



**qathet School District**  
**Financial Statement Discussion and Analysis**  
**2023/2024**

## **Introduction**

The following Financial Statement Discussion and Analysis should be read in conjunction with the audited financial statements and accompanying notes for the qathet School District for the year ended June 30, 2024. The purpose of the Financial Statement Discussion and Analysis is to highlight information and provide explanations, which enhance the reader's understanding of the school district's financial statements as well as the factors that influenced the financial results presented in these statements. The preparation of the Financial Statement Discussion and Analysis is the responsibility of the management of the school district.

## **Overview of the qathet School District**

The qathet School District is situated in a beautiful coastal community on the Upper Sunshine Coast in the qathet Regional District and on the traditional territory of the Tla'amin Nation. Just over 130 km from Vancouver, BC, Powell River is surrounded by forest, mountains, and many freshwater bodies of water and is part of the coastal mountain range. With the Pacific Ocean to its west, the region enjoys a temperate climate. The qathet Regional District currently has a population of 20,070 (Statistics Canada: 2016 Census).

The District serves approximately 3,200 students in four K-7 elementary schools, one dual track K-7 elementary school, one remote island K-7 elementary school, a K-12 online learning school, an alternate school, and one 8-12 secondary school.

A number of additional program opportunities are provided including Before and After School Care, Early Learning and Strong Start Programs, French Immersion, ƳaƳuθəm Language, Dual Credit Academics and Trades, an International Student Program as well oversees an Auditory Outreach Program on behalf of the Province.

All decisions made by the qathet School District are guided by its vision and core values and based on research and consultation. Similarly, the district's initiatives and resources are aligned to support its commitment to fostering a culture of care and belonging where the well-being and success of all learners is supported; providing intentional support for a growth mindset, collaboration, interdependence, and staff development; and being a forward-thinking, research-based, ethical, effective, efficient, sustainable, and connected organization.

## Our Principles

- Many Ways of Knowing, Learning, and Being
- Diversity, Equity, and Human Dignity
- A Healthy Work and Learning Environment
- Innovation, Curiosity, and Creativity
- Openness, Transparency, and Accountability

## Our Mission

Learning and Growing, Together

## Our Vision

Creating Brighter Tomorrows for All

## Our Values

**Integrity:** We strive to be a living example of what we want to see in the education system through continued self and organizational reflection to ensure the confidence of those we serve

**Respect:** We honour others, value selflessness, and always strive to act considerately and honestly. We are intentional with our words and actively listen to others. We promote collaboration and power sharing to achieve positive change that benefits the entire learning community.

**Courage:** We practice courage by moving beyond our comfort zones, embracing obstacles, and taking responsibility for our errors, allowing us to better ourselves and serve our learning community with excellence.

**Curiosity:** We cultivate a safe environment to explore new ideas, take risks, and challenge the status quo. We understand curiosity as critical for transformative growth, change, and innovation

**Inclusivity:** We promote inclusivity by changing mindsets and behaviours, and cultivating welcoming and fair environments that actively oppose oppression. We strive to ensure everyone is seen, connected, supported, and proud.

**Good Relations:** We strive for balance in our relationship with ourselves, others, and the lands and waters that sustain us. We consider the impact of our actions on past, present, and future generations and strive to leave a positive legacy for them.

## Strategic Priorities

### **Cultivating an Ethic of Learning (titiwšem taʔow)**

*Ensure early learners and students have the best possible learning experience.*

- Focus on foundational learning in literacy and numeracy.
- Enhance early learning plans, opportunities, and partnerships.
- Foster deep learning so all students can flourish in a rapidly changing world.
- Increase student engagement and voice.
- Expand school food programs to ensure all students have access to nutritious meals and are ready to learn

### **Cultivating Curiosity (payot gagayɛtən)**

*Transform our learning environments into places of innovation.*

- Continue to support land based and place based learning.
- Strengthen personalized and flexible learning opportunities, including redesigning learning spaces.
- Create a culture of inquiry and innovation.
- Strengthen our competencies around environmental stewardship.

### **Cultivating Connection (paʔa kʷoms qʷayigən)**

*Prioritize mental health, community connections, and social-emotional learning.*

- Enhance mental health opportunities and partnerships that support well-being.
- Engage, involve, and support connections within the school and community.
- Continue to create and promote safe, welcoming, and inclusive learning environments.
- Promote the development of social-emotional learning skills.

