



Chilliwack  
School District

# Financial Statement Discussion Analysis 2020/2021

School District No. 33 - Chilliwack



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## 1.0 Overview

This document will discuss and analyze the financial performance of the Chilliwack School District (“the District”) for the fiscal year ending June 30, 2021 and will provide clarity to the variances from prior years. The school district financial statements represent the consolidation of three separate funds: operating, special purpose, and capital.

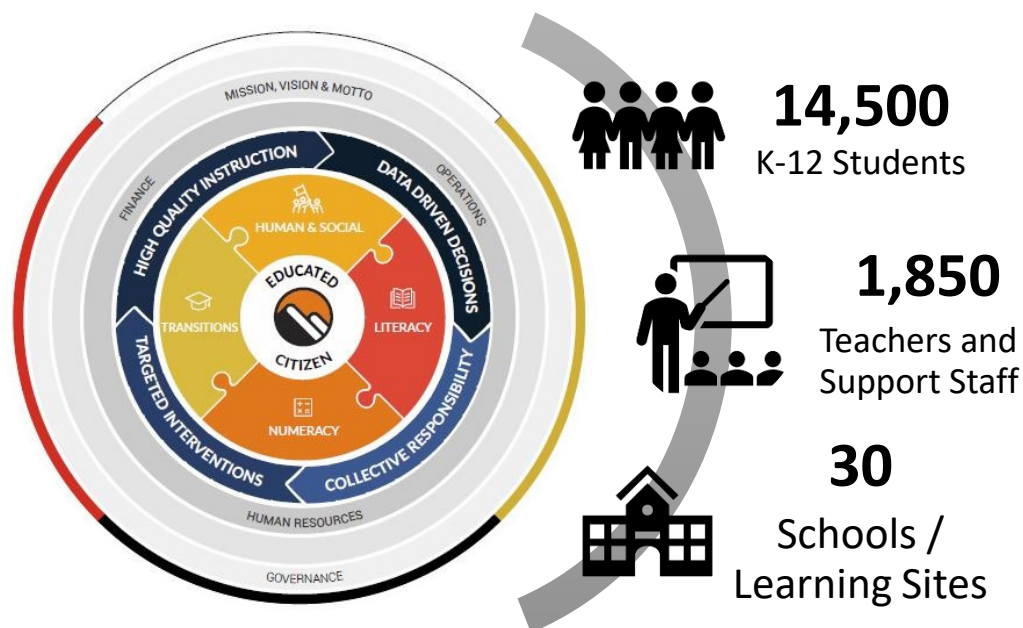
### 1.1 About Us

Chilliwack School District No.33 is located in the heart of the Stó:lo territory, People of the River. Surrounded by the Ts’elxweyeqw and Pilalt communities, the Stó:lo refer to this as S’ólh Téméxw (our world). We honour and acknowledge our history, live in the present and look to the future to guide all teaching and learning.

As one of the fastest growing school districts in the province, the Chilliwack School District covers approximately 1,825 square kilometers including Chilliwack, Sardis, Vedder, and the surrounding areas of Yarrow, Cultus Lake, Rosedale and Greendale.

The District has nineteen elementary schools (kindergarten to grade 5), four middle schools (grades 6 to 8), one elementary/middle (grades k – 8), and five secondary schools (grades 9-12). In addition, we offer multiple programs including alternate education, trades and careers, sports academies, summer school, distributed learning, French immersion and continuing education.

Our facilities are attended by more than 14,500 full and part-time students and are served by approximately 1,850 teachers and support staff.





## 1.2 Board Authority, Roles and Responsibilities

The Board of Education has, as its primary role, the governance of the school district and the commitment to student achievement. The Board fulfills this role, in part, through the development and implementation of a strategic plan that establishes a vision, mission and goals to direct resources and align the work of staff.

The Board also has a foundational responsibility to competently protect the interests, image and credibility of the school district, to ensure its financial viability and to act in accordance with all applicable laws, regulations and policies.

The Board's authority is established within the *School Act* and its regulations. The rights, powers, duties and liabilities of the Board rest only with the legally constituted Board, and not with committees of trustees or individual trustees.

The Board exercises its authority and responsibilities through the development of policy and the establishment of a balanced annual budget.





### 1.3 Our Mission Statement

We ensure deep learning that engages our heart, head and hands to develop competencies vital for the success of all learners.

### 1.4 Our Vision Statement

Syós:ys lets'e th'ále, lets'emó:t (One heart, one mind, working together for a common purpose.)

### 1.5 Our Motto: "Partners in Learning"

Students, parents/guardians/caregivers, staff, First Nations, community members and organizations are important members of our education community and partners in learning with the Board of Education. Together we strive to create a culture of mutual respect that supports engagement and collaboration in order to achieve the shared goals outlined in our District Strategic Plan. Collectively we aim to meet the present needs of our students and our community, while remaining flexible to anticipate and respond to future priorities.





