



**School District No.54**  
**(Bulkley Valley)**

***School District No. 54 (Bulkley Valley)***  
***Financial Statement Discussion & Analysis***  
***For the Year Ended June 30, 2024***

**September 2024**

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## ***INTRODUCTION***

The following is a discussion and analysis of School District 54's financial performance for the fiscal year ended June 30, 2024. This section of the report is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements.

## ***DISTRICT CONTEXT***

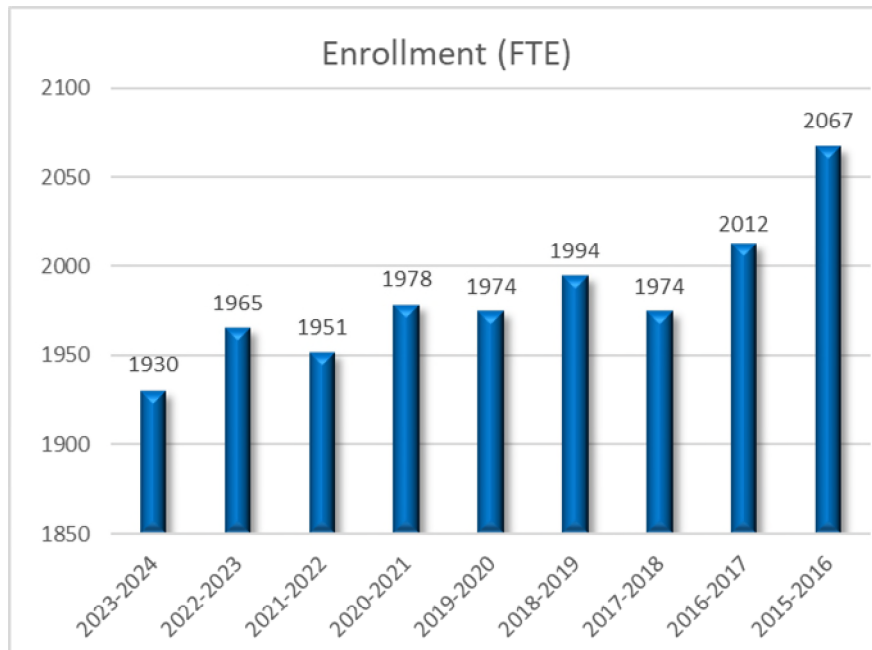
Our School District is located on Highway 16 in the central interior of British Columbia on the traditional territory of the Witsuwit'en Nation, and we serve the communities of Houston, Telkwa, Smithers and Wit'set. The District operates nine programs and schools: five elementary, two secondary, a distributed learning program and an alternate education program. We provide educational programs for approximately 2000 students inclusive of early learning, performing arts, sports, and trades programs, as well as dual credit programs in partnership with Coast Mountain College. The school district has also recently added daycare space and before and after school care at two sites. Approximately 25% of our students identify as Indigenous, with the majority living off-reserve. A Local Education Agreement is in place with Indigenous community representatives that make up the Indigenous Educational Council. Witsuwit'en students living on reserve are supported through our Local Education Agreement with the Witset First Nation. Through the LEA, we co-construct the educational services provided to the students while attending schools within our school district.

## ***STRATEGIC PLAN***

Financial planning and decisions for School District 54 are created in conjunction with the District four-year [Strategic Plan](#) and reported on by the [Framework for Enhancing Student Learning](#). Since the adoption of the strategic plan, it has provided guidance to budgets, school planning, staffing, facility planning, teacher training and professional development. The Plan was, and will be, reviewed and adjusted by the Board in June of each year. The strategic Plan is in the process of be reviewed and revised for the next four-year term. The Strategic Plan will be recreated in conjunction with financial planning and consultation with educational stakeholders.

## **ENROLLMENT**

Provincial grant funding is primarily based on student enrolment, unique student needs, unique geographical requirements and additional funding for indigenous students. School District student enrollment is summarized as follows:



Enrollment has been consistently declining which provides financial challenges given that enrollment-based funding constitutes approximately 93% of district funding. This past year, the School District has experienced an increase in enrollment.

