



**NANAIMO LADYSMITH PUBLIC SCHOOLS
BUSINESS COMMITTEE MEETING
INFORMATION SHEET**

DATE: November 8, 2023
TO: Business Committee
FROM: Mark Walsh, Secretary-Treasurer and
Taunia Sutton, Associate Secretary-Treasurer
SUBJECT: 2023/24 – First Quarter Financial Report (Q1)

Background

As part of our ongoing reporting to the Board on the District's financial state, this Information Sheet pertains to the financial results of the first quarter of the 2023-24 school year. Overall, the District is in a positive financial position and in line with expectations.

Discussion

The District's Operating Fund has increased by \$3,615,227 since the approval of the 2023-24 Annual Budget and recorded a total of \$3,757,192 associated expenses. The two additional funding sources are as follows:

Labour Settlement Funding - As a reminder to the Board, the 2023-24 Preliminary Annual Budget accounted for the negotiated 5.5% salary increases for CUPE and the NDTA, included an amount of budgeted funds set aside to address a portion of the pending Exempt Compensation increases that had yet to be finalized, and noted that Ministry had not determined the amount of the negotiated Cost-of-Living Adjustment (COLA) which was due but still outstanding. Since the approval of the 2023-24 Annual Budget in June, Ministry confirmed that the COLA increase had been set at 1.25% and that Executive Compensation increases were formally approved, and able to align with those provided to the bargaining units for a total of 5.5% plus 1.25%. Following this announcement, the district received \$2.78 million in Labour Settlement Funding, to cover the increased salary and benefit expenses.

ICY Team – As reported in the September financial year end report, the District has received funding in the amount of \$832,136 for ICY Teams and is in the process of the organization and hiring to support this program. Staff will provide a more fulsome update at a later date.

The following Operating Revenues and Expenses summary presents the approved 2023-24 Preliminary Annual Budget figures, the revised Q1 Budget figures (changes recorded July 1 to September 30), and the actual revenues and expenses recorded for the period. With regards to the % Collected or Spent column, note that on September 30th the District was 25% through fiscal 2023-24. Some expense categories such as Administrative Officers and Other Professionals will be upwards of 25% spent as they are predominantly 12-month staffing categories, however, due to school-based operations being over 10 months, some expense categories will only be as much as 10% spent, and some may be less due to the complexities of school start up and the timing of expense recognition. Also note that recorded revenues (amounts collected by the district) will vary depending on the funding party and will be pursuant to annual payment schedules.

2023-24 - Operating Revenues and Expenses						2022-23 Comparator		
	Actuals at Sept 30	2023-24 Amended Budget - Q1	% Collected or Spent	Change	2023-24 Annual Budget	Actuals at Sept 30	2022-23 Amended Budget - Q1	% Collected or Spent
Revenues - Operating								
Ministry of Education Grant	18,135,138	162,329,337	11%	3,615,227	158,714,110	16,649,742	145,654,632	11%
Other Provincial	70,169	260,416	27%	-	260,416	10,000	302,278	3%
International Student Tuition	987,343	5,250,250	19%	-	5,250,250	964,876	4,725,335	20%
Other Revenue	208,272	2,270,724	9%	-	2,270,724	292,048	2,290,905	13%
Rentals & Leases	117,711	600,000	20%	-	600,000	130,302	500,000	26%
Investment Income	367,824	1,100,000	33%	-	1,100,000	217,893	235,000	93%
Total Revenues (before LC Transfer and Surplus Allocation)	19,886,457	171,810,727	12%	3,615,227	168,195,500	18,264,861	153,708,150	12%
Expenses - Operating								
Salaries								
Teachers	7,974,699	76,904,082	10%	959,462	75,944,620	6,908,885	68,706,510	10%
Administrative Officers	2,426,596	9,928,961	24%	578,040	9,350,921	2,212,518	9,054,129	24%
Education Assistants	1,220,346	12,191,620	10%	265,774	11,925,846	1,180,739	11,025,113	11%
Support Staff	2,957,544	14,165,758	21%	225,943	13,939,815	2,485,803	12,664,215	20%
Other Professionals	1,271,855	5,446,123	23%	250,014	5,196,109	1,102,683	4,873,159	23%
Substitutes	454,793	5,381,041	8%	99,911	5,281,130	360,122	5,420,692	7%
Total Salaries	16,305,833	124,017,585	13%	2,379,144	121,638,441	14,250,750	111,743,818	13%
Benefits	3,679,763	31,728,270	12%	616,327	31,111,943	3,191,728	28,112,441	11%
Total Salaries and Benefits	19,985,596	155,745,855	13%	2,995,471	152,750,384	17,442,478	139,856,259	12%
Services & Supplies	3,538,452	16,206,837	22%	761,721	15,445,116	3,068,491	16,396,392	19%
Total Expenses	23,524,048	171,952,692	14%	3,757,192	168,195,500	20,510,969	156,252,651	13%
Net Revenue (Expense)	(3,637,591)	(141,965)		(141,965)	-	(2,246,108)	(2,544,501)	
Restricted Surplus					-		1,498,648	
Unrestricted Surplus					-		1,382,490	
Local Capital Transfer					-		(1,000,000)	
Surplus (Deficit)	(3,637,591)	(141,965)		(141,965)	-	(2,246,108)	(663,363)	-