### **Supporting Self-Determination (ʔaʔjuxʷegəs)**

*Ensure holistic Indigenous student success.*

- Ensure consistent access to enriching, innovative, identity affirming, and culturally relevant opportunities and supports.
- Ensure educational spaces are culturally safe by committing to system wide respect of this place and our shared history by prioritizing Indigenous languages, perspectives, values and cultures.
- Support students with setting goals for the future (ʔimot θ titiwšem, toχnegosəmčʷum θoθo)

### **Cultivating Truth and Reconciliation (gʷnaʔxʷuθs)**

*Honour Truth and reconciliation.*

- Work to undo the legacies of colonialism through diverse pathways including supporting ʔayʔajuθəm language revitalization initiatives and education.
- Continue our commitment to the Truth and Reconciliation Commissions Calls to Action and the United Nation's Declaration on the Rights of Indigenous Peoples.

### **Cultivating Integrity/Responsibility (hays qayumixʷ ʔayʔaytawθ)**

*Prioritize climate change, organizational health and sustainability.*

- Provide climate action education and leadership opportunities grounded in Indigenous ways of knowing.
- Align planning, processes, policies, and procedures to improve the effectiveness of the system.

## Strategic Priorities and Goals

The strategic priorities and goals for qathet School District are established on a rolling five-year planning cycle and are summarized in departmental operational plans and school growth plans. The board-approved budget supports the specific strategic goals identified in operational plans and school growth plans.

For 2023/2024 specifically, the Board has supported recommendations from senior staff to allocate resources in support of:

Literacy and Numeracy	Early Learning
Food Security	Counselling and Mental Health
Family Support	Technology
Sexual Health	Outdoor Education
Indigenous History, Culture and Language	Applied Design, Skills and Technologies

## Understanding qathet 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 by 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 details 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 each of the three funds (Operating, Special Purpose, and Capital Funds).

### **Operating Fund (Schedule 2)**

The operating fund includes operating grants and other revenue used to fund instructional programs, school and district administration, facilities operations, custodial services, maintenance, and transportation.

### **Special Purpose Fund (Schedule 3)**

The special purpose fund is comprised of separate funds established to track revenue and expenditures received from the Ministry of Education and other sources that have restrictions on how they may be spent (e.g. Classroom Enhancement Fund, Annual Facilities Grant, Community LINK, Ready Set Learn and School Generated Funds).

### **Capital Fund (schedule 4)**

The capital fund includes capital expenditures related to facilities and equipment that are funded by Ministry of Education capital grants, operating funds, and special purpose funds. An annual deficit in the capital fund that is a result of amortization expense and budgeted capital assets purchased from operating and special purpose funds exceeding the amortization of deferred capital revenue plus budgeted local capital revenue is permitted under the Accounting Practices Order of the Ministry of Education.

## **Financial Highlights**

94% of the School District's operating revenue comes from the Ministry of Education and Childcare. The amount of funding is determined through an allocation formula that considers student enrollment and various other supplements including recognition of the unique geographic needs of our region. The balance of operating revenue consists of International Student fees, funding through our Tla'amin Education agreement, a funding agreement with School District 93, support from the Industry Training Authority as well as some building leases, investment income and other miscellaneous revenues.

Salary and benefit costs continue to account for almost three quarters of the organizations operating costs with the remainder spent on various services, supplies and utilities.

Below is a summary list of considerations that influenced the organizations financial outlook for the school year including significant planned and unplanned expenditures of note.

## **Summary of Significant Events**

### **Enrolment and Revenue**

- Total annualized enrolment of approximately 3,200 students includes enrolment of over 36% in a blended online learning program.
- 27% of the operating grant from the Ministry of Education and Childcare was derived from the supplement for Unique Student Needs.

## Service Delivery and Spending

- The Director of Human Resources position was vacated in September and not filled until after the end of the school year.
- Departmental restructuring was implemented mid-year to improve the delivery of technology related supports.
- The Superintendent of Schools position was vacated late in the school year with recruitment for this role beginning shortly after.

## Capital Works and Equipment Replacement

- Mechanical and ventilation upgrade undertaken at James Thomson Elementary.
- LED lighting upgrade completed at each of James Thomson and Kelly Creek Schools.
- Work continued at each of the Edgehill and Kelly Creek school sites in support of future daycares.
- Field upgrade at Brooks Secondary School was completed.
- Planning and preparation started for the classroom addition at Edgehill Elementary School.

