



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

DATE: November 13, 2024
TO: Business Committee
FROM: Mark Walsh, Secretary-Treasurer and Taunia Sutton, Associate Secretary Treasurer
SUBJECT: 2024-25 First Quarter Financial Report (Q1)

Background

In alignment with Policy 2.21 Financial Planning and Reporting, this information sheet provides the quarterly financial report for the period of July 1, 2024, to September 30, 2024 (Q1). In addition to the district's first quarter financial results verifying that expenses for the period align with planning and that there are no significant areas of concern at this time, comparative information for the prior year is included in order to confirm the results are consistent with expected performance and trends.

Discussion

At September 30th the district has recorded all revenues received and expenses incurred for the first quarter, as well as updated the budget to reflect additional funding since the presentation of the Preliminary Annual Budget in May 2024, along with the corresponding expenses. Note, however that because the 2023-24 Financial Statements are not approved until late September, accumulated operating surplus allocations, and deferred revenues related to Special Purpose Funds were recorded after September 30th so not reflected in Q1.

With respect to revenues received and expenses incurred, at the end of the first quarter the district is 25% through the fiscal year, however, revenues flow to the district pursuant to funding and/or contractual payment schedules, and categories of expenses will vary depending on whether they relate to 10- or 12-month operations. Figures presented within the *Summary of Revenues and Expenses* provide the districts original budgeted figures, updated budget figures at September 30th, and all the associated changes. As well, actual revenues received, and expenses recorded for the period have been included to confirm that results align with targets.

Since the approval of the 2024-25 Annual Budget there have only been two changes of note with regards to revenues at the end of the first quarter which includes an additional \$1.850M for the 1% Cost of Living Wage Adjustment (COLA), and a small reduction to the original estimate for the SkilledTradesBC revenue as available funding under this Program was slightly less than the prior year (\$22K).

Pursuant to the 1% Cost of Living wage adjustment, all expense categories relating to staffing and replacement costs have increased, as have the corresponding benefit costs. There has also been a small decrease to the services and supply budget to account for resources being converted into staffing (Teacher FTE) as well as some shifted to account for escalating replacement costs.

Additional expenses account for the staffing added within the first quarter to support actual student enrolment and needs versus preliminary estimates. Important to note that although the Q1 budget reflects a deficit of \$988K due to the cost of this additional staffing, the supportive revenue flowing from the 1701 Student Data Collection was not recorded until after September 30th thus not represented within Q1. A balanced budget inclusive of all confirmed revenues, expenses and accumulated operating surplus allocations will be presented within the 2024-25 Amended Budget within the second quarter financial report (Q2).

Operating Fund Update:

2024-25 Operating Fund - Summary of Revenues and Expenses						2023-24 Comparator		
	Actuals at Sept 30	2024-25 Amended Budget - Q1	% Collected or Spent	Change	2024-25 Annual Budget	Actuals at Sept 30	2023-24 Amended Budget - Q1	% Collected or Spent
Revenues - Operating								
Ministry of Education Grant	19,613,187	172,671,447	11%	1,849,594	170,821,853	18,135,138	162,329,337	11%
Other Provincial	51,929	366,916	14%	(22,000)	388,916	70,169	260,416	27%
International Student Tuition	1,163,025	5,629,500	21%	-	5,629,500	987,343	5,250,250	19%
Other Revenue	357,224	2,680,601	13%	-	2,680,601	208,272	2,270,724	9%
Rentals & Leases	225,821	670,000	34%	-	670,000	117,711	600,000	20%
Investment Income	349,256	1,000,000	35%	-	1,000,000	367,824	1,100,000	33%
Total Revenues (before LC Transfer and Surplus Allocation)	21,760,442	183,018,464	12%	1,827,594	181,190,870	19,886,457	171,810,727	12%
Expenses - Operating								
Salaries								
Teachers	8,181,039	81,604,774	10%	1,479,706	80,125,068	7,974,699	76,904,082	10%
Administrative Officers	2,562,913	10,699,470	24%	529,891	10,169,579	2,426,596	9,928,961	24%
Education Assistants	1,442,409	13,404,827	11%	168,345	13,236,482	1,220,346	12,191,620	10%
Support Staff	3,170,508	14,636,647	22%	146,894	14,489,753	2,957,544	14,165,758	21%
Other Professionals	1,327,064	5,900,097	22%	(74,488)	5,974,585	1,271,855	5,446,123	23%
Substitutes	545,589	6,732,254	8%	184,346	6,547,908	454,793	5,381,041	8%
Total Salaries	17,229,522	132,978,069	13%	2,434,694	130,543,375	16,305,833	124,017,585	13%
Benefits	3,856,909	34,097,783	11%	598,183	33,499,600	3,679,763	31,728,270	12%
Total Salaries and Benefits	21,086,431	167,075,852	13%	3,032,877	164,042,975	19,985,596	155,745,855	13%
Services & Supplies	3,618,357	17,000,973	21%	(216,922)	17,217,895	3,538,452	16,206,837	22%
Total Expenses	24,704,788	184,076,825	13%	2,815,955	181,260,870	23,524,048	171,952,692	14%
Net Revenue (Expense)	(2,944,346)	(1,058,361)		(988,361)	(70,000)	(3,637,591)	(141,965)	
<i>Restricted Surplus</i>								
<i>Unrestricted Surplus</i>		670,000		-	670,000			
<i>Local Capital/TCA Transfers</i>	(3,177,453)	(600,000)		-	(600,000)	(2,879,366)		
Surplus (Deficit)	(6,121,799)	(988,361)		(988,361)	-	(6,516,957)	(141,965)	-

2024-25 Operating Fund - Summary of Revenue and Expense Changes	
Opening Revenue - Annual Budget	181,190,870
Changes in Revenue	
Labour Settlement Funding for the 1% COLA and Executive Compensation increases	1,849,594
Skilled Trades BC funding adjustment for 2024/25 confirmed enrolment	(22,000)
Total change in Revenue	1,827,594
Closing Revenue - Q1	183,018,464
Opening Expense - Annual Budget	
181,260,870	
Changes in Expense	
Cost of Living Wage increases	1,857,178
Skilled Trades BC expense adjusted	(22,000)
Additional staffing added per enrolment (Revenue to follow 1701 updates in October)	862,657
Other Miscellaneous expense updates	118,120
Total change in Expense	2,815,955
Closing Expense - Q1	184,076,825
Net Revenue Expense - Q1	(1,058,361)
Add Restricted Surplus Appropriation	670,000
Reduce by amount Transferred to Local Capital	(600,000)
Budgeted Surplus(Deficit) - Q1	(988,361)

With regards to the Operating Fund’s financial results at September 30th, the % collected in revenue and % spent under expenses aligns with expected results at this time and compares to results during the same quarter in the prior fiscal year. Although we are watching replacement costs closely, at the end of the first quarter they were on target, but only represent 1/10th of the school year. One item of note under Revenue relates to Rentals and Leases where we are at 34% collected this year and only 20% last year which is due to addition income received for the Election that wasn’t budgeted for.

Special Purpose Fund Update:

Special Purpose funds are separate funding envelopes provided by the Ministry of Education and Child Care or other third-party sources for particular programs, functions, or activities. These individual funds are presented individually under revenue to show the amount of resources applicable to each but consolidated under expenses for financial reporting purposes. If there are unspent resources at the end of a fiscal year within a Special Purpose Fund, districts may be allowed to retain these dollars for use in the next year, pursuant to Ministry approval. In such cases the deferred revenue is added into budget in the Fall, following approval of the Financial Statements. Due to timing, the first quarter financial report does not reflect these additional resources, they were added to budget in early October and will be presented within the Amended Budget.