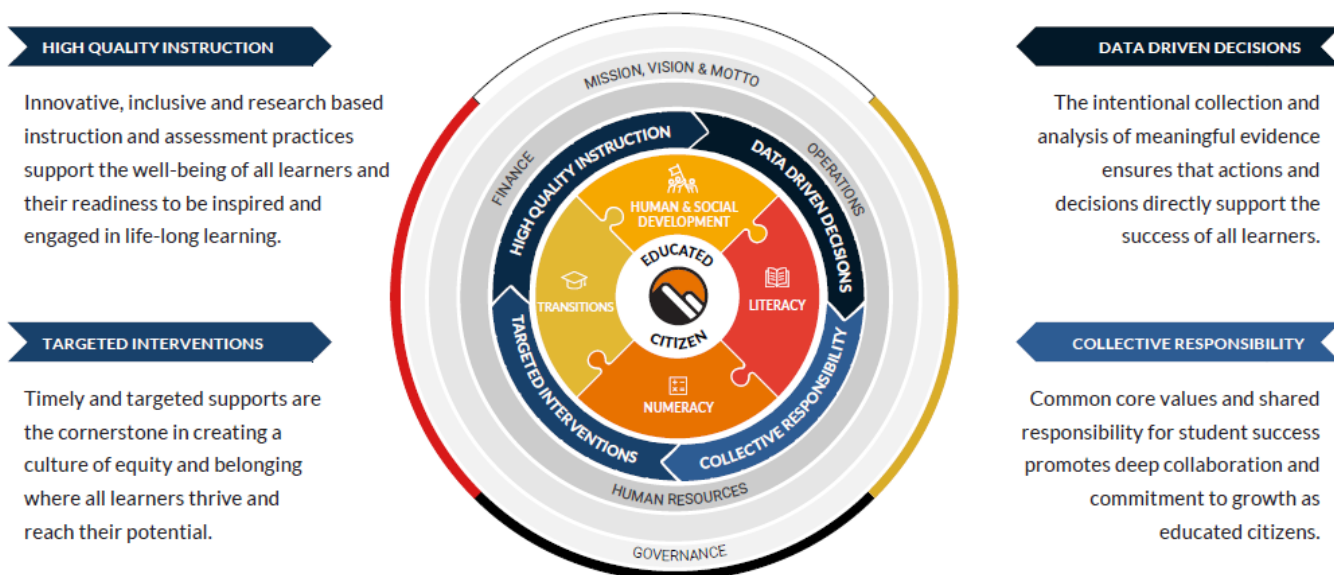
## 2.0 Strategic Plan

At its June 15, 2021 meeting, the Chilliwack Board of Education approved [Strategic Plan 2021-2025](#). This Strategic Plan set priorities and defines the path of our school district.

The Strategic Plan has four main priorities:

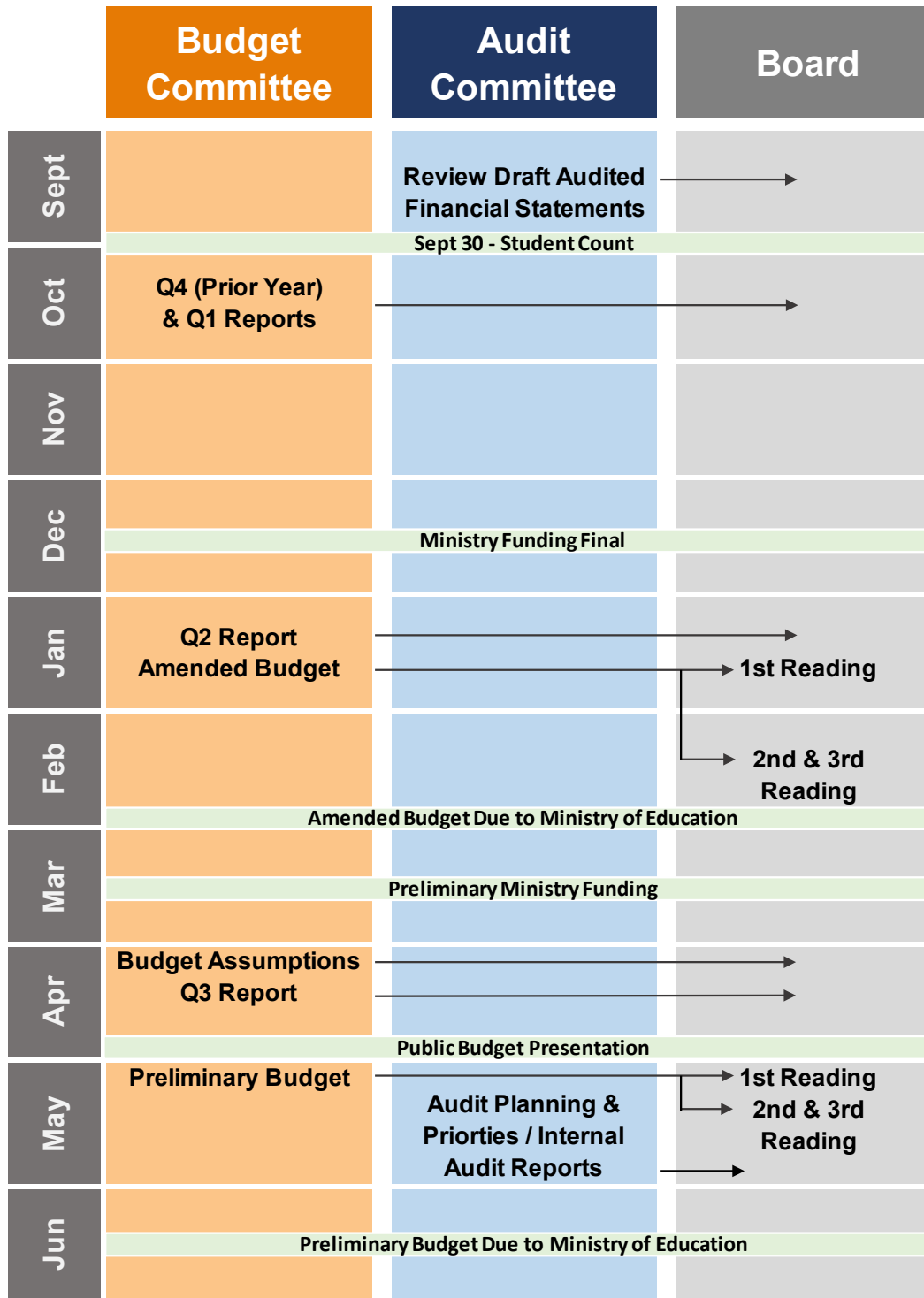
- High Quality Instruction
- Targeted Interventions
- Data Driven Decisions
- Collective Responsibility

Operational plans for HR, Finance and Operations are in progress, and will become the direction for these support departments for the next five years.



## 3.0 Financial Governance and Planning Cycle

### 3.1 Planning Cycle (Timelines 2020/21)



### 3.2 Board Advisory Committees ([Policy 160](#))

Committees may be created to advise the Board on specific matters as determined by the Board. Committees are advisory only, and committee members serve in a voluntary capacity and will not be compensated for their services.

Standing committees provide an opportunity to engage with key employee and partner groups in areas of Board governance on an ongoing basis.

#### [Budget Advisory Committee \(Policy 162\)](#)

The Board of Education values consultation as an important part of budget development and monitoring. The Board also recognizes and accepts its responsibility to approve the annual budget. The Budget Advisory Committee is advisory in nature and reports directly to the Board through the chair of the committee.

The Budget Committee will consist of three (3) trustees of the Board and one (1) representative of each of Chilliwack Principals' and Vice Principals' Association, Chilliwack Teachers' Association, Canadian Union of Public Employees' Local 411, District Parent Advisory Committee, Indigenous community, district management employees and up to two (2) community representatives. Any trustee may attend as an observer.



#### [Audit Working Committee \(Policy 163\)](#)

The Audit Working Committee mandate is to assist the Board in fulfilling its financial oversight responsibilities. The committee is advisory in nature and reports directly to the Board through the Chair of the committee. The Audit Working Committee will have direct communication channels with the external auditor to discuss and review issues within its mandate.

The committee will consist of three (3) Trustees and up to two (2) community members who are financially literate in these processes. Any trustee may attend committee meetings as an observer.





### 3.3 Public Budget Presentation

#### Public Budget Presentation - 2021/22 Operating Budget

On April 12, 2021, the Budget Committee of the Chilliwack Board of Education held a public presentation during the Regular Board meeting and invited input into the 2021/2022 Operating Budget. Secretary Treasurer Gerry Slykhuis presented an overview of the School District's financial information and budget development process. It also included a 3-year financial plan. Due to the pandemic and physical distancing measures, this meeting was held via Zoom and recorded for the public to [view](#). Questions from the public were welcome before and after the recording.



*Microsoft PowerPoint Presentation – click screen clipping to view*



## 4.0 Financial Statement Composition Overview

The District uses fund accounting, and each of these funds has restrictions on accounting for each fund's revenues and expenditures. There are three funds that are reported in the financial statements:



### OPERATING FUND

Includes revenue and expense related to the daily operation of the district, including school and administrative functions.