The Surplus (Deficit) reflected under both the budgeted and actual columns is only due to the timing of revenues received and expenses recorded at a particular point in time. For instance, under 2023-24 Q1 a deficit of \$141,965 is shown, however, since September 30th the district has accounted for the increased revenue that will flow for the higher than projected student enrolment, as well as associated expenses, therefore the deficit is no longer applicable. Also note the 2022-23 comparator figures under Q1 where Restricted, Unrestricted and Local Capital figures are presented but they are not within the 2023-24 financial information. This is due to the timing of the approval of the annual Financial Statements and the work required to update the budget with the approved surplus allocations.

With regards to the financial results on September 30th as compared to the Q1 budget each of the categories of revenue and expense are at the expected levels; collected or spent. There are two outliers of note, one includes the "Other Provincial" revenue category where this year shows 27% collected and only 3% in 2022-23. This variance is due to the Industry Training Authority (ITA) going through a reorganization which resulted in a delay in the regular payment schedule, for 2023-24 the payment schedule has reverted to normal. The other relates to the "Investment Income" category where the amount collected in 2022-23 at Q1 shows as 93% and this year shows as 33%, this is due to the unexpected increase in interest revenue generated on our cash balances in early 2022-23 and the budget not being updated until the second quarter.

With regards to the expense categories, they are all at the expected percentage spent for Q1.

A summary of the changes made since the 2023-24 Preliminary Annual Budget are provided below.

Operating Fund Summary - Revenue/Expense Changes	
Opening Revenue - 2023-24 Annual Budget	168,195,500
<i>Changes in Revenue</i>	
Labour Settlement Funding for the 1.25% COLA and Executive Compensation increases	2,783,091
Grant for the ICY Team	717,241
Increased ICY Team Grant	114,895
Total change in Revenue	3,615,227
Closing Revenue -2023-24 Amended Budget at Q1	171,810,727
Opening Expense - 2023-24 Annual Budget	168,195,500
<i>Changes in Expense</i>	
1.25% Cost of Living Wage increases for CUPE (This is in addition to the 5.5% recorded in Annual Budget)	392,588
1.25% Cost of Living Wage increases for NDTA (This is in addition to the 5.5% recorded in Annual Budget)	1,217,751
6.75% Executive Compensation (Includes the 5.5% General increase and 1.25% COLA increase)	1,025,867
Trustee salary increase effective July 1, 2023	2,264
Increase to district benefit expense	25,000
Increase to district utilities expense	55,000
Addition of 1.0FTE Custodial	74,219
ICY Team - direct expense allocation	832,136
Increase to CLASS Legal Fee expense	10,491
Increase to Nanaimo Child Development Center Contract for Service	28,175
John Barsby Turf Field annual capital contribution expense	25,000
NDSS Turf Field annual capital contribution expense updated to current amount	6,000
NDTA Annual Pro-D expense updated per Collective Agreement language	49,877
NLSF professional services expense updated per contractual language	12,824
Total change in Expense	3,757,192
Closing Expense -2023-24 Amended Budget at Q1	171,952,692
Budget Surplus(Deficit) at Q1	(141,965)

As a reminder, the deficit showing indicates that the amount of budgeted expenses exceeds the amount of anticipated revenues on September 30, 2023 however, this information is currently outdated as multiple changes have been recorded subsequent to the end of the first quarter.

