



**Conseil scolaire
francophone de la
Colombie-Britannique**

Financial Statement Discussion and Analysis

30 juin 2023

Conseil Scolaire Francophone de Colombie Britannique
Financial Statement Discussion & Analysis
For the Year Ended June 30, 2023

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The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2023. 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 report should be read in conjunction with the School District's financial statements.

OVERVIEW OF THE SCHOOL DISTRICT

The Conseil Scolaire Francophone serves about 6,300 student FTE in in several communities through the province of British Columbia: 32 elementary schools, 1 virtual school, 10 secondary schools and 4 K-12 Schools.

Strategic Plan 2021 guides the Board of Education and its employees and partners in delivering educational programs through the period 2021/22 to 2025/26. The Strategic Plan is organized around the following three pillars (our students, our staff, our families and our communities) and two themes (recruitment and retention, inclusion).

The Board of Education has begun the process to develop this strategic plan with community consultation in the fall of 2021. Under the *School Act* and Policy 2 (Role of the Board), the Board is responsible for the improvement of student achievement, and the strategic plan is the means to achieving this objective.

COMPOSITION OF THE FINANCIAL STATEMENTS

The two key statements are:

- A statement of financial position (Statement 1), which summarises the assets and liabilities at June 30th. This provides an indication of the financial health of the District.
- A statement of operations (Statement 2), which summarises the revenues received, and expenses incurred during the twelve months between July 1 and June 30. This provides an indication of the funding received by the District and how the District spent that funding.

The Statement of Changes in Net Financial Assets Debt (Statement 4), the Statement of Cash Flows (Statement 5) and the notes to the financial statements provide further analysis of the District's finances.

The District manages its financial activities in three distinct areas, being the

- Operating fund,
- Special purpose funds,
- Capital fund.

The schedules at the end of the notes to the financial statements are in a format prescribed by the Ministry of Education and Child Care. These schedules provide more detail specific to each of these funds. The balances in these schedules are consistent, when combined together, with the financial statements.

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- Schedule 1 illustrates the sum of the funds.
- 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 carried forward from previous years.
- Schedule 3 provides detail on the Special Purpose Funds
The Special Purpose Funds account for grants and contributions that the provider directs towards specific activities. As these are targeted grants, the Board accounts for any unspent funding as deferred revenue, not as accumulated surplus.
- Schedule 4 provides detail on the Capital Fund. The capital fund accounts for:
 - The capital assets of the District, including buildings, furniture, computers and equipment.
 - Grants directed by agreement with a third party for the purchase of capital assets.
 - Funds restricted by the Board for future capital asset purchases (local capital).

FINANCIAL HIGHLIGHTS

Capital Investment

During the year ended June 30, 2023, the district invested \$15.8 million in capital additions that were funded by: Provincial capital funding (\$12.7 million), ministry restricted capital (\$2.1 million), the operating fund (\$0.7 million), and the special purpose fund (\$0.3 million). Capital additions during the year included the following projects:

Land \$6.4 million	Sechelt \$6.0M
Buildings \$8.7 million	Beausoleil \$0.5M New portables and gym building in different schools \$2.2M Building renovation for childcare \$2.1M General ventilations improvements and Neutral Carbon projects \$1.2M Annual Facility Grant \$1.9M
Computers Hardware \$0.5 million	

Significant Financial Events

In 2022/23, the pandemic was still event impacting school district operations, but less than the previous year. The financial impacts included the following:

- **Enrolment and Funding**
The school age students FTE decreased -166 FTE.
The annual enrolment represented -43 FTE.

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The CEF enrolment increased +5FTE.

While enrolment based funding decreased overall, the Students FTE decreased. The net financial pressure were high, even if the optimization of the need for staff and staffing levels were reviewed in neighbourhood schools as enrolment fluctuation occurred following school start-up.

- **Targeted Pandemic Funding**

In 2021/22, the district received \$0.4 million in funding from the Federal and Provincial governments targeted to pandemic costs including additional educational program and health and safety costs. This funding and related costs were reported in the special purpose fund.

In 2022/23, there is no more pandemic funding.

- **Educational Programs**

The district implemented a second Seamless kindergarten pilot program.