Since the approval of the 2024-25 Preliminary Annual Budget there have only been a few small changes to the Special Purpose Funds which are reflected below:

2024-25 Special Purpose Funds - Summary of Revenues and Expenses						2023-24 Comparator		
	Actuals at Sept 30	2024-25 Amended Budget - Q1	% Collected or Spent	Change	2024-25 Annual Budget	Actuals at Sept 30	2023-24 Amended Budget - Q1	% Collected or Spent
Revenues - Special Purpose								
Annual Facilities Grant	260,791	555,746	47%	-	555,746	346,189	555,746	62%
Learning Improvement Fund	64,429	604,087	11%	(8)	604,095	58,562	604,136	10%
French Programs	10,162	228,820	4%	-	228,820	25,881	373,820	7%
Ready Set Learn	-	68,600	0%	2,450	66,150	9	66,150	0%
Strong Start	30,254	256,000	12%	-	256,000	28,593	256,000	11%
Community Link	281,067	2,630,683	11%	21,173	2,609,510	281,440	2,542,371	11%
Classroom Enhancement Fund	1,563,959	14,539,319	11%	-	14,539,319	1,373,547	12,412,842	11%
CR4YC	400	11,250	4%	-	11,250	-	11,250	0%
Mental Health	9	51,000	0%	-	51,000	7,392	51,000	14%
BCTEA Transportation Fund	-	-	0%	-	-	-	-	0%
ECE Dual Credit/Health Dual Credit	12,237	76,000	16%	-	76,000	3,051	29,000	0%
Seamless D-K	497	55,400	1%	-	55,400	8,133	55,400	15%
SEY2KT	-	19,000	0%	-	19,000	-	19,000	0%
Student Family Affordability Fund	2,873	-	0%	-	-	4,368	-	0%
ELCCCF	37,307	175,000	21%	-	175,000	45,254	175,000	26%
Feeding Futures Fund	118,488	1,665,804	7%	-	1,665,804	41,065	1,663,981	0%
School Age Child Care Space Expansion	3,954	360,000	1%	-	360,000	-	-	0%
School Generated Funds	528,434	2,720,000	19%	-	2,720,000	479,494	2,705,000	18%
Other Misc./Deferred Revenue	103,829	148,000	70%	980	147,020	15,833	59,208	27%
Total Special Purpose Revenue	3,018,690	24,164,709	12%	24,595	24,140,114	2,718,811	21,579,904	13%
Expenses - Special Purpose								
Salaries								
Teachers	1,088,373	10,860,283	10%	4,981	10,855,302	933,700	9,342,685	10%
Administrative Officers	102,067	456,820	22%	11,663	445,157	111,190	425,977	26%
Education Assistants	279,987	2,563,232	11%	(6,819)	2,570,051	274,341	2,497,227	11%
Support Staff	53,727	375,141	14%	(9,714)	384,855	80,173	426,175	19%
Other Professionals	48,433	335,167	14%	(10,275)	345,442	27,223	109,349	25%
Substitutes	54,549	646,324	8%	1,363	644,961	40,240	596,095	7%
Total Salaries	1,627,136	15,236,967	11%	(8,801)	15,245,768	1,466,867	13,397,508	11%
Benefits	414,887	3,895,293	11%	14,071	3,881,222	354,117	3,343,974	11%
Total Salaries and Benefits	2,042,023	19,132,260	11%	5,270	19,126,990	1,820,984	16,741,482	11%
Services & Supplies	976,667	5,032,449	19%	19,325	5,013,124	897,827	4,838,422	19%
Total Special Purpose Expenses	3,018,690	24,164,709	12%	24,595	24,140,114	2,718,811	21,579,904	13%
Fund Variance	-	-		-	-	-	-	

2024-25 Special Purpose Fund - Summary of Revenue and Expense Changes	
Opening Revenue - Annual Budget	24,140,114
Changes in Revenue	
Community LINK increase per funding update June 2024	21,173
Ready Set Learn funding confirmed Aug 2024	2,450
Other miscellaneous adjustments	972
Total changes in Revenue	24,595
Closing Revenue - Q1	24,164,709
Opening Expense - Annual Budget	24,140,114
Changes in Expense	
Community LINK increase per funding update June 2024	21,173
Ready Set Learn funding confirmed Aug 2024	2,450
Other miscellaneous adjustments	972
Total changes in Expense	24,595
Closing Expense - Q1	24,164,709

With regards to the Special Purpose Fund financial results at September 30th, the % collected in revenue and % spent under expenses aligns with expected results at this time, and compares to results during the same quarter in the prior fiscal year.