Special Purpose Funds:

Also included in this financial report is a summary of the districts Special Purpose Funds at the end of the first quarter, along with a prior year comparator.

One notable difference between the two fiscal years presented is that the financial information for 2022-23 includes the prior year-end Fund balances known as deferred revenue. For 2023-24, again, due to the financial statements being approved in late September the prior year-end balances were not recorded into budget in time for this financial report, they will be reflected in the 2023-23 Amended Annual Budget in February.

Since the approval of the 2023-24 Preliminary Annual Budget there have only been two small changes to the Special Purpose Funds which are reflected below:

2023-24 - Special Purpose Revenues and Expenses						2022-23 Comparator		
	Actuals at Sept 30	2023-24 Amended Budget - Q1	% Collected or Spent	Change	2023-24 Annual Budget	Actuals at Sept 30	2022-23 Amended Budget - Q1	% Collected or Spent
Revenues - Special Purpose								
Annual Facilities Grant	346,189	555,746	62%	-	555,746	181,545	573,245	32%
Learning Improvement Fund	58,562	604,136	10%	-	604,136	50,736	498,816	10%
French Programs	25,881	373,820	7%	118,184	255,636	25,692	291,264	9%
Ready Set Learn	9	66,150	0%	-	66,150	276	103,236	0%
Strong Start	28,593	256,000	11%	-	256,000	21,477	288,849	7%
Community Link	281,440	2,542,371	11%	-	2,542,371	230,504	2,445,727	9%
Classroom Enhancement Fund	1,373,547	12,412,842	11%	-	12,412,842	1,275,304	11,199,424	11%
CR4YC	-	11,250	0%	-	11,250	-	30,386	0%
Mental Health	7,392	51,000	14%	-	51,000	10,903	137,838	8%
BCTEA Transportation Fund	-	-	0%	-	-	16,443	272,353	6%
ECE Dual Credit	3,051	29,000	11%	-	29,000	-	-	0%
Seamless D-K	8,133	55,400	15%	-	55,400	9,342	55,400	17%
SEY2KT	-	19,000	0%	-	19,000	-	19,000	0%
Student Family Affordability Fund	4,368	-	0%	-	-	-	1,458,182	0%
ELCCCF	45,254	175,000	26%	-	175,000	6,171	175,000	4%
Feeding Futures Fund	41,065	1,663,981	2%	-	1,663,981	-	-	0%
School Generated Funds	479,494	2,705,000	18%	-	2,705,000	386,331	2,645,000	15%
Other Misc./Deferred Revenue	15,833	59,208	27%	18,920	40,288	49,695	1,073,267	5%
Total Special Purpose Revenue	2,718,811	21,579,904	13%	137,104	21,442,800	2,264,419	21,266,987	11%
Expenses - Special Purpose								
Salaries								
Teachers	933,700	9,342,685	10%	105,220	9,237,465	818,125	8,291,261	10%
Administrative Officers	111,190	425,977	26%	-	425,977	71,489	402,564	18%
Education Assistants	274,341	2,497,227	11%	-	2,497,227	200,492	1,979,311	10%
Support Staff	80,173	426,175	19%	-	426,175	100,366	517,505	19%
Other Professionals	27,223	109,349	25%	-	109,349	52,872	208,284	25%
Substitutes	40,240	596,095	7%	9,632	586,463	33,263	500,469	7%
Total Salaries	1,466,867	13,397,508	11%	114,852	13,282,656	1,276,607	11,899,394	11%
Benefits	354,117	3,343,974	11%	29,502	3,314,472	310,935	2,993,645	10%
Total Salaries and Benefits	1,820,984	16,741,482	11%	144,354	16,597,128	1,587,542	14,893,039	11%
Services & Supplies	897,827	4,838,422	19%	(7,250)	4,845,672	676,877	6,373,948	11%
Total Special Purpose Expenses	2,718,811	21,579,904	13%	137,104	21,442,800	2,264,419	21,266,987	11%
Fund Variance	-	-	-	-	-	-	-	-

Note the French Program budget shows an increase of \$118,184; this includes an additional grant provided for the 2023-24 school year in the amount of \$145,000 as well as an adjustment to the estimated base grant for 2023-24 which was \$26,816 lower than originally estimated. The increase to the French program supported an additional 1.0FTE Coordinator as well as release time for Mentorship.