## **STAFFING**

As noted in the table below, staffing FTE (full-time equivalent) has remained consistent over the past year. With the exception of teachers, there has been minor increases in staffing. There still exists a shortage in teachers, educational assistants and bus drivers which has resulted in uncertified teachers and educational assistants and the cancellation of bus runs due to driver shortage. Teacher time was partially reduced due to a decrease in enrollment and increased efficiency in class configurations.

|                | FTE       | FTE       | FTE       | FTE       |
|----------------|-----------|-----------|-----------|-----------|
|                | 2023-2024 | 2022-2023 | 2021-2022 | 2020-2021 |
| Teachers       | 105.3     | 115       | 113.3     | 110.2     |
| SEA            | 54.9      | 48.6      | 38.4      | 42.1      |
| Bus            | 10.8      | 8.5       | 9.5       | 9.9       |
| Custodians     | 18.3      | 17.7      | 17        | 18.7      |
| Clerical       | 13.7      | 14.1      | 14.1      | 14.3      |
| Tech           | 2         | 2         | 2         | 2         |
| Maint          | 15        | 15        | 15.4      | 14.4      |
| Administrators | 16        | 14        | 15        | 14        |
| Excluded       | 12.4      | 12.4      | 11.9      | 11.7      |
|                | 248.4     | 247.3     | 236.6     | 237.3     |

## FINANCIAL STATEMENT DISCUSSION & ANALYSIS OVERVIEW

The following is a discussion and analysis of the financial performance of School District 54 (Bulkley Valley) for the fiscal year ended June 30, 2024. This report should be read in conjunction with the district’s consolidated financial statements for the same period.

### Composition of the Financial Statements

The two key audited statements are:

- The **statement of financial position (Statement 1)**, which summarizes the districts assets and liabilities at June 30, 2024. This provides an indication of the financial health of the school district.
- The **statement of operations (Statement 2)**, which summarizes the revenues received and expenses incurred between July 1, 2023 and June 30, 2024. This statement provides an indication of the funding received by the school district and how that funding was spent.

The **Statement of Changes in Net Debt (Statement 4)**, the **Statement of Cash Flows (Statement 5)** and the notes to the financial statements are also audited and provide further analysis of the district’s finances. The district manages its financial activities in three distinct areas;

- The Operating fund (Schedule 2);
- Special Purpose Funds (Schedule 3); and the

- Capital Fund (Schedule 4)

These schedules are included at the end of the financial statements and are in a format prescribed by the Ministry of Education. These schedules provide additional details specific to each of these areas. The balances reported in the schedules, when combined together, are consistent with the balances reported in the statements. These schedules are unaudited.

Schedule 1 illustrates the sum of the funds in all three of these areas.

Schedule 2 provides detail on the **Operating Fund**.

The Operating Fund accounts for the district's operating grants and other operating revenues. Legislation requires that the district present a balanced budget for the Operating Fund, whereby budgeted expenditure does not exceed the total of budgeted revenue and any surplus in the operating fund is carried forward from previous years.

Schedule 3 provides detail on the **Special Purpose Funds**.

Special purpose funds are utilized to capture funding designated for specific purposes and balances can be deferred to subsequent years for the intended use. Grant revenues are only recognized as expenses are incurred. Any unused grants or funds remaining at the end of the year are treated as deferred revenue.

Schedule 4 provides detail on the **Capital Fund**.

The capital fund accounts for the capital assets of the district including land (sites), buildings, vehicles, furniture, equipment and computers.