Staffing Update:

Changes in Staffing since the Preliminary Annual Budget are reflected in the table below, presented under the Operating Fund, the Indigenous Education Target, and Special Purpose Funds:

2024-25 Amended Budget (Q1) Summary of Staffing Changes - All Funds				
Staffing Category	Op. Fund	Indigenous Target	SP Funds	Total FTE
Administrative Officers				
Addition of 1 VP for Dover Bay Secondary	1.000			1.000
Indigenous Ed position changed from Director to District Principal		1.000		1.000
Totals	1.000	1.000	-	2.000
Teachers				
VP added to Dover with .50 FTE Teaching Time (Now AO Staffing)	(0.500)			(0.500)
Additional staffing per enrolment Elementary Divisions/Secondary FTE	6.564			6.564
Totals	6.064	-	-	6.064
Education Assistants				
Seamless Day K correction to FTE to align with Funding			(0.063)	(0.063)
School Age Child Care Grant - EA/RA placeholder staffing moved to Operating Fund			(0.857)	(0.857)
Actual Staffing added to Operating for Child Care needs	0.427			0.427
Feeding Futures Fund increase of 5 hrs EA time for Wellington Cafeteria			0.143	0.143
Totals	0.427	-	(0.777)	(0.350)
Other Professionals				
Indigenous Ed position changed from Director to District Principal		(1.000)		(1.000)
Totals	-	(1.000)	-	(1.000)
Total All Categories	7.491	-	(0.777)	6.714

As previously noted, additional staffing along with the associated expense were added to the budget to support student enrolment in August and September, leaving the budget in a temporary deficit. However, this is only due to timing as the offsetting revenue that will flow to the district per the 1701 Student Data Collection will be confirmed in December and reflected in Q2.

The net staffing change in the Indigenous Education Target Budget is zero as it relates to a reclassification of the lead position. This was noted within the Annual Budget presentation as recruitment was underway and the classification of the position was subject to the hiring.

The small shift in EA staffing under the Special Purpose Funds was to update budgets with actual staffing applicable to each Fund since the estimates placed into the Preliminary Annual Budget. Although it appears that EA hours have been reduced, this is not the case, a substantial amount of EA staffing has been added but is not reflected in the first quarter financial report due to timing.

Changes in FTE - 24/25 Annual Budget vs. 24/25 Annual Budget @ Q1									
Staffing Category	24/25 Annual Budget			Change			24/25 Q1		
	Op	SPF	Total	OP	SP	TOTAL	Op	SPF	Total
Teachers	807.067	110.983	918.050	6.064	-	6.064	813.131	110.983	924.114
Admin Officers	68.100	2.900	71.000	2.000	-	2.000	70.100	2.900	73.000
Education Assistants	282.035	52.310	334.345	0.427	(0.777)	(0.350)	282.462	51.533	333.995
Support Staff	239.775	28.606	268.381	-	-	-	239.775	28.606	268.381
Other Professionals	51.500	6.500	58.000	(1.000)	-	(1.000)	50.500	6.500	57.000
Total FTE	1,448.477	201.299	1,649.776	7.491	(0.777)	6.714	1,455.968	200.522	1,656.490

Investment Update:

The district’s total investments are summarized below:

Investment	Purchase Date	Rate	Total Investment
Central Deposit Program (CDP)	historical balance	4.45%	8,322,329 [1]
Coast Capital Savings - GIC - 4 year fixed	03-Nov-22	5.45%	4,000,000
Coast Capital Savings - GIC - 18 month fixed	03-Jul-24	5.25%	2,947,122
Coast Capital Savings - GIC - 12 month fixed	03-Jul-24	5.25%	1,000,000

[1] - the current rate is 3.95% as a result of the rate decrease of 0.50% on October 23, 2024

In July 2024, the 1 year cashable after 90 days First West Credit Union GIC matured and was reinvested into a 12- and 18-month fixed rate GIC. Given the expectation that rates were going to decrease, this was a way to lock in funds at a higher rate while creating a ladder investment strategy where the GIC’s mature at differing times over the next couple of years.

