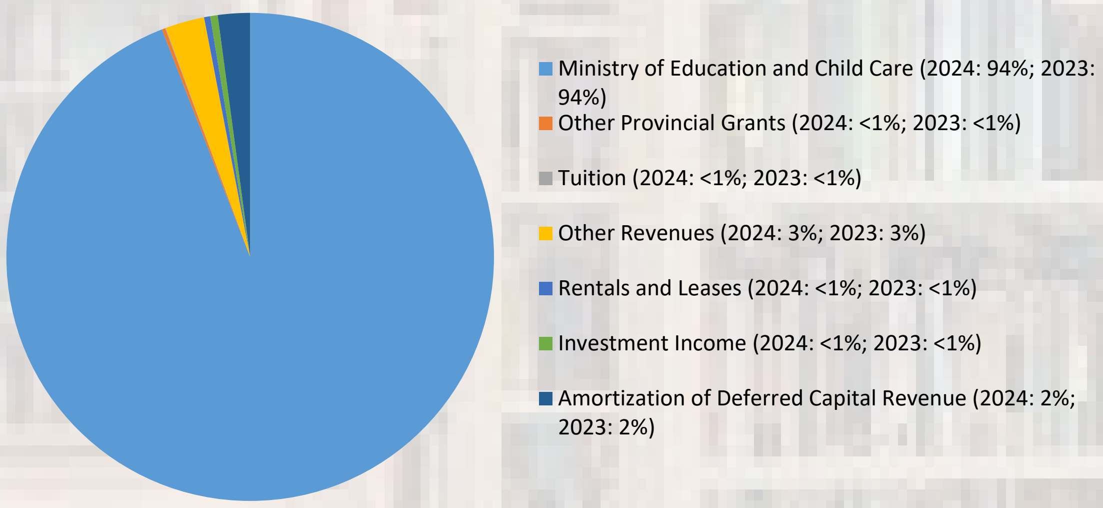
Local Capital Surplus	2024	2023
Local Capital surplus, beginning of year	1,221,390	921,978
Capital assets purchased from local capital	-261,179	-251,618
Investment income	59,296	35,983
Transfers from Operating	2,330,000	515,047
Local Capital Surplus, end of year	**3,349,507**	1,221,390

Local Capital Surplus, end of year	2024
Technology replacement	2,148,294
Building improvements - John McInnis Centre	200,000
Facilities equipment replacement	515,434
District fleet vehicle replacement	485,779
Total Local Capital Surplus	**3,349,507**

revenue

	2024	2023	$ Change	% Change
Ministry of Education and Child Care	193,151,181	177,195,365	15,955,816	9%
Other Provincial Grants	452,788	409,253	43,535	11%
Tuition	77,000	12,750	64,250	504%
Other Revenues	5,345,662	4,888,812	456,850	9%
Rentals and Leases	834,712	774,093	60,619	8%
Investment Income	1,011,549	681,294	330,255	48%
Amortization of Deferred Capital Revenue	4,375,902	4,317,313	58,589	1%
Total Revenue	**205,248,794**	**188,278,880**	**16,969,914**	**9%**

District revenue for 2024 increased $17 million (9%) over the prior year. This increase in District revenue is comprised of increases in operating, special purpose and capital fund revenue.



As illustrated above, the proportions of the District's sources of revenue are consistent with the prior year, with grants from the Province of BC comprising 94% of revenue.

Operating Revenues

The following chart provides comparisons of 2024 actual operating revenues to the 2024 budget and to 2023 actual revenue.

	2024		2023	Difference from Budget		Difference from Prior Year	
	Budget	**Actual**	**Actual**	**$**	**%**	**$**	**%**
Province – MECC	168,784,172	169,418,097	155,637,660	633,925	0%	13,780,437	6%
Province - Other	219,688	258,788	409,253	39,100	18%	-150,465	-27%
Tuition	40,765	77,000	12,750	36,235	89%	64,250	-78%
Other Revenue	1,134,720	1,808,222	1,706,446	673,502	59%	101,776	-13%
Rentals and Leases	740,000	834,712	774,093	94,712	13%	60,619	53%
Investment Income	630,000	948,286	623,470	318,286	50%	324,816	174%
Total Revenue	**171,549,345**	**173,345,105**	**159,163,672**	**1,795,760**	**1%**	**14,181,433**	**6%**

Provincial Grants – Ministry of Education: The increase in grant revenue from the Ministry of Education and Childcare was primarily due to increased funding rates for student enrolment and labour settlement funding. Overall, there was a 6% increase in funding from the Ministry, in alignment with the 6.75% wage rate increase for 2024. Student enrollment increases had a minimal impact to funding (23 student FTE increase from the prior year). Increases in the number of students with special needs, Indigenous students and English language learners resulted in approximately $3.2 million of additional funding compared to the prior year.

The increase in provincial grant revenue from the Ministry compared to the 2024 budget was mainly due to student enrollment counts for distance education students and students designated with special needs being higher than estimated at the time the budget was prepared.

Other Provincial Grants - Other provincial grants are received mainly for career and trades programs such as automotive, electrical, heavy mechanical group trades and culinary arts. The decrease compared to the prior year is due to After School Sports Initiative funding which is accounted for as a Special Purpose Fund for 2024, rather than operating fund revenue.

