NANAIMO LADYSMITH PUBLIC SCHOOLS

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2025

395 WAKESIAH AVENUE, NANAIMO, BC V9R 3K6 • WWW.SD68.BC.CA

MENU

Financial Statement Discussion and Analysis For the Year Ended June 30, 2025

The following is a discussion and analysis of the financial performance of School District No. 68 (SD68) for the fiscal year ended June 30, 2025. This report is a summary of the district's financial activities based on currently known facts, decisions, and conditions. The results of the current year are discussed in comparison with the prior year and budget. This report should be read in conjunction with the district's financial statements.

NANAIMO LADYSMITH PUBLIC SCHOOLS RESIDES WITHIN THE TRADITIONAL TERRITORIES OF THE SNUNEYMUXW, SNAW-NAW-AS AND STZ'UMINUS FIRST NATIONS.

Overview of School District 68 (Nanaimo Ladysmith Public Schools)

Nanaimo Ladysmith Public Schools (NLPS) is the second largest school district on Vancouver Island and resides within the traditional territories of the Snuneymuxw, Snaw-naw-as and Stz'uminus First Nations. In addition, NLPS is a proud community partner with the Tillicum Lelum Aboriginal Friendship Centre and the Mid Island Metis Nation.

District enrolment is approximately 15,895 students, with approximately 2,568 students identifying as Indigenous and 1,680 students with special needs. The district offers a full range of programs from kindergarten to grade 12 with additional programs for pre-school and adult learners. There are twenty-eight elementary schools, eight secondary schools (including Learning Alternatives and Career Technical Centre), and one distributed learning school - Island Connect Ed (K-12), and approximately 2,200 employees.

The district encompasses the City of Nanaimo, the towns of Ladysmith and Lantzville, Gabriola Island, North Oyster, Cedar, and many other communities which represent a population of 132,623 (2021 census), and we are one of the fastest growing communities in Canada. The district's annual consolidated budgeted expense (Statement 2 of the financial statements) is $231 million.

FUNDED HEADCOUNT ENROLMENT BY GRADE

	KINDERGARTEN	PRIMARY	INTERMEDIATE	SECONDARY	OTHER	TOTAL
ALL STUDENTS	984	3,281	4,786	6,821	23	**15,895**
INDIGENOUS STUDENTS	121	543	800	1,104	-	**2,568**
STUDENTS WITH DIVERSE NEEDS	36	203	551	890	-	**1,680**

All of the info above was obtained from the 1701 Report as at September 30, 2024

FUNDED FTE ENROLMENT AND OPERATING FUNDING

YEAR	SEPTEMBER ENROLMENT	FULL YEAR - SCHOOL AGED	FULL YEAR - ADULT	FULL YEAR TOTAL FTE	FULL YEAR OPERATING GRANT *	ADJ BY MINISTRY **	TOTAL OPERATING GRANT	PER PUPIL
2020-21	14,308.750	14,610.750	9.625	14,620.375	$134,492,365	-	$134,492,365	$9,199
2021-22	14,770.750	14,956.075	4.125	14,960.200	$144,613,980	16,108.	$144,630,088	$9,668
2022-23	14,915.375	15,120.188	6.750	15,126.938	$147,199,907	(210,541)	$146,989,366	$9,717
2023-24	15,036.563	15,261.125	13.500	15,274.625	$164,224,574	-	$164,224,574	$10,751
2024-25	15,280.688	15,528.063	8.750	15,536.813	$174,164,283	-	$174,164,283	$11,210

**This is the full year Operating Grant per the Ministry Operating Grant Summary which can be found at: https://www2.gov.bc.ca/gov/content/education-training/k-12/administration/financial-management/k-12-funding-and-allocation/operating-grants/k12funding-24-25*

***The Ministry may adjust the grant but not reflect it on the summary document, resulting in a difference to what is reported on the year-end financial statements. In 2022-23 the difference was due to the enrolment audit.*

STRATEGIC PLAN

Nanaimo Ladysmith Public School's 2024-2028 Strategic Plan defines the key areas of focus as we work together to support student learning to achieve our goals and objectives.

GUIDING PRINCIPALS

SYEYUTSUS RECONCILIATION FRAMEWORK

Through the Syeyutsus Framework, themes, values, and teachings of Indigenous Peoples include:

- The underpinnings of knowledge are the land, language, and culture.
- The land is our teacher.
- We are all one family.
- It is important to live with balance, honour, respect, courage, and vulnerability.
- It is vital that we establish a sense of belonging and connectedness to each other and the environment.
- We are all connected.
- We use holistic approaches that include mental, physical, emotional, and spiritual lenses.

JEDI STANCE

Justice, Equity, Diversity, Inclusion (JEDI)

- **Justice** the right to be treated and the responsibility to treat others with fairness and a fair process that meaningfully addresses barriers.
- **Equity** to identify, remove and prevent systemic barriers and discriminatory practices.
- **Diversity** a representation of people's identities and experiences, collectively and as individuals.
- **Inclusion** feeling welcomed, valued, safe and a sense of belonging to participate freely with respect, dignity, and freedom from discrimination.

ENVIRONMENTAL STEWARDSHIP

The goals of this Strategic Plan reflect our commitment to engage in environmentally sustainable practices within our schools and classrooms, as well as across the broader system. We are committed to responding to the climate crisis with actions informed by Indigenous knowledge and western science. This will maximize positive outcomes over generations, integrating our Environmental Stewardship Action Plan (ESAP) to ensure every aspect of our operations contributes to a greener and more sustainable future.

VISION & MISSION

VISION STATEMENT - Guided by our commitment to Justice, Equity, Diversity, and Inclusion (JEDI) principles and the Syeyutsus Reconciliation Framework for Truth and Reconciliation, our vision in Nanaimo Ladysmith Public Schools (NLPS) is to create an inclusive and equitable learning community where every individual thrives.

MISSION STATEMENT - NLPS is committed to multiple approaches and pathways to success for all students. Students will imagine, reflect, and innovate within a safe, equitable, and responsive learning environment that develops their academic, social, and emotional growth and holistic well-being.

BOARD GOALS

STUDENT SUCCESS

- Increase literacy success rates for all students.
- Increase numeracy success rates for all students.
- Increase graduation rates for students: who identify as Indigenous, who have disabilities and diverse abilities, and/or are Children and Youth in Care.

STUDENT AND EMPLOYEE WELLNESS

- Increase the number of students who feel welcome, safe and have a sense of belonging in their school.
- Increase the number of employees who feel valued and/or engaged.

TRUTH & RECONCILIATION

- Increase awareness of and access to resources available to support hul'q'umi'num language learning.
- Create and share district wide, Syeyutsus Principles of Teaching & Learning.

Understanding School District 68 Financial Statements

The district uses fund accounting and deferral accounting and each of its funds has certain restrictions in accounting for funds received and expended. These methods are primarily used in the public sector where the goal is to avoid budget deficits while providing the greatest benefit to the public by strategically allocating the resources that are available. In this respect, school districts are expected to ensure that available funds are being used in the most efficient way possible to maximize the potential benefit of each dollar and in the specific manner for which they were intended.

The district's financial statements include the following audited statements:

Statement of Financial Position (Statement 1)

- Presents the district's financial assets, liabilities, net assets, and accumulated surplus as of June 30 of each year.

Statement of Operations (Statement 2)

- Summarizes the district's revenues, expenses, and surplus (deficit) from July 1, 2024 to June 30, 2025. This statement is reported as a consolidation of the three funds: Operating, Special Purpose, and Capital.

Statement of Changes in Net Financial Assets (Debt) (Statement 4)

- Explains the difference between the annual surplus or deficit and the change in net financial assets (debt).

Statement of Cash Flows (Statement 5)

- Shows cash inflow and outflows through operational, capital, financing, and investment activities.

The notes to the financial statements provide information regarding the district's accounting policies and details what is included in the account balances in the financial statements. Following the notes to the financial statements are supplementary unaudited schedules that provide information about the individual funds.

CHANGES IN ACCUMULATED SURPLUS (DEFICIT) (SCHEDULE 1)

- Summarizes the surplus (deficit) for the year and accumulated surplus amounts for each of the three funds (Operating, Special Purpose, and Capital Funds).

OPERATING FUND (SCHEDULE 2)

- Includes revenues and expenses related to the operation of the district, including school and administrative functions.
- School districts are not permitted to budget for or incur an accumulated deficit position.
- Accumulated surpluses can be used if planned expenditures for the year are estimated to exceed revenues thus balancing the budget, for future expenditures, multi-year initiatives not able to be funded by the annual operating grant.

SPECIAL PURPOSE FUND (SCHEDULE 3)

- Includes funding that is restricted for a specific purpose and school generated funds.
- Surplus for the year and Accumulated Surplus are always zero because revenues are only recognized when the related expenditures occur (deferral accounting).
- Any special purpose funds that are unspent at the end of the year remain with the district and are referred to as deferred revenue. Deferred revenue may be used in the following fiscal year, but only spent in accordance with their original intended purpose. Funding parties do have the ability to request unspent revenue to be returned, however this rarely occurs.
- If expenditures in a year exceed revenues, the resulting deficit is transferred to the Operating or Capital Fund in that year, depending on the nature of expenditures

CAPITAL FUND (SCHEDULE 4)

- Includes financial activities related to tangible capital assets.
- Capital funding from the province is accounted for using deferral accounting, whereby capital revenue is recorded in the financial statements over the life of the related asset in order to match the amortization expense. Therefore, capital fund revenue is not equal to the actual capital funding received in a year.
- Capital fund revenues, expenses and surplus (deficit) for the year are not meaningful measurements of financial performance.