- **Health and Safety**

Additional health and safety measures were still implemented in 2021/22 including: enhanced cleaning, personal protective equipment, plexiglass barriers, improved hand hygiene, upgraded HVAC filters and increased fresh air circulation.

In 2022/23, we kept most of these measures, except, we reduced the cleaning process.

- **New school**

For 2022/23, the CSF pursue the school improvement in Victoria on the temporary Breafoot land.

- **Student and Family Affordability Fund**

In 2022/23, the district received \$1.0 million in funding from the Provincial governments targeted to inflation costs including food security, furniture, and activities costs. This funding and related costs were reported in the special purpose fund.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT

In this section, actual results are compared to the prior year and budget (where applicable) in more detail. For the statement of operations, the analysis is performed for each of the three funds.

Statement of Financial Position (Statement 1)

The table below includes explanations for significant variances in the statement of financial position (statement 1) relative to the prior year.

Cash and cash equivalents

At June 30, 2023, the District held \$5.8 million in cash, deposited in financial institutions and the Province's central deposit system. This cash balance offsets the liabilities of the District and unspent funds restricted for use on specific projects.

Accounts receivable

The District collects funds from various entities during the year, including the Ministry of Education and Child Care, unions for the cost of replacing union leaves, and various other reasons. The District had not collected some amounts by the year-end, which is normal.

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The table below provides further detail as to the origin of these receivable amounts.

As at June, 30	2023 \$	2022 \$	Comments
Due from Province - Ministry of Education and Child Care	3 255 065	2 968 416	This relates to capital costs incurred on projects that had yet to be reimbursed by the MoECC. The increase from the prior year reflects the level of construction activity prior to the fiscal year-end.
Due from First Nations	226 988	193 767	First Nations pay the School District directly for the education of students who live on reserves. This amount represents the amount yet to be paid for the education of students.
Other (Note 3) <i>Due from Federal Government</i> <i>Other</i>	3 013 520 <i>215 132</i> <i>2 798 388</i>	2 999 346 <i>388 664</i> <i>2 610 682</i>	Due from Federal Gov : Relates to sales tax rebates and some funds to be paid. Other : various other costs that the School District recovers from third parties. Most of the increase is explained by the Reimbursement of legal costs.
Prepaid licence	224 738	245 169	Licence paid for École Jules Vernes to access to the location

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities represent expenses that the District has incurred but not paid. They comprise the following amounts:

As at June, 30	2023 \$	2022 \$
Other (Note 4)	10 516 612	11 992 388
<i>Trade Payables</i>	<i>5 889 701</i>	<i>7 023 554</i>
<i>Salaries and Benefits Payables</i>	<i>3 980 402</i>	<i>4 278 360</i>
<i>Accrued Vacation Pay</i>	<i>646 510</i>	<i>690 474</i>

Trade Payables

Trade and other amounts Payable primarily relate to service, supply and asset purchase costs incurred before the year-end that the District had not yet paid at June 30. This amount is lower than the amount for 2021 because we reduced the time for deferred schedules to pay some debts.

Salaries and Benefits Payables

Wages payable – teachers’ 12-month instalment plan represents the amounts teaching staff have elected the District to withhold from their pay during the school year. The District then pays these amounts to those teachers in July and August.

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Salaries and Pension contributions payable and payroll taxes payable relate to pension contributions and tax withholdings for June payroll. The District paid these amounts to the employees, the pension plan providers and CRA in early July, in the usual manner.

Accrued vacation pay decreased but stayed high due to staff being unable to, or choosing not to, take vacation in the summer.

Deferred Revenue

Deferred revenue represents the unspent portion of grants that the provider targets, by legislation or contractual obligation, for a specific purpose.