## ANALYSIS OF FINANCIAL STATEMENTS

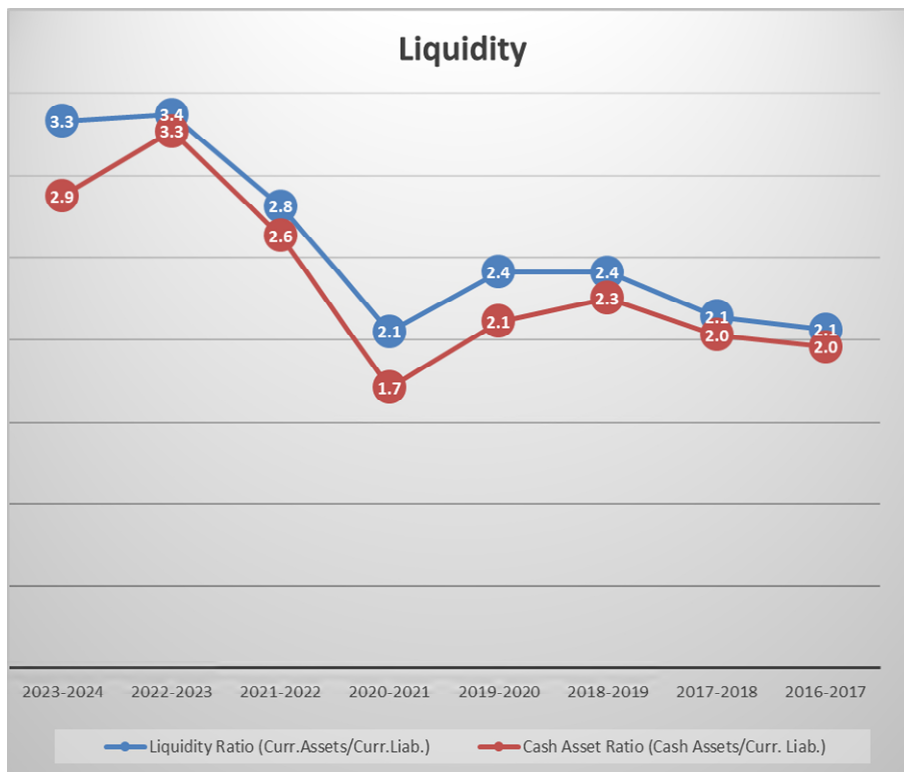
### Cash & Cash Equivalents

Financial assets are assets available to charge existing liabilities or finance future operations. Overall, there was a decrease of \$1,409,534 from the prior year's current assets balance. The current liabilities have also decreased by \$387,684. Net Current Assets reflect the remaining cash after liabilities have been accounted for and paid. This demonstrates the School District's ability to cover current liabilities owed by the district.

| <b>Statement 1</b>          | <b>2023-2024</b>    | <b>2022-2023</b>    | <b>2021-2022</b>     |
|-----------------------------|---------------------|---------------------|----------------------|
| Cash and Cash Equivalents   | \$ 7,976,970        | \$10,340,704        | \$ 10,657,467        |
| Accounts Receivable         | \$ 1,266,681        | \$ 312,481          | \$ 716,743           |
| <b>Total Current Assets</b> | <b>\$ 9,243,651</b> | <b>\$10,653,185</b> | <b>\$ 11,374,210</b> |
| <b>Current Liabilities</b>  | <b>\$ 2,773,661</b> | <b>\$ 3,161,345</b> | <b>\$ 4,044,464</b>  |
|                             |                     |                     |                      |
| <b>Net Current Assets</b>   | <b>\$ 6,469,990</b> | <b>\$ 7,491,840</b> | <b>\$ 7,329,746</b>  |

## Liquidity

Liquidity, or the current ratio, is calculated as current assets divided by current liabilities. If the current ratio is greater than or equal to 1, then there are sufficient assets on hand to meet current liabilities. In this case, current liabilities are equal to total liabilities less deferred capital revenue. Currently, the current ratio is 2.9 which means the School District has the ability to meet the current liabilities 3.3 times.



Cash Asset Ratio is another tool to assess the district's ability to meet their current liabilities. It is the result of cash and cash equivalents divided by current liabilities and determines how quickly obligations can be met.