## Financial Analysis of the School District

### Statement of Financial Position

	2024	2023	Variance \$	Variance %
<b>Financial Assets</b>				
Cash and Cash Equivalents	6,350,256	7,715,098	(1,364,842)	(18) %
Accounts Receivable - MOECC	325,000	129,182	195,818	152 %
Accounts Receivable - Other	538,537	347,045	191,492	55 %
<b>Total Financial Assets</b>	<b>7,213,793</b>	<b>8,191,325</b>	<b>(977,532)</b>	<b>(12) %</b>
<b>Liabilities</b>				
Accounts Payable	3,377,737	3,361,089	16,648	0 %
Unearned Revenue	583,126	371,494	211,632	57 %
Deferred Revenue	934,529	602,775	331,754	55 %
Deferred Capital Revenue	40,355,120	37,962,163	2,392,957	6 %
Employee Future Benefits	826,524	791,702	34,822	4 %
Asset Retirement Obligation	1,323,678	1,382,777	(59,099)	(4) %
<b>Total Liabilities</b>	<b>47,400,714</b>	<b>44,472,000</b>	<b>2,928,714</b>	<b>7 %</b>
<b>Net Debt</b>	<b>(40,186,921)</b>	<b>(36,280,675)</b>	<b>(3,906,246)</b>	<b>11%</b>
<b>Non-Financial Assets</b>				
Tangible Capital Assets	49,916,228	47,116,095	2,800,133	6 %
Prepaid Expenses	101,246	117,626	(16,380)	(13) %
<b>Total Non-Financial Assets</b>	<b>50,017,474</b>	<b>47,233,721</b>	<b>2,783,753</b>	<b>6 %</b>
<b>Accumulated Surplus</b>	<b>\$ 9,830,553</b>	<b>\$ 10,953,046</b>	<b>\$ (1,122,493)</b>	<b>(10) %</b>

- Decreased cash balances attributed mostly to increased spending resulting in a decreased accumulated surplus.

## Income Statement

### Revenues

The tables below summarize actual operating revenues and expenditures as compared to budgeted:

	<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
Operating Grant, Ministry of Education	\$ 39,552,973	\$ 39,268,127	\$ 284,846
Other MOE Grants	1,346,769	1,038,980	307,789
Provincial Grants - Other	95,440	75,000	20,440
Tuition	611,919	608,120	3,799
Other Education Authorities	138,000	120,008	17,992
First Nations (LEA)	1,104,133	1,032,389	71,744
Miscellaneous Revenues	493,370	80,000	413,370
Rentals	155,664	138,900	16,764
Interest	163,724	150,000	13,724
<b>Total Operating Revenue</b>	<b>\$ 43,661,992</b>	<b>\$ 42,511,524</b>	<b>\$ 1,150,468</b>

- Higher than forecasted Online Learning students captured in the February and May enrolment counts account for a portion of the variance in budgeted to actual operating grants.
- The ICY Clinical Counsellor Funding grant accounts for the majority of the variance in Other Ministry grants as the funding for the 24/25 school year arrived in June thus had to be recorded as current year revenue but restricted for use in the following school year.

### Expenses

	<b>Actual</b>	<b>Budgeted</b>	<b>Variance</b>
<b>Salaries</b>			
Teachers	\$ 14,754,584	14,256,187	\$ (498,397)
Principals & Vice-Principals	2,947,223	2,822,400	(124,823)
Education Assistants	4,018,328	4,048,858	30,530
Support Staff	3,237,865	3,260,120	22,255
Other Professionals	1,755,493	2,115,847	360,354
Substitutes	1,625,119	1,781,641	156,522
<b>Total Salaries</b>	<b>28,338,612</b>	<b>28,285,053</b>	<b>(53,559)</b>
Employees Benefits	6,711,088	6,324,200	(386,888)
<b>Total Salary and Benefits</b>	<b>35,049,700</b>	<b>34,609,253</b>	<b>(440,447)</b>
Services and Supplies	8,763,712	8,107,836	(655,876)
Utilities	672,260	629,500	(42,760)
<b>Total Services and Supplies</b>	<b>9,435,972</b>	<b>8,737,336</b>	<b>(698,636)</b>

<b>Total Operating Expense</b>	<b>\$ 44,485,672</b>	<b>\$ 43,346,589</b>	<b>\$ (1,139,083)</b>

<b>Operating Deficit for the year</b>	<b>\$ (823,680)</b>	<b>\$ (835,065)</b>	<b>\$ 11,385</b>
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- Benefit costs were higher than budget by approximately \$387,000 and account for 34% of the total spending variance from budget to actual.
- Service and supply costs associated with the delivery of Special Education services were higher than budgeted by almost half a million dollars and account for 43% of the total spending variance from budget to actual.
- Administrative spending was under budget primarily because of unfilled positions over the course of the year.