CATEGORIES OF EXPENSE

The Ministry of Education and Child Care provides direction as to how Revenues and Expenses are to be captured and reported within our financial system and on our financial reports. Our General Ledger is set up under these parameters in alignment with all school districts in the province, allowing the Ministry to consolidate them up into their financial statements, and report out to the public on the sector as a whole.

For reference purposes Ministry requires that we segregate costs within our General Ledger and report these costs under the following segments: Funds, Functions, Programs and Objects and examples of each segment, applicable to district expenses, are provided below.

FUNDS

Operating, Special Purpose (each unique Special Purpose Fund has its own Fund identifier) and Capital (Includes the Capital and Local Capital Funds).

FUNCTIONS

Instruction, District Administration, Operations and Maintenance, and Transportation and Housing.

PROGRAMS

Instruction, Career Programs, Library, Counselling, Special Education, Early Learning and Child Care, English Language Learners, Indigenous Education, School Based Administration, International Students, School District Governance, District Administration, Maintenance and Operations, Grounds Maintenance, Transportation, and Utilities.

OBJECTS

Salaries broken into categories of Teachers, Administrative Officers (Principals/Vice Principals), Education Assistants, Support Staff (includes all but EA's), Other Professional (Trustees and Excluded Staff), Substitutes (includes replacement and release time), Employee Benefits, Services, Student Transportation, Professional Development and Travel, Rentals and Leases, Dues & Fees, Insurance, Interest, Supplies, and Utilities.

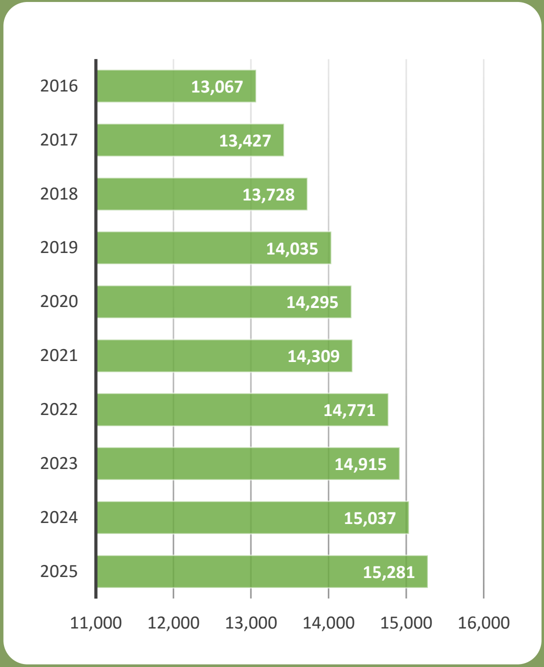
Financial Highlights

In comparison to 2023-24, the district saw an increase in enrolment of 244.13FTE, and a $9.9M (5.71%) increase in the Ministry of Education and Child Care operating grant.
2024-25 also included several significant capital asset transactions including the following:

- Completion of the Georgia Avenue Child Care Facility, and continuous work on the childcare facilities at Qwam Qwum Stuwixwuhl School, Seaview Elementary, Ecole Quarterway, Cilaire Elementary, and Pleasant Valley Elementary.
- Commencement of the Wellington Secondary and Chase River Elementary classroom addition projects.
- Completion of the Mountain View Elementary playground.
- Purchase of one electric bus as well as charging station infrastructure.
- Completion of the Randerson Elementary HVAC project.
- Completion of the Brechin Elementary HVAC project.
- Commencement of the John Barsby Secondary and Forest Park Elementary building envelope projects.
- Various building upgrades, including roofing, flooring, and exterior painting.
- Preparation of Rutherford Elementary including the interior construction upgrades and the purchase of required equipment.
- Purchase of various vehicles including one F-550 4WD with plow and sander, one F-150 Lightning Pro, one Ford Transit, and one Ford E450 Cutaway van.
- Continuous investment in network and classroom technology.

The district continues to see a growth in enrolment, as illustrated in the charts below.

SEPTEMBER FTE ENROLMENT BY FISCAL YEAR



ENROLMENT (FTE) PER MINISTRY OF EDUCATION

SEPTEMBER	2024-25	2023-24	DIFFERENCE
Standard (Regular) Schools	14,706.81	14,445.25	261.56
Continuing Education	1.13	0.63	0.50
Adult Education	4.13	10.63	(6.50)
Alternate Schools	272.00	287.00	(15.00)
Distributed Learning	296.63	293.06	3.57
Total Enrolment	**15,280.70**	**15,036.57**	244.13
INCLUDED IN TOTAL ENROLMENT (CATEGORIES THAT RECEIVE ADDITIONAL PER STUDENT FUNDING)			
Designated Students	983.00	853.00	130.00
English Language Learning	907.00	955.00	(48.00)
Indigenous Education	2,568.00	2,577.00	(9.00)

Note - the number of designated students on pg 3 differs from the chart above, as that chart is all students, and the above is just the designated students that trigger the additional funding in this category.


SCHOOL BUS
Electric Powered

Financial Analysis

FINANCIAL POSITION ALLOCATION

- Total Financial Assets (24-25: 11%; 23-24: 10%)
- Total Non-Financial Assets (24-25: 39%; 23-24: 40%)
- Total Financial Liabilities (24-25: 42%; 23-24: 42%)
- Accumulated Surplus (24-25: 8%; 23-24: 8%)

	2024-25	2023-24	$ CHANGE	% CHANGE
Financial Assets	59,323,089	52,183,965	7,139,124	13.68%
Non-Financial Assets	219,550,109	216,838,424	2,711,685	1.25%
Total Assets	**278,873,198**	**269,022,389**	**9,850,809**	**3.66%**
Liabilities	231,981,269	223,573,828	8,407,441	3.76%
Accumulated Surplus	46,891,929	45,448,561	1,443,368	3.18%

FINANCIAL ASSETS

Financial Assets include cash and cash equivalents, receivables, and portfolio investments. The increase in financial assets from 2023-24 resulted primarily from changes in the following District accounts:

- Increase of $2.4M in the cash and cash equivalents balance primarily due to funds received in the year not fully spent by June 30th (school site acquisition charges, capital bylaw funds, various special purpose funds with remaining balances at year-end, operating surplus), offset by a reclassification of cash equivalent investments.
- Increase of $925k in receivables from the Ministry of Education and Child Care. This is due to more capital projects being worked on at June 30, 2025, in comparison to 2024.
- Decrease of $356k in receivables from Local Education Agreement (LEA) Funding. When the nominal roll is received in June, a final reconciliation of LEA billing is done (until then, billings are done based on previous year's data). While the nominal roll resulted in an increase in number of students as well as an increase in the first nations student rate, the differential to the previous year was not as high therefore the receivable has decreased.
- Increase of $3.9M in investments due to a 1 year cashable after 90-day GIC being re-invested into a 12- and 18-month GIC. This resulted in a change in classification from cash & cash equivalents to investments.

NON-FINANCIAL ASSETS

Non-financial assets include tangible capital assets and prepaid expenses. Prepaid Expenses have decreased $36k from prior year. This is a result of an increase in International Student Education prepaid agent fees ($42k), offset by a decrease in general prepaids (-$78k) as the district recognized the annual expense ($70k/year) of the $700k contribution to the Harewood Centennial Park turf fields constructed by the City of Nanaimo.

NON-FINANCIAL ASSETS CONT.

Tangible capital assets (TCA) are used in providing the services of the district and include buildings, furniture & equipment, technology, and vehicles purchased, constructed, or contributed to the district. The increase in non-financial assets is primarily related to the increase in TCA with new assets purchased totalling $14.6M less amortization of $12.5M.

Capital assets are purchased using various funding sources including Operating Funds, Other Grants, Ministry Capital Grants authorized under Certificate of Approvals, and the district's own Local Capital Funds. Projects that are not completed during the fiscal year are accumulated in Work in Progress (WIP) accounts, and the total value of the addition is added to the Capital account once the project is complete.

This information is a total of the additions found on schedule 4A and 4B of the financial statements by funding source.