### SPECIAL PURPOSE FUNDS

Funding is restricted for a specific purpose and includes school generated funds. These funds do not report a surplus as revenues are only recognized when the related expenditure occurs. There may be a deficit in this fund which is then transferred to the Operating Fund or Capital Fund depending on the nature of the expenditure.



### CAPITAL FUND

This fund includes financial activities for tangible capital assets. The Ministry of Education provides capital funding which is accounted for using the deferral accounting methodology whereby capital revenue is recorded over the life of the related asset to match the amortization expense recorded in the financial statements. Therefore, the revenue reported in the financial statements does not match the actual capital funding received in a year.



## 4.1 Statement of Financial Position

The Statement of Financial Position (balance sheet) presents the school district's financial assets and liabilities at the fiscal year end. It provides a comparative analysis of the district's net financial position for fiscal years ending June 30, 2020 and June 30, 2021 along with the year over year dollar and percentage changes.

|   | 2021                 | 2020                 | Change              | %          |
|---|----------------------|----------------------|---------------------|------------|
| <b>Financial Assets</b>                   |                      |                      |                     |            |
| Cash and Cash Equivalents                 | 39,236,198           | 32,347,549           | 6,888,649           | 21%        |
| Accounts Receivable                       |                      |                      |                     |            |
| Due from Province - Ministry of Education | 4,859,056            | 1,248,387            | 3,610,669           | 289%       |
| Due from LEA/Direct Funding               | 78,303               | 167,765              | (89,462)            | -53%       |
| Other                                     | 502,668              | 199,902              | 302,766             | 151%       |
| <b>Total Financial Assets</b>             | <b>44,676,225</b>    | <b>33,963,603</b>    | <b>10,712,622</b>   | <b>32%</b> |
| <b>Liabilities</b>                        |                      |                      |                     |            |
| Bank Overdraft                            |                      |                      |                     |            |
| Accounts Payable and Accrued Liabilities  | 23,195,565           | 18,414,475           | 4,781,090           | 26%        |
| Unearned Revenue                          | 1,407,600            | 716,681              | 690,919             | 96%        |
| Deferred Revenue                          | 2,084,801            | 1,473,638            | 611,163             | 41%        |
| Deferred Capital Revenue                  | 197,827,652          | 168,825,892          | 29,001,760          | 17%        |
| Employee Future Benefits                  | 4,027,631            | 3,832,170            | 195,461             | 5%         |
| Other Liabilities                         | 1,075,441            | 544,076              | 531,365             | 98%        |
| <b>Total Liabilities</b>                  | <b>229,618,690</b>   | <b>193,806,932</b>   | <b>35,811,758</b>   | <b>18%</b> |
| <b>Net Financial Assets (Debt)</b>        | <b>(184,942,465)</b> | <b>(159,843,329)</b> | <b>(25,099,136)</b> | <b>16%</b> |
| <b>Non-Financial Assets</b>               |                      |                      |                     |            |
| Tangible Capital Assets                   | 258,153,321          | 230,798,099          | 27,355,222          | 12%        |
| Restricted Assets-Endowments              | 73,261               | 73,261               | 0                   | 0%         |
| Prepaid Expenses                          | 1,226,560            | 447,949              | 778,611             | 174%       |
| <b>Total Non-Financial Assets</b>         | <b>259,453,142</b>   | <b>231,319,309</b>   | <b>28,133,833</b>   | <b>12%</b> |
| <b>Accumulated Surplus (Deficit)</b>      | <b>74,510,677</b>    | <b>71,475,980</b>    | <b>3,034,697</b>    | <b>4%</b>  |





## Explanation of Components of Financial Position

**Cash and Cash Equivalents** represent funding available to meet short term obligations such as Accounts Payable. Both Cash and Accounts Payable have increased significantly from the prior year due to the volume of spending on four concurrent building projects.

**Accounts Receivable** are monies owed to the District and primarily consist of GST rebates and draw claims from the Ministry of Education for capital projects.

- **Due from Province** includes reimbursements receivable for expenses made on capital projects.
- **Due from LEA** relates to funding owed to the District from local First Nation Bands for their students attending schools in the District.
- **Other** receivables consist of GST rebates and rental revenue still to be collected.

**Unearned Revenue** is related to International Education tuition for subsequent years received in advance.

**Deferred Revenue** refers to the unused money in Special Purpose Funds. The majority of this balance consists of School Generated Funds and Scholarship & Bursary investments.

**Deferred Capital Revenue** is money provided to the District for Capital projects. This account will increase as new building projects are constructed and decrease to match the amortization on those buildings. Note how the increase this year closely relates to that of Tangible Capital Assets.

**Employee Future Benefits** relate to retirement payments to employees for years of service and are actuarial adjusted on an annual basis.