Tuition - Tuition revenue consists of international student tuition fees. The District typically budgets only for international student tuition revenues that are already received, as they are not a predictable sources of revenue.

Other Revenues - Other revenues consist of items such as fees charged to SD93 Conseil

Scolaire Francophone de la Colombie-Britannique, fees collected with respect to Local Education Agreements with First Nations, administrative fees charged to Provincial Resource Programs, cafeteria recoveries and the purchasing card rebate, as well as one-time specific purpose grants received by schools and donations. The increase in Other Revenues in 2024 compared to the prior year was mainly due to an increase in fees collected with respect to Local Education Agreements, reflecting an increase in the number of students covered by these agreements. The actual revenue was higher than budget for 2024 mainly due to additional one-time specific purpose grants received by schools after the budget was prepared.

Rentals and Leases - District rental revenue is generated from both short-term and long-term rentals of sites and facilities to individuals and community groups. Rental revenue was higher than prior year and budget due to additional child care space rentals, and increases in rental rates to recover increased facility costs.

Investment Income - Interest income consists of interest earned on bank account balances, term deposits and guaranteed investment certificates and funds held in the Central Deposit Program. The Central Deposit Program allows the District to invest funds with the provincial government thereby accessing a favorable rate without any restrictions on withdrawals. Results are higher than the prior year due to the maturity of lower rate term deposits being replaced with higher rate deposits, as well as additional funds generating interest.

Special Purpose Fund Revenues

	2024		2023	Difference from Budget		Difference from Prior Year	
	Budget	Actual	Actual	$	%	$	%
Province – MECC	19,228,195	18,826,568	17,358,224	-401,627	-2%	1,468,344	8%
Province – Other	194,000	194,000	-	-	-	194,000	100%
Other Revenue	2,043,372	3,537,440	3,181,256	1,494,068	73%	356,184	11%
Investment Income	22,000	3,967	21,841	-18,033	-82%	-17,874	-82%
Total Revenue	**21,487,567**	**22,561,975**	**20,561,321**	**1,074,408**	**5%**	**1,771,616**	**5%**

Special purpose fund revenue comes mainly from the Ministry of Education and Childcare (83%), and the majority of the other revenue is from school generated funds.

Provincial Grants – Ministry of Education and Childcare: Special purpose revenue from the Ministry was $1.5 million higher overall than the prior year. New funding from the Ministry for 2023/24 included the Feeding Futures funding revenue of $1.4 million. The Classroom Enhancement was increased by $1.1 million to fund increase teacher costs due to wage rate increases, and additional teachers for English language learners. Offsetting these increases in revenue was a reduction in Student and Family Affordability revenue of $900 thousand.

Provincial Grants – Other includes a grant from the Province for After School Arts and Sports Initiatives. In the prior year, this revenue was included in the Operating fund.

Other Revenue (from sources other than the Province) is mainly comprised of school generated funds and scholarship funds. Other revenue was $356 thousand higher than last year, mainly due to increases in school generated funds collected and spent on student activities.

The District has a variety of Ministry of Education funded grants included in special purpose funds, outlined below.

Special Purpose Funds – Ministry of Education and ChildCare	**2024 Revenue & Expense**	**Purpose**
Annual Facility Grant (AFG) fund	**$667,343**	routine maintenance of school facilities for accessibility upgrades, asbestos abatement, electrical, plumbing, and interior and exterior constructions upgrades, roofing and site upgrades such as drainage, sidewalks, paving and fencing. For 2024, the District was approved for $3,105,151 in funding. $667,343 is received as a special purpose grant and the remaining amount is received through the capital fund.
Learning Improvement fund	**556,989**	augment Education Assistant hours providing additional supports to complex learners.
Strong Start fund	**349,400**	Strong Start Early Learning Centers which provide school-based, drop-in programs for children from birth to age five along with their parents and caregivers
Ready, Set, Learn	**74,611**	events for children aged three to five and their parents/caregivers which are hosted to support early learning and facilitate a smooth transition to kindergarten
Official Languages in Education Programs (OLEP)	**235,067**	supports core French language programs and curriculum resources
Community LINK	**2,301,792**	LINK stands for **L**earning **I**ncludes **N**utrition and **K**nowledge;-supports programs and initiatives to improve the educational performance of vulnerable students, including both academic achievement and social functioning
Classroom Enhancement	**11,141,202**	supports the teacher staffing costs and overhead staffing and equipment costs resulting from the restoration of class size and composition language
First Nations Student Transportation	**94,132**	BC Tripartite Education Agreement funded grant which supports approved jointly constructed transportation plans for First Nations students living (or ordinarily living) on reserve and is developed in consultation with the First Nations communities that the District has Local Education Agreements with
Mental Health in Schools	**46,654**	support District priorities for mental health and wellbeing in the school community

