

For the Year Ended June 30, 2024

# FINANCIAL STATEMENT DISCUSSION & ANALYSIS

*Learning for a Lifetime*



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# INTRODUCTION

## **INTRODUCTION**

This Financial Statement Discussion and Analysis document should be read in conjunction with the audited financial statements and accompanying notes for School District 43, Coquitlam for the year ended June 30, 2024.

The purpose of this report is to highlight information and provide explanations to enhance the reader's understanding of the school district's audited financial statements and the significant events and factors that influenced the financial results presented in these statements.

*This report consists of the following sections:*



### **INTRODUCTION**

*Background information about the school district and the Board's Strategic Plan, Directions 2025*



### **HIGHLIGHTS**

*Summary of financial results and significant events, including enrolment and staffing*



### **FINANCIALS**

*Summary of the district's financial performance and variance analysis of key performance indicators*



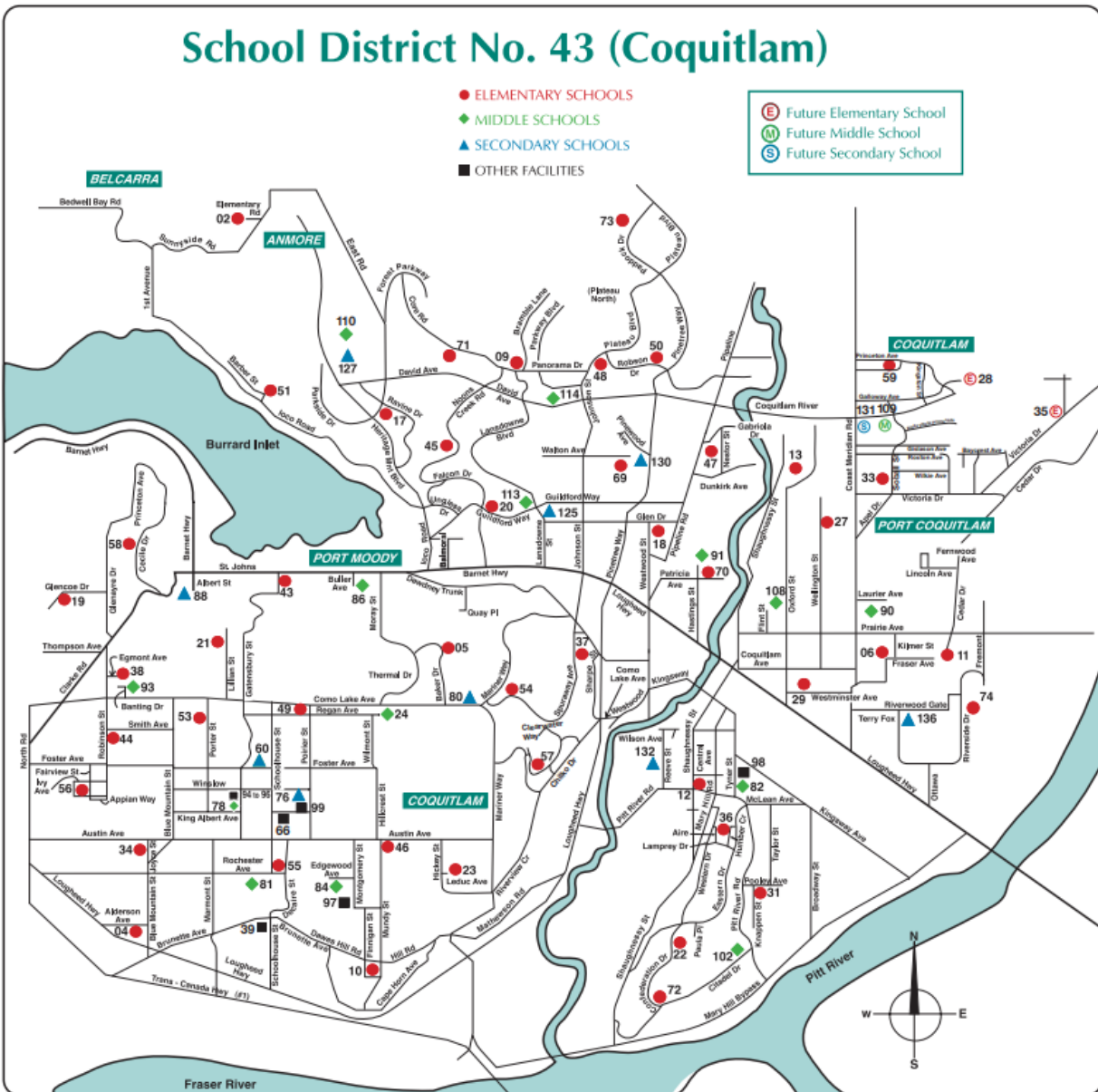
### **RISK & UNCERTAINTY**

*Explanation of the district's enterprise risk management framework*

A separate document, '*Guide to Financial Statements*', has been developed to assist users of school district financial statements with their understanding of the information provided.

## DISTRICT OVERVIEW

As the third largest school district in B.C., SD43 meets the learning needs of approximately 33,300 students of all ages in Coquitlam, Port Coquitlam, Port Moody, Anmore, and Belcarra. The district employs approximately 4,400 employees, including approximately 2,700 teachers.



SD43 provides K-12 education in 47 elementary schools (kindergarten-grade 5), 14 middle schools (grades 6-8), 9 secondary schools (grades 9-12) and 5 alternate education programs. The district delivers a wide range of specialized education programs and services including:

- Indigenous Education
- Alternate Education
- Artists for Kids
- Band and Strings
- Career & Trade Programs
- Community Hubs & Schools
- Core French
- French Immersion
- English for Adult Learners
- Gifted Programs
- International Bacculaureate
- International Education
- Montessori
- Mandarin Bilingual
- Online Learning
- Reggio-influenced Program
- Summer Learning



## VISION

Increasing Success in Life for All

## MISSION

Our mission is to ensure quality learning opportunities for all students of all ages.

## PURPOSE

The Board of Education accepts its responsibility to provide a quality and equitable public education for the success of all learners, within the limits and resources available.

# CORE BELIEFS AND PRINCIPLES

### The Board of Education believes in:

- Public Education and the need to advocate on its behalf
- Instilling a passion for learning
- Learners as the most important focus
- High quality and equitable learning opportunities
- Innovation, creativity, problem solving, critical thinking and sustainability
- The essential value of District/Community/Global Partnerships
- Safe, inclusive and socially responsible learning communities

### The Board of Education is committed to:

- Creating a culture of care and shared responsibility where every learner matters
- Engaging and empowering lifelong learners
- Providing flexible, integrated, diverse, and active learning environments
- Developing shared leadership through innovative, sustainable professional learning

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# DIRECTIONS 2025

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## Strategic Goals and Objectives



For more information regarding the *Directions 2025* Strategic Plan, click [here](#).

## ***Aligning Budget Planning & Resource Allocation with Directions 2025***

The District is committed to a model of transparent budget planning and resource allocation that is directly aligned with our strategic vision and goals, *Directions 2025*, established by the Board.

It is a consultative model that coordinates budget planning and resource allocation activities with inclusive stakeholder consultation and feedback. The model includes:

- Articulating *Directions 2025*
- Providing timely and accurate budget information
- Receiving budget input and feedback
- Prioritizing budget requests for the upcoming budget year
- Allocating available resources to best meet requests that align with the vision, goals and objectives
- Communicating the outcomes effectively for transparent accountability

The model will ensure that budget input and resource allocation is connected to and aligned with the *Directions 2025* vision, goals and objectives and drives the district's operational plan for the year.

### ***Budget Process***

The *School Act* (Sec 113) requires that school districts submit a balanced budget to the Ministry of Education and Child Care by June 30 each year. SD43 starts the budget process in early January with a formal consultation engagement and completes the process by the end of April with the approval of the preliminary budget. The primary reasons that the SD43 budget must be approved by the end of April are that staffing levels need to be finalized by this date so that schools can be most effectively and efficiently organized and staffed for the following school year. Furthermore, both the teacher and support staff collective agreements stipulate notification periods to meet certain staffing related provisions.

### ***Budget Implementation, Monitoring, and Reporting***

Once the preliminary budget is approved, it is continuously updated for known changes in estimates, updated grant funding, and current information on trends impacting the District's financial operations. These changes are consolidated into the amended budget (required by the Ministry) which requires Board approval and submission by February 28<sup>th</sup> of the fiscal year.

The District has established administrative procedures and controls with respect to budget implementation and reporting based on best practices. In adherence to these requirements, the Board allows management the appropriate flexibility to make the financial changes necessary to meet the unforeseen operational needs of the district and to fully maximize its financial resources.

Financial updates are presented to the board at least quarterly. These updates include a high-level summary of the budget and actuals-to-date, significant financial variances, or changes from the previous quarter, staffing changes, financial risk elements, and any other information that informs the Board in performing their governance duties. At the end of the fiscal year (June 30), management prepares a financial statement discussion and analysis report (FSD&A) in addition to the annual financial statements. The FSD&A includes detailed explanations on variances between the budget and actual financial results.



# Budget Planning Cycle

## PRELIMINARY

**NOVEMBER**

Board approves the budget  
Consultation process and timeline.

**MID-FEBRUARY**

SD43 submits an estimate of next school year FTE student enrolment to the Ministry of Education and Child Care.

**FEBRUARY / MARCH**

Budget Department leads the development of staffing, school, and departmental estimates for the next school year, incorporating Board priorities.

**APRIL**

Draft preliminary budget and documented assumptions are presented to the Board and public for comment.

**JUNE**

The *School Act* requires that the Board must pass a balanced budget before June 30<sup>th</sup> each year.

**JANUARY / FEBRUARY**

Board Budget Consultation Process – District Partner Groups (CTA, CUPE, CPVPA and DPAC) are invited to present their budget priorities for the next school year.

**FEBRUARY**

Special Public Meeting for partner groups and interested parties to provide input into the Preliminary Budget

**MID MARCH**

Ministry releases preliminary operating grant revenue estimates for the next school year.

**MAY**

New budget upload into Finance system and budget decisions implementation planning initiated.

## AMENDED

**DECEMBER**

Ministry confirms operating grant revenue based on September actual enrolment counts.

**SEPTEMBER / OCTOBER**

Financial plans are updated to capture September actual enrolment outcomes.

**FEBRUARY 28**

Board must adopt an amended annual budget for the current school year.

# HIGHLIGHTS

# FINANCIAL HIGHLIGHTS: CONSOLIDATED SUMMARY

## Overview

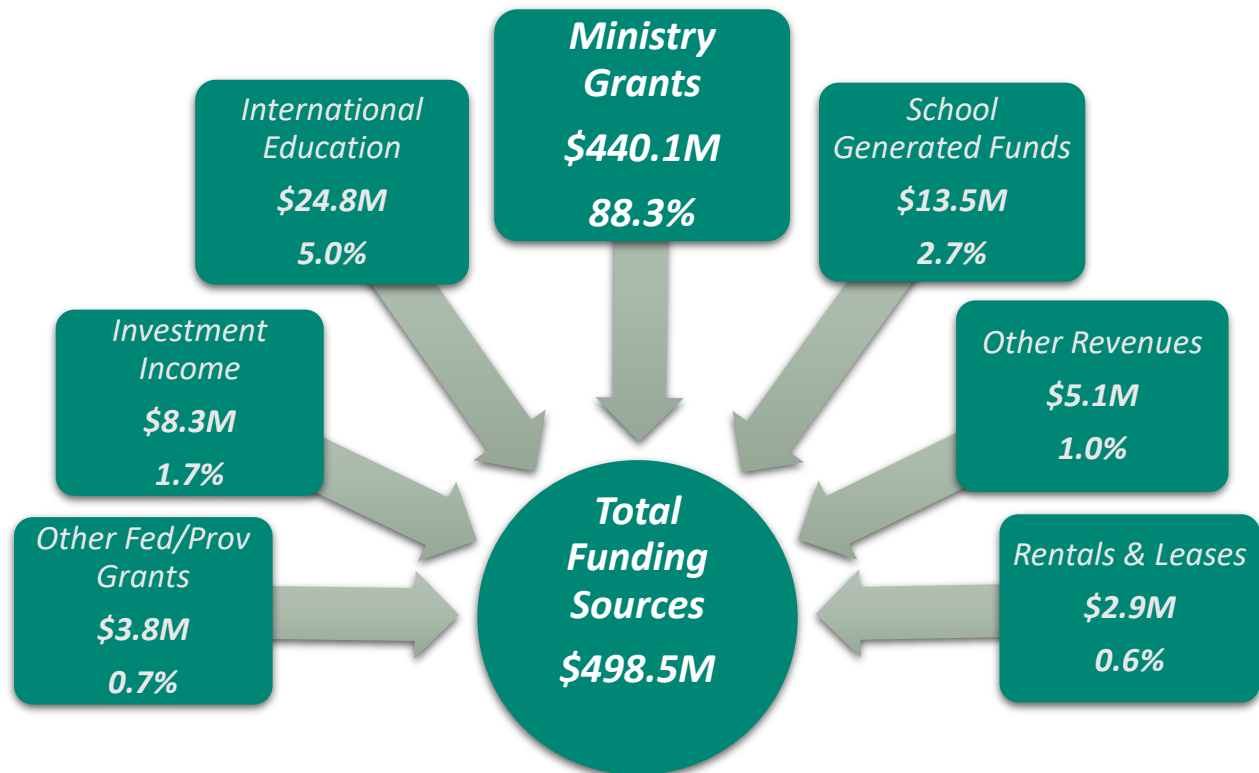
Below are the financial highlights for School District No. 43 Coquitlam’s fiscal year ending June 30, 2024. The highlights provide a breakdown of the district’s consolidated results including funding sources, expenditures, and surplus for the fiscal year. The consolidated results are inclusive of all three funds (Operating, Special Purpose, and Capital). An overview of each fund is provided in the subsequent pages along with significant events and factors that influenced each fund’s financial results.

## Funding Sources

The diagram below illustrates the different funds that comprise the school district’s consolidated funding sources totaling \$498.5 million. All school districts operate under the provincial government, and as such, the largest portion of the school district’s funding sources comes from the Ministry of Education and Child Care (MECC) for a total of \$440.1 million or 88.3% of the overall funding.

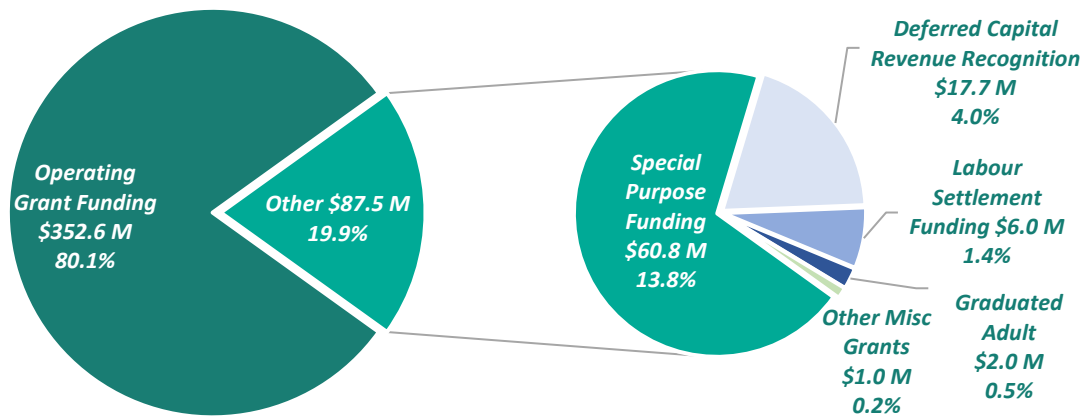
In addition to the Ministry grant funding, the district also supplements its funding from other sources such as its International Education programs, school generated funds held at the school level for activities that directly impact students, investment income earned from deposits held in GICs and the Central Deposit Portal, facility and childcare space rentals from community users, and other federal and provincial grants. Other revenues include BC Hydro and Fortis energy rebates, municipal fee refunds, administrative recoveries from federally funded programs, and various other sources.