**Tangible Capital Assets** reflect the unamortized cost of land, buildings and equipment owned by the District.

**Restricted Assets – Endowments** are funds given to the District to earn investment income. The income can be used for scholarships and bursaries; however, the initial investment cannot be spent.

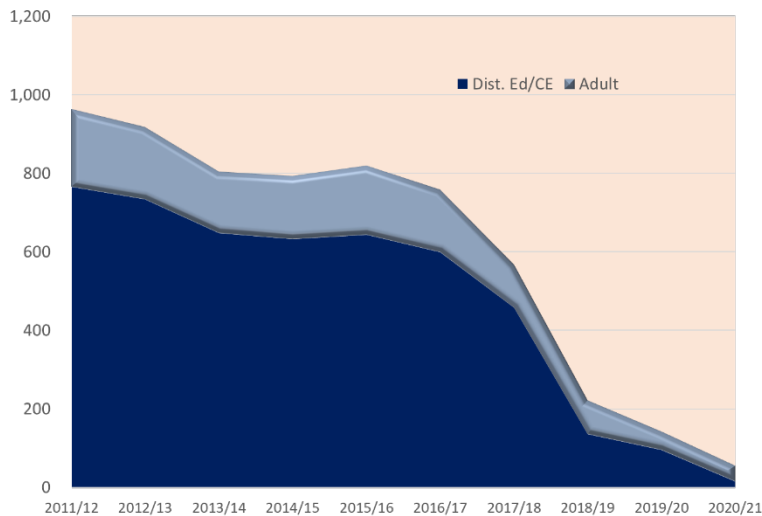
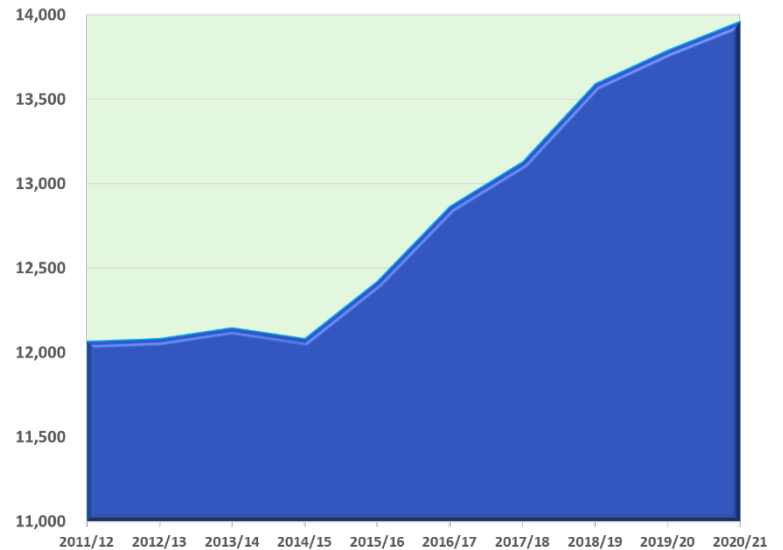
**Prepaid Expenses** are expenditures that have been made for a future period (e.g., next year's insurance premiums paid in advance).



## 5.0 Financial Highlights

### 5.1 Enrolment

For the 3-year period from 2011/12 to 2014/15 student enrolment was relatively stable. Since then, enrolment has been growing rapidly, going from 12,082 Full Time Equivalent (FTE) K-12 students to 13,960 FTE. This is an increase of 1,878 FTE students (an average 313 students per year). Last year growth was impacted somewhat by the pandemic, however we are projecting a significant increase for the 2021/22 school year.



At the same time the Distributed Learning and Continuing Education student enrolments have dropped dramatically. This is due mainly to changes to the government funding for these students that has made the existing delivery model unsustainable. Our Distributed Learning program is currently changing to a blended learning model.