## Special Purpose Fund Contribution Summary

The special purpose fund is comprised of separate funds established to track revenue and expenditures received from the Ministry of Education and other sources that have restrictions on how the funds are spent. The following special purpose funds have been included in the 2023/24 audited statements:

Annual Facility Grant (AFG)	\$122,953	These funds are used throughout District schools to address ongoing maintenance and improvement needs.
Learning Improvement Fund (LIF)	\$153,294	Funding used specifically to augment Educational Assistants' hours providing additional support to complex learners.
School Generated Funds & Bursaries	\$2,418,143 <i>\$485,921 Deferred</i>	Funds that are generated locally at the school level and used for school operations and in support of students.
Strong Start	\$128,000	Strong Start early learning centres provide school-based, drop-in programs for children aged birth to five and their parents or caregivers.
Ready, Set, Learn	\$14,700	Eligible RSL events for 3-to-5-year old children and their parents are hosted to support early learning.
Official Languages in Education French Programs (OLEP)	\$277,980 <i>\$18,388 Deferred</i>	Funding for core French-language and Immersion programs and curriculum resources.
Community Link	\$225,426	Funding for programs and initiatives to improve the education performance of



		vulnerable students, including both academic achievement and social functioning.
Classroom Enhancement Fund (CEF)	\$2,545,871	Eligible expenses include teacher staffing, overhead staffing and equipment costs resulting from restoration of class size and composition language.
Feeding Futures	\$417,806  <i>\$184,217 Deferred</i>	In school food programs.
Mental Health in Schools	\$55,000	To support increased awareness of issues related to mental health.
ECE Dual Credit & Health Careers	\$90,000 Deferred	Career pathway pilot program initiative.
Early Learning Related Funds	\$280,400	Includes Seamless, Day, Just B4 & Others
Student & Family Affordability Fund	\$149,000  <i>\$156,003 Deferred</i>	One time funding in support of making life more affordable for families during this time of increased inflation.
Auditory Outreach Program	\$1,392,380	Auditory Outreach Program assists schools throughout the province through loans of assistive listening devices for individual students with hearing loss identified as needing this technology for school use.

**Capital Funds**

The Strategic Facilities Plan adopted by the Board in January 2021 identifies long term capital needs and acts as a guide when making applications to government in support of capital planning.

The District is required to submit a five-year capital plan to the Ministry of Education for additional funding for capital projects as described below.

**Annual Facilities Grant (AFG)** funds are used throughout District schools to address ongoing maintenance and improvement needs.

**Major Capital – Expansion Program (EXP)** projects are investments that contribute to the creation of additional classroom spaces.

**School Enhancement Program (SEP)** projects are investments that contribute to the safety and function of the school while extending the life of the asset.

**Carbon Neutral Capital Program (CNCP)** projects are investments that contribute to measurable emission reductions and operational costs savings expected as a result of completed projects.

**Playground Equipment Program (PEP)** projects are investments in new or replacement equipment that is universal in design.

**Food Infrastructure Program (FIP)** projects are investments in new or replacement equipment that supports the preparation and delivery of school food programs.

**Local Capital** is a fund consisting of resources set aside by the Board targeted in support of capital needs not otherwise funded by the province. Examples of such investments include portable classrooms and equipment such as maintenance vehicles.

**New Spaces Fund** is available by application to support the creation of childcare spaces.

	<b>2023/2024 Capital Spending</b>
AFG (Capital Portion)	\$ 646,681
EXP	\$150,000
SEP	\$ 2,045,818
CNCP	\$ 96,145
PEP	-
FIP	\$31,600
Local Capital	-
New Spaces Fund	\$1,840,453

- The section titled *Summary of Significant Events* includes information describing some of the projects undertaken as part of the capital plan.

**Future Considerations – Risks and Opportunities**

Powell River schools are near, and in some instances, at capacity. With the active real estate market over the last few years there has been a slow but incremental increase in the local student population. The district may have to consider strategies such as changes to the current grade configuration or additional investments into portable classrooms in the not-too-distant future.

School Districts across the Province are continuing to face significant challenges in the recruitment and retention of qualified staff and the School District has been no different with several strategic positions taking longer than anticipated to fill.

**Contacting Management**

This financial report is designed to provide the School District’s stakeholders with a general but more detailed overview of the school district’s finances and to demonstrate increased accountability for the public funds received by the school district. If you have questions about this financial report, please contact the Office of the Secretary-Treasurer at (604) 414 2604.