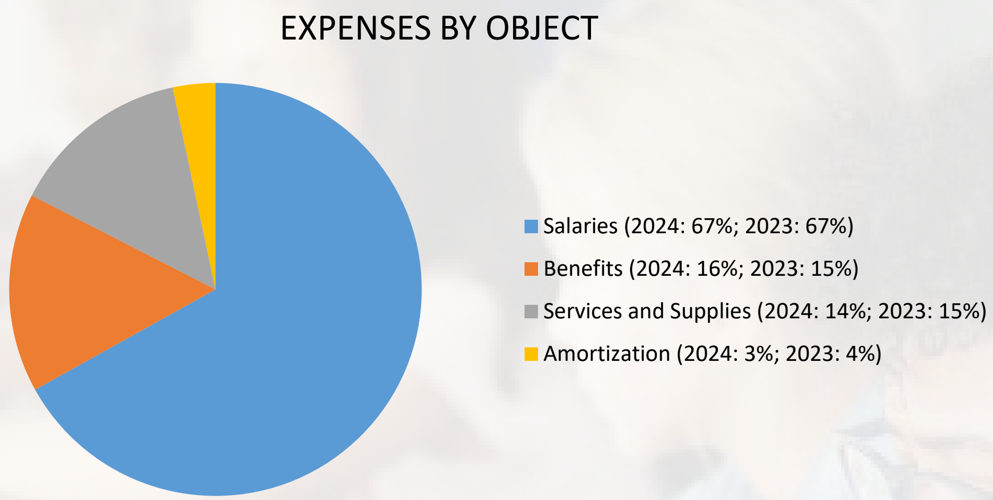
Student & Family Affordability Fund	**258,944**	In recognition of rising food costs and general inflation, supports families who are temporarily facing financial challenges with the costs of school supplies, education related fees, and dealing with food insecurity that impacts student learning
Early Care and Learning	**187,784**	expansion of District child care programs on school grounds
Feeding Futures	**1,412,821**	supports school food programs, funding staff and food purchases to provide meals and snacks to students
Provincial Resource Programs	**1,479,676**	The District hosts three provincial resource programs which are funded through Provincial Resource Program funding. These three programs provide educational services at Two Wolves Centre (ended March 31, 2024), University Hospital of Northern BC and provincially through the Fetal Alcohol Syndrome Disorder (FASD) Outreach Program.

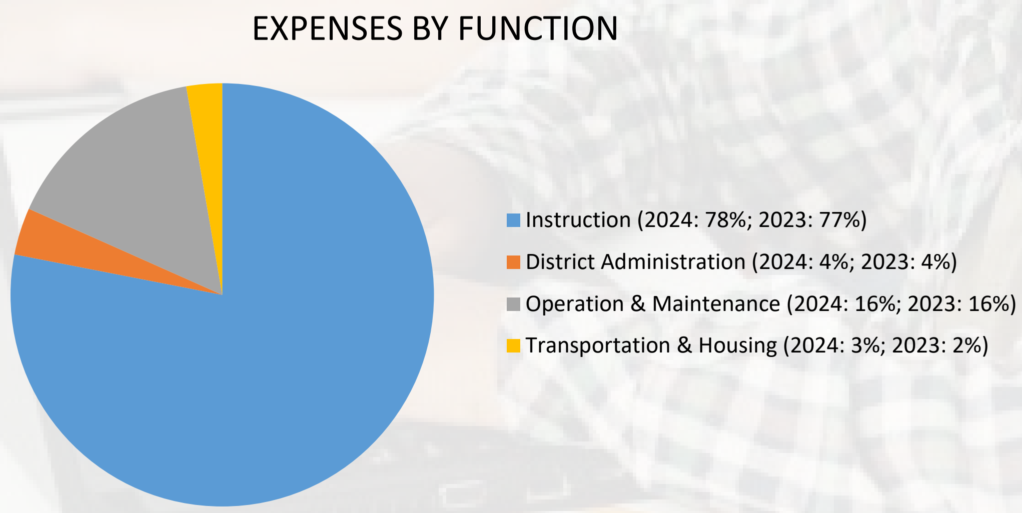
Capital Fund Revenues

	2024		2023	Difference from Budget		Difference from Prior Year	
	Budget	**Actual**	**Actual**	**$**	**%**	**$**	**%**
Province – MECC	5,198,420	4,906,516	4,199,481	-291,904	-6%	707,035	-18%
Other Revenue	-	-	840	-	-	-840	-98%
Investment Income	-	59,296	35,983	59,296	-	23,313	-
Amortization of Deferred Capital Revenue	4,362,179	4,362,179	4,317,313	13,723	0%	58,589	1%
Total Revenue	**9,560,599**	**9,341,714**	**8,553,617**	**-218,885**	**-2%**	**-788,097**	**-9%**

Provincial Grants – Ministry of Education and Childcare is comprised of the portion of the Annual Facility Grant funding that the District receives from the Ministry that is spent on facility maintenance, as well as the portion of Ministry funding the District receives for capital projects that is spent on Site purchases or improvements and asbestos remediation. The increase in Ministry capital revenue in 2024 reflects a larger portion of the Annual Facility Grant spent on maintenance rather than capital improvements, and in increase in asbestos remediation costs associated with funded capital projects.

expenses


EXPENSES BY OBJECT
Salaries (2024: 67%; 2023: 67%)
Benefits (2024: 16%; 2023: 15%)
Services and Supplies (2024: 14%; 2023: 15%)
Amortization (2024: 3%; 2023: 4%)


EXPENSES BY FUNCTION
Instruction (2024: 78%; 2023: 77%)
District Administration (2024: 4%; 2023: 4%)
Operation & Maintenance (2024: 16%; 2023: 16%)
Transportation & Housing (2024: 3%; 2023: 2%)

Expenses – All Funds

District expenses (all funds combined) for 2024 increased $7.3 million (4%) over the prior year, and were $2 million less than budget, as detailed in the table below.