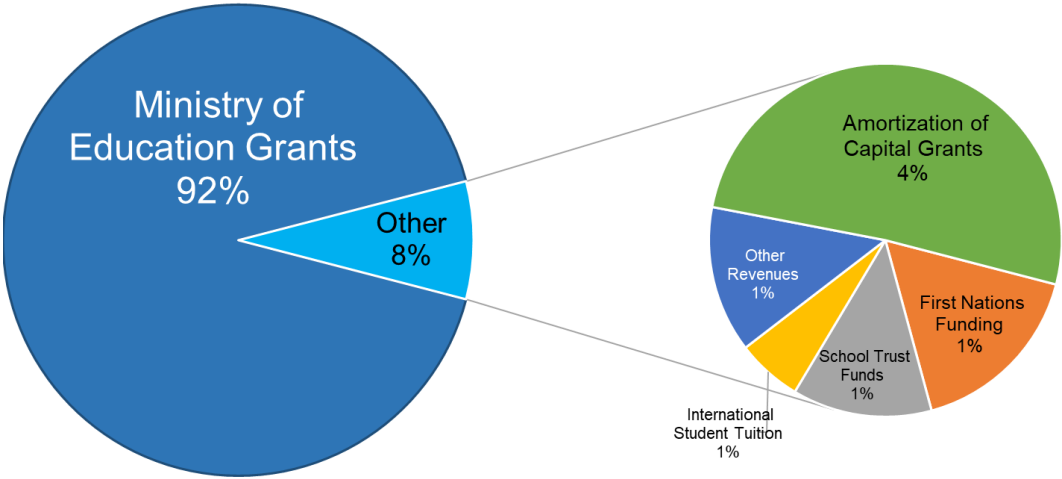


# 5.2 Revenues

Total revenues for the School District were \$172 million for 2020/21. Revenue is heavily reliant upon funding from the Provincial government which is based mainly on student enrolments. The grant is calculated on student enrolment which is compiled through a data collection process called 1701 in September, February, May and July. The District receives a fixed amount per full-time equivalent student (FTE). The District also receives supplementary grants for students who are identified as having unique needs and for other demographic and geographical factors.

92% of the District's revenue is from Ministry of Education funding, 1% of revenue is First Nations funding, 1% are funds raised by schools through their trust funds, 1% of revenue is generated from International Education Programs, 4% is associated with the recognition of deferred capital grants, and the balance through other revenue programs such as other facility rentals and investment income.

Revenues increased 5.8% versus last year due mainly to increases in government grants for enrolment increases and collective agreement wage increases. As well, Federal and Provincial funding of \$6.3 million was provided to deal with the COVID-19 pandemic. Other Revenues such as international student tuition, rental income and investment income were impacted negatively by the COVID-19 pandemic.

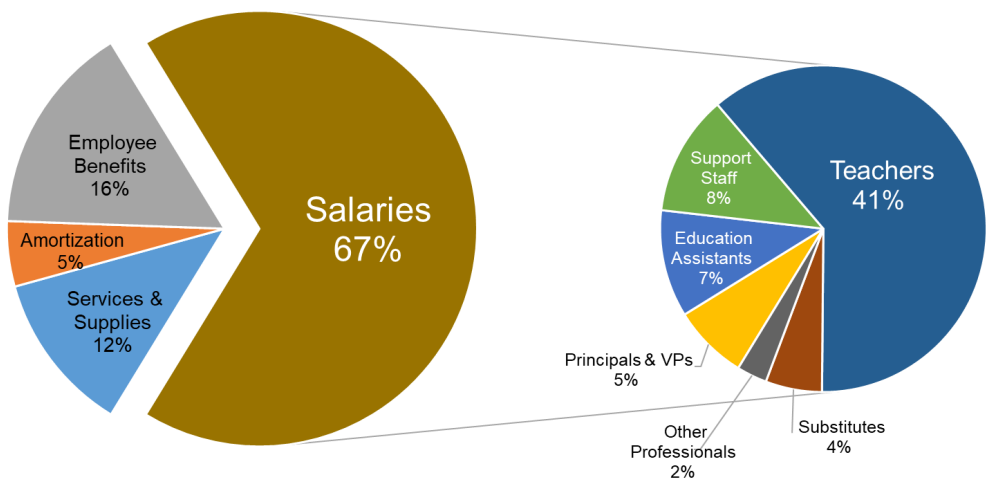




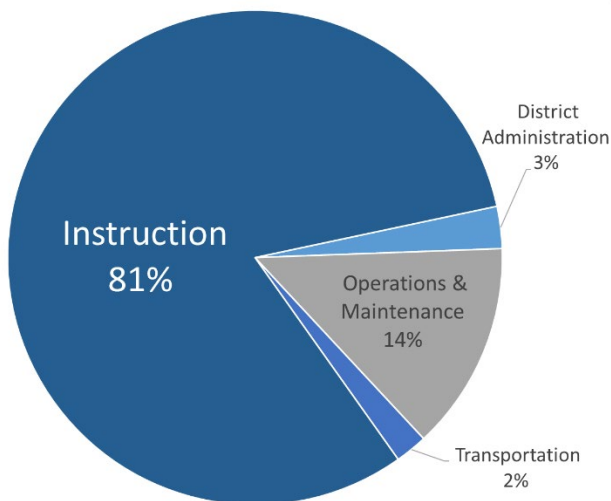
# 5.3 Expenditures

83% of the School District's operating expenditures are associated with salaries and benefits. And 62% of Salaries are for teachers. The balance of expenditures is related to amortization of capital assets and supplies and services including utilities, professional development, and maintenance.

Overall expenditures are up by 2.3% versus last year. This is mainly due to increases in staffing to cover enrolment, collective agreement wage settlements, benefit premiums, and costs for replacement staff.