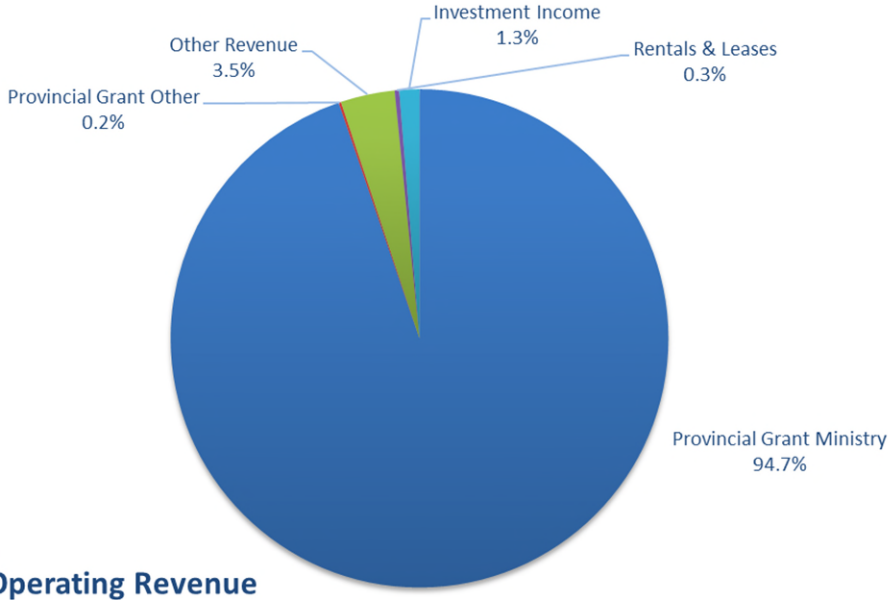
## Revenue

Consolidated revenues from all sources increased from \$31.0 million to \$32.4 million in 2024. 87.4% of total revenue comes from the Ministry of Education, 12.6% comes from several different sources such as the Indigenous, rentals, leases of property, investment returns and amortization of deferred capital revenue.

| Operating Revenue                 | 2023-2024<br>Budgeted | 2023-2024<br>Actual  | 2023-2024<br>Proportion | 2022-2023<br>Budgeted | 2022-2023<br>Actual  |
|-----------------------------------|-----------------------|----------------------|-------------------------|-----------------------|----------------------|
| Provincial Grant Ministry         | \$ 28,241,379         | \$ 28,332,154        | 87.4%                   | \$ 26,975,788         | \$ 26,757,739        |
| Provincial Grant Other *          | \$ 262,000            | \$ 59,144            | 0.2%                    |                       | \$ 25,440            |
| Other Revenue **                  | \$ 946,218            | \$ 1,761,164         | 5.4%                    | \$ 949,916            | \$ 2,055,453         |
| Rentals & Leases                  | \$ 60,000             | \$ 77,689            | 0.2%                    | \$ 75,000             | \$ 75,564            |
| Investment Income                 | \$ 410,000            | \$ 378,390           | 20.9%                   | \$ 385,000            | \$ 357,152           |
| Amortization and Deferred Capital |                       | \$ 1,806,413         | 5.6%                    | \$ 1,337,914          | \$ 1,757,870         |
| <b>Total</b>                      | <b>\$ 29,919,597</b>  | <b>\$ 32,414,954</b> |                         | <b>\$ 29,723,618</b>  | <b>\$ 31,029,218</b> |