### 2023/24 Funding Sources



The diagram below illustrates the different Ministry grant types. The largest portion of funds came from the operating grant totaling \$352.6 million or 80.1% of the overall ministry grants. The final Ministry operating grant overview can be found in [Appendix B](#), which provides details on the various enrolment categories, funding levels, and supplemental grants. The Ministry grant funding also includes special purpose or targeted grants, recognition of deferred capital revenue from the Ministry, and a labour settlement grant. Other miscellaneous grants totalling \$1.0 million include funding for Pay Equity, NGN Self-Provisioned Site, FSA Monitoring, Indigenous Youth Summit, DELF and a transportation supplement.

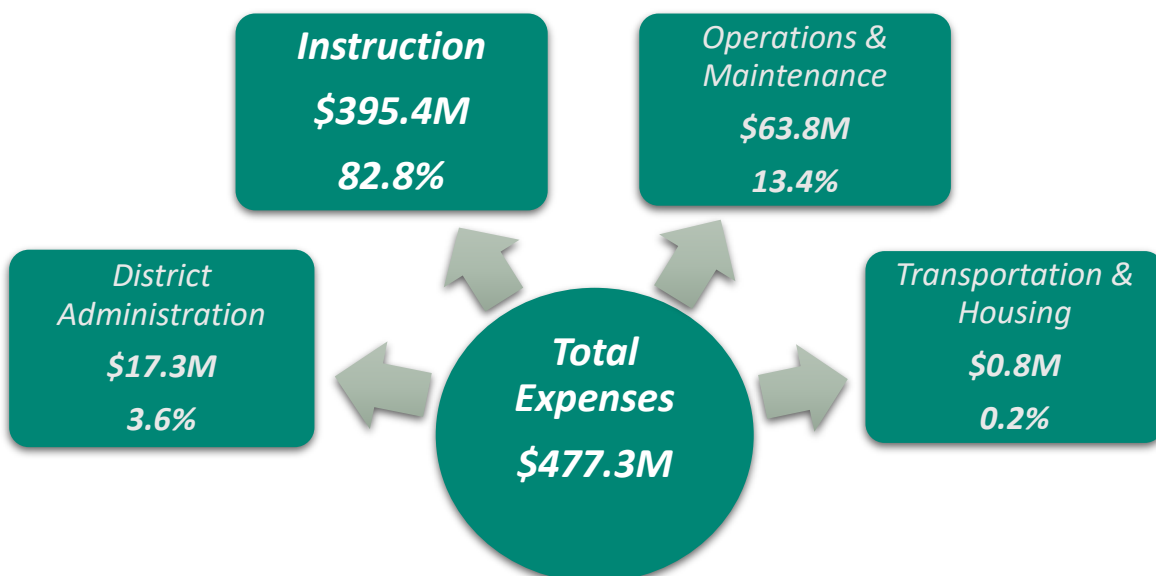
### 2023/24 Ministry Grant Funding \$440.1 million



### Expenditures

The diagram below illustrates the school district's expenses by function totalling \$477.3 million. The largest expense category is Instruction of Students totaling \$395.4 million or 82.8% of the overall expenses. The balance of expenditures incurred relate to operations and maintenance, district administration, and student transportation.

### 2023/24 Expenses by Function



## Consolidated Surplus

On a consolidated basis, the district generated a surplus of \$21.18 million, net of fund transfers. The table below details the consolidated surplus generated by each fund type (Operating, Special Purpose, and Capital).

Summary by Fund	Operating	Special Purpose	Capital	Total
	(in millions of dollars)			
Funding Sources	\$395.87	\$79.10	\$23.53	\$498.50
Expenses	\$377.04	\$79.10	\$21.18	\$477.32
Surplus/(Deficit)	\$18.83	\$0.00	\$2.35	\$21.18
Fund Transfers	(\$9.16)	\$0.00	\$9.16	\$0.00
<b>Surplus/(Deficit), Net of Transfers</b>	<b>\$9.67</b>	<b>\$0.00</b>	<b>\$11.51</b>	<b>\$21.18</b>

Note: The Operating fund surplus of \$9.67 million excludes prior year surplus appropriation.

## Operating Surplus

The 2023/24 operating surplus totaled \$9.67 million, net of fund transfers. This amount is then adjusted for prior year budgeted surplus usage of \$3.75 million, and carryforward usage of \$0.50 million, resulting in an adjusted operating surplus amount of \$13.92 million. This adjusted surplus amount is then restricted per the Accumulated Operating Surplus policy. An overview of the surplus restrictions is summarized below, with further details provided in the Accumulated Surplus Operating Fund section found [here](#).

### Surplus Allocation to Future Budgets \$3.75M

- Allocated equally over subsequent three fiscal years (excluding the immediately following year), supporting student success

### Carryforward Balances (decrease due to usage)

- Unspent school allocated budgets and targeted funds are restricted for subsequent year

### Education Stabilization Reserve (fully funded )

- Reserved for unusual or unexpected expenses in a given fiscal year

### Staffing Stabilization Reserve \$1.0M

- Reserved for extenuating staffing circumstances, typically during school start up

### Remaining Surplus \$9.17M

- Business Systems Initiatives \$4.0M
- School Based Capital Initiatives \$3.17M
- Contingency to mitigate future benefit cost uncertainties \$2.0M

## Highlights by Fund

An overview of highlights and events that impacted each of the Operating, Special Purpose and Capital funds are provided in the following pages.



**Operating Fund** includes Ministry grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation. The significant factors that contributed to our realized surplus are summarized below:

- Ministry enrolment-based grant funding was higher due to increased February and May enrolment
- International Education revenue was better than anticipated due to conservative budgeting practices and confirmation of second semester enrolment
- Rental revenues were higher due to increased bookings from our community user groups, and community school facility rentals from before and after school programs
- Investment income was higher due to continued higher interest rates
- Salaries and benefits were lower for Support Staff, Education Assistant, and specialized Teacher staffing groups due to staff turnover and hiring replacements, unfilled vacancies and unpaid leaves
- Services and supplies expenses incurred were lower than expected for schools and departments

2023/24 Operating Fund Surplus	Budget	Actual	Surplus
	(in millions of dollars)		
<b>Revenues:</b>			
Ministry Grant Funding	\$360.25	\$361.70	\$1.45
International & Continuing Ed Tuition	\$19.40	\$24.84	\$5.44
Rentals & Leases	\$2.11	\$2.54	\$0.43
Investment Income	\$3.43	\$6.27	\$2.84
Other Revenue	\$0.51	\$0.52	\$0.01
<b>Total Revenues</b>	<b>\$385.70</b>	<b>\$395.87</b>	<b>\$10.17</b>
<b>Expenses:</b>			
Salaries & Benefits	\$350.59	\$344.30	\$6.29
Services & Supplies	\$35.36	\$32.74	\$2.62
<b>Total Expenses</b>	<b>\$385.95</b>	<b>\$377.04</b>	<b>\$8.91</b>
Fund Transfers	(\$3.50)	(\$9.16)	(\$5.66)
<b>Surplus/(Deficit), Excluding Surplus Usage</b>	<b>(\$3.75)</b>	<b>\$9.67</b>	<b>\$13.42</b>
Prior Year Surplus Usage (Budgeted)	\$3.75	\$3.75	\$0.00
Prior Year Surplus Usage (Carryforwards)	\$0.00	\$0.50	\$0.50
<b>Surplus/(Deficit), Including Surplus Usage</b>	<b>\$0.00</b>	<b>\$13.92</b>	<b>\$13.92</b>



**Special Purpose Fund** includes separate, identifiable funds designed for a specific use or program. These funds are received from the Ministry and other sources with restrictions on how these funds may be spent. Special Purpose Funds (SPF) consist of targeted funding allocated to school districts for a specific purpose. SPFs are made up of approximately 25 different funds and a full description of each of the funds is described in [Appendix A](#).

One of the more significant funds included in the special purpose classification is the Classroom Enhancement Fund (CEF). This fund was originally established in 2017 as an outcome of the restored teacher collective agreement pertaining to the class size and composition language. The funding is provided through a Ministry of Education and Child Care grant to cover related staffing, overhead and remedy costs.

The Ministry of Education and Child Care announced a new multi-year Feeding Futures School Food Program which allocated a total of \$3.5 million to the district for the 2023-24 fiscal year. These funds are targeted to help increase food security for students by expanding or creating food programs.

In March of 2024, the Ministry of Education and Child Care announced additional funding for the Student Family and Affordability Fund. A total of \$861,000 was allocated to the district to further support parents and guardians of K to 12 students with affordability concerns.



**Capital Funds** includes a combination of Ministry capital grants, locally generated funds, and school site acquisition charges collected from developers through local municipalities. These funds are used for facility operations including construction, enhancement, maintenance of buildings and fields, infrastructure, and land purchases for future school development.

Funding for capital expenditures is sourced primarily through the Ministry of Education and Child Care with incremental funding provided through locally generated capital funds. Over the past few years, there has been a trend requiring school districts to contribute greater amounts towards major capital projects.

During the year, the district transferred a total of \$9.16 million from the operating fund to the capital fund. Of this amount, \$6.14 million was for tangible capital assets purchased (computer hardware, furniture, equipment, and vehicles), and \$3.02 million was for local capital primarily to address additional space requirements due to enrolment growth. The local capital transfers included \$0.61 million for various school-based projects, \$0.41 million for facilities and maintenance vehicles, \$1.0 million for the purchase of 2 portables, and an additional \$1.0 million to refurbish and relocate existing portables.

In October 2023, the school district experienced the devastating loss of Hazel Trembath Elementary school in a fire. As a result of this complete loss, the students and staff were relocated to the Winslow site. As this is an extraordinary event, the district is working closely with the insurance provider on replacing lost items and resources required for the school at the Winslow site. Staff are also working closely with the Ministry on determining future plans and providing support to the Hazel Trembath school community.

### **Major Capital Developments in Progress**



## ENROLMENT AND STAFFING

As mentioned earlier, the school district operations are funded primarily through the Operating Grant received from the Ministry of Education and Child Care. The Operating Grant is based on student enrolment and includes supplementary funding for students with special needs, English language learners, indigenous education, newcomer refugees, and other grants based on demographic and geographic factors.

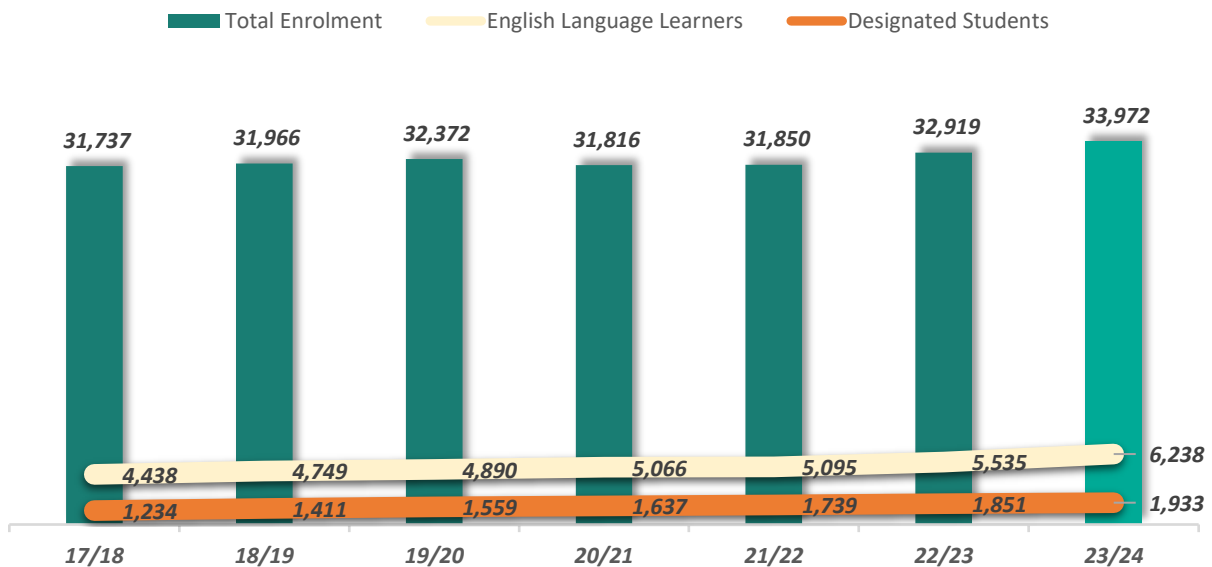
Enrolment projections are initially submitted in February and are used to prepare the Preliminary Budget as well as to determine initial staffing levels. The actual enrolment count occurs in September and subsequently is confirmed by the Ministry in December. The confirmed enrolment count is then used as the basis for preparing the revised budget, referred to as the Amended budget. There are also two additional counts that occur in February and May, and these are to update funding counts for online learning, continuing education, special needs, and newcomer refugees.

### Enrolment

Enrolment increased from prior year by 1,053 FTE of which 947 FTE of the increase was from school aged enrolment. The enrolment was higher at the standard school levels due to increased immigration levels resulting in unprecedented growth of International Funding Eligible students. These are students who are primarily the children of parents who receive work permits or study permits. The 2023/24 total enrolment of 33,972 FTE is comprised of the following enrolment counts: September 2023 total of 32,622 FTE, July 2023 (Summer Learning) total of 661 FTE, February 2024 total of 569 FTE, and May 2024 total of 120 FTE.

Students with designations, primarily in Level 2, have increased by 82 FTE. English Language learners increased significantly by 703 FTE from prior year corresponding to the increase in International Education Funding eligible students. Refer to [Appendix B](#) for complete details of student enrolment and MECC funding. The chart below illustrates the district’s annual full-time equivalent (FTE) enrolment from fiscal years 2017-18 to 2023/24.