Total Expense – all funds	2024		2023	Difference from Budget		Difference from Prior Year	
	Budget	Actual	Actual	$	%	$	%
Salaries							
Teachers	75,721,603	73,750,671	67,622,825	-1,970,932	-3%	6,127,846	8%
Principals & VPs	10,985,095	11,012,882	10,429,159	27,787	0%	583,723	5%
Education Assistants	20,190,737	19,475,613	17,510,007	-715,124	-4%	1,956,606	10%
Support Staff	13,822,017	13,921,610	13,112,141	99,593	1%	809,469	6%
Other Professionals	10,022,659	9,770,367	9,393,016	-252,292	-3%	377,351	4%
Substitutes	4,105,531	5,591,692	5,064,659	1,486,161	36%	527,033	13%
Total Salaries	**134,847,642**	**133,522,835**	**123,131,807**	**-1,324,807**	**-1%**	**10,382,028**	**8%**
Benefits	31,697,241	31,098,927	27,623,870	-598,314	-2%	3,475,057	11%
Total Salaries and Benefits	**166,544,883**	**164,621,762**	**150,755,677**	**-1,923,121**	**-1%**	**13,866,085**	**8%**
Services and Supplies	30,888,139	28,227,525	27,464,582	-2,660,614	-9%	762,943	2%
Amortization	6,634,148	6,645,840	6,654,418	11,692	0%	-8,578	0%
Total Expense – all funds	**204,067,170**	**199,495,127**	**184,874,677**	**-4,572,043**	**-2%**	**14,620,450**	**7%**

District salaries expense was $1.3 million under budget (-1%), and 8% higher than the prior year, mainly due to 6.75% wage rate increases resulting from teacher and support staff collective agreements that were negotiated by the Province for 2024, as well as comparable wage increases for non-unionized employees. The increase over the prior year is also due to additional Education Assistants to support an increased number of students with special needs.

Benefits costs were 2% less than budget, due to the correlation with salaries costs being less than budget, as well as the average benefits premium rates being slightly lower than expected.

Services and supplies costs were $2.6 million (9%) less than plan, and 2% higher than the prior year.

District expenses are comprised of the operating, special purpose and capital fund expenses which are discussed below.

Operating Fund Expenses

Operating expenses for 2024 were $2 million less than budgeted, and were $5.3 million higher than the prior year. The table below presents operating expenses by function, compared to the 2024 budget and to the prior year operating expenses.

Operating Expenses by Function	2024		2023	Difference from Budget		Difference from Prior Year	
	Budget	Actual	Actual	$	%	$	%
Instruction	138,139,699	134,205,506	123,326,487	-3,934,193	-3%	10,879,019	9%
District Administration	6,863,970	7,081,478	6,971,875	217,508	3%	109,603	2%
Operations and Maintenance	22,299,332	21,050,682	20,528,781	-1,248,650	-6%	521,901	3%
Transportation and Housing	5,692,829	5,346,119	5,074,242	-346,710	-6%	271,877	5%
Total Operating Expense	**172,995,830**	**167,683,785**	**155,901,385**	**-5,312,045**	**-3%**	**11,782,400**	**8%**

Instruction

The Instruction function includes all costs (wages, benefits, services and supplies) directly related to the instruction of students, including regular classroom instruction, library services, counselling, special needs and English language learner student supports, Indigenous education programs and school administration costs. Wages and benefits costs make up 96% of total instruction costs. The $10.9 million (9%) increase in instruction costs compared to the prior year is primarily due to increased employee wage rates that were funded by the Ministry, as well as additional staff to support students with special needs.

District Administration

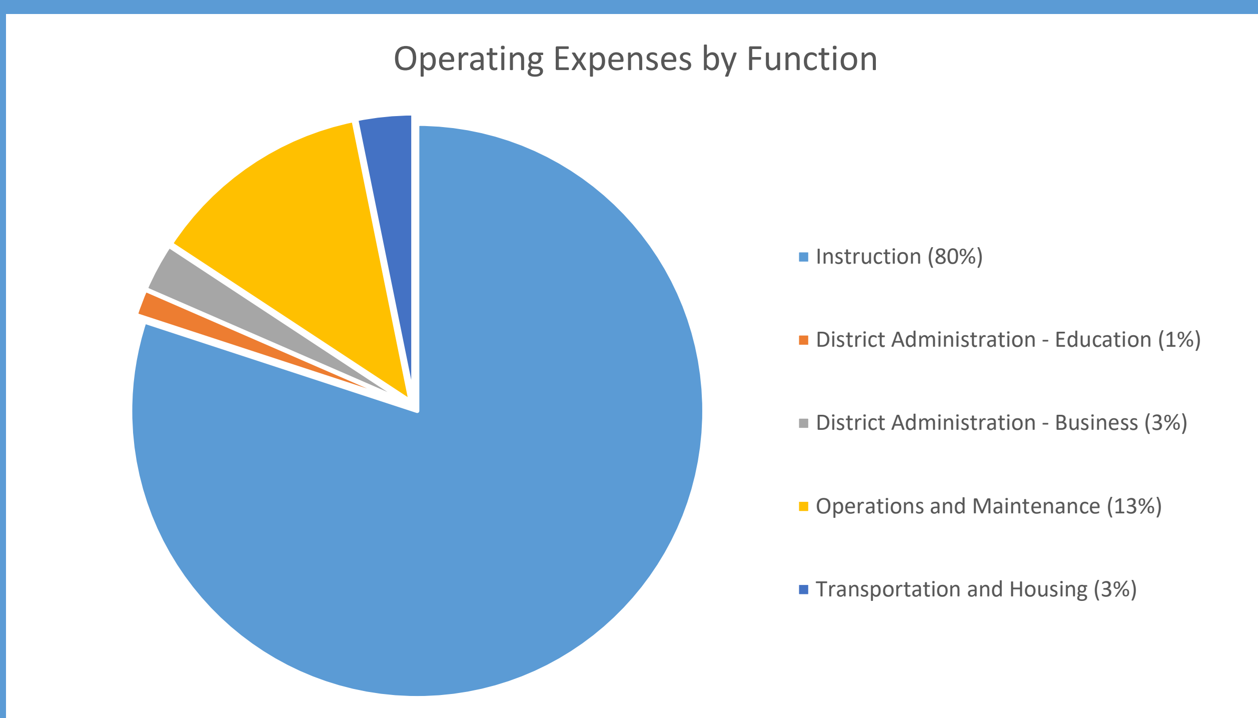
The District Administration function includes costs related to District governance and the administration of educational, business, human resources and labour relations activities and represent approximately 4% of the total operating expenses of the District.