As at June, 30	2023 \$	2022 \$	Comments
Deferred Revenue (Note 5)	435 307	583 594	
Special Education Equipment	2 203	9 942	Funding allocated for supporting students with special education needs where the need for specific equipment is recommended by a qualified professional.
Service Delivery Transformation	457	457	Funding allocated for identifying opportunities that could be further explored.
School Generated Funds	152 850	326 836	This represents amounts decreased in 2022/23 for activities to occur in schools.
Strong Start	45 616	18 461	Funding allocated for young children and not yet in school.
Ready, Set, Learn	15 747	174 389	Funding allocated for young children in kindergarten and grade 1. We fully used this fund by preparing activity package.
Classroom Enhancement Fund	27 895	14 443	The balance relates to amounts allocated for the provision of remedies to teachers that were not utilised by the end of the school year.
First Nation Student Transportation	0	1 290	Funding allocated for transportation assistance and transportation to / from extra-curricular activities was utilised

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As at June, 30	2023	2022	Comments
Changing Results for Young Children	30 927	20 814	Funding allocated for social and emotional well-being to improve outcomes for young children.
Federal Safe Return to School	0	13 548	Funding allocated for ventilation system
Student & Family Affordability	119 913		The funding can be used to: 1. Improve students' access to nutritional food / meals, before, during and after the school day 2. Directly offset costs to parents, guardians, and students, such as school supplies or other cost pressures they are facing using existing mechanisms such as hardship policies.
Just B4	25 000		It supports children in a school based preschool program to "just be four years old".
Strengthening Early Years to Kindergarten Transitions	14 676		The initiative provides opportunities for school districts and communities to work together in support of young children and their families. The program supports smooth transitions from home to school.
Adopt a school	23	3 414	Grant from the Society's Adopt-a-School Project to be used food security /emergency funds

Deferred capital revenue and tangible capital assets

The deferred capital revenue balance is closely linked to the tangible capital asset balance. Tangible capital assets are things owned by the District that have a lifespan of more than one year. This includes school buildings and sites, furniture and most computer equipment.

As at June, 30	2023	2022
	\$	\$
Deferred Capital Revenue (Note 6)	147 332 794	145 419 391
Tangible Capital Assets (Note 9)	248 682 248	239 605 696

Specific grants provided by the Ministry of Education and Child Care fund the majority of the District's capital expenditure, such as the construction of new schools. Once an asset is built or acquired and is in

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use, the cost of that asset is amortized over the expected life of that asset. Any grants targeted towards the acquisition of that asset are also amortized over the expected life of that asset.

After allowing for amortization, the District has \$248.7 million of tangible capital assets. Of this, \$147.3 million (being the deferred capital revenue balance) of assets were purchased with targeted grants. Operating revenues and other non-targeted funding funded the remainder.

The capital fund section, included later in this document, provides a more detailed explanation of the accounting for capital assets and associated grants.

Employee future benefits

The employee future benefits liability of \$2 million accounts for amounts or benefits earned by current employees during past service.

As at June, 30	2022 \$	2022 \$
Employee Future Benefits (Note 7)	1 913 265	2 003 051

The biggest part of this amount accounts for retirement benefits. Support staff and certain members of school and district administration are entitled to a one-time payment from the District on their retirement. The amount of payment depends on years of service and final salary. The District will recognise an additional annual expense of about \$344 thousand to reflect the increase, compensated by the paid retirement benefits to employees.

Capital Lease Obligations

A capital lease obligation is the amount of rent owed by the school district to the bank for taking capital assets on hire under a capital lease. A capital lease is essentially a means of financing a capital asset.

As at June, 30	2023 \$	2022 \$
Capital Lease Obligations	2 834 658	3 161 873

The school district uses this for financing most of the hardware. For 22-23, we bought for \$0.5 million of hardware with capital leases.

Prepaid expenses

A prepaid expense is a type of asset on the balance sheet that results from a business making advanced payments for goods or services to be received in the future.

As at June, 30	2023 \$	2022 \$
Prepaid Expenses	2 114 336	2 315 176

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As at June, 30	2023	2022
<i>In operating</i>	1 105 611	1 069 268
<i>In Capital</i>	1 008 725	1 245 908

This year, we started and pursued different projects. Most of the other expenses are for engineers, consultants and lawyers.

Accumulated surplus (Schedule 1)

Broken down by fund, the accumulated surplus comprises the following amounts:

June 30, 2022	Operating \$	Special Purpose \$	Capital \$	Total \$
Accumulated Surplus (Deficit), beginning of year	1 691 031	52 000	89 306 274	91 049 305
<u>Changes for the year</u>				
Surplus (Deficit) for the year	(711 571)	1 149 365	4 346 886	4 784 950
Tangible Capital Assets Purchased	(260 189)	(254 218)	514 407	-
Other	(359 800)	(895 417)	1 255 217	-
Net Changes for the year	(1 331 560)	-	6 116 510	4 784 950
Total	359 471	52 000	95 422 784	95 834 255

The beginning of year is adjusted by the asset retirement obligation.

These Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022 (see Note 16 and 23). The impact in Capital surplus represented \$ -4.5M.

This analysis discusses these surpluses in more detail later in this document for 22/23.

Statement – Operating Fund (Schedule 2)

	Amended Budget 2022/23	Actual 2022/23	Actual 2021/22
Revenues	101 713 349	103 562 314	101 501 913
Expenses	102 399 637	104 273 885	102 734 134

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Annual Operating Surplus (Deficit)	(686 288)	(711 571)	(1 232 221)
Fund transfers	(538 630)	(619 989)	(1 171 087)
Opening Accumulated Surplus		1 691 031	4 094 339
Closing Accumulated Surplus		359 471	1 691 031

The 2022/23 Amended Budget included Internally restricted surplus for \$359 471.

Detailed information on the operating fund is presented in schedules 2 to 2C following the notes to the financial statements. Revenues, expenditures and accumulated operating surplus are analysed in greater detail below.

Operating Fund Revenues (Schedule 2A)

A summary of operating fund revenues is presented below and explanations of significant variances follows. A more detailed presentation of operating revenues is presented in schedule 2A following the notes to the financial statements.

	Amended Budget 2022/23	Actual 2022/23	Actual 2021/22
Operating Grant	97 878 258	97 958 927	98 395 509
Other Grants	3 395 391	4 866 820	1 161 023
Other Revenue	124 700	243 477	1 739 362
Rentals and Leases	160 000	270 573	152 327
Investment Income	155 000	222 517	53 692
Total Revenues	101 713 349	103 562 314	101 501 913

Grant Revenues:

95% of the District's operating revenue is from Provincial Ministry of Education and Child Care ('MoECC'). The MoECC provides the majority (\$97.9 million) of this funding using a funding formula. The primary inputs into this formula are student enrolment and demographics, and the geographic circumstances of the School District.

Budgeted operating grant revenues in 2022/23 were \$0.5 million lower than the 2021/22 grant primarily due to September enrolment growth (-2.6%).

Actual 2022/23 grant revenues exceeded 2022/23 budget by less than \$0.1 million because of other grant adjustments.

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Other Grants Revenues:

Budgeted tuition revenues in 2022/23 were \$3.4 million above 2021/22 due to the positive impact of the “Teacher’s Labour Settlement Funding” (\$2.2M). Actual 2022/23 grant revenues exceeded 2022/23 budget by \$1.0 million because of the “Labour Settlement Funding” for the support staff and the administrators.

Other Revenues:

The Board received various grants and revenues during the year that management did not anticipate during the budget creation. It is common for miscellaneous revenues to exceed budget, as it includes unbudgeted grants which vary from year to year.

In 21/22, we planned to receive \$1.2M for reimbursement of legal costs.

Rentals and Leases:

The Board rents certain facilities, such as school gyms, for community and commercial use by third parties. In a typical year, the Board generates about \$160,000 in revenue for these rentals. Due to the budget restrictions, we refunded less to the schools to keep more revenue in the district.

Operating Fund Expenses (Schedule 2B)

Expenses in the financial statements are presented both by object (category of expense) and by function (program). Operating fund expenses are presented below using each method with explanations of significant variances following. A more detailed presentation of operating expenses is presented in schedules 2B and 2C following the notes to the financial statements.

The District spent 71% of operating expenditure on salaries and benefits. As expected for a school district, the majority of this staff cost (about 53% of salaries and benefits) is for teachers.

Funding criteria means the district distributes staff costs among the operating fund and the special purpose funds. The classroom enhancement fund, for example, covers the salary and benefit cost for \$6.3M of the District’s teachers.