FUNDING SOURCE	SITES	BUILDINGS	FURNITURE & EQUIPMENT	VEHICLES	SOFTWARE	HARDWARE	TOTAL
Ministry of Education and Child Care - Bylaw *	-	7,775,313	900,752	394,825	-	-	9,070,890
Other Grants **	-	2,010,259	406,315	140,318	-	-	2,556,892
Operating Fund	-	228,584	268,589	-	-	585,143	1,082,316
Special Purpose Funds	-	48,258	343,193	-	-	93,093	484,544
Local Capital	-	301,960	468,772	376,916	-	281,112	1,428,760
Total	-	10,364,374	2,387,621	912,059	-	959,348	14,623,402

**Ministry of Education and Child Care Bylaw funds are funds received as part of the major and minor capital plan submissions*
*** Other Grants are primarily ChildCare BC New Spaces funds received from the Ministry of Edcuation and Child Care for the construction of child care spaces, ZETF Funds for an electric bus, and the City of Nanaimo q'unq'inuqwstuxw stadium improvements.*

Total 2024-25 TCA additions (including WIP) and their funding sources include the following:

PROJECT	MINISTRY OF EDUCATION AND CHILD CARE - BYLAW	OTHER GRANTS	OPERATING FUND	SPECIAL PURPOSE FUNDS	LOCAL CAPITAL	TOTAL 2024-25 EXPENDITURES	PREVIOUS YEAR'S EXPENDITURES	TOTAL SPENT TO DATE *
Child care studios - Chase River, Qwam Qwum Stuwixwuhl, Seaview, Georgia Ave, Quarterway, Cilaire, Pleasant Valley		1,994,506				1,994,506	5,190,881	7,185,387
Wellington Classroom Addition	1,694,327					1,694,327		1,694,327
Projects including site servicing, facility upgrades, mechanical and electrical system upgrades, and functional improvements.	1,223,139					1,223,139		1,223,139
Information Technology - chromebooks, laptops, monitors, servers, document cameras, projectors, Boardroom A/V system			585,143	93,093	281,113	959,349		959,349
Forest Park Building Envelope	909,047					909,047	24,447	933,494
Roofing - various locations	662,992					662,992		662,992
Chase River Classroom Addition	590,854					590,854		590,854
Rutherford Interior Construction Upgrades	576,020					576,020		576,020
Electric Bus	394,825	140,319				535,144		535,144
John Barsby Building Envelope	510,091					510,091	17,984	528,075
WiFi Upgrades - various locations	280,184				194,209	474,393	551,275	1,025,668
Randerson HVAC	394,991					394,991	47,813	442,804
1 F-550 4WD with Plow and Sander, 1 F-150 Lighting Pro, 1 Ford Transit, 1 Ford E450 Cutaway Van					376,916	376,916		376,916
q'unq'inuqwstuxw stadium improvements		361,624				361,624	67,475	429,099
Various Furniture & Equipment including student desks, chairs, tables, storage carts, office furniture, carpets, roller shades, cameras, whiteboards, kayaks/ canoes for ISE, gym equipment, books, cameras			263,414	75,389		338,803		338,803
Brechin HVAC	201,043	37,933				238,976	734,861	973,837
Mountain View Playground	195,000			37,803		232,803		232,803

(Continued on next page)

(Continued)

PROJECT	MINISTRY OF EDUCATION AND CHILD CARE - BYLAW	OTHER GRANTS	OPERATING FUND	SPECIAL PURPOSE FUNDS	LOCAL CAPITAL	TOTAL 2024-25 EXPENDITURES	PREVIOUS YEAR'S EXPENDITURES	TOTAL SPENT TO DATE *
Rutherford School Opening Equipment					229,525	229,525	-	229,525
Dufferin Parking Lot Expansion			228,584			228,584		228,584
Rutherford DDC Upgrade	211,349					211,349		211,349
Learning Studio V5					210,382	210,382	178,934	389,316
Cafeteria equipment including sinks, food processor, griddle, cold space merchandisers, refrigerator, freezer, dishwasher, oven, meat slicer, deep fryer, mixer			5,175	152,112		157,287		157,287
Dufferin Boiler Replacement	149,997					149,997		
Ecole Hammond Bay Expansion	130,496					130,496	12,641,613	12,772,109
Departure Bay Accessible Lift	119,957					119,957		119,957
Outdoor Learning	119,956					119,956		119,956
Flooring - various locations	118,358					118,358		118,358
Cedar Secondary Dust Extractor	110,204					110,204	673,764	783,968
Forest Park Boiler Replacement	103,477					103,477		103,477
John Barsby Interior Construction Upgrades	87,188					87,188		87,188
Randerson Field Drainage	50,708				31,476	82,184		82,184
Food Carts for schools				71,378		71,378		71,378
John Barsby Longhouse and Fencing	9,330			48,258		57,588		57,588
Ecole North Oyster Building Envelope	53,704					53,704	1,268,296	1,322,000
Facilities Electrical Service and EV Infrastructure	52,499					52,499		52,499
Bins for recycling and organics					40,995	40,995		40,995
Learning Studio V6					38,865	38,865		38,865
Mountain View HVAC	34,503					34,503		34,503
Pleasant Valley Seismic	30,509					30,509	6,048,005	6,078,514
Charging Station Infrastructure		22,510		6,511		29,021		29,021
Ladysmith Primary Furnace Upgrade	23,847					23,847		23,847
Woodlands Kitchen Equipment	20,552					20,552	14,448	35,000
Dover Bay Addition	19,014					19,014	2,272,004	2,291,018
Ladysmith Intermediate Seismic Concept Plan					11,845	11,845	179,172	191,017
Ladysmith Primary Addition Plan					9,946	9,946	89,094	99,040
Mountain View Building Envelope	6,677					6,677	2,281,050	2,287,727
Wellington Interior Construction Upgrades	4,869					4,869		4,869
Ecole Hammond Bay Elementary effluent line	1,272					1,272	150,808	152,080
Accessbility improvements					9,853	9,853		9,853
Ladysmith Intermediate Building Envelope	756					756	25,132	25,888
Ladysmith Secondary Interior Construction Upgrades	-5,496					-5,496	417,717	412,221
Ecole North Oyster Seismic Planning					-6,365	-6,365	122,932	116,567
John Barsby Secondary HVAC	-15,349					-15,349	715,136	699,787
Total	9,070,890	2,556,892	1,082,316	484,544	1,428,760	14,623,402	33,712,841	45,490,763

Total spent to date is the total spent on the specific projects being worked on in 2024-25 not total spent historically (for e.g. the Wi-Fi upgrades total spent to date includes the total spent in previous year's on projects that were still underway during 2024-25 but does not include the total investment the district has made on Wi-Fi initiatives)

LIABILITIES

Liabilities are obligations of the district to others arising from prior transactions, the settlement of which will require the use of current and future financial assets. The increase in liabilities from 2023-24 resulted mainly from changes in the following accounts:

- Increase of $2.2M in accounts payable and accrued liabilities – other. This increase is primarily due to an increase in payroll related liabilities because of the timing of year-end cut-off as well as the increase in the cost of wages/benefits from prior year.
- Increase of $281k in deferred revenue. The district receives funds throughout the year that are classified as special purpose and are considered deferred revenue until spent. Due to complexities around spending requirements, and often the timing of when funds are received, there is an increase in the amount of these special purpose funds unspent in 2024-25. See page 21 for details on Special Purpose Funds.
- Increase of $5.1M in deferred capital revenue resulting from the receipt of Ministry of Education and Child Care funding for projects funded by the various capital programs, less current year amortization.
- Increase of $580k to the asset retirement obligation liability, the increase is the result of a $620k (2.4%) inflationary adjustment being made to the prior year estimate, less remediation in the current year of $40k.
- Increase of $298k in other liabilities. This increase is primarily due to an increase in international student education homestay fees collected because of a markup in fees as well as an increase in the number of students that fees were collected from at June 30, 2025, compared to the prior year.

ACCUMULATED SURPLUS

See page 27 for details on the districts year-end surplus balance.

STATEMENT OF OPERATIONS

CAPITAL FUND

SPECIAL PURPOSE FUNDS

OPERATING FUND

ACCUMULATED SURLUS

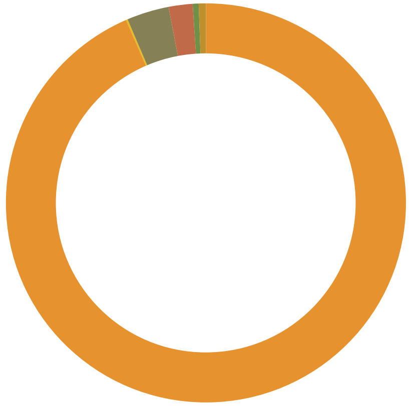
STATEMENT OF OPERATIONS

The Statement of Operations is a summary of the revenues and expenses from all three funds. Given the different accounting treatment for each of the funds, the Operating, Special Purpose, and Capital Funds are presented and analyzed separately.