### Student Funding Equivalent Enrolment

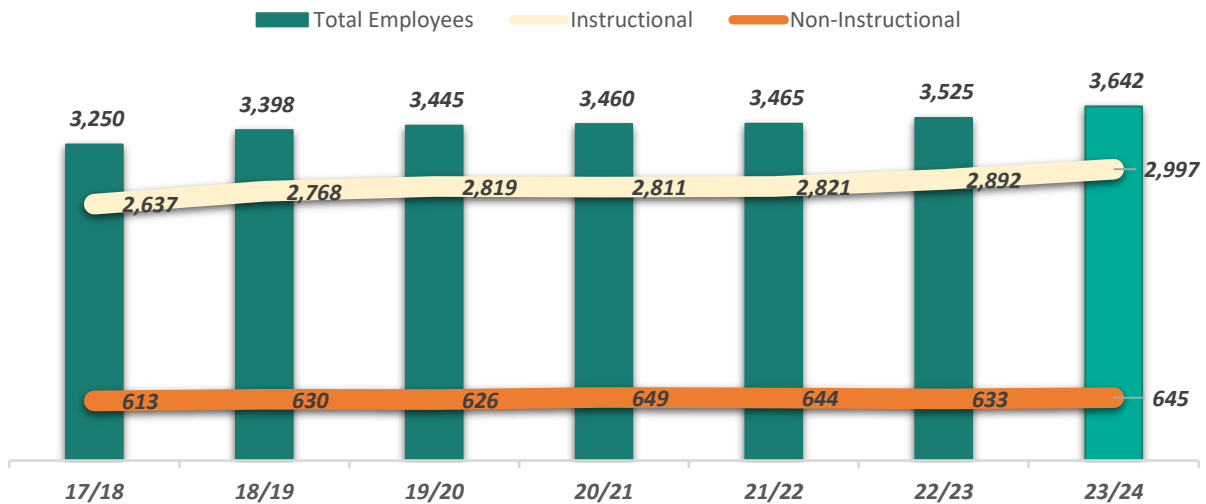




## Staffing

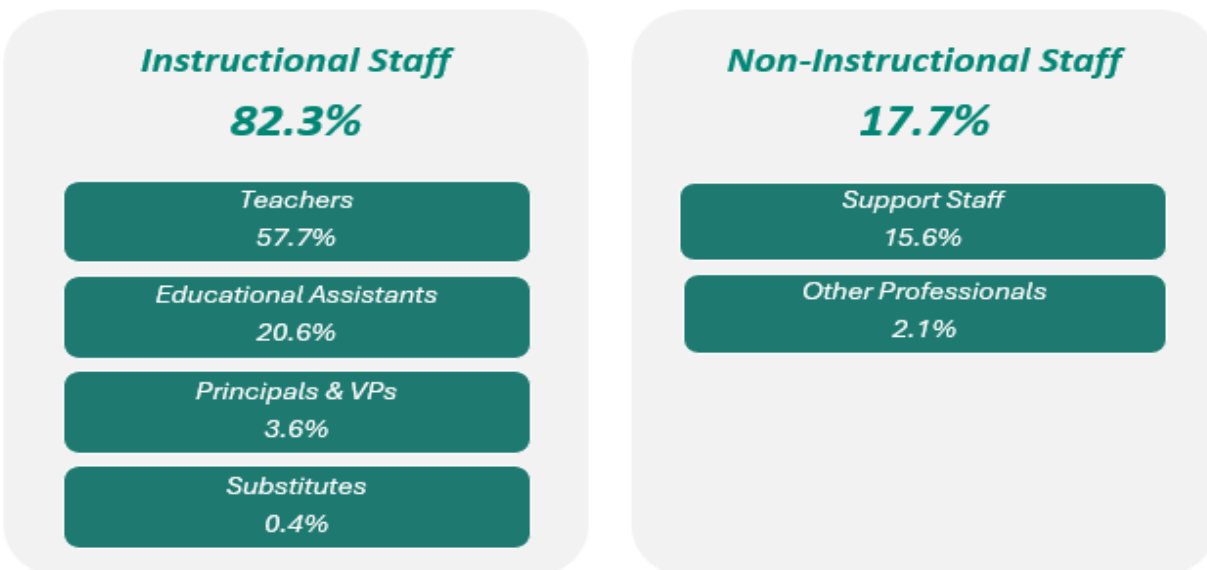
Student enrolment not only determines the grant funding, but it is also the main driver for teacher and educational assistant staffing levels. Staffing is the largest component of the operating expense for the school district. The district has 3,642 full-time equivalent (FTE) employment positions, which is different than total employee headcount of approximately 4,400. The total FTE includes many part-time positions which are less than 1.0 FTE. As illustrated in the chart below, there has been a steady increase in staffing since 2017/18. This increase aligns with the FTE enrolment increase over the same time frame.

### Number of Full-Time Equivalent Employees (FTE)



The district's percentage of employees by staffing category for the 2023/24 fiscal year are illustrated in the diagram below. It is worth noting that instructional positions comprise 82.3% of all district staff. These positions are most directly involved with students and therefore the district works to ensure they are effectively staffed. The district strives to ensure that all staffing groups are properly staffed to better realize its strategic goals and objectives; achieve student success, ensure success for all learners, and ensures a financially stable organization.

### Number of Full-time Equivalent Employees by Category

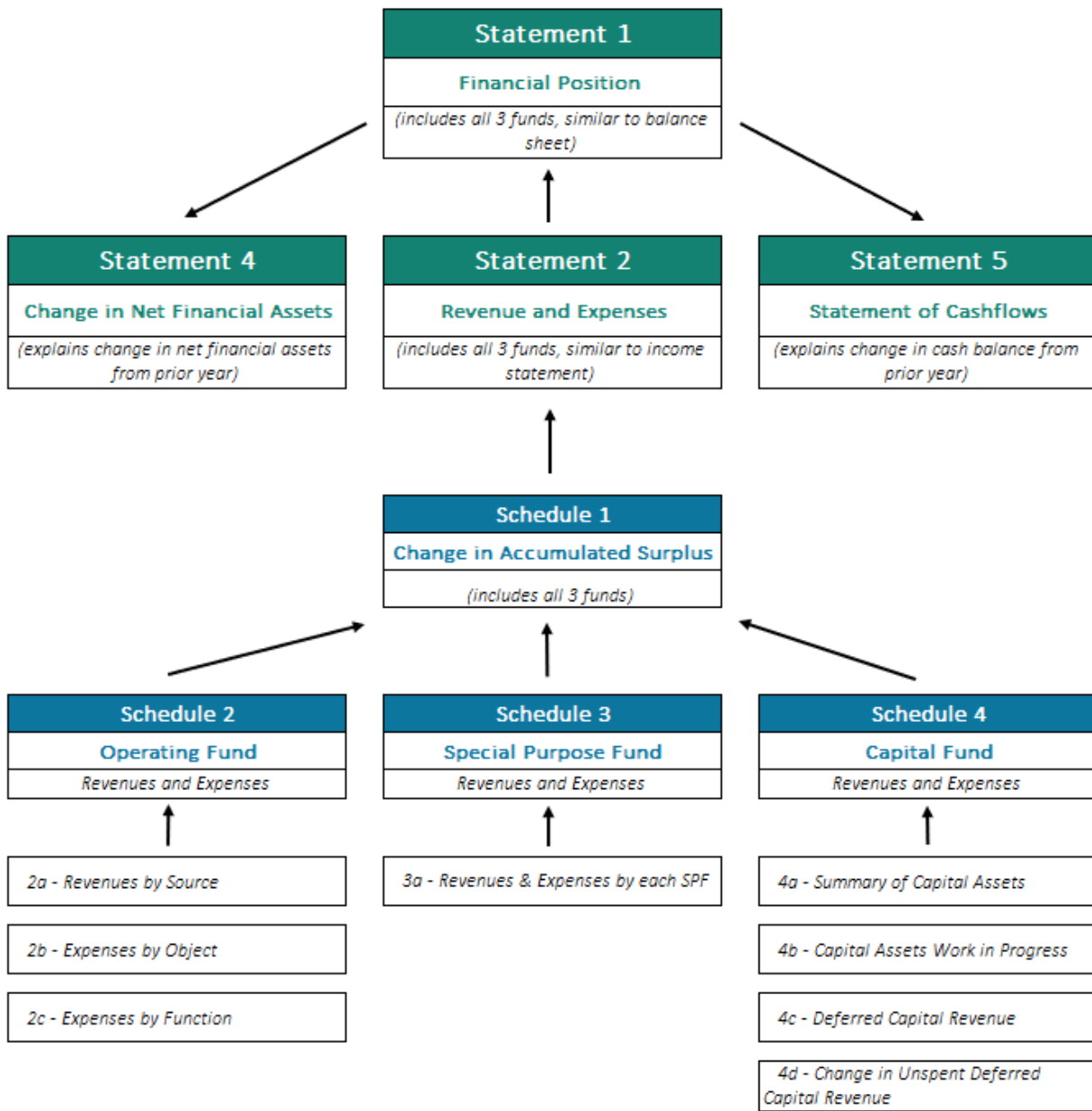


# FINANCIALS

# FINANCIAL STATEMENT REPORTING

As a government organization, school districts across the province must prepare their financial statements under the Canadian Public Sector Accounting Standards (PSAS) framework. The financial statements have been prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

The financial statements are comprised of multiple statements and notes to the financial statements (including a summary of significant accounting policies) which are audited each year. It also includes several unaudited schedules which support the information presented in the audited statements. The diagram below provides an overview of how the schedules flow into the statements that comprise the annual audited financial statements.



*Note: Statement 3 "Remeasurement Gains and Losses" shows the unrealized change in the value of financial instruments. This statement is not applicable to the District at this time.*

The financial statements also include comparative columns for budget and prior year amounts. Since our vision and strategic goals shape the district’s budget and where financial resources are allocated, the Financial Statement Discussion and Analysis includes a variance analysis of both budget-to-actual and prior year-to-actual comparisons. Given the magnitude of information included within the financial statements, only the largest and most significant variances are explained.

Please note the Financial Statement Discussion and Analysis (FSD&A) is intended to be read in conjunction with the Audited Financial Statements for the year ended June 30, 2024.

## STATEMENT OF FINANCIAL POSITION: STATEMENT 1

The following table compares the school district’s net financial position for the fiscal years ended June 30, 2024, and June 30, 2023, with the more significant year over year changes discussed below.

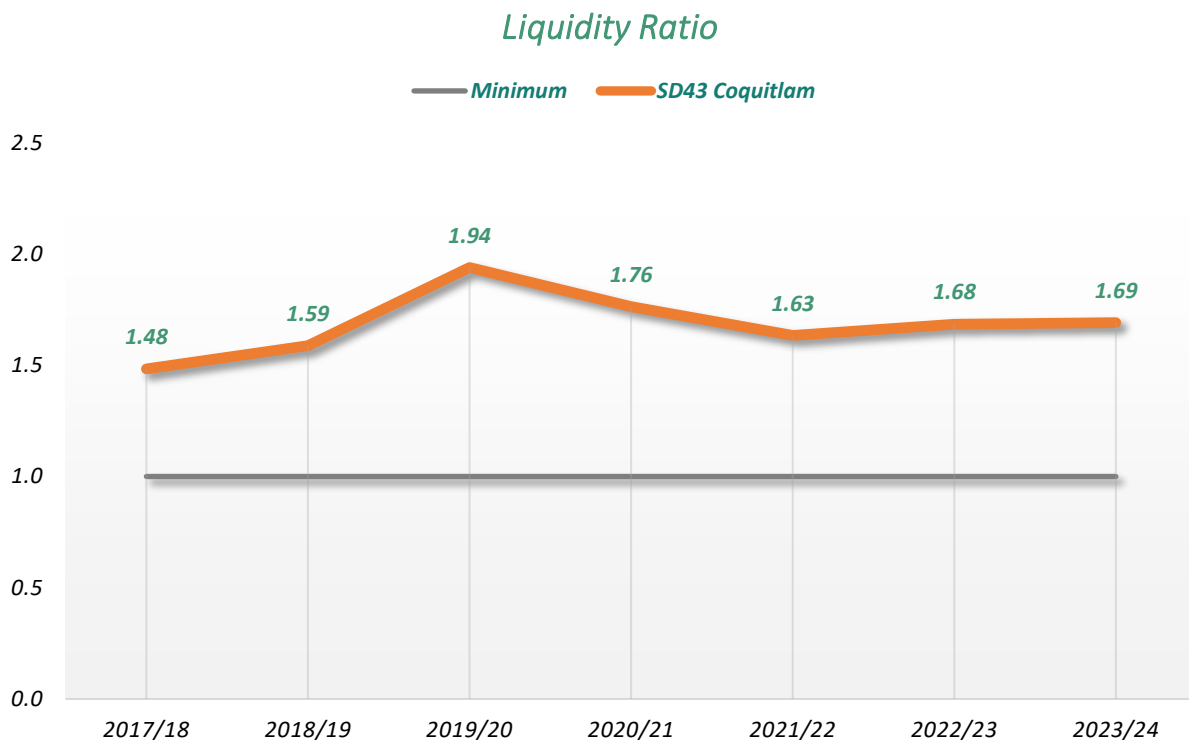
Statement 1	June 30, 2023, Balance	June 30, 2024, Balance	\$ Variance	% Variance
			Higher/ (Lower)	
<b>Financial Assets</b>				
Cash and Cash Equivalents	\$115,303,799	\$139,078,299	\$23,774,500	20.6%
Accounts Receivable due from MECC	\$1,230,970	\$7,902,787	\$6,671,817	542.0%
Accounts Receivable Other	\$8,355,660	\$18,869,855	\$10,514,195	125.8%
Portfolio Investments	\$95,000,000	\$85,000,000	(\$10,000,000)	(10.5%)
<b>Total Financial Assets</b>	<b>\$219,890,429</b>	<b>\$250,850,941</b>	<b>\$30,960,512</b>	<b>14.1%</b>
<b>Liabilities</b>				
Accounts Payable & Accrued Liabilities	\$40,905,310	\$55,974,561	\$15,069,251	36.8%
Unearned Revenue	\$21,882,995	\$21,857,606	(\$25,389)	(0.1%)
Deferred Revenue	\$13,274,070	\$14,810,322	\$1,536,252	11.6%
Deferred Capital Revenue	\$491,983,171	\$542,973,993	\$50,990,822	10.4%
Employee Future Benefits (EFB)	\$47,089,709	\$47,568,885	\$479,176	1.0%
Asset Retirement Obligations	\$10,312,567	\$10,123,875	(\$188,692)	(1.8%)
Capital Lease Obligations	\$0	\$199,496	\$199,496	100.0%
Other Liabilities	\$7,436,290	\$8,124,679	\$688,389	9.3%
<b>Total Liabilities</b>	<b>\$632,884,112</b>	<b>\$701,633,417</b>	<b>\$68,749,305</b>	<b>10.9%</b>
<b>Net Financial Assets (Debt)</b>	<b>(\$412,993,683)</b>	<b>(\$450,782,476)</b>	<b>(\$37,788,793)</b>	<b>(9.1%)</b>
<b>Non-Financial Assets</b>				
Tangible Capital Assets	\$652,374,160	\$711,552,415	\$59,178,255	9.1%
Prepaid Expenses	\$795,458	\$590,154	(\$205,304)	(25.8%)
<b>Total Non-Financial Assets</b>	<b>\$653,169,618</b>	<b>\$712,142,569</b>	<b>\$58,972,951</b>	<b>9.0%</b>
Accumulated Surplus - Capital	\$212,379,006	\$223,897,780	\$11,518,774	5.4%
Accumulated Surplus - Operations	\$27,796,929	\$37,462,313	\$9,665,384	34.8%
<b>Total Accumulated Surplus (Deficit)</b>	<b>\$240,175,935</b>	<b>\$261,360,093</b>	<b>\$21,184,158</b>	<b>8.8%</b>

*Cash* (including cash held in the Central Deposit Program (CDP)) increased by \$23.8 million from prior year due to long-term GIC investments maturing and funds were deposited back to the district’s bank account with a portion reinvested into CDP offered by the Provincial Treasury.