A summary of the total changes to revenues and expenses is reflected below:

Special Purpose Summary - Revenue/Expense Changes	
Opening Revenue - 2023-24 Annual Budget	21,442,800
Change in Revenue	
Federal French Fund - additional grant for 23/24	145,000
Federal French Fund - confirmation of regular 23/24 grant (lower than original estimate)	(26,816)
Ladysmith Secondary Health Authority Grant	18,920
Total changes in Revenue	137,104
Closing Revenue -2023-24 Amended Budget at Q1	21,579,904
Opening Expense - 2023-24 Annual Budget	
Change in Expense	
Federal French budget update with increased grant, added 1.0FTE Coordinator	130,698
Federal French budget update with increased grant, added Mentorship Release time	14,302
Federal French budget update with increased grant, adjusted general supply/release budgets	(26,816)
Ladysmith Secondary Health Authority Grant expense allocation	18,920
Total changes in Expense	137,104
Closing Expense -2023-24 Amended Budget at Q1	21,579,904

With regards to the expenses related to district staffing, provided below is a summary of the changes made since the 2023-24 Preliminary Annual Budget was approved, as applicable to the Operating Fund and Special Purpose Funds.

2023-24 Summary of FTE Changes (Q1) - Operating Fund			
Category	23/24 Annual Budget	Change	23/24 Annual Budget
Teachers	799.599	0.144	799.455
Administrative Officers	67.000	-	67.000
Education Assistants	263.227	2.394	260.833
Support Staff	238.847	1.000	237.847
Other Professionals	50.500	-	50.500
Total FTE	1419.173	3.538	1415.635

2023-24 Summary of FTE Changes (Q1) - Special Purpose Funds			
Category	23/24 Annual Budget	Change	23/24 Annual Budget
Teachers	98.589	1.034	97.555
Administrative Officers	3.000	-	3.000
Education Assistants	51.922	-	51.922
Support Staff	27.605	4.000	23.605
Other Professionals	3.500	-	3.500
Total FTE	184.616	5.034	179.582

2023-24 Amended Budget (Q1) Summary of Staffing Changes - All Funds				
Staffing Category	Operating Fund	Indigenous Ed Target	Special Purpose Funds	Total FTE
Teachers				
Federal French Coordinator with increased Grant Staffing added to Secondary for increased ISE enrolment	1.144		1.000	1.144
Adjustment to FTE Funded by ECE Dual Credit Grant			0.035	0.035
Removal of 1.0FTE Unfilled Speech Pathologist to Fund 2 Inclusion Support Workers for 2023/24 - Pilot Project	(1.000)			(1.000)
Totals	0.144	-	1.035	1.179
Support Staff				
Caretaker per growth	1.000			1.000
Capital/AGF Planners			4.000	4.000
Totals	1.000	-	4.000	5.000
Education Assistants				
Budget adjustment - budgeted staffing vs. actual hours assigned		0.004		0.004
2 Inclusion Support Workers - Pilot Project noted under Teachers	1.486			1.486
CYSFW added to NDSS for 2023/24	0.943			0.943
Reduction to number of EA additional hours per wage increase	(0.039)			(0.039)
Totals	2.390	0.004	-	2.394
Total All Categories	3.534	0.004	5.035	8.573

Important to note that the 4.0 FTE showing under Capital/AFG Planners is a housekeeping item only, it is not a reflection of additional staffing added since the Preliminary Annual Budget was approved.

For clarity, the positions were determined to be necessary to support Capital Operations in 2022-23, however the FTE had not been added to budget due to the complexity of posting, filling and reconciling the number of positions planned and the number of positions filled. For the Capital Fund, the staffing supported by the funded projects is updated twice per fiscal year, in order to ensure the amount added to budget is an accurate reflection of ongoing staffing and does not inflate district FTE due to some positions being short-term in duration.

Investments, Capital, and Local Capital Funds:

Additional information being provided to the Board includes an update on the districts Investment Portfolio as well as updated Capital and Local Capital project schedules with actuals to September 30th.