Analysis of Variances by Object

Operating Fund Expenditure by Object	Amended Budget 2022/23	Actual 2022/23	Actual 2021/22
Salaries			
Teachers	32 207 691	32 018 816	32 724 943
Principals and Vice Principals	7 485 634	7 002 058	6 654 621
Education Assistants	6 330 330	6 291 676	6 816 941
Support Staff	5 607 848	5 949 599	6 058 486
Other Professionals	4 096 625	4 336 359	4 156 882
Substitutes	3 897 063	4 127 010	3 795 653
Total Salaries	59 625 191	59 725 518	60 207 526
Employee Benefits	13 309 782	14 292 485	13 808 864

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Total Salaries and Benefits	72 934 973	74 018 003	74 016 390
Service and Supplies expense	29 464 664	30 255 882	28 717 744
Fund transfers (schedule 2)	558 630	619 989	1 171 087
Total Service and Supplies and fund transfers	30 023 294	30 875 871	29 888 831
Total Operating Expenditure	102 958 267	104 893 874	103 905 221

Salaries – Teachers

Budgeted teacher salary expense in 2022/23 was \$0.5 million lower than 2020/21 expenses due to: the optimization of the staffing enrollment.

Actual teacher salary cost in 2022/23 was \$0.2 million under budget. Actual 2022/23 expense was consistent with budget.

The district is funded for 69 teacher FTE through the Classroom Enhancement Fund (CEF) for the restoration of class size and composition language. The CEF and related costs are reported in the special purpose fund and are not reflected in the operating fund figures reported above.

Salaries – Principals and Vice Principals (PVP)

Budgeted PVP salary expense in 2022/23 was higher than budgeted expense in 2021/22 by \$0.8 million due to inflationary, step salary increases and sickness. Actual 2022/23 expense was consistent with budget because the sickness cost was lower than expected.

Salaries – Education Assistants (EA)

Actual EA salary expense in 2022/23 was consistent with the budgeted.

Salaries – Support Staff

Budgeted salary expense in 2022/23 was lower than expense in 2021/22 by \$0.4 million, due to budgeted FTE diminution in 2022/23. Actual 2022/23 expense was lower than budget because we didn't hire the expected staff.

Salaries – Other Professionals

Actual other professional salary expense in the 2022/23 budget is flat with the 2021/22 due to the compensation between inflationary and step salary increases, and decreased educational excluded staff FTE. Actual 2022/23 expense was higher because we made effort to designate students with difficulties.

Salaries –Substitutes

Actual substitute expenditures can exceed or not budget for three reasons: (1) another budget is used to fund additional substitute expenditure; or (2) replacement cost for illness exceeds budget; or (3) the employees are more or less sick.

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Other budgets are commonly used to fund additional substitute cost. For example, a school or department may use a service and supplies budget to fund additional substitute cost so that teachers can work on curriculum implementation or other projects.

Actual expense in 2022/23 was higher than the budget and the expense in 2020/21 due to employees sick more than expected.

Employee Benefits

Actual expense in 2022/23 was in coherence with the total salaries. We noticed an increase of certain rates.

Total Service and Supplies and Fund Transfers

For the purpose of this analysis, fund transfers are combined with service and supply expense because fund transfers relate primarily to the purchase of capital assets from service and supply budgets in the operating fund.

It is expected actual service and supply expenditures will be less than budget as most surplus carry-forward balances are included as service and supply expenditure in the budget and are not fully spent. Also, service and supply budgets commonly fund other expenditures such as substitute costs.

Budgeted expense in 2022/23 was equal to the expense in 2021/22 with an actualisation for the inflation for operation & maintenance expenses.

In 2022/23, actual service and supply expenditures including fund transfers were higher than budget because of the snow removal expenses were much more than expected.

Analysis of Variances by Function (Schedule 2)

Operating Fund Expenditure by Function	Amended Budget 2022/23	Actual 2022/23	Actual 2021/22
Instruction	71 974 265	72 250 070	73 381 068
District Administration	6 846 872	7 909 428	6 128 713
Operations and Maintenance	13 646 252	14 517 725	13 905 262
Transportation	9 932 248	9 596 662	9 319 091
Fund transfer	558 630	619 989	1 171 087
Total	102 958 267	104 893 874	103 905 221

Instruction

2022/23 budgeted expenditures decreased 2020/21 expenditures by \$1.4 million. This reflects the decreased staffing budgets and supply budgets. In 2022/23 instruction expense was consistent with budget.

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District Administration

Actual district administration expense in 2022/23 exceeded by \$1,1M with budget. The legal fees are higher than expected.