The District’s cash assets total \$224.10 million, with the largest cash asset being held within the Central Deposit Program (CDP) by the Ministry of Finance. These deposits earn interest at 4.95% (as of June 30, 2024) and are available within 3 days. Other cash assets include portfolio investments for long-term and short-term GIC investments, and cash held in the bank for current operational needs. Cash assets are required to fulfill the payment obligations.

Cash Assets	June 30, 2023 Balance	June 30, 2024 Balance	\$ Variance	% Variance
	<i>(in millions of dollars)</i>		Higher/ (Lower)	
Cash: Bank Deposits	\$47.40	\$65.00	\$17.60	37.1%
Cash Equivalents: CDP Investments	\$67.90	\$74.10	\$6.20	9.1%
Portfolio Investments: Short Term	\$35.00	\$55.00	\$20.00	57.1%
Portfolio Investments: Long Term	\$60.00	\$30.00	(\$30.00)	(50.0%)
<b>Total Cash Assets</b>	<b>\$210.30</b>	<b>\$224.10</b>	<b>\$13.80</b>	<b>6.6%</b>

The District’s liquidity ratio is calculated by taking financial assets over liabilities, excluding deferred capital revenue, capital lease obligations, and asset retirement obligations. This ratio measures the ability to pay off its short-term liabilities when they become due. A liquidity ratio of 1.0, means that the District has the ability to pay its current liabilities. A liquidity ratio higher than 1.0, means the District has the ability to pay its current liabilities and can better respond to changing circumstances. For the fiscal year ended June 30, 2024, the District had a liquidity ratio of 1.69. The graph below provides the historical trend since 2017/18.



*Accounts Receivable due from MECC* are funds accrued from the Ministry of Education and Child Care. The receivable increased by \$6.7 million from prior year due to accrued Certificate of Approval (COA) draws relating to capital projects such as the 10-classroom addition at Scott Creek Middle, a seismic replacement for Moody Elementary, and a new school expansion project for Burke Mountain Middle/Secondary.

*Accounts Receivable* includes interest income earned on cash and investments but not yet received. The interest receivable increased by \$1.8 million due to higher interest rates that were in effect for much of the fiscal year as opposed to only a portion of the fiscal year as realized in 2022-23. The district actively invests excess funds in the Ministry's central deposit program and has also locked in higher interest rates in guaranteed term deposits. The increase also includes \$2.5 million for municipality fee deposits for various capital projects, GST input tax credit of \$1.1 million, and other receivables of \$5.1 million primarily owing from the City of Coquitlam for a shared project (Earthworks) at Burke Mountain Middle/Secondary school.

*Portfolio Investments* includes ownership in stocks, bonds, and other financial assets. The district has built a conservative portfolio of investments to increase investment revenues. The annual rate of return for 2023/24 was 5.30% to 5.98% for short term and 5.25% to 6.00% for long term GIC's respectively.

*Unearned Revenue* represents International Education Tuition Fees collected in advance for the 2024/25 school year. This will be recognized and recorded as revenue over the course of the next fiscal year (2024/25). The 2023/24 balance is consistent with prior year.

*Deferred Revenue* represents special purpose fund balances, including unspent school generated funds. These amounts will be recognized as revenue and spent in future years as the expenses are incurred. The increase of \$1.5 million from prior year primarily relates to an increase in unspent school generated funds of \$1.2 million, and unspent funds relating to the new Feeding Futures School Fund program of \$0.3 million.

*Deferred Capital Revenue* relates to funding received and spent on capital projects. As required by Treasury Board regulations, funding for capital projects is recognized as revenues over the expected useful life (amortization) of the asset purchased. Deferred capital revenue increases by any provincial grant funding received and is reduced by the annual recognition of capital revenue over the life of the capital project. Deferred Capital revenue increased by \$51.0 million because of many new and ongoing capital projects (primarily related to schools that are under construction).

*Employee Future Benefits Liability* represents estimated future cost to the district to provide employees benefits such as vested sick leave, retirement/severance, vacation, overtime, death benefits, and remaining NTPP post-retirement health and dental benefits. Employee Future Benefits increased by \$479,176 primarily because of an \$816,176 increase in liabilities associated with recognizing ongoing future costs of sick leave and early retirement obligations, and a \$337,000 decrease in liabilities for post-retirement group benefits for NTPP retirees.

*Asset Retirement Obligations* represents the liability for the legal obligation associated with the retirement of a tangible capital asset primarily associated with the removal and disposal of deemed hazardous materials, such as asbestos and lead containing paints. Note: The first year of reporting this on the financial statements was 2022/23 as the accounting standard applies to fiscal years beginning on or after April 1, 2022.

*Capital Lease Obligations* correspond to assets purchased under a lease that depreciate and incur interest over their useful life. At the end of the lease term the district will have the option to purchase these assets for below fair market value (a “bargain” purchase). The balance increased by \$199,496 as the district entered a new lease obligation for a bucket truck required by the facilities and maintenance department.

*Accounts Payable and Accrued Liabilities* increased by \$15.1 million from the previous year. This increase includes \$2.5 million in salary and benefits payable to teacher and support staff resulting from staffing increases and wage increments. An increase of \$12.6 million relates primarily to additional construction-related invoices and holdbacks for projects such as Burke Mountain Middle/Secondary, Scott Creek Middle, and Moody Elementary schools that are well under way.

*Other Liabilities* include accrued vacation payable of \$7.7 million and \$0.4 million of various other liabilities. The year-over-year change is due to an increase in the accrued vacation payable.

*Tangible Capital Assets* represents the net balance of tangible capital assets less accumulated amortization. The district carries out various capital projects and purchases capital assets throughout the year including upgrades, additions, building of new schools and replacing old schools. Current year additions include the preliminary capitalization of the Centennial NLC space and Coast Salish Elementary school, and the final capitalization of Irvine Elementary school. Also included in the additions are computer hardware, furniture and equipment, vehicles and other minor capital projects and purchases.

Funds spent on these items are capitalized as Tangible Capital Assets. Net Tangible Capital Assets increased by \$59.18 million which is reflected in the deferred capital revenue balance. The cost of these assets is recognized over their expected useful lives through the recording of amortization expense.

The net total tangible capital assets and accumulated amortization make up the balance sheet amounts on *Statement 1* of the financial statements and summarized by category below. For the 2023/24 fiscal year, the District’s net tangible capital assets total \$711.55 million. The largest tangible capital asset category is buildings, including work in progress (WIP), totalling \$577.27 million or 81.1%. The balance of the tangible capital assets includes sites, computer hardware, furniture and equipment, and vehicles.

Tangible Capital Assets	Sites	Building	Building WIP	Furniture & Equipment	Vehicles	Computer Hardware	Total
	<i>(in millions of dollars)</i>						
<b>Cost:</b>							
Beginning of Year	\$112.50	\$778.75	\$68.97	\$12.95	\$1.55	\$18.85	\$993.58
Additions	\$0.00	\$6.58	\$67.09	\$0.40	\$1.29	\$4.88	\$80.23
Disposals	\$0.00	\$0.00	\$0.00	(\$0.29)	(\$0.03)	(\$3.26)	(\$3.58)
Transfer from/(to) WIP	\$0.00	\$70.00	(\$70.49)	\$0.49	\$0.00	\$0.00	\$0.00
<b>Cost, Ending</b>	<b>\$112.50</b>	<b>\$855.33</b>	<b>\$65.56</b>	<b>\$13.55</b>	<b>\$2.81</b>	<b>\$20.47</b>	<b>\$1,070.22</b>
<b>Accumulated Amortization:</b>							
Beginning of Year	\$0.00	\$326.62	\$0.00	\$4.55	\$0.74	\$9.29	\$341.20
Additions	\$0.00	\$17.00	\$0.00	\$0.41	\$0.10	\$3.54	\$21.05
Disposals	\$0.00	\$0.00	\$0.00	(\$0.29)	(\$0.03)	(\$3.26)	(\$3.58)
<b>Accumulated Amort, Ending</b>	<b>\$0.00</b>	<b>\$343.62</b>	<b>\$0.00</b>	<b>\$4.67</b>	<b>\$0.81</b>	<b>\$9.57</b>	<b>\$358.67</b>
<b>23/24 Net Tangible Capital Assets</b>	<b>\$112.50</b>	<b>\$511.71</b>	<b>\$65.56</b>	<b>\$8.88</b>	<b>\$2.00</b>	<b>\$10.90</b>	<b>\$711.55</b>
22/23 Net Tangible Capital Assets	\$112.50	\$452.13	\$68.97	\$8.40	\$0.81	\$9.57	\$652.38
<b>Variance from Prior Year</b>	<b>\$0.00</b>	<b>\$59.58</b>	<b>(\$3.40)</b>	<b>\$0.48</b>	<b>\$1.19</b>	<b>\$1.33</b>	<b>\$59.18</b>

## STATEMENT OF OPERATIONS: STATEMENT 2

As required by Public Sector Accounting Standards (PSAS) and the Ministry of Education and Child Care, the school district reports revenues and expenses under three separate funds: the operating fund, the special purpose fund, and the capital fund. The consolidated revenues and expenses from these three funds are captured in *Statement 2 (Statement of Operations)*, of the audited financial statements and included in the table below.

Statement 2	Prior Year	Amended	Actual	Actual vs	Actual vs
				Prior Year	Amended
				Higher/ (Lower)	
<b>Revenue:</b>					
Provincial Grants	\$380,645,973	\$421,001,328	\$422,489,828	\$41,843,855	\$1,488,500
Federal Grants	\$3,333,068	\$3,494,597	\$3,756,170	\$423,102	\$261,573
Tuition	\$22,367,161	\$19,398,346	\$24,838,508	\$2,471,347	\$5,440,162
Other Revenue	\$14,342,169	\$12,655,716	\$18,568,015	\$4,225,846	\$5,912,299
Rentals and Leases	\$2,631,706	\$2,511,196	\$2,940,468	\$308,762	\$429,272
Investment Income	\$6,129,407	\$4,332,392	\$8,253,658	\$2,124,251	\$3,921,266
Amortization of Deferred Capital	\$17,002,612	\$18,000,000	\$17,660,899	\$658,287	(\$339,101)
<b>Total Revenue</b>	<b>\$446,452,096</b>	<b>\$481,393,575</b>	<b>\$498,507,546</b>	<b>\$52,055,450</b>	<b>\$17,113,971</b>
<b>Expenses:</b>					
Instruction	\$357,017,616	\$395,655,112	\$395,439,584	\$38,421,968	(\$215,528)
District Administration	\$15,193,200	\$19,513,897	\$17,281,219	\$2,088,019	(\$2,232,678)
Operations and Maintenance	\$63,686,842	\$68,058,812	\$63,789,744	\$102,902	(\$4,269,068)
Transportation and Housing	\$790,917	\$815,754	\$805,501	\$14,584	(\$10,253)
Debt Services	\$0	\$6,758	\$7,340	\$7,340	\$582
Write-off/down of Buildings & Sites	\$101,499	\$0	\$0	(\$101,499)	\$0
<b>Total Expenses</b>	<b>\$436,790,074</b>	<b>\$484,050,333</b>	<b>\$477,323,388</b>	<b>\$40,533,314</b>	<b>(\$6,726,945)</b>
<b>Surplus/(Deficit) for the Year</b>	<b>\$9,662,022</b>	<b>(\$2,656,758)</b>	<b>\$21,184,158</b>	<b>\$11,522,136</b>	<b>\$23,840,916</b>

As an outcome, the districts financial performance can only be fully understood by reviewing each fund separately. The table below summarizes the financial results of each of these funds.

Summary of Operations by Fund	Operating	Special Purpose	Capital	Total
Revenues	\$395,873,321	\$79,096,191	\$23,538,034	\$498,507,546
Expenses	\$377,046,787	\$79,096,191	\$21,180,410	\$477,323,388
<b>Surplus/(Deficit)</b>	<b>\$18,826,534</b>	<b>\$0</b>	<b>\$2,357,624</b>	<b>\$21,184,158</b>
Fund Transfers to/(from)	(\$9,161,150)	\$0	\$9,161,150	\$0
<b>Surplus/(Deficit), Net</b>	<b>\$9,665,384</b>	<b>\$0</b>	<b>\$11,518,774</b>	<b>\$21,184,158</b>



## OPERATING FUND: SCHEDULE 2

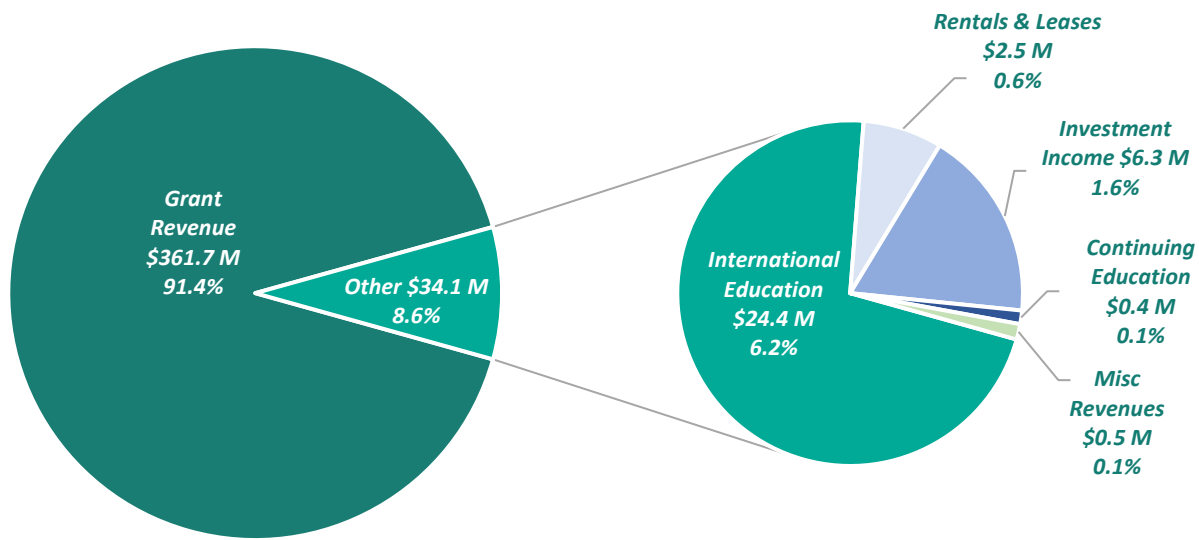
This statement reflects the day-to-day operations of the district. The following schedule compares the results for the period ending June 30, 2024, to the amended budget and the prior year results.