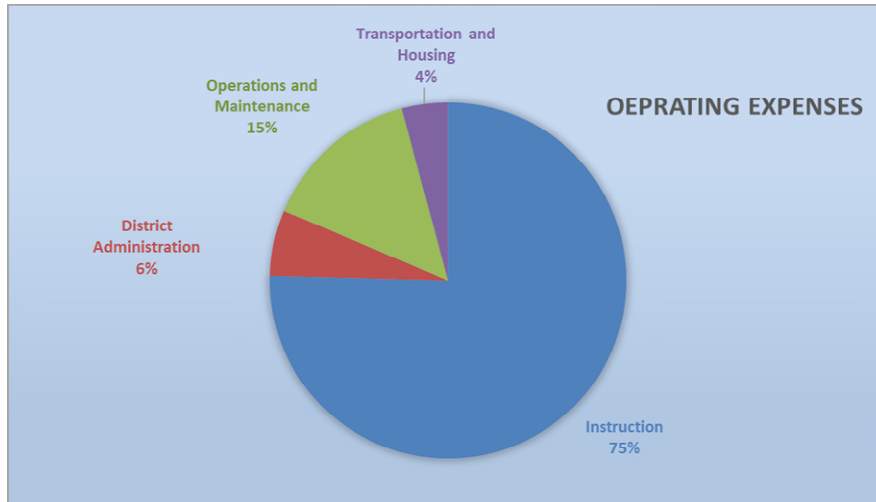
## Operating Fund Revenue

The school district received \$26.8 million from the Ministry of Education in the form of the operating grant which is based on student enrollment and other student and geographical factors. Other revenue was composed of Indigenous funding was \$0.946 million and other provincial grants. The remaining revenue amount is largely comprised of rentals, and investment income.



## Expenses

District expenses (categorized by Instructional, District Administration, Operations & Maintenance and Transportation) remain proportionately similar from previous years.



Generally, salaries have decreased slightly from budgeted estimate due to challenges in hiring employees in the current labour environment. Benefit costs have increased given increasing rates for benefits programs. Despite services and supplies generally costing more due to inflation, the services and supplies costs have decreased slightly. This was due to planned reductions in purchasing given increases in inflationary pressures.

|                                     | 2023-2024        |                  |                | 2022-2023        |                  |
|-------------------------------------|------------------|------------------|----------------|------------------|------------------|
|                                     | Budgeted         | Actual           | Variance:      | Budgeted         | Actual           |
| <b>Operating Expenses (in '000)</b> |                  |                  |                | <b>Budgeted</b>  | <b>Actual</b>    |
| <b>Salaries</b>                     |                  |                  |                |                  |                  |
| Teachers                            | \$ 9,183         | 9064             | -\$ 119        | \$ 9,194         | \$ 8,901         |
| PVP                                 | \$ 2,050         | 1902             | -\$ 148        | \$ 1,733         | \$ 1,704         |
| Educational Assistants              | \$ 2,172         | 2003             | -\$ 169        | \$ 1,975         | \$ 1,997         |
| Support Staff                       | \$ 2,555         | 2651             | \$ 96          | \$ 2,695         | \$ 2,498         |
| Other Professionals                 | \$ 1,518         | 1740             | \$ 222         | \$ 1,444         | \$ 1,473         |
| Substitutes                         | \$ 1,042         | 1125             | \$ 83          | \$ 952           | \$ 998           |
| <b>Total Salaries</b>               | <b>\$ 18,520</b> | <b>\$ 18,485</b> | <b>-\$ 35</b>  | <b>\$ 17,993</b> | <b>\$ 17,571</b> |
| Employee Benefits                   | 4210             | 4471             | \$ 261         | \$ 4,105         | \$ 4,321         |
| <b>Service and Supplies</b>         |                  |                  |                |                  |                  |
| Services                            | \$ 590           | \$ 427           | -\$ 163        | \$ 465           | \$ 393           |
| Professional Development            | \$ 421           | \$ 502           | \$ 81          | \$ 392           | \$ 457           |
| Dues and Fees                       | \$ 46            | \$ 29            | -\$ 17         | \$ 47            | \$ 28            |
| Insurance                           | \$ 94            | \$ 55            | -\$ 39         | \$ 94            | \$ 69            |
| Supplies                            | \$ 2,041         | \$ 1,863         | -\$ 178        | \$ 1,785         | \$ 1,856         |
| Utilitites                          | \$ 568           | \$ 606           | \$ 38          | \$ 552           | \$ 521           |
| <b>Total Services and Supplies</b>  | <b>\$ 3,760</b>  | <b>\$ 3,482</b>  | <b>-\$ 278</b> | <b>\$ 3,335</b>  | <b>\$ 3,324</b>  |
| <b>Total Expenses</b>               | <b>\$ 26,490</b> | <b>\$ 26,438</b> | <b>-\$ 52</b>  | <b>\$ 25,433</b> | <b>\$ 25,216</b> |

## Capital

Funding for capital expenditures is sourced primarily through the Ministry of Education with incremental funding provided through locally generated capital funds.