Since June 2024, interest rates have decreased 1.25%. As a result, the Investment Income revenue budget within the 2024-25 Operating Fund has been reduced by \$350K in order to ensure we are accounting for the faster than anticipated rate decline, as well as to capture the fact that the interest earned on the fixed investments will not be paid out until the GIC’s mature in subsequent fiscal years. Note that this adjustment was done in early October so not reflected within this first quarter financial report. Leading up to the 2024-25 Amended Budget presentation in early February, we will continue to monitor rates to determine if additional adjustments are required.

Capital Fund Update:

Pursuant to required Capital Plan submissions, which include details on district priorities, Ministry of Education and Child Care approves selected projects on an annual basis. Projects fall under multiple categories that include site acquisition, new school construction, school additions or renovations as well as various capital programs for expansions, seismic mitigation, risk management services, bus purchases and maintenance to extend the useful life of school buildings and enhance playground facilities.

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

2024-25 Capital Budget - Revenue/Expense Schedule										
2024-09-30 (Q1)										
Capital Projects		Total Project COA	WIP Yr. 1	WIP Yr. 2	WIP Yr. 3	WIP Yr. 4	2024/25 Annual Budget	2024-25 Expenses at Sept 30 (Q1)	Balance Remaining	
School Addition	Hammond Bay	11,277,098	1,955,466	5,337,659	3,358,037	740,451	-	114,515	26,342	(140,857)
	Ladysmith Primary	TBD	-	-	-	-	-	-	-	TBD
	Chase River	7,500,000	-	-	-	-	-	7,500,000	-	7,500,000
	Wellington	9,000,000	-	-	-	-	-	9,000,000	-	9,000,000
School Reno	Dover Bay	2,344,274	360,925	1,369,299	141,780	-	-	472,270	-	472,270
	BEP = Building	Forest Park	1,150,000	6,132	12,209	3,400	2,707	1,125,553	9,599	1,115,954
Envelope Program	John Barsby	740,000	6,947	8,341	70	2,626	-	722,016	8,177	713,839
	LIS	33,000	6,495	18,588	33	16	-	7,869	-	7,869
	Mountain View	2,338,000	9,694	20,812	241	2,250,303	-	56,950	(9,168)	66,118
	NOE	1,322,000	4,722	29,911	853,879	379,783	-	53,705	20,998	32,707
Seismic	Pleasant Valley	6,713,304	994,187	3,542,970	1,516,745	39,823	-	619,580	28,750	590,830
	LIS	TBD	-	-	-	-	-	-	-	TBD
	North Oyster	TBD	-	-	-	-	-	-	-	TBD
SEP/CNCP = School Enhancement Program/Carbon Neutral Capital Program	Hammond Bay	159,000	132,672	18,135	-	-	-	8,193	-	8,193
	Cedar Sec. HVAC	723,000	39,573	634,191	-	-	-	49,236	109,484	(60,248)
	Brechin HVAC	882,000	32,512	697,051	-	-	-	152,437	167,263	(14,826)
	Rutherford Interior	898,200	-	-	-	-	-	898,200	1,193	897,007
	John Barsby Interior	514,573	-	-	-	-	-	514,573	2,385	512,188
	Randerson HVAC	678,000	47,813	-	-	-	-	630,187	343,940	286,248
BUS	District - Bus x 3	505,950	-	-	-	-	-	505,950	-	505,950
	Woodlands Kitchen	35,000	14,448	-	-	-	-	20,552	3,839	16,714
	Mountain View	195,000	-	-	-	-	-	195,000	-	195,000
Child Care	Chase River	2,382,824	292,203	1,096,612	850,745	40,962	-	102,302	3,269	99,033
	QQS	1,976,689	17,018	51,515	600,806	-	-	1,307,350	341,191	966,158
	Cilaire	2,698,085	-	-	-	-	-	2,698,085	4,044	2,694,041
	Georgia Ave	2,431,273	432	64,437	2,098,938	-	-	267,466	307,276	(39,810)
	Pleasant Valley	2,838,069	-	-	-	-	-	2,838,069	-	2,838,069
	Quarterway	1,994,355	3,651	8,556	-	-	-	1,982,148	-	1,982,148
	Seaview	2,594,173	4,257	10,306	50,442	-	-	2,529,168	-	2,529,168
Project Totals		63,923,867	3,929,147	12,920,591	9,475,116	3,456,671	34,142,342	1,368,580	32,773,762	