Schedule 2	Prior Year	Amended	Actual	Actual vs Prior Year	Actual vs Amended
				Higher/(Lower)	
<b>REVENUE:</b>					
Provincial Grants MECC Operating	\$312,291,943	\$351,623,782	\$352,609,641	\$40,317,698	\$985,859
Provincial Grants MECC Other	\$14,422,487	\$8,614,851	\$9,081,320	(\$5,341,167)	\$466,469
Provincial Grants Other	\$29,652	\$12,768	\$12,768	(\$16,884)	\$0
Tuition	\$22,367,161	\$19,398,346	\$24,838,508	\$2,471,347	\$5,440,162
Other Revenue	\$573,428	\$510,532	\$524,504	(\$48,924)	\$13,972
Rentals and Leases	\$2,264,821	\$2,111,196	\$2,540,231	\$275,410	\$429,035
Investment Income	\$4,530,012	\$3,432,392	\$6,266,349	\$1,736,337	\$2,833,957
<b>Total Operating Revenue</b>	<b>\$356,479,504</b>	<b>\$385,703,867</b>	<b>\$395,873,321</b>	<b>\$39,393,817</b>	<b>\$10,169,454</b>
<b>EXPENSES:</b>					
<b>Salaries</b>					
Teachers	\$154,642,010	\$172,204,999	\$170,516,634	\$15,874,624	(\$1,688,365)
Principals and Vice Principals	\$17,958,003	\$19,488,538	\$19,245,925	\$1,287,922	(\$242,613)
Educational Assistants	\$22,832,549	\$27,388,851	\$26,294,723	\$3,462,174	(\$1,094,128)
Support Staff	\$26,946,382	\$31,823,383	\$29,368,966	\$2,422,584	(\$2,454,417)
Other Professionals	\$8,055,225	\$8,705,874	\$8,995,147	\$939,922	\$289,273
Substitutes	\$14,164,550	\$16,225,131	\$16,503,567	\$2,339,017	\$278,436
<b>Total Salaries</b>	<b>\$244,598,719</b>	<b>\$275,836,776</b>	<b>\$270,924,962</b>	<b>\$26,326,243</b>	<b>(\$4,911,814)</b>
Employee Benefits	\$67,323,820	\$74,756,612	\$73,376,995	\$6,053,175	(\$1,379,617)
<b>Total Salaries and Benefits</b>	<b>\$311,922,539</b>	<b>\$350,593,388</b>	<b>\$344,301,957</b>	<b>\$32,379,418</b>	<b>(\$6,291,431)</b>
<b>Services and Supplies</b>					
Services	\$8,396,405	\$9,499,139	\$9,019,276	\$622,871	(\$479,863)
Student Transportation	\$694,455	\$686,700	\$681,898	(\$12,557)	(\$4,802)
Professional Dev and Travel	\$1,765,300	\$2,493,598	\$2,154,077	\$388,777	(\$339,521)
Rentals and Leases	\$251,568	\$344,898	\$255,250	\$3,682	(\$89,648)
Dues and Fees	\$1,704,114	\$1,265,650	\$1,733,941	\$29,827	\$468,291
Insurance	\$1,669,803	\$1,691,849	\$1,754,921	\$85,118	\$63,072
Supplies	\$10,742,390	\$13,009,573	\$11,360,464	\$618,074	(\$1,649,109)
Utilities	\$5,975,068	\$6,369,072	\$5,785,003	(\$190,065)	(\$584,069)
<b>Total Services and Supplies</b>	<b>\$31,199,103</b>	<b>\$35,360,479</b>	<b>\$32,744,830</b>	<b>\$1,545,727</b>	<b>(\$2,615,649)</b>
<b>Total Operating Expenses</b>	<b>\$343,121,642</b>	<b>\$385,953,867</b>	<b>\$377,046,787</b>	<b>\$33,925,145</b>	<b>(\$8,907,080)</b>
<b>Total Operating Surplus (Deficit)</b>	<b>\$13,357,862</b>	<b>(\$250,000)</b>	<b>\$18,826,534</b>	<b>\$5,468,672</b>	<b>\$19,076,534</b>
<b>Budget Appropriation</b>	\$0	\$3,750,000	\$0	\$0	(\$3,750,000)
<b>Net Transfers to/(from) other funds:</b>					
Capital Assets Purchased	(\$3,894,265)	(\$2,500,000)	(\$6,138,682)	(\$2,244,417)	(\$3,638,682)
Local Capital	(\$9,912,732)	(\$1,000,000)	(\$3,022,468)	\$6,890,264	(\$2,022,468)
<b>Total Net Transfers to/(from)</b>	<b>(\$13,806,997)</b>	<b>(\$3,500,000)</b>	<b>(\$9,161,150)</b>	<b>\$4,645,847</b>	<b>(\$5,661,150)</b>
<b>Surplus (Deficit), Net of Transfers</b>	<b>(\$449,135)</b>	<b>\$0</b>	<b>\$9,665,384</b>	<b>\$10,114,519</b>	<b>\$9,665,384</b>

## Revenues – Schedule 2A

An Operating Grant from the Provincial government forms 91.4% of the school district’s operating revenue, which is based on enrolment levels, student categories, and geographical factors. International Education programs generated 6.2% of the overall revenue, and the balance of 2.4% was made up of other revenue streams such as facility rental and lease income, investment income, continuing education, and other miscellaneous revenue sources.

### 2023/24 Operating Revenues



### Provincial Grant Revenues

Grant revenues were \$35.0 million higher than last year due to \$32.5 million increase in enrolment-based funding, \$8.1 million increase in funding for students with unique needs including English language learners, \$1.0 million increase due to higher enrolment in Graduated adult courses, offset by \$6.4 million decrease in labour settlement funding, and \$248,265 decrease in supplemental funding primarily related to salary differential funding.

Grant revenues were \$1.5 million higher than amended budget due to increases in both the February and May enrolment-based funding for a total of \$985,859, other Provincial grants increases of \$21,384, and higher enrolment in Graduated adult courses of \$445,085.

See [Appendix B](#) for complete enrolment and operating grant details.

### Continuing Education

Continuing Education revenues were \$70,833 higher than last year and \$167,624 above amended budget resulting from increased enrolment in the business careers and job skills program and summer tuition-based credit programs from international students.

### *International Education Revenues*

International Education revenues were \$2.4 million higher than last year due to increased enrolment as the International Education department continued to focus on rebuilding the program by marketing it to a wider base of international students to create long term sustainability. Student enrolment increased from prior year by 85 FTE, and the summer program experienced a significant increase as it recovers back to normal levels since the Pandemic.

International Education revenues were \$5.3 million higher than budget due to conservative forecasting of second semester enrolment, which is generally not confirmed until February, after the amended budget has been finalized. Final enrolment revenues in the regular program finished at 1,291 FTE, well above the budgeted amount of 1,089 FTE.

### *Rentals and Leases*

Facility Rentals, childcare space rentals and other rental revenues were \$275,410 higher than last year and \$429,035 higher than amended budget. The increase is due to more bookings from community users, and community school facility rentals generated from before and after school programs. In addition, rental rates were increased in the fiscal year to help offset inflationary costs.

### *Investment Income*

Investment income was greater than last year by \$1.7 million due to the continued higher interest rates. The Bank of Canada held its benchmark interest rate at 5.0% for most of the fiscal year until June 5, 2024, when a decrease of 0.25% came into effect adjusting the rate to 4.75%. The decrease also impacted the interest rate the school district received from the provincially based Central Deposit Portal (CDP) deposits from a rate of 5.45% on July 1<sup>st</sup>, 2023, to 4.95% on June 30<sup>th</sup>, 2024.

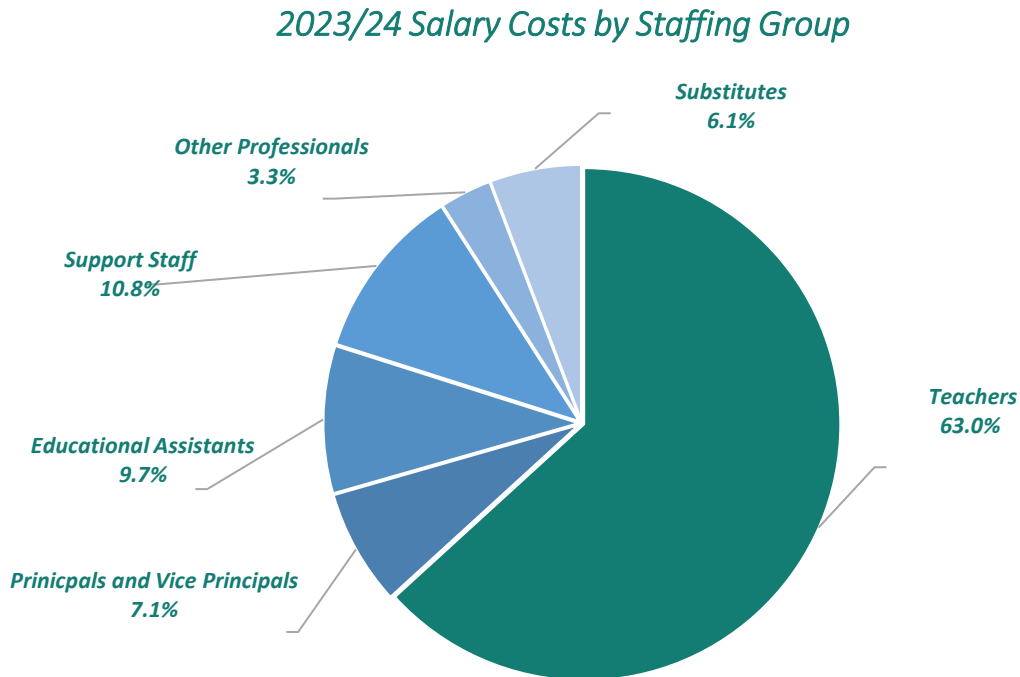
Investment income was \$2.8 million higher than conservatively forecasted in the amended budget combined with a shift in the investment strategy by moving a portion of the investments from the CDP to higher yielding GIC's with various institutions.

### *Other Revenues*

Other miscellaneous revenues were \$48,924 lower than last year and \$13,972 higher than budget with variances occurring from year to year due to the uniqueness of the transactions. The miscellaneous revenues include energy grants from BC Hydro and Fortis, and administrative recoveries from federally funded programs.

## Salaries and Benefits Expenses – Schedule 2B

The largest component of the district’s operating expenses is associated with salaries and benefits. This makes up 91.3% of total operating expenses. The diagram below provides a percentage breakdown of salary costs for each salary group. This information is derived from *Schedule 2B* of the financial statements. Overall, the district spent \$32.4 million more on salaries and benefits this year than the prior year, and \$6.3 million less than was budgeted.



### Teachers

Teacher salary expenses were \$15.9 million higher than last year due to a combination of contractual wage increase of 5.5% and cost of living allowance (COLA) of 1.25% effective July 1, 2023, and an increase in staffing of 44.8 FTE related to increased enrolment levels.

Teacher salary expense was \$1.7 million below budget due timing of hiring additional teachers required for unexpected enrolment growth at the beginning of the year, unpaid leaves taken by staff during the year, and vacancies and challenges in hiring for specialized positions such as Psychologist, Vision, and Speech Language Pathologists.

### Principals and Vice Principals

Principal and Vice Principal salaries were \$1.3 million higher than last year because of budgeted wage and step increases.

Actual expenses were \$242,613 lower than budget due to the timing of filling positions and unpaid leaves, and the unexpected funding received from the Ministry for wage increments.

### *Education Assistants*

Actual expenses were \$3.5 million higher than last year due to a 5.50% contractual wage increase and 1.25% cost of living allowance (COLA) adjustment effective July 1, 2023, and the following FTE additions:

- 27.0 Education Assistant permanent positions
- 14.0 Education Assistant permanent positions converted from 30 hours to 35 hours
- 1 Youth Worker permanent position and 3 Youth Worker temporary positions
- 10.5 Education Assistant temporary positions funded through in-year salary savings

Salaries came in \$1.1 million under budget primarily due to unfilled vacancies, temporary vacancies from staffing changes and turnover, and unpaid leaves. These salary savings were partially offset by additional in lieu of benefits and vacation payouts for casuals in temporary assignments.

### *Support Staff*

Actual expenses were \$2.4 million higher than last year due to a 5.50% contractual wage increase and 1.25% cost of living allowance (COLA) adjustment effective July 1, 2023, and the following FTE additions:

- 3.0 Maintenance permanent positions (Filter Service Mechanic, Grounds and Delivery)
- 1.0 Secretary temporary position at the school level
- 2.0 Caretaker temporary positions funded through in-year salary savings

Support Staff salaries finished \$2.5 million under budget primarily due to unfilled vacancies (mainly in maintenance positions, HVAC, carpentry, IT), temporary vacancies occurring from staffing changes and turnover, and unpaid leaves. These salary savings were partially offset by additional in lieu of benefits and vacation payouts for casuals in temporary assignments as well as extra/overtime and shift differentials paid to regular staff.

### *Other Professionals*

Actual expenses were \$939,922 higher than last year due to salary and step increments. Actual costs were \$289,273 higher than budget due to the reallocation of capital project managers salaries to the operating fund due to insufficient funding provided within the capital budget offset by some vacancies in the Finance and Facilities departments.

### *Substitutes*

Actual expenses were \$2.3 million higher than the prior year and \$278,436 higher than budget due to increased staff absenteeism for illness, unpaid leave coverage, temporary coverage during staff turnover, and contractual wage increments applicable for TTOCs and support staff.

### *Benefits*

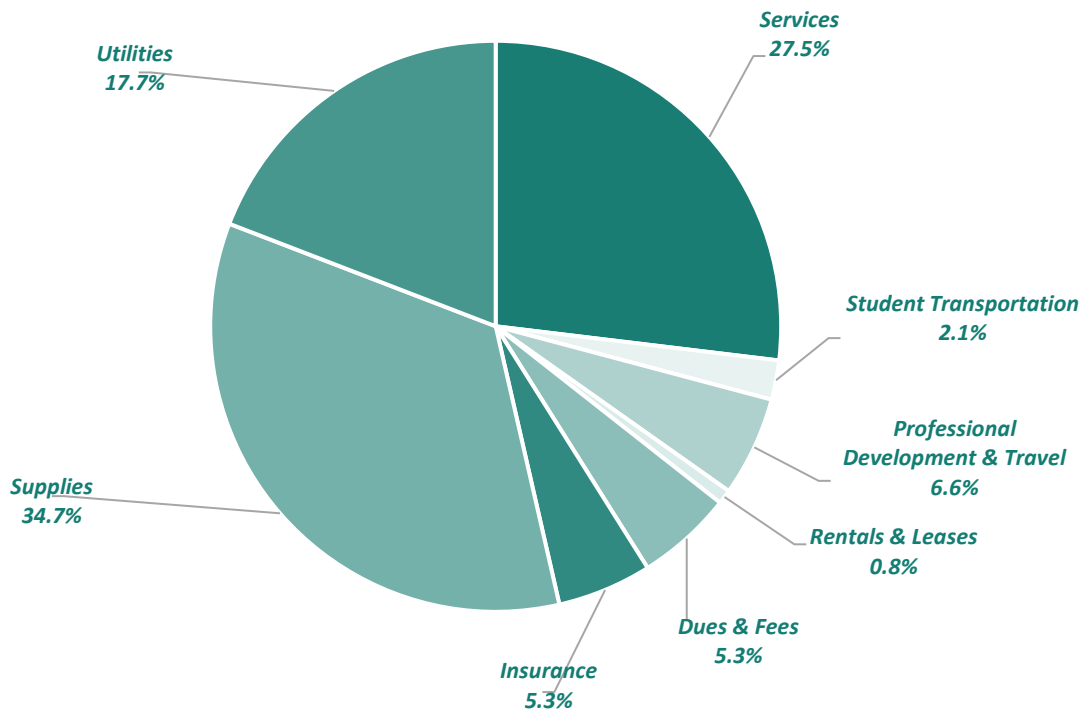
Actual employee benefits were \$6.1 million higher than last year due to extended health and dental premium increases of \$1.2 million, pension cost increases of \$2.4 million, CPP and EI rate increases resulting in additional costs of \$1.4 million, work safe and employer health tax increases of \$1.3 million, offset by a \$0.2 million savings in other various benefit categories. Many of these increments were directly related to contractual wage increments and increase in benefits directly related to increase in staff.