Operations and Maintenance

The Operations and Maintenance function represents 13% of the Districts operating expenses, and includes all costs related to the District's responsibility for the operation, maintenance and safety of sites, buildings, furniture, equipment and technology. It does not include any capital expenditures for District facilities. Operations and maintenance employee wage and benefits costs increased 8% from the prior year, which was partially offset by a reduction in services and supplies costs, for a net increase in costs of 3% over the prior year. Costs were less than budgeted for 2024 due to savings in utilities costs resulting from a mild winter, as well as salary costs less than budget due to unfilled positions.

Transportation and Housing

The Transportation and Housing function includes all costs of student transportation and housing and were $272 thousand (5%) higher than the prior year, primarily due to increases in bussing contract rates and fuel costs, and fewer bus cancellations compared to the prior year. Costs were $347 thousand (6%) less than budgeted due contracted bus cancellations resulting from driver shortages.



Another way to look at the District's **operating fund expenses** is **categorized by object**, as shown in the table below.

	2024		2023	Difference from Budget		Difference from Prior Year	
	Budget	Actual	Actual	$	%	$	%
Salaries	121,794,487	119,946,820	111,213,742	-1,847,667	-2%	8,733,078	8%
Benefits	28,618,956	27,942,058	24,837,003	-676,898	-2%	3,105,055	12%
Total Salaries and Benefits	150,413,443	147,888,878	136,050,745	-2,524,565	-2%	11,838,133	9%
Services and Supplies	22,582,387	19,794,907	19,850,640	-2,787,480	-12%	-55,733	0%
Total Operating Expense	**172,995,830**	**167,683,785**	**155,901,385**	**-5,312,045**	**-3%**	**11,782,400**	**8%**

Salaries and Benefits

Overall, salaries expenses were less than budget by $1.8 million (2%). The District uses average salaries when budgeting for teachers, education assistants and school-based support staff, which causes actual results to vary from the budget as a result of staff turnover occurring throughout the year. Actual costs less than budget also result from delays in filling positions due to labour market conditions.

Benefits costs are budgeted for as a percentage of salaries. Actual results vary from budget corresponding to variances in wage costs, as well as due to benefits plan rate adjustments and employee utilization of benefits plans. Benefits costs were 2% less than budgeted, which corresponds to salary costs being 2% less than budgeted.

Salary costs by employee group are summarized below:

	2024 Budget	2023 Actual	Difference from Budget	% Difference
Teachers	66,074,526	63,774,664	-2,299,862	-3%
Principals & Vice Principals	10,726,826	10,741,364	14,538	0%
Education Assistants	19,107,116	18,457,303	-649,813	-3%
Support Staff	13,433,057	13,269,901	-163,156	-1%
Other Professionals	8,574,065	8,359,649	-214,416	-2%
Substitutes	3,878,897	5,343,939	1,465,042	38%
Total Operating Salaries Expense	**121,794,487**	**119,946,820**	**-1,847,667**	**0%**

Teacher salary costs were 3% less than budget primarily because the budget is based on a projected average teacher's salary, however the actual salary costs vary depending on the experience level of the teachers hired. Also, the District has experienced delays in filling some positions due to labour market conditions, resulting in an increased number of vacancies being covered by on-call teachers. The effect of this can also be seen in the substitute staff costs in excess of the budget for substitutes.

Education Assistant salary costs were 3% less than budget primarily due to delays in filling budgeted positions as a result of labour market conditions.