Operations and Maintenance and Fund Transfer

Fund transfers primarily represent operations and maintenance expenditures that meet the criteria for capitalization. Operations and Maintenance expense is combined with fund transfers, expenditure was \$1.0 million above budget, attributable primarily to inflation and snow removal.

Transportation

In 2022/23, actual transportation expenditures were lower than budget by \$0.3 million due to our monitoring and the lack of drivers.

Accumulated Operating Surplus (schedule 1 and 2)

Understanding the components of accumulated operating surplus is necessary for knowing how much of the balance relates to multi-year funding of programs and how much of the balance is available to reduce financial risk associated with unforeseen expenditures or to fund additional expenditures in the future. The components of closing accumulated surplus are presented in the table below:

	2022/23 Financial Statements		2021/22 Financial Statements
Indigenous projects	18 423		45 346
Professional Development	74 717		104 595
Mentorat	126 994		140 112
Project Office	76 869		
Schools Budget	221 455		245 427
School Generated Funds	152 849		326 835
Recruitment and retention	244 888		57 583
Unrestricted Surplus (Deficit)	(556 724)		
Total Internally Restricted	359 471		919 898
Unrestricted Surplus	0		771 133
Total Accumulated Surplus	359 471		1 691 031

The internally restricted surplus were flat due to the effort to engage all expected activities, in particular for the indigenous projects and schools, but we received new funds for the Project Office and Recruitment & Retention.

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The unrestricted surplus reduced to \$1.4 million because our expenditures were above the total revenues. Because it is negative, with the Ministry agreement, we planned to refund it with the budget 23/24.

Statement – Special Purpose Fund (Schedule 3A)

Grant revenues and expenditures in the special purpose fund decreased significantly due to the reduction of funding received for pandemic response.

Detailed information on the special purpose fund is presented in schedules 3 to 3A following the notes to the financial statements.

Fund	Surplus from previous year	Grants & revenue received	Expenses	Surplus at end of year
Annual Facility Grant	0	277 866	277 866	0
Learning Improvement Fund	0	349 790	349 790	0
Aboriginal Education Technology	0	0	0	0
Special Education Equipment	9 942	0	7 739	2 203
Service Delivery Transformation	457	0	0	457
School Generated Funds	326 836	2 387 253	2 561 239	152 850
Strong Start	18 461	256 000	228 845	45 616
Ready, Set, Learn	174 389	88 200	246 842	15 747
OLEP	0	5 430 915	5 430 915	0
CommunityLINK	0	134 948	134 948	0
Classroom Enhancement Fund - Overhead	0	347 662	347 662	0
Classroom Enhancement Fund - Staffing	0	7 370 430	7 370 430	0
Classroom Enhancement Fund - Remedies	14 443	49 105	21 210 and 14 443 recovered	27 895
First Nation Student Transportation	1 290	574	1 864	0
Mental Health in Schools	0	52 000	52 000	0
Changing Results for Young Children	20 814	11 250	1 137	30 927
Federal Safe Return to Class / Ventilation Fund	13 548	0	13 548	0
Seamless Day Kindergarten	0	110 800	110 800	0
Student & Family Affordability	0	995 152	875 239	119 913
JUST B4	0	25 000	0	25 000
SEY2KT (Early Years to Kindergarten)	0	19 000	4 324	14 676
ECL (Early Care & Learning)	0	175 000	175 000	0

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Adopt a school	3 414	10 000	13 391	23
BC Settlement Program	0	592 163	592 163	0
	583 594	18 683 108	18 816 952	435 307

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. This funding is first allocated to fund province-wide initiatives and the balance is distributed to school districts.

The AFG special purpose funding allocation for the CSF School District for 2022/23 is \$0.27 million. The AFG bylaw capital allocated to the CSF for 2022/23 is \$1.1 million.

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; or
- extending the life of an existing capital asset or a component of an existing capital asset beyond its original life expectancy.

Learning Improvement Fund

The Learning Improvement Fund (LIF) was established by the province for the purpose of providing additional resources, specifically targeted to support complex classes that present challenging learning conditions.

For 2022/23, the LIF support staff component is \$0.3 million.

Districts are required to submit a spending plan to the Ministry of Education and Child Care by October 2022 for approval. To develop the spending plans, district staff work collaboratively with CUPE.