Actual costs were \$1.4 million lower than budget due to savings resulting from slippage and staffing levels as noted above.

## Services and Supplies – Schedule 2B

The remaining balance of 8.7% of the districts operating expenditures is spent on supplies and services. The diagram below provides a percentage breakdown of the services and supplies costs for each expense grouping which are derived from *Schedule 2B* of the financial statements. Overall, the district spent \$1.5 million more this year than the prior year and \$2.6 million less than budget.

*2023/24 Services & Supplies by Expense Group*



### Services

Service expenses were \$622,871 more than last year due to inflationary increases in professional and contracting services for the Information Services and Maintenance departments, higher digital service costs that the Ministry recovers annually from the district, offset by a reduction in snow removal services needed due to less snowfall accumulation.

Actual expenses were \$479,863 below budget due to savings in various professional fees, including specialized services such as occupational therapy, physiotherapy, and student assessments due to challenges in hiring of these positions. In addition, snow removal services were below budget due to less snowfall accumulation than anticipated.

### Student transportation

Student transportation expenses were \$12,557 less than last year and \$4,802 less than budget due to marginal savings in taxi usage for transporting students from their home school to the Teaching and Evaluation Centre.

### *Professional development*

Professional development expenses were \$388,777 higher than last year due to increased participation in face-to-face conferences and training opportunities and more travel related to marketing and recruiting international students to our district.

Actual Expenses were \$339,521 lower than budget as staff participated in more professional development activities offered on-line at a reduced cost than had anticipated and budgeted for.

### *Rentals and Leases*

Rental and lease expenses were \$3,682 more than the last year in direct correlation to increased rental revenues.

Expenses were \$89,648 less than budget due to fewer leased vehicles in the fleet primarily due to lag time from when vehicles are purchased to when they are received.

### *Dues and Fees*

Actual expenses for dues and fees were \$29,827 higher than last year and \$468,291 higher than budget due to higher commission payments to agencies enrolling international students in our district. The commission generally ranges from 10-15% of the student's tuition. Commissions are paid after the student has been in attendance for at least 30 days.

### *Insurance*

Insurance expense was \$85,118 more than last year and \$63,072 more than budget due to higher Medical Services Premiums paid for students in the international program, higher property insurance payments to the provincially operated School Protection Program, offset by savings in vehicle insurance due to fewer vehicles in the district's fleet.

### *Supplies*

Supplies expense was \$618,074 higher than last year. The overage was comprised of additional spending by schools on furniture and fixture replacement, photocopier supplies and general school supplies. Other department spending was higher than last year due to increased costs driven by inflation and contractual increases especially in materials required for maintenance of building and, custodial supplies. The increased school and other department spend of \$2.9 million was offset by additional interfund transfers from operating to capital totalling \$2.2 million for tangible capital assets (such as computers, furniture, fixtures) purchased through supplies.

Supplies expense was \$1.6 million lower than budget. Savings were primarily generated from additional interfund transfers from operating to capital totalling \$3.6 million for tangible capital assets purchased through supplies, and unused board contingency budget of \$500,000. These savings were offset by \$2.5 million increased spend by schools and other departments on expenditures such as photocopier supplies, general school supplies, materials required for maintenance of building, and custodial supplies.

### *Utilities*

Utilities expenses were \$190,065 lower than last year and \$584,069 lower than budget primarily resulting from lower natural gas consumption due to a milder winter than originally anticipated.

## ACCUMULATED SURPLUS – OPERATING FUND

The school board established an Accumulated Operating Surplus policy (*Policy #23 – Accumulated Operating Surplus*) as part of its multi-year financial approach to create and maintain a stable and sustainable organization. This policy is reviewed by the Board on an annual basis and is designed to provide financial stability for future years while reducing volatility by smoothing peak surplus years. The policy also provides reserves to cover any unusual or unexpected expenses in a given fiscal year, support for one-time initiatives, and a source of capital funding primarily associated with technology, educational initiatives, deferred maintenance of facilities and other unfunded capital needs. The surplus is also restricted for any unspent targeted funds and unspent school allocated budgets to allow for expenses spanning multiple years. The current year operating surplus summary is shown below including the usage of prior year reserves.

Current Year Surplus Summary	Amount
Operating Surplus (Deficit) for the year	\$18,826,534
Tangible Capital Assets Purchased	(\$6,138,682)
Transfer to Local Capital	(\$3,022,468)
<b>Total Operating Surplus (Deficit), for the year - per Schedule 2</b>	<b>\$9,665,384</b>
Prior Year Budgeted Reserve Usage	\$3,750,000
Prior Year Carryforward Usage	\$502,104
<b>2023/24 Surplus, Including Prior Year Budgeted Reserve and Carryforward Usage</b>	<b>\$13,917,488</b>

### Surplus Continuity Summary

The table below details the net increase in the accumulated surplus balance by showing the changes between the beginning and ending balances as reflected in Schedule 2. The closing balance shows the intended future use of the operating surplus and will be approved by the Board through the approval of the financial statements.

Schedule of Accumulated Surplus	2022-23		2023-24	
	Opening	Utilized	Reserved	Closing
<b>Internally Restricted Due to the Nature of Constraints on the Funds:</b>				
School Carryforward Surpluses	\$3,298,036	(\$483,670)	\$0	\$2,814,366
ESA Contingency Reserve	\$1,000,000	\$0	\$0	\$1,000,000
Facility & Maintenance Initiatives	\$2,055,625	\$0	\$0	\$2,055,625
Technology Initiatives	\$1,225,000	\$0	\$0	\$1,225,000
Education Sustainability Reserve	\$4,000,014	\$0	\$0	\$4,000,014
Teacher Mentorship Funds	\$653,430	(\$18,434)	\$0	\$634,996
Business Systems Initiatives	\$165,007	\$0	\$4,000,000	\$4,165,007
Staffing Stabilization Reserve	\$0	\$0	\$1,000,000	\$1,000,000
Contingency for Benefits	\$0	\$0	\$2,000,000	\$2,000,000
School Based Capital Initiatives	\$4,149,817	\$0	\$3,167,488	\$7,317,305
<b>Subtotal Balance</b>	<b>\$16,546,929</b>	<b>(\$502,104)</b>	<b>\$10,167,488</b>	<b>\$26,212,313</b>
<b>Internally Restricted for Operations Spanning Multiple School Years:</b>				
2023/24 - Staffing Stabilization Provision	\$3,750,000	(\$3,750,000)	\$0	\$0
2024/25 - Staffing Stabilization Provision	\$3,750,000	\$0	\$0	\$3,750,000
2025/26 - Staffing Stabilization Provision	\$2,500,000	\$0	\$1,250,000	\$3,750,000
2026/27 - Staffing Stabilization Provision	\$1,250,000	\$0	\$1,250,000	\$2,500,000
2027/28 - Staffing Stabilization Provision	\$0	\$0	\$1,250,000	\$1,250,000
<b>Subtotal Balance</b>	<b>\$11,250,000</b>	<b>(\$3,750,000)</b>	<b>\$3,750,000</b>	<b>\$11,250,000</b>
<b>Total Internally Restricted Operating Fund Surplus Restated</b>	<b>\$27,796,929</b>	<b>(\$4,252,104)</b>	<b>\$13,917,488</b>	<b>\$37,462,313</b>



## SPECIAL PURPOSE FUND (SPF): SCHEDULE 3

Special Purpose Funds consist of targeted funding allocated to school districts for a specific purpose. The annual funding received varies from year to year and is confirmed throughout the year. SPF revenues are only recognized as expenses are incurred. SPF's account for approximately 16.57% of the district's total expenses and are made up approximately 25 different funds as summarized below. A full description of each of the Special Purpose Funds has been provided in [Appendix A](#).

Special Purpose Funds	Prior Year	Amended	Actual
Deferred Revenue, beginning of year	\$12,734,314	\$13,274,070	\$13,274,070
Add: Contributions Received	\$70,813,718	\$76,519,464	\$80,632,443
Less: Allocated to Revenue	(\$70,273,962)	(\$76,039,708)	(\$79,096,191)
<b>Deferred Revenue, end of year</b>	<b>\$13,274,070</b>	<b>\$13,753,826</b>	<b>\$14,810,322</b>
Total Allocated to Revenue	\$70,273,962	\$76,039,708	\$79,096,191
Total Expenses	(\$70,273,962)	(\$76,039,708)	(\$79,096,191)
<b>Net Revenue/(Expense)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Pursuant to Sections 156(4) and (5) of the School Act, each special purpose fund must be accounted for in accordance with the terms of that special purpose fund.

Special Purpose Funds	Prior Year	Amended	Actual
Annual Facilities Operating Grant	\$1,139,837	\$1,249,565	\$1,249,565
Apprenticeship Program	\$229,794	\$343,850	\$311,577
Changing Results for Young Children	\$5,545	\$6,455	\$6,455
Classroom Enhancement Fund	\$45,976,920	\$50,439,048	\$51,084,689
Community LINK	\$1,599,787	\$1,691,824	\$1,486,550
Early Care and Learning	\$159,295	\$180,000	\$162,671
Feeding Futures School Fund Program	\$0	\$3,533,596	\$3,263,453
First Nation Student Transportation Fund	\$41,563	\$66,809	\$66,200
Language Instruction for Newcomers	\$2,469,186	\$2,585,629	\$2,818,161
Learning Improvement Fund	\$1,072,048	\$1,294,502	\$1,294,502
Mental Health in Schools	\$55,517	\$50,000	\$43,556
Official Languages Education in French Programs	\$513,549	\$648,677	\$578,054
Provincial Resource Program -Day Treatment	\$177,236	\$176,970	\$176,970
Ready Set Learn	\$117,602	\$112,700	\$117,451
School Generated Funds	\$12,182,729	\$10,900,000	\$13,478,989
Settlement Workers in Schools	\$863,882	\$908,968	\$938,009
Strengthening Early Years to K Transitions	\$4,292	\$25,000	\$7,320
Strong Start	\$439,683	\$427,758	\$427,758
Student and Family Affordability Fund	\$2,307,661	\$694,059	\$705,810
Others (Scholarships, Staff Dev, Sundry etc.)	\$917,836	\$704,298	\$878,451
<b>Total</b>	<b>\$70,273,962</b>	<b>\$76,039,708</b>	<b>\$79,096,191</b>

## Classroom Enhancement Fund

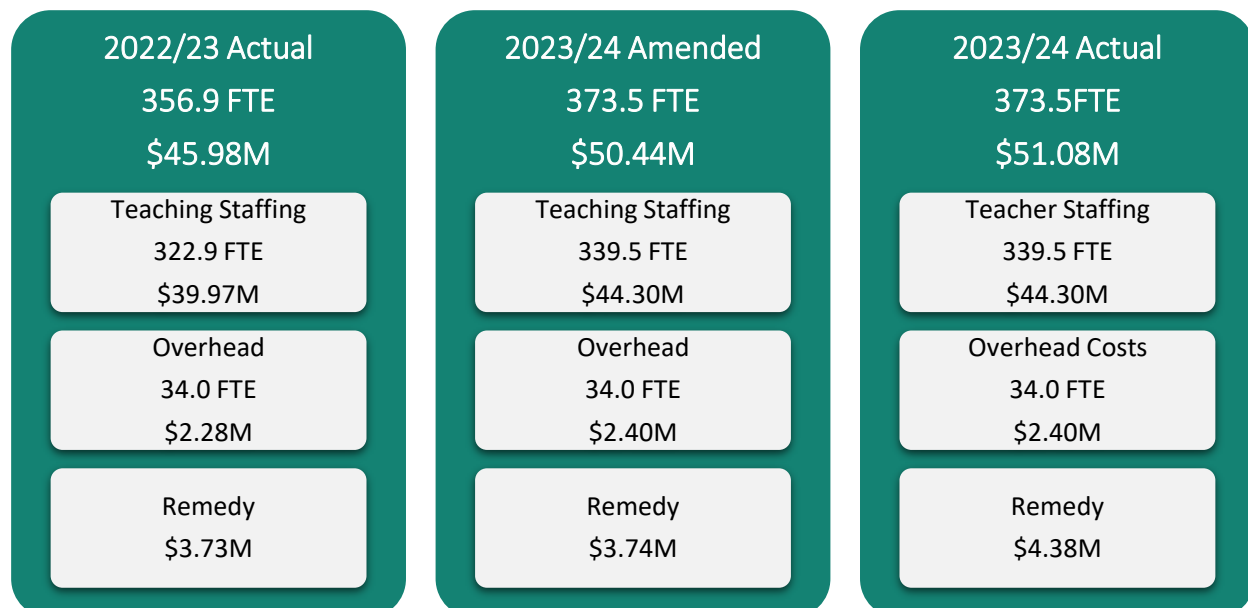
On March 10, 2017, the Ministry, the BC Public Schools Employers' Association, and the BC Teachers' Federation ratified a Memorandum of Agreement, pursuant to Letter of Understanding No. 17 to the 2013-2019 BCPSEA–BCTF Provincial Collective Agreement. The Memorandum of Agreement fully and finally resolved all matters related to the implementation of the 2016 Supreme Court of Canada decision.

The ratification of this agreement resulted in the establishment of the Classroom Enhancement Fund (CEF) to address the additional teacher and corresponding overhead costs associated with LOU #17. Furthermore, LOU #17 has been deleted and a new Letter of Understanding (LOU#12) has been approved with the BCTF. A summary of the 2023/24 CEF funded staff and cost for is captured in the table below.

CEF Expenses	FTE	Salaries	Benefits	Other Expenses	Total
Teachers	339.5	\$31,973,378	\$10,521,851	\$0	\$42,495,229
Substitutes	0.0	\$1,799,910	\$0	\$0	\$1,799,910
<b>Total Staffing</b>	<b>339.5</b>	<b>\$33,773,288</b>	<b>\$10,521,851</b>	<b>\$0</b>	<b>\$44,295,139</b>
Educational Assistants	33.0	\$1,401,223	\$478,789	\$0	\$1,880,012
Administrators	0.0	\$165,000	\$56,678	\$0	\$221,678
Other Staffing	1.0	\$250,000	\$40,000	\$0	\$290,000
Non-staffing Expenses	0.0	\$0	\$0	\$10,000	\$10,000
<b>Total Overhead</b>	<b>34.0</b>	<b>\$1,816,223</b>	<b>\$575,467</b>	<b>\$10,000</b>	<b>\$2,401,690</b>
Remedy Costs	0.0	\$4,387,860	\$0	\$0	\$4,387,860
<b>Total CEF Expenses</b>	<b>373.5</b>	<b>\$39,977,371</b>	<b>\$11,097,318</b>	<b>\$10,000</b>	<b>\$51,084,689</b>

The school district is required to record and report actual costs incurred to the Ministry of Education and Child Care at the fiscal year end (June 20, 2024). If actual costs incurred are less than the approved amount, any unspent funds remaining are subject to being clawed back by the Ministry.