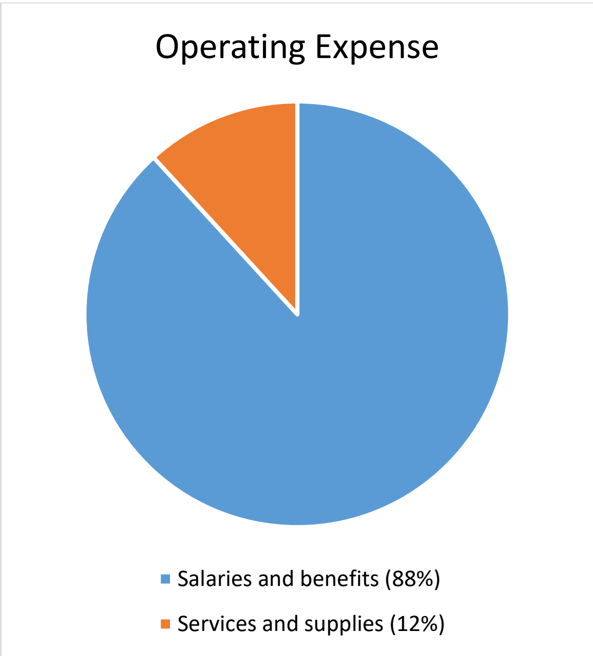
The cost of substitutes was $1.4 million (38%) higher than budget, which is consistent with teacher salary costs less than budget and an increased number of teaching position vacancies covered by on-call teachers. As well, levels of employee absenteeism have not returned to pre-pandemic levels.

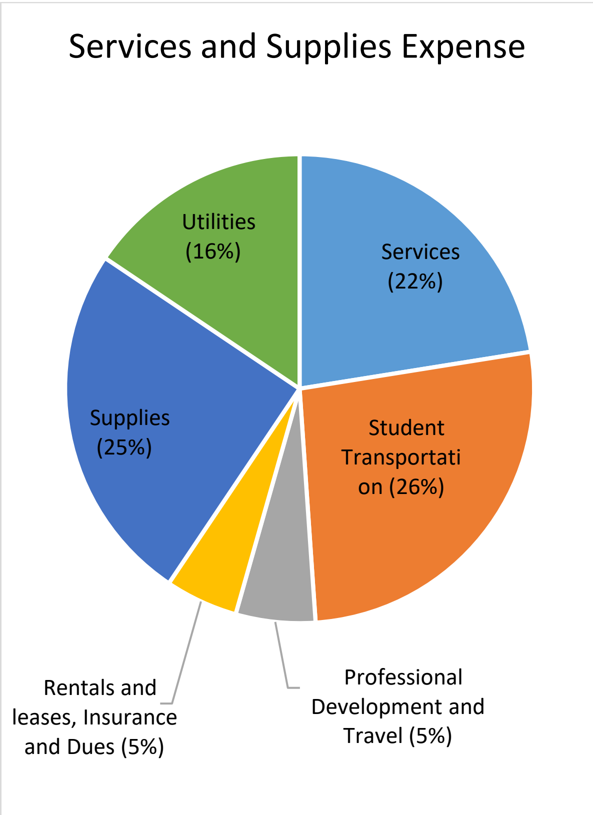
Operating Services and Supplies Expense

Services and supplies expenses increased 3% compared to the prior year, and were 12% less than budgeted, as shown in the table below.

	2024		2023	Difference from Budget		Difference from Prior Year	
	Budget	Actual	Actual	$	%	$	%
Services	4,925,208	4,449,331	4,443,689	-475,877	-10%	5,642	0%
Student Transportation	5,580,247	5,232,173	4,980,709	-348,074	-6%	251,464	5%
Professional Development and Travel	1,850,366	1,086,749	1,213,518	-763,617	-41%	-126,769	-10%
Rentals and Leases	532,069	461,931	466,009	-70,138	-13%	-4,078	-1%
Dues and Fees	107,585	109,461	94,661	1,876	2%	14,800	16%
Insurance	426,368	421,454	358,119	-4,914	-1%	63,335	18%
Supplies	5,850,761	4,949,171	5,116,988	-901,590	-15%	-217,817	-4%
Utilities	3,309,783	3,084,637	3,126,947	-225,146	-7%	-42,310	-1%
Total Services & Supplies Expense	**22,582,387**	**19,794,907**	**19,800,640**	**-2,787,480**	**-12%**	**-55,733**	**0%**

Services and Supplies expense comprise only 12% of the District's operating budget, as illustrated below.





Services expense include such things as computer maintenance, costs for professional and technical services, repairs and maintenance, snow removal, security services, bank charges, telephone services and photocopier usage charges. Services expense less than 1% higher than the prior year, and 10% less than budget.

Budgeted services expense includes estimated expenditure of prior year surplus returned to school and department budgets, a portion of which schools and departments did not spend in 2024.

Student Transportation expense includes payments to First Student Transportation and Diversified Transportation, other contractors, public carriers and others individuals who provide transportation for District students to and from school and for curricular and extracurricular activities. Transportation costs were $251 thousand (5%) higher than the prior year due to inflation increases in contract bussing rates and fuel charges. A 6% budget savings was realized on contract transportation services primarily due to route changes and cancellations.

Professional Development and Travel expense includes costs incurred for training and travel. Costs included are registration fees, transportation, mileage allowances, meals, accommodation, per diem payments and other expenses. Costs were 10% less than the prior year, and $764 thousand less than budget. The limited availability of replacement staff impacts the ability of schools to release staff from their regular duties to participate in training. The ongoing shift to virtual attendance at meetings and events resulted in reductions in travel costs. As well, approximately $216 thousand of the unspent professional development budget relates to obligations under collective agreements where unspent funds will carry forward to future years.