- 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

Local Capital Fund Update:

Local Capital is mainly funded by transfers from the Operating Fund, as well as from the district’s portion of the sale of any surplus properties if applicable. Pursuant to long-range and multi-year planning, transfers from the Operating Fund are necessary to cover capital expenses not funded by the Ministry of Education and Child Care for items such as technology, vehicles, portable refurbishment and relocation, school site enhancements, and district equipment.

The district’s updated Local Capital Project Schedule is reflected below, along with the total spent in each project to September 30th. Note that if emergent needs arrive, allocation are subject to shift as necessary.

Local Capital 2024-25					
<i>September 30, 2024</i>					
Revenue	Budget 2024-25	Sep 30 2024 Actuals (Q1)	Balance	Budget 2025-26	Budget 2026-27
Deferred Revenue per Financial Statements	4,210,696			3,635,696	2,275,000
Operating Fund and/or Accumulated Surplus Transfers					
Transfer necessary to support three-year planning	2,250,000			500,000	2,000,000
Technology / Infrastructure Upgrades	750,000			500,000	500,000
Unrestricted Surplus Allocations (Capital)	290,000				
Total Transfer from Operating	3,290,000			1,000,000	2,500,000
Investment Income	225,000			150,000	100,000
Total Revenue	7,725,696			4,785,696	4,875,000
Planned Local Capital Projects					
Board Goal - Student Success					
Equitable Access to Technology (Wi-Fi)	500,000	103,488	396,512	500,000	500,000
Technology Plan	750,000	229,194	520,806	750,000	750,000
Learning Studios	300,000	124,692	175,308	250,000	250,000
Enrollment Growth Space Needs	700,000	225,703	474,297	300,000	300,000
Outdoor Learning Fund	200,000	52,583	147,417	35,696	-
Board Goal - Student and Employee Wellness					
Accessibility	75,000	-	75,000	75,000	75,000
Environmental Upgrades	40,000	-	40,000	-	-
School Enhancement Projects	300,000	14,032	285,968	100,000	100,000
Board Goal - Truth and Reconciliation					
Syeyutsus Support	-	-	-	-	-
Long Range Facilities Plan (LRFP)					
E-Bus	-	-	-	-	-
Vehicle Replacement Program/AMP	425,000	100,763	324,237	300,000	300,000
District Equipment/Signage	-	-	-	-	-
School Site Acquisition Fund	-	-	-	-	-
Support of Pending/New Capital Projects	200,000	10,463	189,537	100,000	100,000
Residual Prior Yr. Project Expense	-	-	-	-	-
LIS/NDSS/Rutherford - Capital Contributions	600,000	-	600,000	100,000	2,500,000
Total Projects/Expenses	4,090,000	860,917	3,229,083	2,510,696	4,875,000
Fund Balance	3,635,696			2,275,000	0

Summary:

At the end of the first quarter there are no financial concerns of note and district operations are as expected, however, with only one month of school-based operations recorded in Q1, it 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. In addition, following the Board’s approval of the 2023-24 Audited Financial Statements late September, the accumulated operating surplus allocations as well as the year-end balances applicable to our Special Purpose Funds were added to budget subsequent to the end of the first quarter so not reflected in this report.

The second quarter financial report in February will provide a complete accounting and reporting of the confirmed and re-estimated revenues and expenses applicable to the 2024-25 school year, all of which will be incorporated into the district’s Amended Annual Budget.