CEF funding is made of three separate components: Teacher Staffing, Overhead Costs and Remedy. The diagram below provides comparative figures from prior year and amended budget.



The school district received \$44.3 million in teacher staffing funding which provided staffing of 339.5 FTE teachers. Staffing increased over the prior year because of planned classroom additions, non-enrolling student to staffing ratio requirements and the usage of the flex factor.

The district received \$2.4 million in overhead funding which provided staffing of 33 Educational Assistants, 1 District Principal, mentoring cost of new teachers, some administrative cost of remedy tracking and costs related to relief time for teachers to do Individual Education Plans (IEP's).

Initial remedy funding was based on extrapolation of actual October 2023 remedies incurred. Actual Remedy costs came in higher than the prior year and amended budget. Since funding for remedy was based on estimates, the overage has been set up as a receivable and will be recovered from the Ministry in the following year.

## CAPITAL FUND: SCHEDULE 4

The table below is a summary of the Schedule of Capital operations – see [Schedule 4](#) of the financials.

Capital Operations	Previous Year	Amended	Actual
Revenues	\$19,698,630	\$19,650,000	\$23,538,034
Expenses	\$23,394,470	\$22,056,758	\$21,180,410
<b>Capital Surplus (Deficit) for the year</b>	<b>(\$3,695,840)</b>	<b>(\$2,406,758)</b>	<b>\$2,357,624</b>
Fund Transfers	\$13,806,997	\$3,500,000	\$9,161,150
<b>Change in Accumulated Surplus</b>	<b>\$10,111,157</b>	<b>\$1,093,242</b>	<b>\$11,518,774</b>
Opening Accumulated Surplus	\$202,267,849	\$212,379,006	\$212,379,006
<b>Closing Accumulated Surplus</b>	<b>\$212,379,006</b>	<b>\$213,472,248</b>	<b>\$223,897,780</b>

Capital fund revenues and expenses reflect the capital activities of the school district. Revenues are comprised of lease income from closed schools, investment income from capital fund balances and any gain on the sale of capital assets. Revenues also include capital funding received from the Ministry that is recognized over the life of the asset that the funding was provided for, such as school buildings.

The recognition of this capital revenue is generally consistent with the recognition of expenses, which is done through the amortization of the asset's useful life. Fund Transfers represent transfers from the Operating Fund used to purchase capital assets such as computers, furniture and equipment and contributions to local capital for future capital projects.

The table below summarizes the school district's Restricted Capital Funds, which have specific restrictions on their use.

Capital Funds	June 30, 2023	June 30, 2024	Variance
MECC Restricted Capital	\$5,960,421	\$3,605,931	(\$2,354,490)
SSAC Capital	\$13,261,200	\$16,008,848	\$2,747,648
Other Provincial Capital	\$2,436,013	\$2,160,845	(\$275,168)
Other Capital	\$1,468,973	\$839,754	(\$629,219)
Bylaw Capital	\$0	\$6,548,388	\$6,548,388
<b>Total Deferred Capital Revenue</b>	<b>\$23,126,607</b>	<b>\$29,163,766</b>	<b>\$6,037,159</b>
Local Capital	\$37,567,290	\$34,872,276	(\$2,695,014)
<b>Total Capital Revenue Received</b>	<b>\$60,693,897</b>	<b>\$64,036,042</b>	<b>\$3,342,145</b>

*Ministry of Education and Child Care (MECC) Restricted Capital:* These are funds held on behalf of the Ministry of Education and Child Care and may include their portion of proceeds on the disposal of land and buildings, and any surpluses from completed MECC funded capital projects. The balance in this fund decreased by \$2.35 million of which \$262,445 is from interest earned; \$605,714 were surplus transfers from completed COA funded capital projects that came under budget (Irvine Elementary school); less \$3.2 million of expenses incurred year to date for building the new Moody Elementary.

*School Site Acquisition Charge (SSAC) Capital:* These funds represent amounts collected by the district from the municipalities and villages (as part of the school site acquisition charge) which will be used for future school site land purchases identified in the capital plan. This fund increased by \$2.75 million which includes \$803,020 in interest earned and other revenue of \$1.94 million. The current available balance as of June 30, 2024, is \$16.01 million.

*Other Provincial Capital:* These funds represent amounts received from the Ministry of Children and Family Development under their Childcare BC New Spaces initiative. The district has received funding under this initiative to add childcare spaces at the new Irvine Elementary School, the new Coast Salish Elementary school and at the new Moody Elementary school.

*Other Capital:* These funds represent proceeds held back from the Glen Elementary land sale with the City of Coquitlam to provide annual maintenance to the artificial turf fields at Centennial Secondary. The decrease in this fund is due to recognizing the current fiscal’s maintenance costs. The remaining balance represents the value of the maintenance costs for future years along with other miscellaneous contributions received.

*Bylaw Capital:* These funds represent proceeds to cover the installation of prefabricated classrooms for Scott Creek Middle school. The total funding received was \$10.0 million of which \$3.5 million was used in the fiscal year for install preparations.

*Local Capital:* Local capital funds are designated for local capital expenditures and have been restricted for the following capital items:

Projects	June 30, 2023	June 30, 2024	Variance
Education Learning Centre	\$4,888,627	\$4,876,554	(\$12,073)
Centennial NLC Space	\$1,900,000	\$493,426	(\$1,406,574)
Information Technology Infrastructure	\$1,785,869	\$2,587,282	\$801,413
Vehicle Replacement	\$274,641	\$363,516	\$88,875
Burke Mountain	\$22,375,811	\$17,000,000	(\$5,375,811)
Portables	\$1,456,364	\$1,647,193	\$190,829
School-based Capital Initiatives	\$4,149,817	\$7,317,305	\$3,167,488
Other Minor Capital Projects	\$736,161	\$587,000	(\$149,161)
<b>Total</b>	<b>\$37,567,290</b>	<b>\$34,872,276</b>	<b>(\$2,695,014)</b>

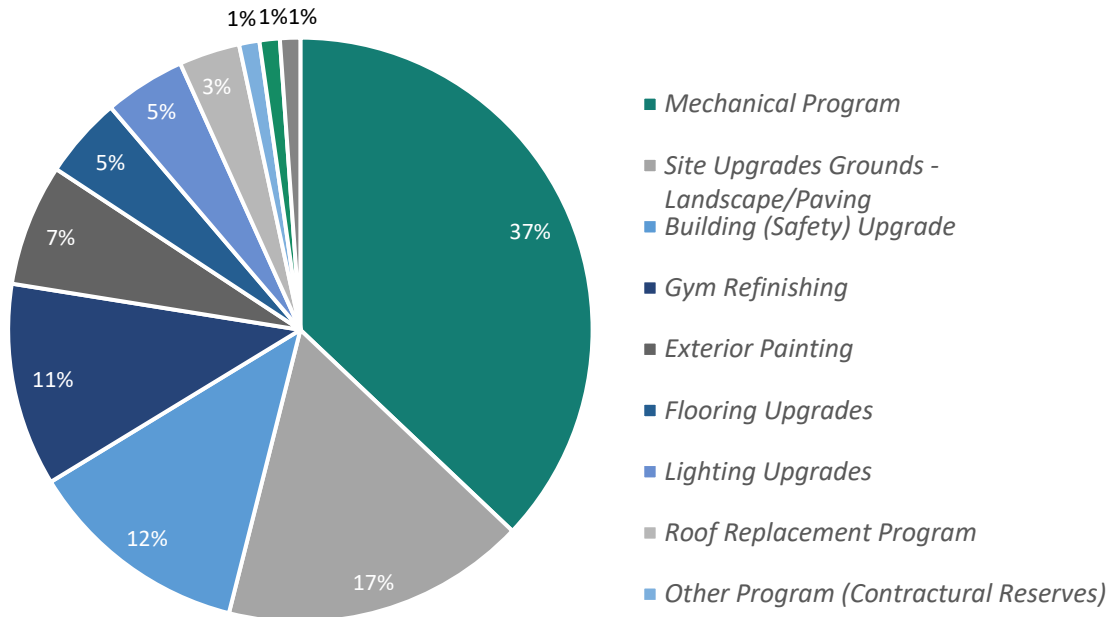
The net decrease from the prior year was primarily driven by expenses incurred against Centennial NLC Space totalling \$1.4 million, and Burke Mountain Middle/Secondary of \$5.4 million. This decrease was offset by additional funds restricted within local capital for school-based capital initiatives, information technology infrastructure, and the purchase of 2 more portables required in the following year.

Once a project is complete, any remaining funds will be repurposed to other projects based on priority as previously determined by the district.

## Annual Facility Grant (AFG)

The Annual Facility Grant is provided by the Ministry for designated school capital or maintenance upgrades. \$7.25 million was provided by the Ministry for the 2023/24 school year and was expensed on the following projects as illustrated below:

*2023/24 Number of Projects by Type*



The district completed 89 AFG funded projects last year, detailed in the table below. These projects are in addition to work financed by SD43 operating funds. Note that upgrades, which account for 40% of all AFG expenses, are designated by type.

Project Type	Number of Projects	Spend on Projects
	#	<i>in millions \$</i>
Mechanical Program	33	\$4.13
Site Upgrades Grounds - Landscape/Paving	15	\$0.28
Building (Safety) Upgrade	11	\$0.28
Gym Refinishing	10	\$0.08
Exterior Painting	6	\$0.49
Flooring Upgrades	4	\$0.17
Lighting Upgrades	4	\$0.27
Roof Replacement Program	3	\$1.40
Other Program (Contractual Reserves)	1	\$0.08
Room Conversions	1	\$0.02
Other Program (IT Upgrade)	1	\$0.05
<b>Total</b>	<b>89</b>	<b>\$7.25</b>

## Capital Projects

The district is engaged in various capital projects throughout the year. The following is a summary of some of the projects that are in-progress or planned:

### *Middle/Secondary Burke Mountain School* (new school)

On March 1, 2022, funding approval was received from the Ministry of Education and Child Care to construct Burke Mountain Secondary School. This facility will open initially as both a middle school and a secondary school and as enrolment increases will transform to only a secondary school. The school is essential to meet the needs of this growing community. With an estimated total cost of \$160M, Burke Mountain Secondary is expected to be the most expensive school ever built in the history of BC.

The site itself is two separate parcels. One parcel is owned by SD43 and the other parcel owned by the City of Coquitlam. At the end of the building cycle, the SD43 property will have a secondary school, a middle school, a Grade A grass field, and parking space. On City owned land, there will be an artificial turf field and track, as well as other park amenities. The city will also maintain the Grade A grass field through a joint use agreement.

As part of this approval process, the Ministry of Education and Child Care required SD43 to contribute \$25M towards the project over a 5-year period. SD43 was able to fund this obligation through the reallocation of funds set aside for a Scott Creek Middle Addition, the reallocation of funds from other capital projects, and transfers from the operating fund.

### *Coast Salish Elementary* (new school)

Located in the Burke Mountain area of Coquitlam, this new elementary school is predominantly complete and was granted occupancy in the fall of 2023. The childcare center attached to the school will be ready for occupancy for September 2024.

### *Irvine Elementary* (seismic replacement)

The final stages of Irvine Elementary construction including landscaping and field completion occurred during the winter of 2023 into 2024.

### *Centennial Secondary* (NLC Building Space Phase 2)

The final stages of construction on the NLC building occurred spring of 2024 and is occupiable this September

### *Moody Elementary* (seismic replacement)

This new school is being built on the same site as Moody Middle and will include space for an additional 115 students to meet expected growth in the neighborhood. Construction is well under way with occupancy targeted for late spring of 2025.

### *Scott Creek Middle* (10 classroom addition)

This 10 classrooms addition, being built as a prefabricated addition, will increase capacity for an additional 250 students and is expected to be ready for occupancy by fall of 2024.

Major capital developments currently in progress include:



**Portables and Classroom conversions:**

In addition to the above, four portables will be relocated from Scott Creek Middle to Minnehada Middle and two new portables are being placed at Lord Baden Powell and James Park Elementary schools.

### Capital Plan Funding Requests

SD43’s capital plan requests, submitted to the Ministry of Education and Child Care annually in June, consists of the following highest priority projects.

<b>New School Expansion Projects</b> <ul style="list-style-type: none"><li>• Marigold Elementary</li><li>• NE Coquitlam Middle</li></ul>
<b>School Additions</b> <ul style="list-style-type: none"><li>• Banting Middle</li><li>• Maple Creek Middle</li><li>• Riverside Secondary</li></ul>
<b>School Replacements</b> <ul style="list-style-type: none"><li>• Nestor Elementary</li><li>• Como Lake Middle</li></ul>
<b>Seismic Mitigation</b> <ul style="list-style-type: none"><li>• Cedar Drive Elementary</li><li>• Maple Creek Middle</li><li>• Montgomery Middle</li></ul>
<b>Site Acquisition</b> <ul style="list-style-type: none"><li>• Fraser Mills Elementary</li></ul>

# RISK & UNCERTAINTY



## **FINANCIAL STABILITY, RISKS, AND OTHER SIGNIFICANT ITEMS**

In 2017 an enterprise risk assessment was completed which identified 29 areas of risk. The Risk Registry is updated on an annual basis and presented to the Board. While the operationalization of the accumulated surplus policy helps to soften or reduce some of these risk exposures, the following risks have been identified to have the greatest impact on school district operations.

### ***Grant Revenue - Underfunding of Wage Settlement, Benefits, and Inflation***

The operating grant is the single largest source of funding for the school district's operating expenses. The Ministry of Education and Child Care provides funding based on student enrolment, unique student needs as well as some other supplemental funds. While the funding increases mostly covers the negotiated salary and wage increases, it does not adequately cover teacher step increments or wage increases for administrators (principals and vice-principals) or other professionals.

Funding has also not kept up with the increasing costs of statutory and contractual benefits. Canada Pension Plan contributions have increased sharply over the past five years and the new second tier costs that began in 2024 adds a further 4% to CPP costs on a larger salary base. WorkSafe premiums have also substantially increased as the mandate scope has been expanded. The provision to provide sick leave days for substitute staff without a funding source also detracts from educational resources.

Inflation is also not funded by the Ministry resulting in reduced services to schools in all facets of school district operations and having to do more with less financial resources. This risk is even more prevalent in recent years due to elevated inflation levels.

This level of underfunding is not sustainable and cannot be absorbed by the district without reductions elsewhere. The district already spends less than 10% of its operating expenses on services and supplies and has little ability for further reductions in this area. This potentially translates into reduced staffing levels.

### ***Facilities – Schools and Classrooms***

As previously reported, tackling system stresses to address increased demand for enrolment space in elementary schools, especially in the northeast sector of the district and municipal urban core, requires intensive forward-looking capital planning. In some situations, this involves the advancement of local capital funds to mitigate the risk of school overcrowding and student safety.