CONSOLIDATED STATEMENT OF OPERATIONS				
	Operating Fund	Special Purpose Fund	Capital Fund	Total
REVENUES				
Provincial Grants				
Provincial Grants - Ministry of Education & Child Care	175,116,838	24,606,228	598,421	200,321,487
Provincial Grants - Other	257,741	185,882	-	443,623
Tuition	6,394,970	-	-	6,394,970
Other Revenue	3,619,459	4,070,217	-	7,689,676
Rentals and Leases	901,378	-	-	901,378
Investment Income	1,086,942	84,666	237,849	1,409,457
Amortization of Deferred Capital Revenue	-	-	7,888,100	7,888,100
Total Revenue	**187,377,328**	**28,946,993**	**8,724,370**	**225,048,691**
EXPENSES				
Instruction	153,225,060	26,720,488	-	179,945,548
District Administration	7,209,117	669,617	-	7,878,734
Operations and Maintenance	19,196,534	809,669	13,292,159	33,298,362
Capital Lease Interest	-	-	49,099	49,099
Transportation and Housing	2,170,905	262,675	-	2,433,580
Total Expense	**181,801,616**	**28,462,449**	**13,341,258**	**223,605,323**
NET TRANSFERS (TO) FROM OTHER FUNDS				
Tangible Capital Assets Purchased	(1,082,316)	(484,544)	1,566,860	-
Local Capital Transfer	(3,540,000)	-	3,540,000	-
Other	**(159,908)**		**159,908**	**-**
Total Surplus (Deficit) for the year	**793,488**	**-**	**649,880**	**1,443,368**
Surplus (Deficit), beginning of year	**11,593,188**	**-**	**33,855,373**	**45,448,561**
Surplus (Deficit), end of year	**12,386,676**	**-**	**34,505,253**	**46,891,929**

OPERATING FUND

REVENUES



- Provincial - Ministry of Education & Child Care (24-25:93.5%; 23-24:93.6%)
- Provincial - Other (24-25:0.1%; 23-24:0.2%)
- Tuition (24-25: 3.4%; 23-24: 3.3%)
- Other Revenue (24-25: 1.9%; 23-24: 1.8%)
- Rentals and Leases (24-25: 0.5%; 23-24: 0.4%)
- Investment Income (24-25: 0.6%; 23-24: 0.7%

The following chart provides comparisons of 2024-25 actual operating revenues to 2023-24 actual and 2024-25 annual amended budget amounts. This information can be found on Schedules 2 and 2A in the financial statements.

	FISCAL 2024-25		FISCAL 2023-24	DIFFERENCE FROM BUDGET		DIFFERENCE FROM PRIOR YEAR	
	Budget	Actual	Actual	$	%	$	%
Provincial Grants - Ministry of Education & Child Care	174,107,277	175,116,838	166,835,735	1,009,561	0.58%	8,281,103	4.96%
Provincial Grants - Other	238,416	257,741	321,813	19,325	8.11%	(64,072)	(19.91%)
Tuition	6,325,000	6,394,970	5,897,720	69,970	1.11%	497,250	8.43%
Other Revenue	3,349,835	3,619,459	3,198,755	269,624	8.05%	420,704	13.15%
Rentals and Leases	670,000	901,378	643,617	231,378	34.53%	257,761	40.05%
Investment Income	600,000	1,086,942	1,320,701	486,942	81.16%	(233,759)	(17.70%)
Total	**185,290,528**	**187,377,328**	**178,218,341**	**2,086,800**	**1.13%**	**9,158,987**	**5.14%**

PROVINCIAL GRANTS –MINISTRY OF EDUCATION AND CHILD CARE

The change from prior year in provincial grants from the Ministry of Education and Child Care is primarily due to an increase in the operating grant from the Ministry ($9.9M). This is a result of higher enrolment (additional 244.13FTE) as well as an increase in the per pupil funding rate, offset by a decrease in the labour settlement funding ($1.1M), and K-12 ICY Clinical Counsellor Funding ($629k).

PROVINCIAL GRANTS OTHER

Other Provincial Grants consists of funds received from the Ministry of Children and Family Development (MCFD) ($40k), and SkilledTradesBC ($217k). The decrease from prior year is due to a change in the Ministry the grants for the district run before and after school care programs came from. In the prior year, some of the grants were from the MCFD. In the current year, they were all received from the Ministry of Education and Child Care.

PROVINCIAL REVENUE – BUDGET COMPARISON:

Revenue from the province was more than the budget primarily due to the differential between the original estimates for the February and May 1701 student enrolment collection versus the actual student enrolments recorded. Enrolment increases were noted in all categories as the preliminary estimates are conservative due to historic variances year-over-year.

TUITION

Tuition revenue represents the funds received from the International Student Education program. The variance from prior year is due to an increase in homestay placement fees and tuition fees charged for secondary, as well as more students. It is estimated that there were approximately 7.55FTE more ISE students in fiscal 2024/25 compared to 2023-24 (365.10 versus 357.55).

OTHER REVENUES

Growth in this category as compared to the prior year is due to more childcare fees collected for the district run before and after school care programs ($181k). The district opened an additional two sites for before and after school care in fiscal 2024-25 and increased the number of spaces available from 48 in 2023-24 to 120 in 2024-25. The remaining variance in other revenue is mainly due to additional funding from First Nations ($121k) because of an increase in the First Nation student rate and the number of students on the nominal roll, and an increase in cafeteria revenue.

OTHER REVENUE – BUDGET COMPARISON:

Other revenue is higher than budget primarily due to the increase in funding from First Nations as noted above (budget was based on previous year), as well as cafeteria revenue coming in higher than anticipated. The district also received other miscellaneous revenue during the year that was not anticipated including various rebates ($90k), and BC Hydro Continuous Optimization Program funds ($91k).

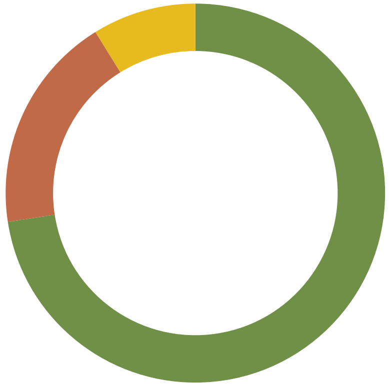
RENTALS AND LEASES

Higher rentals and leases revenue is primarily due to the rental of Rutherford for the election, as well as more rental fees collected from third party childcare providers for the newly constructed childcare spaces at Forest Park, Ladysmith Primary, Chase River, Rock City, and Georgia Avenue.

INVESTMENT INCOME

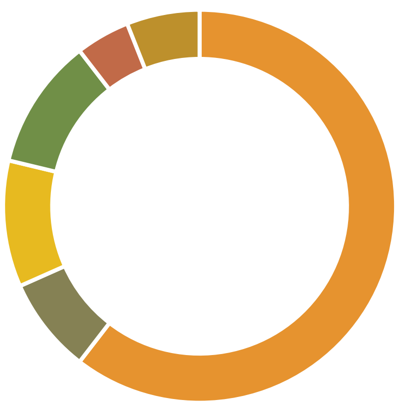
The decline in investment income is due to the Bank of Canada decreasing rates by two percent throughout the fiscal year. The variance from budget is due to the budget being based only on interest that is actually paid out on matured investments versus the financial statements which include interest earned on investments that have not yet matured.

EXPENSES BY OBJECT



- Salaries (24-25:72.6%; 23-24:72.6%)
- Employee Benefits (24-25:18.6%; 23-24:18.5%;)
- Services and Supplies (24-25:8.8%; 23-24:8.9%)

SALARIES - 2025



- Teachers
- Principals & Vice Principals
- Educational Assistants
- Support Staff
- Other Professionals

The following chart provides comparisons of 2024-25 actual operating expenses to 2023-24 actual and 2024-25 annual amended budget amounts. This information can be found on Schedules 2B and 2C in the Financial Statements.

	FISCAL 2024-25		FISCAL 2023-24	DIFFERENCE FROM BUDGET		DIFFERENCE FROM PRIOR YEAR	
	Budget	Actual	Actual	$	%	$	%
Salaries	134,671,721	131,938,983	124,970,573	(2,732,738)	(2.03%)	6,968,410	5.58%
Employee Benefits	34,921,557	33,809,002	31,888,928	(1,112,555)	(3.19%)	1,920,074	6.02%
Total Salaries & Benefits	**169,593,278**	**165,747,985**	**156,859,501**	**(3,845,293)**	**(2.27%)**	**8,888,484**	**5.67%**
Services & Supplies	19,526,929	16,053,631	15,393,078	(3,473,298)	(17.79%)	660,553	4.29%
Total	**189,120,207**	**181,801,616**	**172,252,579**	**(7,318,591)**	**(3.87%)**	**9,549,037**	**5.54%**

SALARIES & BENEFITS:

91 per cent of the district's operating expenditures are for salaries and benefits. Employee benefits include employer paid premiums for dental, extended health, group life, WorkSafe BC, and payment of the employer health tax, as well as the employer's portion of CPP, EI, and pension plan contributions. These costs are charged as a percentage of salaries and increase or decrease in tandem with salary fluctuations.

The following chart provides comparisons of the 2024-25 actual salaries/benefits to 2023-24 actual and 2024-25 annual amended budget amounts. This information can be found on schedule 2B of the financial statements.

	FISCAL 2024-25		FISCAL 2023-24	DIFFERENCE FROM BUDGET		DIFFERENCE FROM PRIOR YEAR	
	Budget	Actual	Actual	$	%	$	%
Teachers	81,035,915	79,769,835	76,310,840	(1,266,080)	(1.56%)	3,458,995	4.53%
Principals & Vice Principals	10,799,867	10,406,933	9,667,218	(392,934)	(3.64%)	739,715	7.65%
Educational Assistants	14,634,117	13,727,420	12,244,918	(906,697)	(6.20%)	1,482,502	12.11%
Support Staff	14,422,356	14,229,696	13,671,982	(192,660)	(1.34%)	557,714	4.08%
Other Professionals	6,128,550	5,878,908	5,607,744	(249,642)	(4.07%)	271,164	4.84%
Substitutes	7,650,916	7,926,191	7,467,871	275,275	3.60%	458,320	6.14%
Total Salaries	**134,671,721**	**131,938,983**	**124,970,573**	**(2,732,738)**	**(2.03%)**	**6,968,410**	**5.58%**
Employee Benefits	34,921,557	33,809,002	31,888,928	(1,112,555)	(3.19%)	1,920,074	6.02%
Total	**169,593,278**	**165,747,985**	**156,859,501**	**(3,845,293)**	**(2.27%)**	**8,888,484**	**5.67%**

EXPENSES

TEACHERS

Teacher salary costs have increased by $3.5M from the prior year primarily due to an additional 13.0288 teacher FTE this year over last, as well as a wage increase of three per cent (2% general wage increase + 1% cost of living adjustment) effective July 1, 2024.