Rentals and Leases expense is the cost of rental or lease of land, buildings, vehicles and equipment for temporary or long-term use by the Districts. Costs were comparable to the prior year, and 13% under budget due delivery delays on replacement leased vehicles which were budgeted at higher lease rates.

Dues and Fees -This includes membership fees and/or dues in professional organizations as determined by the policies, regulations and needs of the District.

Insurance - This includes the expenditures for all forms and types of insurance coverage, premiums, and deductibles. Insurance costs were 18% higher than the prior year due to an increase in the premium for the School Protection Program (property and liability insurance provided by the Province of BC). Actual costs were 1% less than budget.

Supplies - This category consists of expenditures for supplies and materials of a consumable and/or non- capital nature. This includes consumable supplies, learning resources, non-capitalized furniture and equipment and computer equipment. Supplies costs in 2024 was similar to the prior year, and $902 thousand (15%) less than budget. Budgeted supplies expense includes estimated expenditure of prior year surplus returned to school and department budgets, a portion of which schools and departments did not spend in 2024.

Special Purpose Fund Expense

Special Purpose Fund expenses for 2024 were $914 thousand (4%) more than budgeted, and were $2 million (10%) higher than the prior year. Please refer to Special Purpose Fund Revenue section for a detailed description of the individual special purpose funds, and a breakdown of the revenue and expense by fund for year.

Special purpose fund expenses, categorized by function, are summarized in the table below:

Special Purpose Expenses by Function	2024		2023	Difference from Budget		Difference from Prior Year	
	Budget	Actual	Actual	$	%	$	%
Instruction	20,561,610	21,529,443	19,396,081	967,833	5%	2,133,362	11%
District Administration	115,376	110,890	102,507	-4,486	-4%	8,383	8%
Operations and Maintenance	667,343	667,343	791,924	0	0%	-124,581	-16%
Transportation and Housing	143,238	94,132	119,876	-49,106	-34%	-25,744	-21%
Total Operating Expense	**21,487,567**	**22,401,808**	**20,410,388**	**914,241**	**4%**	**1,991,420**	**10%**

Instruction

The majority of special purpose funds are intended for instruction purposes. Instruction costs were $2.1 million higher than last year, primarily due to funded increases in employee salary costs, and $1.4 million of spending from the new Feeding Futures Fund.

Instruction costs were $968 thousand (5%) over budget, primarily due to spending of additional Classroom Enhancement Fund and Student and Family Affordability Fund grants received after the budget was prepared.

District Administration

The District operates three Provincial Resource Programs (PRP) funded by the Ministry of Education and Childcare. Funding received by the District includes an administration fee, which is reported as District administration expense in PRP special purpose funds, and as revenue to the District in the operating fund.