Investment Portfolio:

In July, following the latest rate increase, the district re-invested the previous First West Credit Union GIC from a 1 year cashable after 90-day GIC with a rate of 5.24% into another 1 year cashable after 90-day GIC with a rate of 5.74%. As interest rates are expected to soften over the coming year, and an increase has not occurred since July, we will continue to monitor the rates along with our existing cash balance requirements, to determine whether further investments should be made.

The district’s total investments are summarized below:

Investment	Purchase Date	Rate	Total Investment
Central Deposit Program (CDP)	historical balance	5.70%	13,232,441 [1]
Royal Bank of Canada - GIC - 2 year with quarterly payouts	01-Dec-21	1.31%	2,000,000 [2]
Coast Capital Savings - GIC - 4 year fixed	03-Nov-22	5.45%	4,000,000
First West Credit Union - GIC - 1 year cashable after 90 days	19-Jul-23	5.74%	3,741,203

[1] - The CDP rate fluctuates based on the Bank of Canada interest rate announcements
 [2] - the RBC GIC has been maturing every 3 months and now holds a value of \$252,845

Capital Fund:

An updated Capital Project schedule is reflected below, along with the total spent in each project to September 30th.

Capital Projects		Total Project COA	WIP Yr. 1	WIP Yr. 2	WIP Yr. 3	2023/24 Annual Budget	2023/24 Expenses at Sept 30 (Q1)	Balance Remaining
School Addition	Hammond Bay	11,277,098	1,955,466	5,337,659	3,358,037	625,936	429,705	196,232
	Ladysmith Primary	TBD	-	-	-	-	-	TBD
School Reno	Dover Bay	2,344,274	360,925	1,369,299	-	614,050	7,903	606,147
BEP = Building	Forest Park	31,000	6,132	12,209	3,400	9,259	-	9,259
Envelope Program	John Barsby	24,250	6,947	8,341	70	8,892	-	8,892
	LIS	33,000	6,495	18,588	33	7,884	-	7,884
	Mountain View	1,753,500	9,694	20,812	241	1,722,753	449,644	1,273,109
	NOE	1,322,000	4,722	29,911	853,879	433,488	256,465	177,023
Seismic	Cilaire	10,027,544	1,639,939	5,140,263	1,435,219	1,812,123	131,007	1,681,116
	Pleasant Valley	6,713,304	994,187	3,542,970	1,516,745	659,402	19,785	639,617
	Ladysmith Intermediate	TBD	-	-	-	-	-	TBD
	North Oyster	TBD	-	-	-	-	-	TBD
SEP/CNCP =	Hammond Bay	159,000	132,672	18,135	-	8,193	-	8,193
School	Ladysmith Intermediate	350,000	90,467	383,469	-	123,936	50,396	(174,333)
Enhancement	John Barsby Ph2 HVAC	868,000	9,144	294,168	-	564,688	199,576	365,112
Program/Car	Cedar Secondary HVAC	723,000	39,573	-	-	683,427	465,040	218,387
bon Neutral	LSS Interior Const. Upgrades	420,000	42,694	-	-	377,306	234,916	142,390
Capital	Brechin HVAC	882,000	32,512	-	-	849,488	21,939	827,549
BUS	District - Bus x 2	356,288	-	-	-	356,288	-	356,288
FIP	Woodlands Kitchen	100,000	-	-	-	100,000	629	99,371
Playground	Cilaire	165,000	150,768	-	-	14,232	5,000	9,232
Child Care	Chase River	2,196,213	292,203	1,096,612	850,745	43,347	20,809	(64,156)
	Forest Park	2,123,636	505,560	1,343,209	139,110	135,757	7,005	128,751
	LPS	2,206,255	240,656	666,495	1,106,539	192,565	10,448	182,117
	QQS	1,976,689	17,018	51,515	-	1,908,156	7,767	1,900,389
	Rock City	2,436,717	24,418	60,011	2,105,796	246,492	307,344	(60,852)
	Cilaire	2,698,085	-	-	-	2,698,085	-	2,698,085
	Georgia Ave	2,431,273	432	64,437	-	2,366,404	215,751	2,150,653
	Pleasant Valley	2,838,069	-	-	-	2,838,069	-	2,838,069
	Quarterway	1,073,279	3,651	-	-	1,069,628	-	1,069,628
	Seaview	2,594,173	4,257	10,306	-	2,579,610	33,927	2,545,682
StrongStart	Bayview	34,286	-	-	-	34,286	-	34,286
Project Totals		60,157,933	6,570,533	19,468,408	11,369,814	22,749,178	2,875,057	19,874,121