Looking at expenditures by Program, 80% of expenditures are on instruction, and 17% on operations, maintenance and transportation.



## 5.4 COVID-19

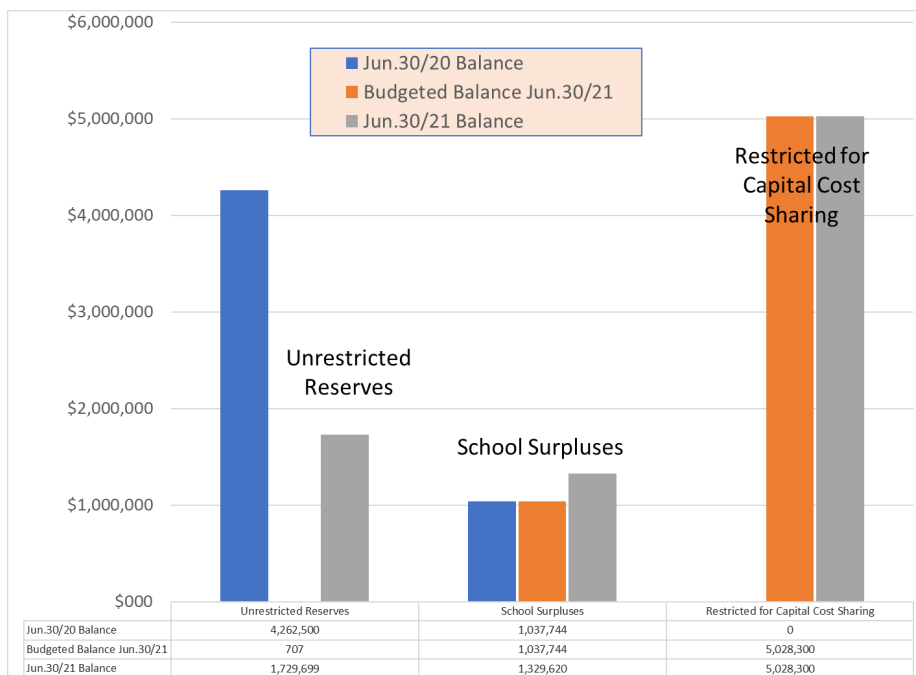
The COVID-19 pandemic had a significant impact on expenditures again this year. Federal and provincial funding allowed us to invest significant additional resources for cleaning supplies, protective equipment, addition custodial staff, student supports, etc. There is more detail around these in the Financial Analysis section later in this document.



## 5.5 Reserves

Unrestricted Reserves (all funds) decreased in 2020/21 from \$4,262,500 to \$1,729,699. The main reason that the total dropped was because \$5,028,300 was transferred to a Restricted Reserve to cover the District commitment to provide funding towards the cost of the new Stitó:s Lá:lém Totí:lt school and the Vedder Elementary addition.

Schools are permitted to carry over any budget surpluses to the next year. The total school surpluses (which are included in restricted reserves) increased by \$291,876 this year to \$1,329,620, due mainly to reduced program expenditures during the pandemic.



## 6.0 Financial Analysis of the School District as a Whole

### 6.1 Analysis of Operating Results to Budget and Last Year

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2021. 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, as well as in comparison with the. These sections are broken down into three areas: Revenues, Wages and Benefits, and Supplies and Services. This is only an introduction and should be read in conjunction with the School District's financial statements.

#### Revenues

| Operating Budget                         | 2020/21            |                    | 2019/20            | Increase<br>(Decrease) vs.<br>BUDGET |           | Increase<br>(Decrease) from<br>PRIOR YEAR |           |
|--|--------------------|--------------------|--------------------|--------------------------------------|-----------|---|-----------|
|  | BUDGET             | ACTUAL             | ACTUAL             | \$                                   | %         | \$  | %         |
| <b>REVENUE</b>                           |                    |                    |                    |                                      |           |   |           |
| Provincial Grants, Ministry of Education | 138,656,355        | 138,618,644        | 134,349,615        | (37,711)                             | (0%)      | 4,269,029                                 | 3%        |
| LEA/Direct Funding from First Nations    | 2,356,455          | 2,318,375          | 2,366,835          | (38,080)                             | (2%)      | (48,460)                                  | (2%)      |
| Provincial Grants, Other                 | 150,000            | 158,100            | 213,700            | 8,100                                | 5%        | (55,600)                                  | (26%)     |
| International Student Tuition            | 770,079            | 831,627            | 1,635,323          | 61,548                               | 8%        | (803,696)                                 | (49%)     |
| Other Revenue                            | 295,337            | 340,052            | 362,638            | 44,715                               | 15%       | (22,586)                                  | (6%)      |
| Rentals & Leases                         | 130,000            | 130,479            | 368,715            | 479                                  | 0%        | (238,236)                                 | (65%)     |
| Investment Income                        | 231,000            | 320,266            | 392,213            | 89,266                               | 39%       | (71,947)                                  | (18%)     |
| <b>Total Revenue</b>                     | <b>142,589,226</b> | <b>142,717,543</b> | <b>139,689,039</b> | <b>128,317</b>                       | <b>0%</b> | <b>3,028,504</b>                          | <b>2%</b> |