At this time there is no significant change in enrollment, building capacity or demographics that would warrant adjustment of capital plans.

Capital Assets Net Book Value at year end are as follows:

| Tangible Capital Assets (Net of Ammortization) |                                 |                                 |          |
|--|---------------------------------|---------------------------------|----------|
|  | Net Book Value<br>June 30, 2024 | Net Book Value<br>June 30, 2023 | % Change |
| Sites  | \$ 1,274,661                    | \$ 1,274,661                    | 0%       |
| Building                                       | \$ 54,584,582                   | \$ 53,134,331                   | 3%       |
| Furniture & Equipment                          | \$ 2,091,415                    | \$ 2,033,586                    | 3%       |
| Vehicles                                       | \$ 1,886,152                    | \$ 1,414,554                    | 33%      |
| Computer Software                              | \$ 23,483                       | \$ 70,453                       |          |
| Computer Hardware                              | \$ -                            |                                 |          |
| Total  | \$ 59,860,293                   | \$ 57,927,585                   | 3%       |

## Major Capital

In 2021 the District completed the \$34,021,231 Walnut School rebuild project with the exception of some landscaping of the larger field and a few deficiencies. The school district still retains \$60,000 in general contractor holdbacks.

## Minor Capital

The School District completed the School Enhancement Program which entailed a HVAC upgrade and replacing the building envelope to Telkwa Elementary School. Two school buses were purchased with Ministry Bus funding. The District has also been supported with \$107,250 in capital funding from the Foods Infrastructure program.

The District has internally funded capital upgrades to Telkwa Elementary library, learning commons, office rooms, and staff room and several classrooms over the past two years. Several classrooms around the district have been totally renovated, including Smithers

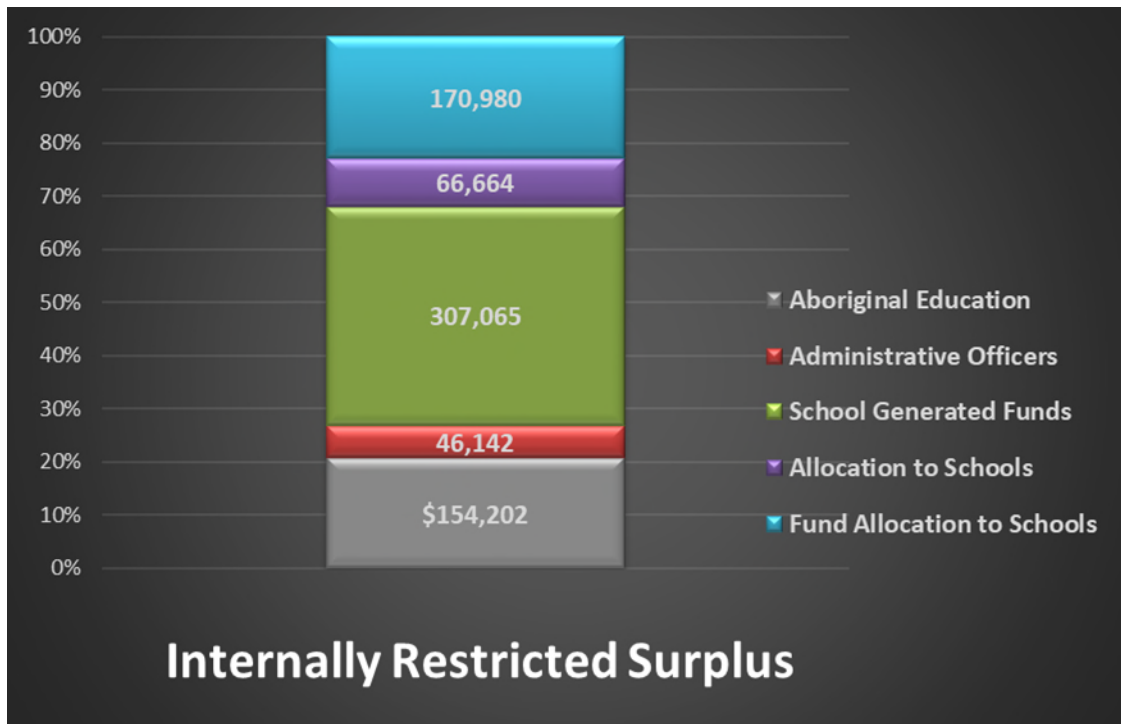
Secondary and Twain Sullivan as part of the school district’s strategic plan classroom revitalization program.