Note 1: Annual Budget figures are the Total Project COA, less prior year(s) WIP
 Note 2: WIP stands for Work in Progress and represents project expenditures recorded in a prior fiscal year.
 Note 3: COA stands for Certificate of Approval and reflects the current approved funding amount
 Note 4: This list does not include Annual Facilities Grant or Local Capital funded projects
 Note 5: Newly approved 2023/24 Capital Projects are shown in red text

Local Capital Fund:

Long range planning with Local Capital resources, along with current project expenses to September 30th are reflected below:

Local Capital 2023-24						
September 30, 2023						
	Budget 2023-24	Sept 30, 2023 Actuals (Q1)	Balance	Budget 2024-25	Budget 2025-26	4 + Yrs
Revenue						
Deferred Revenue per F/S	4,616,185			2,550,000	1,400,000	-
	4,616,185			2,550,000	1,400,000	-
Operating Fund and/or Accumulated Surplus Transfers						
Transfer necessary to support three-year planning	1,850,000			-	-	-
Technology / Infrastructure Upgrades	850,000			750,000	-	-
Total Transfer from Operating	2,700,000			750,000	-	-
Investment Income	200,000			175,000	175,000	175,000
Total Revenue	7,516,185			3,475,000	1,575,000	175,000
Planned Local Capital Projects						
Board Goal - Continuous improvement in students with complex and unique abilities, Indigenous and overall student population on student achievement						
Equitable Access to Technology (Wi-Fi)	900,000	192,070	707,930			
Technology Plan	850,000	64,468	785,532	250,000	250,000	
Learning Studios	275,000	72,669	202,331	250,000	250,000	
Board Goal - To be a leader in environmental stewardship and sustainability						
Environmental Sustainability	50,000	5,298	44,702	50,000	50,000	
Landscape Sustainability Project	5,000	-	5,000	-	-	
E-Bus	50,000	3,722	46,278	50,000	-	
Outdoor Learning Fund	261,000	18,056	242,944			
Board Goal - Safe, caring and healthy learning and working environment that is inclusive of the diversity of our entire learning community						
Accessibility	50,000	-	50,000	50,000	50,000	
School Enhancement Projects	50,000	-	50,000	50,000	50,000	
Board Goal - Truth and Reconciliation						
Syeyutsus Support	50,000	12,250	37,750	50,000	50,000	
Long Range Facilities Plan (LRFP)						
Vehicle Replacement Program/AMP	650,000	86,328	563,672	300,000	300,000	
District Equipment/Signage	25,000	28,424	3,424	25,000	25,000	
Enrollment Growth Space Needs	750,000	119,469	630,531	500,000	450,000	
School Site Acquisition Fund	50,000	18,898	31,102			
Support of Pending/New Capital Projects	250,000	(15,310)	265,310	100,000	100,000	
Turf Field Reserve Expense	700,000	700,000	-			
LIS/NDSS/Rutherford - Capital Contributions		-	-	400,000		2,500,000
Contingent Reserve	185	-	185			
Total Projects/Expenses	4,966,185	1,306,343	3,659,842	2,075,000	1,575,000	2,500,000
Fund Balance	2,550,000			1,400,000	-	(2,325,000)

Note: The current allocations are subject to change if emergent needs arise

Summary

The District is in a good financial position at the end of the first quarter, however, with only one month of school-based operations recorded the Q1 financial report is not a fulsome reflection of district performance. Notably, since September 30th there have been multiple adjustments to budgeted revenues and expenses which includes a significant increase in funded student enrolment per our 1701 Student Data Collection, as well as the associated staffing expenses. Further, following the Boards approval of the 2022-23 Financial Statements, accumulated operating surplus allocations have now been incorporated into the budget, as well as any year-end balances applicable to our Special Purpose Funds.

The Board will receive a fulsome report with the presentation of the 2023-24 Amended Annual Budget in February.