PRINCIPALS AND VICE PRINCIPALS

Growth in this category as compared to the prior year is due to additional budgeted FTE of 3.6, as well as the cost of general wage increases. These increases are in part performance based, as well as to align salaries with the revised grid structure approved by the British Columbia Public Schools Employer Association.

EDUCATIONAL ASSISTANTS

Educational Assistant salaries have increased $1.5M from prior year. This growth is primarily due to 21.287 additional FTE over the prior year, as well as a wage increase of three per cent (2% general wage increase + 1% cost of living adjustment) effective July 1, 2024.

SUPPORT STAFF

Higher Support staff salary costs are primarily due to a wage increase of three per cent (2% general wage increase + 1% cost of living adjustment) effective July 1, 2024.

OTHER PROFESSIONALS

The growth from prior year is primarily due to general wage increases. These increases are in part performance based, as well as to align salaries with the revised grid structure approved by the British Columbia Public Schools Employer Association.

SUBSTITUTES

The additional substitute salary costs are a result of the increase in wages as noted above, as well as the additional 13.0288FTE of teaching staff which results in further replacements required throughout the school year.

EMPLOYEE BENEFITS

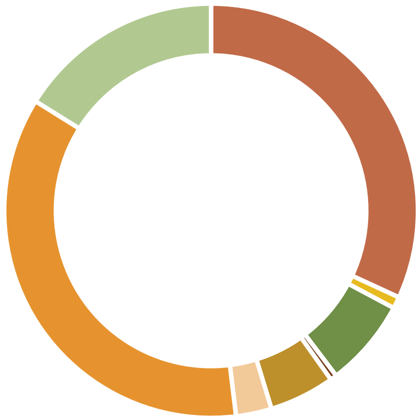
Employee benefits have increased from prior year due to benefit plans cost escalations in addition to higher employee wages.

BUDGET COMPARISON

Actual figures are lower than budget due to several factors. The budgeted average teacher salary was slightly higher than actual costs. In addition, positions are budgeted for an entire year so in cases where a position is not filled immediately, if positions are added early fall using surplus dollars and are therefore delayed postings, or if a position becomes vacant for a period of time there will be a surplus at the end of the year.

SERVICES AND SUPPLIES

The following chart provides comparisons of the 2024-25 actual various service and supply categories to 2023-24 actual and 2024-25 annual amended budget amounts. This information can be found on schedule 2B of the financial statements.



	FISCAL 2024-25		FISCAL 2023-24	DIFFERENCE FROM BUDGET		DIFFERENCE FROM PRIOR YEAR	
	Budget	Actual	Actual	$	%	$	%
SERVICES	6,027,640	5,115,953	4,877,166	(911,687)	(15.13%)	238,787	4.90%
STUDENT TRANSPORTATION	156,487	146,589	119,479	(9,898)	(6.33%)	27,110	22.69%
PRO-D & TRAVEL	1,129,651	1,105,169	943,628	(24,482)	(2.17%)	161,541	17.12%
RENTALS & LEASES	81,395	80,710	79,413	(685)	(0.84%)	1,297	1.63%
DUES & FEES	723,083	821,459	695,642	98,376	13.61%	125,817	18.09%
INSURANCE	463,200	447,374	484,105	(15,826)	(3.42%)	(36,731)	(7.59%)
SUPPLIES	8,165,473	5,747,309	5,807,442	(2,418,164)	(29.61%)	(60,133)	(1.04%)
UTILITIES	2,780,000	2,589,068	2,386,203	(190,932)	(6.87%)	202,865	8.50%
TOTAL	**19,526,929**	**16,053,631**	**15,393,078**	**(3,473,298)**	**(17.79%)**	**660,553**	**4.29%**

SERVICES

Examples of expenditures in this category include but are not limited to professional services (legal, audit, consultants, contractors), district cell phones, software contracts, and International Student Education (ISE) agent fees and medical fees.

The $238k increase from prior year is due to several reasons resulting in both increases and decreases in particular categories from prior year. The district saw an increase in service costs relating to ISE contracts for summer programs and agent fees, the district website refresh, the Our Ways of Being Together video project, the first year recording the annual capital contribution to the City of Nanaimo for the Harewood Centennial turf field, and consulting costs for the BC Hydro Continuous Optimization Program.

Decreases in service costs were primarily due to one time consulting contracts in the prior year not applicable in the current year, and a decrease in the cost of Information Technology software contracts. The software contracts are also the main reason for the budget variance, as the budget was adjusted due to an anticipated increase in cost however, actual costs came in under the original estimate.

EXPENSES

STUDENT TRANSPORTATION

These costs are the operating costs for school district owned busses used to provide transportation for students, as well as the costs for transportation assistance which are funds provided to eligible students to assist with the cost of transportation where a bus is not available, and for those living on Protection Island.

PROFESSIONAL DEVELOPMENT & TRAVEL

Costs included in this category include training and travel (including International Student Education (ISE) department travel), conference fees, transportation, meals, accommodation, mileage allowances and other relevant expenses. Growth from the prior year is primarily due to an increase in ISE travel, additional mileage claims, and an increase in the contractual Pro-D payment to the Nanaimo District Teachers Association (NDTA) paid annually.

RENTALS & LEASES

Includes costs incurred for rentals of facilities. The main expense in this category is the $70k/year expense recognition of the $700k contribution to the Harewood Centennial Park turf field. The district has access to the field through a joint use agreement over 10 years ($70k/year).

DUES & FEES

Includes membership fees, as well as fees paid by the Career Technical Center (CTC) to Vancouver Island University (VIU) for courses taken by district students. Increase from prior year is primarily due to additional tuition payments to VIU from the CTC.

INSURANCE

Includes the cost of insurance premiums and deductibles.

SUPPLIES

Costs include the purchases of consumable and non-capital supplies and materials including office supplies, cleaning supplies, food for secondary school cafeterias, learning resources, gas, and non capitalized furniture/equipment. The district had a decrease in supply costs from prior year of $60k, and a variance from the budget of $2.4M.

There was not a significant change in costs from prior year, however a few of the more notable variances include:

- Cafeteria food costs – increase of $83k in food costs from 2023-24.
- Before & after school care – Increase of $38k in supply costs
- Vehicle gas – decreased $83k from prior year largely due to the district moving towards EV busses as well as white fleet vehicles.
- Transportation supplies decreased $173k from prior year due to bus/white fleet repairs/maintenance being done internally rather than externally as unfilled staffing positions in the prior year have been filled.

The $2.4M variance to the budget is largely due to required financial statement presentation as well as timing of receiving goods. When purchases are made from supply accounts that are capital in nature, they are recorded in the capital fund, however the budget remains in operating resulting in an underspend. The district purchased $1.1M in capital additions in the operating fund in 2024-25. Similarly, the district leases photocopiers which falls under a capital lease. Because this is required to be recorded in the capital fund, but the budget is in the operating fund it results in what looks like an underspend in operating ($159k). There were also many supply purchases made that were not received by June 30 ($800k).

UTILITIES

Consists of electricity, natural gas, oil, propane, water, sewage, garbage, and recycling collection. Costs are higher than prior year due to an increase in costs across all categories. Water/Sewer costs escalated because of increased rates from the City as well as water issues which resulted in higher-than-normal usage. The variance from budget is due to a warmer winter than expected, resulting in lower costs than anticipated as well as the removal of the carbon tax effective April 1 which directly impacts the cost of natural gas, propane, and oil.

SPECIAL PURPOSE FUNDS

Presented in Schedules 3 and 3A of the financial statement are the Special Purpose Funds. These are restricted grants and funding subject to contractual restriction on its use. These revenues are deferred until the relevant expenditures are incurred. As a result, the revenues recognized during the year are equal to the expenditures incurred, not the revenue received. Any unspent funds at the end of the year are deferred to be spent in the next fiscal year. Note special purpose funds may be clawed back by the funding source in the event they are unspent. This however is very rare, and there are no known claw backs in 2024-25.

The following chart provides comparisons of 2024-25 actual special purpose fund revenue received, and expenditures incurred to 2023-24 actual and 2024-25 annual amended budget amounts.