The requirement to comply with collective agreement restored language places an increased burden and demand on class space. Unrestricted local capital is essentially nil, creating an inability to fund new classroom additions, portable placements or further classroom conversions until the Ministry of Education and Child Care provides the commitment to fund facility requirements.

Significant underfunding of capital for new and replacement school facilities creates a requirement to redirect funds out of the classroom to meet this requirement. Continued advocacy for adequate capital funding and the potential to dispose of excess assets provides the ability to augment available provincial funding for facility requirements.

The district submits a 5-year capital plan annually to the Ministry for approval as required by the *School Act* and Ministry policy. The most recent plan can be found on SD43's website [here](#).

## *Capital Requirements and Interfund Transfer Requirements*

Interfund transfers are the reallocations of funds between the operating and local capital funds. This is done to mitigate the risk of underfunding by the Ministry for approved capital projects such as construction of new schools, classroom additions, and seismic upgrades. If the funds are not required for capital purposes, the funds can be transferred back into the operating account.

The Ministry does not provide funding for portables (new or replacements) which provides further financial pressure to meet the needs of growing communities within the district that do not have an approved capital project or addition. The district submits a 5-year capital plan annually to the Ministry for approval as required by the School Act and Ministry policy. The most recent capital plan can be found on SD43's website [here](#).

## *Cyber Security*

In today's digital world, a potential cyber-attack is an ongoing threat. As systems and infrastructure age, the threat increases. Systems must be kept current to mitigate cyber threats and to run operations efficiently. The district must carefully monitor operations and educate staff and students about cyber security to ensure that our systems and information are securely protected. Keeping up with the rapid pace of technological change will require additional technical expertise and financial resources that will increase budgetary pressures.

## *Staff Recruitment*

Staffing recruitment challenges resulting from the cost of living in the lower mainland and unprecedented increases in student enrolment for all Metro Vancouver school districts makes hiring staff even more competitive in an already tight market. Additional operational challenges are highlighted by Provincial funding inadequacies and greater demand for staffing in specialized positions. While this is certainly critical in speciality subject matter (STEAM), language arts, and supporting students with unique needs, including education assistants, it is also difficult to recruit professionals in the finance, human resources, payroll, procurement, facilities project management, and qualified trades staffing in our information technology, and maintenance departments.

## *Classroom Enhancement Fund (CEF)*

Classroom Enhancement Funding resulted from the restoration of collective agreement language associated with class size and class composition. In 2023/24 the total CEF budget, totaled \$50.3M including \$3.7M in remedy costs. At the March grant funding announcement, the Ministry confirmed it will provide 100% of this amount for budget planning purposes. However, additional funding requirements for staffing and remedies will not be confirmed until December 2024, well after staffing contracts have been confirmed and classroom organization completed which can pose a challenge to the district. This poses a significant financial risk to the school district

## APPENDIX A - Special Purpose Funds Descriptions

### Annual Facility Grant (AFG)

The Annual Facility Grant was established to account for Ministry of Education and Child Care grants and expenditures relating to annual facility maintenance projects. The AFG allocation is comprised of both a special purpose fund allocation and a bylaw capital allocation.

AFG funds may be spent for the purpose of:

- Upgrading or replacing existing facility components throughout the expected economic life of an existing capital asset
- Enhancing the service potential of an existing capital asset or a component of an existing capital asset by correcting deficiencies in design or construction and unsafe conditions
- Significantly lowering the associated operating costs of an existing capital asset
- Extending the life of an existing capital asset or a component of an existing capital asset beyond its original life expectancy

SD43 must provide the Ministry with the AFG project spending plan prior to April 30<sup>th</sup> of each year. The plan includes a list of the AFG projects and expenditures the district will undertake between April 1<sup>st</sup> and March 31<sup>st</sup>.

### Apprenticeship Programs

Work in Trades program provides students with an opportunity to begin an apprenticeship in various trades while still in school. The program combines paid work-based training and a provincial curriculum that allows students to earn up to 16 graduation credits and 480 work-based training hours required for provincially and nationally recognized industry trades credentials. The school district works closely with Post Secondary Institutions and receives funding from the Industrial Training Authority to support these programs.

### Changing Results for Young Children (CR4YC)

This fund is a partnership with approximately 47 school districts and the United Way of the Lower Mainland to implement on-going collaborative professional learning among early learning educators across school and communities to support social, emotional, and learning outcomes for children in the early learning years (birth through age eight).

### Classroom Enhancement Fund (CEF)

This fund was originally established in 2017 as an outcome of the restored teacher collective agreement pertaining to the class size and composition language. The funding is provided through a Ministry of Education and Child Care grant to cover related staffing, overhead and remedy costs.

### CommunityLINK (CLINK)

Learning Includes Nutrition and Knowledge (Community LINK) funding from the Ministry of Education and Child Care is designed to support the academic achievement and social functioning of vulnerable students. Programs and services can include breakfast, lunch and snack programs, academic supports, counseling, youth workers and after-school programs. Additional funding is provided through public donations.

### Contractual Reserves

The School District participates in a joint use agreement with Douglas College and the City of Coquitlam at Pinetree Secondary School. The school district holds the reserves for this partnership for facility renewal purposes. A second joint use agreement exists with the City of Coquitlam related to the Centennial field.

### Early Care and Learning (ECL)

This project-based funding is to help districts gather information about existing early learning and childcare offered on school grounds and use this information to support a planned, integrated approach to increase access to affordable, quality childcare by strengthening relationships with the community and existing providers.

### Feeding Futures School Fund Program (FFSFP)

In April 2023, the Ministry of Education and Child Care announced a multi-year Feeding Futures School Food Program, targeted to help school districts increase food security for students by expanding or creating food programs. The funding is a commitment to ensure students are properly fed for learning to enhance positive academic and healthy outcomes.

### Federal Safe Return to Class Fund/Safe Return to School Site

The Ministry of Education and Child Care administered one-time funding intended to support incremental costs resulting from COVID-19.

### First Nation Student Transportation

This grant is provided as part of the BC Tripartite Education Agreement (BCTEA) supporting First Nation Student Success, to assist with the cost of transportation for on-reserve students attending public schools.

### Language Instruction for Newcomers to Canada (ELSA/LINC)

This program is designed to assist parents of newcomers and refugee children to improve their English skills; learn about Canadian society; laws and health care; the job market; and other valuable information to support successful life in Canada. LINC enables our district to help parents connect with the local community, find volunteer work and network with other new Canadians. The program provides three free childminding centres for two to five-year old's to be cared for while their parents are participating in LINC classes.

### Learning Improvement Fund (LIF)

The Learning Improvement Fund was established by the province for the purpose of providing additional resources, specifically targeted to support complex classes that present challenging learning conditions. Districts are required to submit a spending plan to the Ministry of Education and Child Care by October of each year for approval. To develop the spending plans, district staff work collaboratively with CUPE. In the past these funds have been utilized to create additional education assistant (EA) positions and provide additional hours of support to all EA's.

### Mental Health in Schools

This fund is to support the development of new/enhanced evidence-based inclusive mental health and well-being activities, either universal or targeted in support of students, families and/or educators. It also enables our district to design action plans to capture how funding is spent and what outcomes are achieved.

### Official Language Education Program (OLEP)

The Ministry of Education and Child Care administers federal funding intended to support incremental costs resulting from offering French as a second official-language instruction in BC. All French funding is to be spent by June 30th of each year. An annual report outlining how the funds were spent and what benefits were derived is required at the end of the fiscal year.

### Provincial Safe Return to Class Fund/Safe Return to School Site

The Ministry of Education and Child Care administered one-time funding intended to support incremental costs resulting from COVID-19.

### Provincial Resource Program - Day Treatment (PRP)

This fund represents educational programming services offered to youth receiving intensive structured psychiatric care through the Fraser Health Authority.

### Ready Set Learn (RSL)

The Ready Set Learn funding is provided by the Ministry of Education and Child Care that allows the district to facilitate community events targeted towards 3-year-old children. The events are about providing good information on how to support a young child's early learning and development, and how to help develop positive connections between families, the school system and local community agencies.

### Retiree Extended Health Fund

The Retiree Extended Health Fund is a Benefit Premium Stabilization account for retirees of the Non-Teaching Pension Plan or NTPP, who are in receipt of the benefits under the Post Retirement Group Benefit Plan.

### School Generated Funds (SGF)

This fund represents the accumulated funds held by individual schools. Each school has its own bank account and records the funds received and disbursed throughout the year. These funds are raised at the school level through fundraising, cafeteria revenue, school store revenue, and various other activities. The school generated funds are intended to be used to fund activities that directly benefit the students in the school.

### Settlement Workers (SWIS)

The SWIS program is a school-based service for new immigrant families to meet their immediate and ongoing settlement needs. Families who have children in the district are connected to schools and community and government organizations. SWIS services include settlement support, culturally sensitive services, workshops, and links to various resources.

### Sick Leave Benefit Plan (SLBP)

This fund represents contributions received from support staff workers and matched by the board, to provide short term disability benefits to CUPE members who are disabled from employment resulting from illness or injury. The Trust pays for health and dental benefits and NTPP pension payments for these individuals. This plan has ceased effective February 2022. The purpose of the remaining balance is to support pre-existing obligations that have already been approved prior to the agreement's date of execution.

### Strengthening Early Years to Kindergarten Transitions (SEY2KT)

This project partners with districts/community sites and is focused on developing guidelines, models, and district/site partnerships to ensure children and their families experience coherent transitions from community based early learning experience to kindergarten in schools/districts.

### StrongStart (SS)

The Ministry of Education and Child Care funded StrongStart program allows parents to participate with their young children (aged birth to five) in play-based early learning activities, including story time, music, and art. This early learning drop-in program helps prepare children for success in kindergarten and is provided at no cost to the families.

### Student Family and Affordability Funds (SFAF)

The Student & Family Affordability Funding was introduced in August 2022 as a one-time fund to improve students access to nutritional food/meals before, during and after the school day and help to offset cost to parent, guardian, and students for the cost of field trips, fees, extracurricular fees, and school supplies. In March 2024, the Ministry of Education and Child Care announced a one-year extension and additional funding for the program through to 2023/24 fiscal year.

### Other - Scholarships and Bursaries

Scholarships and bursaries are established and awarded through the generosity of individuals and corporations in our community. The scholarships and bursaries administered by the school district range from memorials to honour the passing of a loved one, to corporations and individuals wanting to give back to the community. The school district administers over 55 different scholarships and bursaries. A significant amount of the scholarships and bursaries have been moved to the SD43 Education Foundation, however there are still funds that remain under this program.

### Other - Staff Development

This grouping of funds consists of a variety of smaller grants to enhance teaching staff development. This includes the ART Starts grant, (resources for teachers and art leadership) and Decoda Literacy programs (resources, training to support community-based literacy and learning).

### APPENDIX B – Ministry Operating Grant

#### Final Operating Grants Overview - 2023/24 School Year

#### School District 43 (Coquitlam)

September 2023 Enrolment Count				
	School-Age Enrolment	Funding Level	Funding	Total Supplement
Standard (Regular) Schools	32,035.1875	\$8,625	\$276,303,492	
Continuing Education	4.9375	\$8,625	\$42,586	
Alternate Schools	288.0000	\$8,625	\$2,484,000	
Online Learning	227.6875	\$6,960	\$1,584,705	
Home Schooling	40	\$250	\$10,000	
Course Challenges	200	\$270	\$54,000	
<b>Total Enrolment-Based Funding (September)</b>	<b>32,555.8125</b>			<b>\$280,478,783</b>
	Total Enrol. Change	Funding Level	Funding	Total Supplement
1% to 4% Enrolment Decline	981.0625	\$4,313	\$0	
4%+ Enrolment Decline		\$6,469	\$0	
Significant Cumulative Decline (7%+)	399.3750	\$4,313	\$0	
<b>Supplement for Enrolment Decline</b>				<b>\$0</b>
	Enrolment	Funding Level	Funding	Total Supplement
Level 1 Special Needs	23	\$49,070	\$1,128,610	
Level 2 Special Needs	1,563	\$23,280	\$36,386,640	
Level 3 Special Needs	331	\$11,760	\$3,892,560	
English Language Learning	6,196	\$1,735	\$10,750,060	
Indigenous Education	1,274	\$1,710	\$2,178,540	
Adult Education	65.8125	\$5,505	\$362,298	
Equity of Opportunity Supplement			\$1,045,699	
<b>Supplement for Unique Student Needs</b>				<b>\$55,744,407</b>
		Funding		Total Supplement
Variance from Provincial Average		\$434		
Estimated Number of Educators	1,812.313		\$786,544	
<b>FTE Distribution</b>	<b>32,621.6250</b>	<b>\$180.33</b>	<b>\$5,882,658</b>	<b>\$6,669,202</b>
<b>Supplement for Unique Geographic Factors</b>				<b>\$2,611,924</b>
Funding Protection				\$0
Curriculum and Learning Support Fund				\$284,173
<b>September 2023 Enrolment Count, Total</b>				<b>\$345,788,489</b>

July 2023 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
Summer Learning Grade 1-7	3,300	\$245	\$808,500	
Summer Learning Grade 8-9	625	\$245	\$153,003	
Summer Learning Grade 10-12	1,369	\$490	\$670,565	
Supplemental Summer Learning Funding			\$394,875	
Cross-Enrolment, Grade 8 and 9	0	\$490	\$0	
<b>Summer Learning, Total</b>				<b>\$2,026,943</b>
February 2024 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	24.2500	\$8,625	\$209,156	
Adult FTE - Continuing Education	78.7504	\$5,505	\$433,521	
K-Gr 9 School-Age FTE - Online Learning	14.0000	\$3,480	\$48,720	
Gr 10-12 School-Age FTE - Online Learning	363.3750	\$6,960	\$2,529,090	
Adult FTE - Online Learning	0.1250	\$5,505	\$688	
Youth Train in Trades	0.0000	\$8,625	\$0	
Level 1 Special Needs Enrolment Growth	0	\$24,535	\$0	
Level 2 Special Needs Enrolment Growth	31	\$11,640	\$360,840	
Level 3 Special Needs Enrolment Growth	0	\$5,880	\$0	
Newcomer Refugees	88.6250	\$4,313	\$382,240	
ELL Supplement - Newcomer Refugees	84	\$868	\$72,912	
<b>February 2024 Enrolment Count, Total</b>				<b>\$4,037,167</b>
May 2024 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	4.3750	\$8,625	\$37,734	
Adult FTE - Continuing Education	57.2500	\$5,505	\$315,161	
K-Gr 9 School-Age FTE - Online Learning	0.0000	\$2,320	\$0	
Gr 10-12 School-Age FTE - Online Learning	57.3750	\$6,960	\$399,330	
Adult FTE - Online Learning	0.8750	\$5,505	\$4,817	
<b>May 2024 Enrolment Count, Total</b>				<b>\$757,042</b>
<b>2023/24 Full-Year Final Total</b>				<b>\$352,609,641</b>
Estimated 2023/24 Operating Grant from Indigenous Services Canada				\$0
Estimated 2023/24 Operating Grant from Ministry of Education and Child Care				\$352,609,641



### ***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/Chief Financial Officer at 604-939-9201.

You are encouraged to also review the Board’s strategic vision and plan [Directions 2025](#).



## School District No. 43 (Coquitlam)

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