School generated funds

School generated funds account for fees and contributions raised at the school level. Examples of such fees and contributions include school supply fees paid by parents and caregivers; school trip fees; PAC contributions; graduation celebration fundraising; cafeteria revenue, vending machine revenue and athletics fees. The schools target these funds for the purpose that the fee payers or donors intended.

Fees, contributions and donations are consistent with the previous year.

Strong Start

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

CSF has 10 StrongStart centres, located at the following schools: Grands Cèdres, Voyageurs, Sentiers Alpins, Bois Joli, Entre-Lacs, Pionniers, La Vérendrye, and Anne Hébert. Two centers were planned but did not open because we didn't find the expected staff.

The total StrongStart funding for 2022/23 was \$256 000.

Ready Set Learn

The Ready Set Learn special funding provided by the Ministry of Education and Child Care 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. The total Ready Set Learn funding for 2022/23 was \$88 200. This year, the schools could make all expected activities.

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. The district receives 70% of the funding in the autumn of each year, and the 30% balance in the autumn of the following year after it has submitted a report outlining how the funds were spent and what benefits were derived from this funding. At this point, the amount of funding the district received for 2022/23 is \$5.4 million.

We use this grant in 6 axis:

- Learner Participation
- Program Offer
- Learner's Educational Success
- Enriched Learning Environments
- Support For Educational Staff
- Research

Community LINK

The Community LINK grant from the Provincial Government is to support programs and services to improve the educational performance of vulnerable students, including both academic achievement and social functioning. This includes promoting partnerships and an integrated approach to supporting vulnerable students with families, communities and service providers.

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It primarily funds staff from community organisations who work with our vulnerable students to improve their educational performance. It also partially funds lunch meal programs at certain schools in the District.

Grant funding was \$134 948 to provide these services.

Classroom Enhancement Funds

The grants from the three Classroom Enhancement Funds totalled \$7.7 million. The MoECC provides these grants to offset the additional costs associated with the restoration of historical collective agreement language regarding class size and composition.

Direct staffing costs associated with the changes to class size and composition are accounted for within the ‘Classroom Enhancement Fund – Staffing’. They include:

- 46.2 FTE additional teachers needed to offset the reduction in class sizes;
- 13.3 FTE additional teachers allocated in special education staff;
- 8.8 FTE teacher librarians needed to meet non-enrolling ratios.

The MoECC calculates the grant based on initial forecasts provided to the MoECC by the School District. The School District is only able to utilise these funds to meet necessary costs of the restored language.

Schedule 3A accounts for indirect costs, or overheads, associated with these changes within the ‘Classroom Enhancement Fund – Overhead’. They include:

- TTOC coverage for sick and other leaves for the additional teachers;
- Additional Educational Assistants needed to support the increased number of classes; and
- Other miscellaneous costs associated with data tracking, increased class space and staff recruitment.

To receive the grants, the District must be able to demonstrate to the Provincial Government that the associated direct or indirect costs are a result of the restoration of the collective agreement language.

Certain classes exceeded the class size and composition limits outlined in the Collective Agreement. The School District is required to provide remedy, typically in the form of additional preparation time or collaboration time, to teachers of such classes. The ‘Classroom Enhancement Fund – Remedies’ provides grant funding to cover the associated expense.

The classroom enhancement funds are a core part of the District’s funding. This funding is tied to the application of historical language restored to the collective agreement.

Seamless day kindergarten (pilot program in two school)

The Seamless Day Kindergarten pilot program will employ certified early childhood educators to provide before- and after-school care in kindergarten classrooms and to support learning alongside the classroom teacher. The program makes use of existing classrooms, outside of school hours, and does not require new rooms or buildings.

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The Ministry and Child Care provided \$110 800 of grants targeted to the purpose of addressing the cost impact.

Student & Family Affordability

This one-time funding is being disbursed under section 115(1)(a) of the School Act, is treated as a Special Purpose Fund on the school district financial statements.

The funding can be used to:

1. Improve students' access to nutritional food / meals, before, during and after the school day
2. Directly offset costs to parents, guardians, and students, such as school supplies or other cost pressures they are facing using existing mechanisms such as hardship policies.

The Ministry and Child Care provided \$995 152 of grants. \$493k were spent for the food support, \$156k for school furniture, \$84M for direct family support, and \$141k for culture activities.