	FISCAL 2024-25		FISCAL 2023-24	DIFFERENCE FROM BUDGET		DIFFERENCE FROM PRIOR YEAR	
	Budget	Actual	Actual	$	%	$	%
Deferred Revenue, beginning of year	1,836,403	3,663,143	2,559,642	1,826,740	99.47%	1,103,501	43.11%
REVENUE RECEIVED							
Provincial Grants - Ministry of Education & Child Care	24,327,103	24,871,751	22,351,610	544,648	2.24%	2,520,141	11.27%
Provincial Grants - Other	147,000	147,000	187,020	-	0.00%	(40,020)	(21.40%)
Other Revenue	3,400,122	4,124,687	4,173,923	724,565	21.31%	(49,236)	(1.18%)
Investment Income	80,000	84,666	101,883	4,666	5.83%	(17,217)	(16.90%)
Total Revenue	**27,954,225**	**29,228,104**	**26,814,436**	**1,273,879**	**4.56%**	**2,413,668**	**9.00%**
EXPENSES							
Salaries	17,853,898	17,347,425	15,636,144	(506,473)	(2.84%)	1,711,281	10.94%
Employee Benefits	4,577,590	4,468,403	3,980,626	(109,187)	(2.39%)	487,777	12.25%
Services & Supplies	7,359,140	6,646,621	5,750,449	(712,519)	(9.68%)	896,172	15.58%
TCA Purchases	-	484,544	343,716	484,544	100.00%	140,828	40.97%
Total Expense	**29,790,628**	**28,946,993**	**25,710,935**	**(843,635)**	**(2.83%)**	**3,236,058**	**12.59%**
Deferred Revenue, end of year	-	3,944,254	3,663,143	3,944,254	100.00%	281,111	7.67%

SPECIAL PURPOSE FUNDS

REVENUES

PROVINCIAL GRANTS – MINISTRY OF EDUCATION & CHILD CARE

The increase from prior year is primarily due to additional Classroom Enhancement Funds (CEF) of $2.4M, and new funding received in the year including the National School Food Program ($323k), Professional Learning grant ($221k), and Dual Credit Program Expansion ($50K).

PROVINCIAL GRANTS – OTHER

Other Provincial grants consist of revenue received from the Ministry of Tourism, Arts, Culture and Sport for the After School Sport and Arts Initiative ($147k).

OTHER REVENUE

The decrease in other revenue is due to an increase in school generated funds of $113k, offset by a decrease in other miscellaneous grants of $161k. The district received $192k less for the City of Nanaimo Youth Resilience Grant in 2024-25, however received new funds including a total of $61k for playground donations, and $48k for the Tillicum Lelum daycare longhouse at John Barsby.

EXPENSES

Overall expenses have increased in all categories from prior year. This is due to the new revenue sources noted, in addition to an increase in salaries/benefit costs because of the general wage increases across all employee groups.

ADDITIONAL EXPENSES FUNDED BY, AND REPORTED IN, THE OPERATING FUND

There are circumstances where some of the special purpose funds received from the Ministry of Education and Child Care are not enough to support the intended purpose of the funding. In 2024-25 the following special purpose funds required a supplement from the operating fund:

- Strong Start – $47,512 in expenditures were supported by the Operating Fund.

The following table shows the opening Special Purpose Fund by grant, the funds received in the year, expenditures in the year, and the closing balance to be spent in the next fiscal year.

GRANT NAME	OPENING BALANCE	RECEIVED IN THE YEAR	SPENT DURING THE YEAR	CLOSING BALANCE	PURPOSE OF GRANT
Annual Facility Grant	17,500	555,747	555,747	17,500	Funds for projects required to maintain facility assets through their anticipated economic life and to prevent premature deterioration of these assets.
Learning Improvement Fund	-	604,087	604,087	-	Provides additional resources, specifically targeted to support complex classes that present challenging learning conditions. The district used these funds by allocating an additional hour to each Educational Assistant (EA) budgeted for at the beginning of the school year, increased Supervision Aide positions from 3.3 to 3.5 hours each, and supported 1 additional EA position.
Special Education Equipment	2,687	-	1,328	1,359	Funds for specialized equipment. Purchases in the year included a standing sling and a leg sling.
School Generated Funds	1,826,724	3,843,736	3,693,834	1,976,626	Funds collected at schools for student programs including field trips/international travel, funding for food, school supplies, playgrounds, spirit wear, specific fundraising initatives, and other programs/incentives that support students.
Strong Start	-	256,000	256,000	-	School based drop in programs for children aged birth to five and their parents or caregivers. The district had 8 Strong Start Facilitators working at 8 elementary schools.
Ready Set Learn	23,811	68,600	80,814	11,597	Events for 3 to 5 year olds and their parents are hosted to support early learning and facilitate a smooth transition to Kindergarten.
Official Languages Education Program (OLEP)	-	298,099	298,099	-	Funding for core French-language programs, French Immercian, and curriculum resources
Community Link	47,963	2,630,683	2,646,073	32,573	Funding provided to support the academic achievment and social functioning of vunerable students. With these funds the district staffs 31 Child, Youth & Family Support Workers (CYFSW), 3 full-time Coordinators, 1 Community School Coordinator, 1 part time Speech Pathologist, and 1 part-time Teacher. There is also professional services and supply budgets available to support the program as needed.
Classroom Enhancement Fund - Overhead	-	1,599,393	1,599,393	-	Funding for added non-teaching staff and equipment needs required as a result of restoration of class size and composition language

Continued on next page

SPECIAL PURPOSE FUNDS

Continued from previous page

GRANT NAME	OPENING BALANCE	RECEIVED IN THE YEAR	SPENT DURING THE YEAR	CLOSING BALANCE	PURPOSE OF GRANT
Classroom Enhancement Fund - Staffing	-	14,550,360	14,550,360	-	Funding for added teachers required as a result of restoration of class size and composition. The district was funded for 116.4FTE in the current year.
Classroom Enhancement Fund - Remedies	-	1,093,974	811,320	282,654	Funding to pay for the cost of Teacher Remedies owed in cases where class size or composition contract language cannot be met
First Nation Student Transportation	93,311	227,707	262,675	58,343	Funds received to support Indigenous students transportation to school and extra-curricular activities
Mental Health in Schools	20,328	51,000	71,328	-	Funding provided to give students with mental health issues equitable learning opportunities. During the year, these funds were used for a software solution called Open Parachute that creates mental health and well being programs for K-12 students.
Changing Results for Young Children	5,581	11,250	15,252	1,579	Funds provided to support Early Learning and Physical Literacy
Seamless Day Kindergarten	-	55,400	55,400	-	Funding for an Early Childhood Educator (ECE) which allows primary school children to attend childcare in a kindergarten classroom. This district used these funds to staff 1 ECE at one school as a pilot project with a small supplies budget.
Early Childhood Education Dual Credit Program	22,146	5,000	12,237	14,909	Funding for highschool students interested in becoming an ECE. This allows students to take post-secondary courses while earning their high school diploma.
Student & Family Affordability Fund	469,276	-	469,276	-	Funding for school districts to support parents, guardians and students with the costs of school supplies, education related fees, and clothing/footwear required for school sports and other school activities.
SEY2KT (Strengthening Early Years to Kindergarten)	16,856	19,000	12,653	23,203	Funding provides opportunities for school districts and communities to work together to support a smooth transition from home to school.
ECL (Early Care & Learning)	-	175,000	175,000	-	Funding to establish a District Lead ELCC position. The district used these funds for a District Pincipal for Early Learning and Care.
Feeding Futures	273,146	1,665,804	1,856,109	82,841	Funding to create or expand local school food programs, to ensure students are properly fed for learning to enhance positive academic and healthy outcomes. Funds in 24-25 were used to support the secondary school cafeterias as well as to pay Nanaimo Ladysmith Schools Foundation for the provision of food to elementary schools.
Health Career Grant	9,471	50,000	40,553	18,918	Funding to suppport the health career dual credit program aiming to create and expand dual credit programs focused on health careers algined with regional workforce demands.
Dual Credit Program Expansion	-	50,000	33,473	16,527	These funds are to build and strengthen work experience partnerships with employers in fields of Technology, Climate Change and Emergency Management, and/or a "sector of local importance" that will increase student participation in work experience 12A and 12B courses.
Professional Learning Grant	-	221,496	-	221,496	Funding is to provide professional learning for teachers and support staff in the area of evidence based approaches to literacy development, and literacy information/resources for parents and caregivers. There were no expendiutres in 2024-25 due to receiving the funds later in the fiscal year.
Other Misc. Grants	462,266	512,617	646,931	327,952	These include other grants schools have applied for and received. Some of the grants include Adopt-A-School Vacnovuer Sun Grants, Drygrad, VIHA Mental Health & Addictions Grant, After School Sport and Art Initatives Funding (ASSAI), City of Nanamio Youth Reslience Grant, Regional District of Nanaimo Zero Waste funds, playground fundraising, and Ministry of Public Safety - Wellington Healing Carving Program
Project Penny	12,659	-	-	12,659	Funding to assist with phone/alarm line conversions from copper to fibre optic. There were no sites that were converted in 2024-25.
School Age Child Care Spaces	359,418	360,000	127,673	591,745	Funding to support participation in a 2-year pilot to expand child care spaces on school grounds. Funds are used to support the cost of a manager and co-ordinator to run the districts expanding child care sites.
NATIONAL SCHOOL FOOD PROGRAM	-	323,151	71,378	251,773	These funds are meant to compliment the Feeding Futures funds in order to create or expand local school food programs.
TOTAL	**3,663,143**	**29,228,104**	**28,946,993**	**3,944,254**	

STATEMENT OF OPERATIONS

CAPITAL FUND

Presented in Schedules 4, 4A, 4B, 4C, and 4D in the Financial Statements is the Capital Fund. The Capital Fund includes financial activities for tangible capital assets. Capital funding from the province is accounted for using deferral accounting, whereby capital revenue is recorded in the financial statements over the life of the related asset to match the amortization expense. Therefore, capital fund revenue is not equal to the actual capital funding received in a year.