## Land

There were no land dispositions or acquisitions. Currently, the district does not hold any surplus land that could be used for educational or child care purposes or disposed of.

## Surplus

The School District has requirements to fund future obligations. These are the internally restricted Surplus – Operating



|   |                    |
|---|--------------------|
| Internally Restricted                         | \$ 745,053         |
| Unrestricted Operating Surplus (Deficit)      | <u>\$2,610,884</u> |
| Total Surplus Available for Future Operations | \$3,355,937        |

Unrestricted operating surplus has been planned to support operations to fulfill the goals of the District Strategic Plan and internal capital projects. The unrestricted operating surplus has

decreased from \$3,783,957 for the 2022-2023 year. This planned appropriation of operating surplus was used to fund internal capital projects and upgrades that included designing and implementing flexible learning spaces, indigenous education programs, and other educational programs such as outdoor programs.

Local capital reserve (LCR) are funds restricted by the Board for the purchase of capital assets. During the year, \$1,233,000 was transferred to LCR to enhance the facilities by the maintenance department. The district will continue to utilize LCR to support classroom and learning commons revitalization and the improving the building envelopes to support energy efficiency.

The District maintains a restricted surplus account in order to work with the Ministry on future capital projects to upgrade schools. The District will continue to review and reduce, if necessary, the operating, local capital and ministry restricted surpluses to adhere to the board policy directing district surplus.

**Surplus Accounts**

|                               | <b>2023-2024</b>    | <b>2022-2023</b>    |
|-------------------------------|---------------------|---------------------|
| Internally Restricted         | \$ 745,053          | 898835              |
| Unrestricted Operating        | \$ 2,610,884        | 3384005             |
| Local Capital Reserve         | \$ 606,555          | 687462              |
| Restricted Ministry Surplus   | \$ 1,792,829        | 1792829             |
| <b>Total</b>                  | <b>\$ 5,755,321</b> | <b>\$ 6,763,131</b> |
| Increas (decrease) in Surplus | -\$ 1,007,810       |                     |

**SIGNIFICANT FINANCIAL FACTORS**

The district submitted a balanced budget to the Ministry of Education for the 23/24 school year that will continue to deliver various programs and services currently offered to students in our schools. Moving into 2024 and beyond, there are several factors that may impact the district’s operations and financial position.

- Union Negotiations: The Provincial Government and school districts are currently negotiating with the teachers’ union BCTF and support staff union, CUPE. This will impact the collective agreements and several expenses over the future. Any salary increases should be adjusted for in regular block funding.

- Supply of Labour: As with most northern school districts, there is a shortage of qualified labour in most areas. It has generally been a challenge to find new teachers or support staff. A significant issue in staffing has been in the trades department and technologist.
- Shortage of Contractors: Labour supply market for contractors is also diminishing. Trades contractors have been reluctant to take on school district projects or provide services. This is making it very difficult to complete, or even engage, contractors in our annual facility grant and capital projects. Consequently, the district has increased the maintenance department staff to try and support capital projects internally.
- Inflationary Pressures: Increasing inflation rates have created increased district costs over the past year. This is especially noticeable in fuel, energy, staff benefits, maintenance costs and school supplies.

## **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the School District's stakeholders with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Secretary Treasurer's office at [dmargerm@sd54.bc.ca](mailto:dmargerm@sd54.bc.ca).