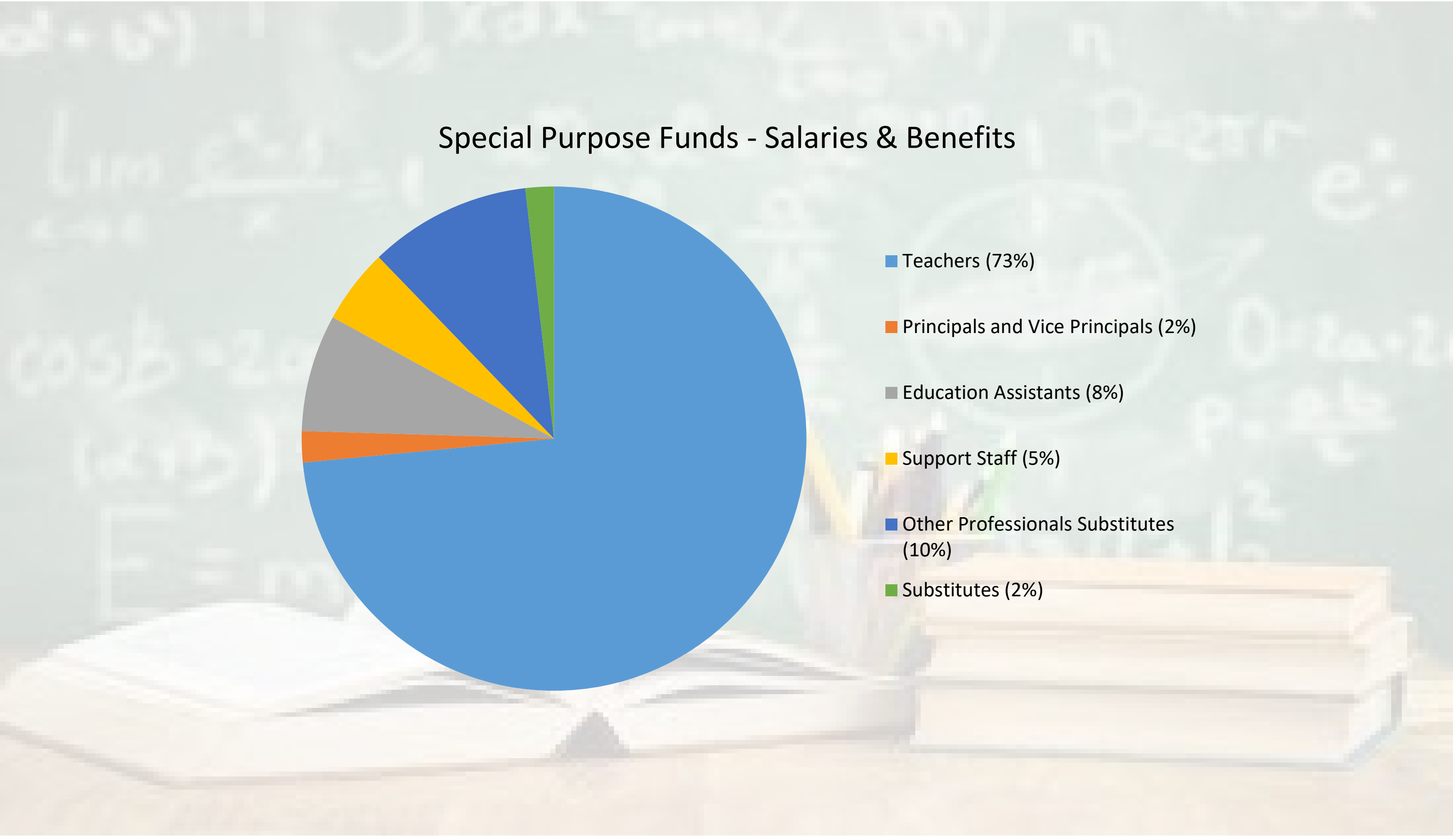
Operations and Maintenance

The operations and maintenance expense includes expenditures from the Annual Facility Grant fund on routine maintenance of school facilities for accessibility upgrades, asbestos abatement, electrical, plumbing, and interior and exterior constructions upgrades, roofing and site upgrades such as drainage, sidewalks, paving and fencing. The District receives additional funding through the Annual Facility Grant program that is reported in the Capital Fund. The remainder of the operations and maintenance expense were utilities costs funded through the Federal Ventilation Fund.

Transportation and Housing

Transportation costs relate to enhanced student transportation services for Indigenous students living on reserve that are funded from the First Nations Student Transportation Fund based on a joint submission by the District and First Nations to the BCTEA Transportation Committee pursuant to the BC Tripartite Education Agreement. Transportation costs were less than budget and less than the prior year due to a route cancellation resulting from a driver shortage experienced by the bussing contractor.

Overall, salaries and benefits make up $16.7 million (75%) of special purpose fund expense. The breakdown of salaries and benefits expense by employee group is illustrated below.



Capital Fund Expense

The Annual Facility Grant from the Ministry funds building maintenance costs. Some maintenance projects are classified as capital in nature, and are accounted for as an increase in the cost of the building, rather than being expensed as operations and maintenance expense.

The operations and maintenance expense noted in the table below is the portion of Annual Facility Grant expense that was not considered capital. Operations and maintenance expense will vary from year to year, depending on the nature of the Annual Facility Grant projects, and whether they are considered maintenance or capital costs.

The purchase or construction cost of the Districts capital assets is written off over the expected useful life of the asset, and the annual amount of this write off is the Amortization expense noted below.

Capital Expense	2024		2023	Difference from Budget		Difference from Prior Year	
	Budget	Actual	Actual	$	%	$	%
Operations and Maintenance	2,949,625	2,763,694	1,908,486	-185,931	-6%	855,208	45%
Amortization of Tangible Capital Assets	6,634,148	6,645,840	6,654,418	11,692	0%	-8,578	0%
Total Capital Fund Expense	**9,583,773**	**9,409,534**	**8,486,435**	**-174,239**	**1%**	**846,630**	**45%**

Operations and maintenance costs increased $855 thousand (45%) from the prior year due to an increase in the Annual Facility Grant from the Ministry, which allowed for additional building maintenance projects in 2024.

Please refer to the Financial Position section for details of the cost of capital assets purchased or constructed during the year.

FINANCIAL HEALTH

Liquidity

Liquidity is measured by taking financial assets over liabilities excluding deferred capital revenue and asset retirement obligation. A liquidity ratio of greater than one is desirable as this means that the District can pay current liabilities as they are due. A liquidity ratio of less than one indicates that the District will potentially struggle to meet short term obligations. A higher liquidity ratio means that the District can meet its short-term obligations and can better respond to changing circumstances.

Liquidity	2020	2021	2022	2023	2024
Financial Assets	29,554,598	32,099,254	27,397,972	31,387,877	41,021,283
Liabilities*	23,413,986	23,585,390	21,544,317	22,891,546	23,441,581
Liquidity	**1.26**	**1.36**	**1.27**	**1.37**	**1.75**

**adjusted for deferred capital revenue and asset retirement obligation*

Accumulated Surplus to Revenue

The chart below shows the District's operating revenues and accumulated net operating surplus over a five-year period. The five-year trend shows a decrease in the total surplus in dollars and as a percentage of revenue. The decrease over time is due primarily to a focus by the Board on using surplus funds for specific expenditures in order to meet the needs of the District.

Surplus to Revenue	2020	2021	2022	2023	2024
Operating Revenue	145,296,288	147,666,845	149,880,775	159,163,672	173,345,105
Accumulated Surplus	6,078,000	8,475,727	5,160,902	6,760,735	9,114,846
Surplus to Revenue	**8.76%**	**4.18%**	**5.74%**	**3.44%**	**5.26%**