The following chart provides comparisons of 2024-25 actual capital fund revenue and expenditures incurred, to 2023-24 actual and 2024-25 annual amended budget amounts.

	FISCAL 2024-25		FISCAL 2023-24	DIFFERENCE FROM BUDGET		DIFFERENCE FROM PRIOR YEAR	
	Budget	Actual	Actual	$	%	$	%
Revenues							
Provincial Grants - Ministry of Education & Child Care	-	598,421	332,255	598,421	100.00%	266,166	80.11%
Investment Income	185,000	237,849	300,470	52,849	28.57%	(62,621)	(20.84%)
Amortization of Deferred Capital Revenue	7,850,000	7,888,100	7,554,649	38,100	0.49%	333,451	4.41%
Total Revenue	**8,035,000**	**8,724,370**	**8,187,374**	**689,370**	**8.58%**	**536,996**	**6.56%**
Expenses							
Operations and Maintenance	-	795,507	695,967	795,507	100.00%	99,540	14.30%
Capital Lease Interest	-	49,099	54,411	49,099	100.00%	(5,312)	100.00%
Amortization of Tangible Capital Assets	11,800,000	12,496,652	11,428,661	696,652	5.90%	1,067,991	9.34%
Total Expense	**11,800,000**	**13,341,258**	**12,179,039**	**1,541,258**	**13.06%**	**1,162,219**	**9.54%**

REVENUES

PROVINCIAL GRANTS – MINISTRY OF EDUCATION & CHILD CARE

These funds are the revenue recognized for costs that were considered non-capital in nature and therefore expensed in the capital fund rather than recognized as an increase in the amortization of deferred capital revenue.

INVESTMENT INCOME

Investment Income is allocated to the Capital Fund based on the Local Capital, Land Capital (school site acquisition charges), and Ministry Restricted fund balances each quarter.

AMORTIZATION OF DEFERRED CAPITAL REVENUE

As funds received for capital are spent, they are added to the district's deferred capital revenue balance and the revenue is recognized over the life of the asset using the same rates as amortization expense. Amortization of deferred capital revenue has increased from prior year due to new funds received for capital projects that were funded by the Ministry of Education and Child Care.

CAPITAL FUND

EXPENSES

OPERATIONS AND MAINTENANCE

These expenditures represent the costs that were considered non-capital in nature and therefore expensed in the capital fund rather than recognized as an increase to the amortization of deferred capital revenue. In 2024-25 these expenses are primarily painting, and portable moves.

AMORTIZATION OF TANGIBLE CAPITAL ASSETS

Amortization expense increased from prior year due to the large number of capital additions that were completed last year, now being amortized for a full year (the first year is amortized at 50%), and additional capital projects completed throughout the year. There was also an additional $620k recorded because of the inflationary adjustment made to the asset retirement obligation estimate.

CAPITAL FUND BALANCES

Found on Schedule 4D of the financial statements are the district's Unspent Deferred Capital Revenue balances. These balances consist of funds that have been received specifically for capital purchases but were not yet spent by June 30, 2025.

The balances are as follows:

	2024-25	2023-24	VARIANCE
Ministry of Education and Child Care - Bylaw Capital	1,188,643	90,679	1,097,964
Ministry of Education and Child Care - Restricted Capital	2,828,034	2,709,431	118,603
Other Provincial Capital	3,387,190	3,457,301	(70,111)
Land Capital	583,279	349,197	234,082
Total Unspent Deferred Capital Revenue	**7,987,146**	**6,606,608**	**1,380,538**

BYLAW CAPITAL

Bylaw Capital represents Ministry of Education & Child Care capital grants drawn on Certificate of Approval (COA) for capital projects (e.g., Seismic, Expansion, playground equipment funding, School Enhancement Program, Carbon Neutral Capital Funding etc.). Generally, it is expected that this balance would be zero as funds are drawn from the Ministry only as the expenditures are incurred, however the balance in the current year represents funds received from the Ministry for projects in which the expenditures have not yet occurred. This occasionally occurs in special circumstances.

CAPITAL FUND

RESTRICTED CAPITAL

Ministry of Education & Child Care Restricted Capital represents the Ministry's portion (usually 75%) of the proceeds on disposal of land and buildings, and any bylaw surplus that remains following completion of the applicable project. The Ministry's permission must be received to spend these funds. The increase from prior year is to the interest allocated to the funds.

OTHER PROVINCIAL CAPITAL

These funds were provided by the Ministry of Children and Family Development, and the Ministry of Education and Child Care for the construction of various childcare facilities throughout the district. In 2024-25 the district received $1.9M in Childcare BC New Spaces funds for the construction of childcare spaces throughout the district. Overall, the balance has decreased from prior year because of continuous work on the various childcare facilities being constructed (Chase River, Qwam Qwum Stuwixwuhl, Seaview, Georgia Ave, Cilaire, Pleasant Valley and Quarterway).

LAND CAPITAL

The balance in the Land Capital reserve Fund is comprised of School Site Acquisition Charges (SSAC), which municipalities collect on behalf of the district for future school site purchases. Funds in the current year represent the School Site Acquisition Charges collected to date from the District of Lantzville, City of Nanaimo, Town of Ladysmith, and the Regional District of Nanaimo (RDN) plus interest allocated to the funds.

OTHER CAPITAL

Other capital is meant for funds from non-provincial government sources, such as municipal grants. There is currently a zero balance.

ACCUMULATED SURPLUS

Accumulated Surplus (All Funds)

At June 30, 2025, the district ended the year with an accumulated surplus of $46.9M, of which $12.4M is in the Operating Fund, and $34.5M is in the Capital Fund.

Accumulated Surplus is comprised of the following components:

	2024-25	2023-24	$ CHANGE
Operating Fund			
Restricted Operating Surplus:			
Restricted Surplus Reserve for Anticipated Unusual Expenses	941,680	1,023,700	(82,020)
Restricted Surplus Reserve for Financial Contraints/Targeted Funds	3,437,641	3,899,764	(462,123)
Restricted Surplus Reserve for Operations Spanning Multiple School Years	4,060,147	1,165,733	2,894,414
Total Restricted Accumulated Operating Surplus	8,439,468	6,089,197	2,350,271
Total Unrestricted Operating Surplus	3,947,208	5,503,991	(1,556,783)
Accumulated Operating Surplus	**12,386,676**	**11,593,188**	**793,488**
Capital Fund			
Investment in Tangible Capital Assets	28,182,930	29,644,677	(1,461,747)
Local Capital	6,322,323	4,210,696	2,111,627
Total Capital Surplus	**34,505,253**	**33,855,373**	**649,880**
Total Accumulated Operating Surplus	12,386,676	11,593,188	793,488
Total Capital Surplus	34,505,253	33,855,373	649,880
Total Accumulated Surplus	**46,891,929**	**45,448,561**	**1,443,368**

See financial statement note 13 for additional details.

ACCUMULATED SURPLUS

OPERATING FUND

The district ended the year with an annual operating surplus of $793k, which added to the accumulated operating surplus of $11.6M, resulted in a revised accumulated operating surplus in the amount of $12.4M. Despite the budgeted appropriation of surplus of $7.1M the district ended the year with an increase to the accumulated surplus due to several factors some of which include:

- The February/May Student Data Collections, confirmed late in the fiscal, resulted in higher enrolment numbers than what were originally anticipated and brought in an additional $1.1M in revenue which was not able to be allocated and spent by June 30.
- The district benefit plans premium balance increased from prior year resulting in an unanticipated reduction in benefit expenses of $580k.
- There were $803k worth of purchases made towards the end of the year that did not arrive in time by June 30th and therefore were not expensed.
- As in prior years there were many staffing complexities which included difficult recruiting for some hard to fill positions, as well, the budgeted average teacher salary was slightly higher than the actual cost of teacher salaries over the year.

The operating surplus is categorized as either internally restricted for particular use, or unrestricted. Restricted surplus has three unique categories:

ANTICIPATED UNUSUAL EXPENSE RESERVE

The Anticipated Unusual Expenses Reserve is for identified one-time or intermittent projects not able to be funded by current year revenues. Included in this reserve are funds for one time salary costs that have already been appropriated for use in the 2025-26 budget ($617k), a reserve for replacement costs in the event they exceed budgeted levels ($250k), EA staffing supplement for the BEAM program ($50k), post budget unusual expenses ($15k), and funds to support the districts new tagline ($10k).

FINANCIAL CONSTRAINTS/TARGETED FUNDS RESERVE

The Financial Constraints/Targeted Funds Reserve is to restrict funds that the district is committed to spend on a specific or targeted purposes. These commitments may be legally binding (e.g., professional development funds outlined in collective agreements), or implied but not legally binding (e.g., donated funds not explicitly restricted by the donor). Significant amounts within this reserve include the benefit premium balance available to reduce future benefit expenditures ($2.7M), unspent Indigenous Education Programs funding ($388k), unspent Teacher Mentorship grant ($175k), and funding received specifically for Integrated Child and Youth (ICY) teams ($121k).