BC Settlement Program

For Canada to realize the economic, social and cultural benefits of immigration, newcomers must integrate successfully into Canadian society. The Citizenship and Immigration Canada Settlement Program, plays a major role by assisting immigrants and refugees to overcome barriers specific to the newcomer experience so that they can undertake their longer-term integration on a similar footing to other Canadians.

The CSF is engaged with Travailleuses et travailleurs en établissement des familles immigrantes dans les écoles (TEFIE) program.

Statement – Capital Fund (Schedule 4)

The capital fund, including the local capital fund, accounts for assets owned by the District and the funds used to purchase them or set aside to acquire them in the future.

Provincial grants targeted for the purchase of assets (for example, a grant to renovate a school) are recorded in the capital fund.

If the District purchases an asset using operating funds, then the District treats the cost of the asset as a transfer from the operating fund to the capital fund.

The Province does not provide capital grants for asset acquisitions such as computer equipment, school furniture and equipment, vehicles, maintenance equipment, photocopiers, classroom renovations or district administration buildings. The only source of funding available for these assets is typically operating funds. To set aside funds to allow the future purchase of major assets, the district may transfer funds from the operating fund to the local capital fund.

During the year ended June 30, 2023, the district invested \$15.8 million in capital additions.

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Detailed information on the capital fund is presented in schedules 4 to 4D following the notes to the financial statements.

Schedule	Overview
4	Summarises amortization, local capital balances, and transfers to the capital fund from other funds.
4A	Outlines *the cost of assets acquired during the year. *the amortization of assets by asset class. *the original cost of assets owned by the District, by asset class *the total amortization of each asset class. This is an estimate of the value of the wear-and-tear of assets over their lifetime. *the net book value of assets, being the cost less amortization.
4B	Outlines costs to date on construction that is still in progress.
4C	Accounts for targeted funding spent on the acquisition of capital assets.
4D	Accounts for funding received which is targeted towards capital asset purchases.

Capital assets

Schedule 4A summarises the capital assets owned by the District.

The District has \$15.7 million invested in its capital, including the Work In Progress of the year (Schedule 4B). Further details are presented in the Financial Highlights section.

The vast majority of the District’s capital assets are the school land/buildings and the computers. The amortization expense recognises the depreciation of an asset over its useful life.

Deferred capital revenue

Schedule 4C accounts for grants received for capital asset purchases that the District has spent.

Schedule 4D accounts for grants received for capital asset purchases that the District has yet to spend.

Schedule 4D illustrates that the District received \$16.4 million of grants in the year from the Ministry of Education in the form of bylaw capital. This includes the capital portion of the annual facilities grant.

The District engaged \$8.8 million of grant funded capital projects during the year. This includes the purchase of installations, HVAC upgrades, a playground and the building improvements. \$6.0 million were for land acquisitions and \$3.3 million for paying leases costs.

The \$8.8 million of bylaw capital that the District spent on completed projects is accounted for as deferred capital revenue on schedule 4C. Deferred capital revenue balances are accumulated over the years, and amortized over the estimated lifespan of the assets acquired with the grant money.

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The district received, in 2021, \$2.6 million from Ministry of Children and Family Development for creating daycare facilities. These projects, for more than \$4.0 million, were starting during Summer 2022.

Transfers

Schedule 4 includes a column showing the transfers to and from the capital asset and the local capital fund, and the balance at the end of the year.

The table below discusses the transfers to capital made during the year, and the utilisation of the local capital amounts.

Purpose	Transferred amounts	Notes
Leases Computers	1 255 217	The District deployed the Finance module element of the computer replacement.
School equipment	260 189	The Board allocated fund year to the replacement of school equipment.
AFG	254 218	The district approved the transfer of surplus targeted fund to local capital to fund facility improvements. This will help provide the means to perform any capital projects identified by the long- range facilities plan that is currently in development.
Total	2,042,783	

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

The CSF pursue the expansion by buying one new land in Sechelt.

In Vancouver, the district obtained the Queen Elizabeth Annexe from Vancouver School Board. The students will be welcomed in September 2023.

For Burnaby and Pemberton, the CSF will start the studies for building new schools.

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, please contact the Office of the Secretary Treasurer at 614-214-2600.