OPERATIONS SPANNING MULTIPLE SCHOOL YEARS RESERVE

The Operations Spanning Multiple School Years Reserve is meant for situations where operating funds may need to be carried over to future years. Significant amounts included in this reserve are funds required to support the three-year Local Capital planning ($1.8M), funds required for the purchase orders where the goods were unable to be delivered by year-end ($803k), the remainder of the Harewood Centennial Park turf field joint use agreement (8 years - $560k), continuation of the equipment replacement initiative ($350k), a child care reserve for the excess funds received related to the five child care sites operated by third party providers ($282k), and unspent school balances ($265k).

See financial statement note 13 for a complete list.

ACCUMULATED SURPLUS

CAPITAL FUND

The Capital Fund surplus consists of two components, Investment in Tangible Capital Assets, and Local Capital.

INVESTMENT IN TANGIBLE CAPITAL ASSETS

The Investment in Tangible Capital Asset balance of $28.2M is a balance reflective of the districts accumulated contribution to capital assets. It is important to note, that this is not a balance available for future operations.

LOCAL CAPITAL

The Local Capital balance represents the accumulated surplus of funds that have been set aside for future anticipated capital purchases. The following summarizes the Local Capital balance as at June 30, 2025, as well as presents the budgeted Local Capital spending plan over the next three years. Note that the amounts indicated are subject to change if emergent projects are identified or there are unforeseen cost pressures.

Local Capital

Revenue	**2024-25 YE Financial Position**	**2025-26 Budget**	***2026-27 Planning***	***2027-28 Planning***	***2028-29 Planning***
Deferred Revenue per Financial Statements/Future Estimates	4,210,696	**6,322,323**	2,712,323	1,827,323	917,323
Operating Fund and/or Accumulated Surplus Transfers					
Transfers necessary to support three-year planning	3,540,000	1,100,000	1,100,000	1,100,000	1,100,000
Technology / Infrastructure Upgrades	-	700,000	700,000	700,000	700,000
Unrestricted Surplus Allocations (Capital)	-	-	-	-	-
Total Transfer from Operating	3,540,000	1,800,000	1,800,000	1,800,000	1,800,000
Investment Income	237,849	150,000	125,000	100,000	100,000
Total Revenue	**7,988,545**	**8,272,323**	**4,637,323**	**3,727,323**	**2,817,323**
Local Capital Priorities - Current and Future Years					
Board Goal - Student Success					
Equitable Access to Technology (Wi-Fi/Phones)	194,209	500,000	500,000	500,000	500,000
Technology Plan	281,112	750,000	750,000	750,000	750,000
Learning Studios	249,247	300,000	300,000	300,000	300,000
School Capacity	237,462	400,000	400,000	400,000	400,000
Outdoor Learning Fund		50,000	50,000	50,000	50,000
Board Goal - Student and Employee Wellness					
Accessibility Projects	1,190	100,000	100,000	100,000	100,000
Environmental Upgrades	40,995	50,000	50,000	50,000	50,000
School-based Projects/Equipment	40,139	200,000	200,000	200,000	200,000
Long Range Facilities Plan (LRFP)					
Vehicle/Asset Replacement Program	376,916	275,000	275,000	275,000	275,000
School Opening/Capital Project Synergy	229,525	75,000	75,000	75,000	75,000
AFG Contingency		*50,000*	*50,000*	*50,000*	*50,000*
Support of Pending/New Capital Projects	15,427	60,000	60,000	60,000	60,000
Capital Cost-Share Contribution *(Priority Future Planning)*		2,750,000	-	-	
Total Projects/Expenses	**1,666,222**	**5,560,000**	**2,810,000**	**2,810,000**	**2,810,000**
Fund Balance	6,322,323	2,712,323	1,827,323	917,323	7,323

Note1: The Schedule is contingent on YE Financial positions and Board's support of recommended future transfer amounts
Note2: The Schedule is subject to change pursuant to emergent needs/competing priorities
Note3: Capital cost-share showing relates to LIS/LPS; it is also subject to change per Ministry directive

Factors Bearing on Nanaimo Ladysmith Public School's Future

RISKS

ENROLMENT

The most significant source of school district funding is generated by the student population. Accurate estimates of enrolment are key for staff and space capacity planning, as well as district budgeting. Although our overall student enrolment continues to rise, its trajectory has softened considerably. The district will continue monitoring this trend closely as registrations come in and will look to mitigative strategies if targets are not met.

CAPITAL/LOCAL CAPITAL

With competing capital pressures across the province, the provincial government is tasked with addressing emergent needs in order of priority. Nanaimo Ladysmith Public Schools has many seismic and capital needs that may or may not be top of list, however, we will continue to apply for the most urgent capital upgrades annually. Currently we are awaiting Ministry decision on our Ladysmith multi-faceted project which will likely include the requirement to cost-share, with our financial contribution still to be determined. It will be important for the district to continue to direct reasonable portions of any available Accumulated Operating Surplus dollars to our Local Capital Fund to support this, as well as future projects such as the necessary replacement of Nanaimo District Secondary School.

SEISMIC ACTIVITY

The district is in an active seismic zone. Further, many of our facilities are rated at a high level of risk in the event of seismic activity. Obviously, a major seismic event would have a catastrophic impact on not only our district but also our community; however, even a minor event could put the district's continued use of several facilities at risk requiring alternative facilities and the associated expenses.

INFLATION AND TARIFFS

Inflationary cost pressures facing the district continue to rise, the most significant are the heightened cost of replacement staff, employee benefit costs, and newly implemented tariffs. Although the Ministry of Education and Child Care increased the 2025-26 Operating Grant to absorb general wage increases, they have not addressed inflationary costs. As well, many of the district's Special Purpose Funds do not cover all the associated costs and so the Operating Fund must supplement the shortfall, limiting resources that could address inflationary cost pressures.

TECHNOLOGY, AGING EQUIPMENT AND CYBERSECURITY

The Ministry of Education and Child Care does not provide direct funding for technology; it is expected that the district's Operating Fund will cover such expenditures. The district therefore continues to restrict operating funds towards the annual technology plan which provides for digital learning devices, software applications, hardware, Wi-Fi, and network maintenance.

Additionally, intermittent costs of refreshing or replacing aging phone systems and other technology such as document cameras, projectors, lab, shop and cafeteria equipment must be funded by annual operating funds. We note the ongoing resource allocations to these particular expenses are necessary enhancements to district equipment and technology and best supports student learning, however, if funded by the Ministry, resources could be redirected to additional programing aimed at enhancing student outcomes.

Recently cyber attacks on public education institutions have been on the rise. While the district is pro-active in ensuring the security of our systems, the reality is international cyber criminals are incredibly sophisticated and a successful attack against our systems could result in significant costs and/or impact on the district.

OPPORTUNITIES

LONG-RANGE FACILITIES PLAN

The district's Long-Range Facilities Plan continues to be a key input for Board and staff decisions related to capacity planning in schools and other district facilities. The Board of Education approved the Long-Range Facilities Plan (LRFP) on May 26, 2021. The revised plan focuses on ensuring the district can continue to support the expected enrolment growth, addressing the condition of aging facilities, and enhancing district programs.

For further information please see the following website address for an update on the Long-Range Facilities Plan where the document is referred to as Monitoring our Progress.

CHILDCARE

Over the last few years, the district has successfully implemented a childcare strategy that includes multiple 0-5 childcare sites operated by third-party providers utilizing district-built facilities. As well, there are currently four school district operated before and after school care sites which not only provide much needed services for community families, but also provides opportunity for our staff to increase their annual salaries. In 2025-26 the district plans to expand third-party, and district operated childcare sites, and has also implemented a pilot program offering summer childcare services.

WORKFORCE CHALLENGES

In response to ongoing challenges with recruiting and retention of qualified Education Assistants the district has created an in-house training and mentorship program. Building Education Assistants through Mentorship (BEAM) has been modeled in collaboration with other provincial school districts experiencing similar staffing constraints. BEAM is designed for professional and caring adults who wish to work with students with physical, social, behavioural, sensory, and/or learning needs as an Education Assistant (EA). It is a six-month, part-time program that combines in-class sessions, observations & an internship with an experienced EA mentor; the first cohort of participants began in May 2025.

UNCERTAINTIES

INTERNATIONAL STUDENT EDUCATION

While the international student education (ISE) program continues to maintain robust international interest, the impact of inflation on international families has the potential to impact enrolment. In addition, secondary school capacity and the availability of homestays are ongoing challenges for the growth of the program.

INVESTMENTS

Interest rates have been on a downward trend over the past year resulting in a decrease in investment income. While the district budgets for investment income conservatively based on the known information at the time, there is always a possibility that rates decline further than expected. The district will continue monitoring rates and will investigate investments strategies that provide the highest rate of return to mitigate this risk.

MINISTRY OF EDUCATION AND CHILD CARE FUNDING FORMULA

The Ministry of Education and Child Care funding formula is the primary driver of district revenues. At this time, we are unaware of any changes that are anticipated in the future, however, any shifts that may occur could impact the district's financial position.

Contacting School District 68's Financial Management

This financial report is designed to provide NLPS stakeholders with a general overview of NLPS finances and to demonstrate the 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.

NANAIMO LADYSMITH PUBLIC SCHOOLS

School District No. 68 (Nanaimo-Ladysmith/Nanaimo Ladysmith Public Schools)
395 Wakesiah Avenue, Nanaimo, BC V9R 3K6
250-754-5521 | www.sd68.bc.ca