## Provincial Grants – Ministry of Education

| Operating Budget                                 | 2020/21     |             | 2019/20     | Increase (Decrease) vs. BUDGET |      | Increase (Decrease) from PRIOR YEAR |    |
|--|-------------|-------------|-------------|--------------------------------|------|-------------------------------------|----|
|  | BUDGET      | ACTUAL      | ACTUAL      | \$                             | %    | \$                                  | %  |
| <b>Provincial Grants – Ministry of Education</b> | 138,656,355 | 138,618,644 | 134,349,615 | (37,711)                       | (0%) | 4,269,029                           | 3% |

- Our February count for Special Needs students was up from our budget estimate by approximately \$450,000.
- The Holdback Funding that we anticipated was \$417,000 lower.
- Adult Continuing Education enrolment was down by \$85,000.

- Funding for collective agreement settlements with the unionized staff: \$2,413,000
- Enrolment increases: \$1,623,000
- Salary Differential funding which fluctuates with the average teacher salary in the District: (\$401,000)
- Decrease in the amount deducted from our operating grant for First Nations students: \$38,000
- Geographic Factors funding increase: \$136,000
- Holdback Funding received: \$447,000

## LEA (Local Education Agreement) / Direct Funding from First Nations

| Operating Budget                             | 2020/21   |           | 2019/20   | Increase (Decrease) vs. BUDGET |      | Increase (Decrease) from PRIOR YEAR |      |
|--|-----------|-----------|-----------|--------------------------------|------|-------------------------------------|------|
|  | BUDGET    | ACTUAL    | ACTUAL    | \$                             | %    | \$                                  | %    |
| <b>LEA/Direct Funding from First Nations</b> | 2,356,455 | 2,318,375 | 2,366,835 | (38,080)                       | (2%) | (48,460)                            | (2%) |

The portion of our Operating Grant pertaining to First Nations students is deducted from our grant and we then direct bill the local bands.

- On-reserve enrolment was down versus the budgeted amount resulting in a \$38,000 reduction.

The portion of our Operating Grant pertaining to First Nations students is deducted from our grant and we then direct bill the local bands.

- Lower enrolments resulted in \$48,000 lower billings.

## Provincial Grant – Other

| Operating Budget                | 2020/21 |         | 2019/20 | Increase (Decrease) vs. BUDGET |    | Increase (Decrease) from PRIOR YEAR |       |
|---------------------------------|---------|---------|---------|--------------------------------|----|-------------------------------------|-------|
|                                 | BUDGET  | ACTUAL  | ACTUAL  | \$                             | %  | \$                                  | %     |
| <b>Provincial Grants, Other</b> | 150,000 | 158,100 | 213,700 | 8,100                          | 5% | (55,600)                            | (26%) |

No significant variance to budget.

Industry Trade Authority (ITA) funding was reduced (\$55,000) due to the pandemic impact on students in trades programs.



## International Student Tuition

| Operating Budget              | 2020/21 |         | 2019/20   | Increase (Decrease) vs. BUDGET |    | Increase (Decrease) from PRIOR YEAR |       |
|-------------------------------|---------|---------|-----------|--------------------------------|----|-------------------------------------|-------|
|                               | BUDGET  | ACTUAL  | ACTUAL    | \$                             | %  | \$                                  | %     |
| International Student Tuition | 770,079 | 831,627 | 1,635,323 | 61,548                         | 8% | (803,696)                           | (49%) |

Due to the pandemic, this was a difficult year to estimate international student enrolment. Fortunately we ended up with a small increase (\$62,000) versus our budgeted amount.

International students are billed \$13,500 per FTE. The travel restrictions imposed due to the pandemic resulted in the loss of almost half of our international students (\$803,000).

## Other Revenues

| Operating Budget | 2020/21 |         | 2019/20 | Increase (Decrease) vs. BUDGET |     | Increase (Decrease) from PRIOR YEAR |      |
|------------------|---------|---------|---------|--------------------------------|-----|-------------------------------------|------|
|                  | BUDGET  | ACTUAL  | ACTUAL  | \$                             | %   | \$                                  | %    |
| Other Revenues   | 295,337 | 340,052 | 362,638 | 44,715                         | 15% | (22,586)                            | (6%) |

We received \$55,000 in funding from the Pacific Community Resources Society (PCRS) for one of our teachers to work with their Traverse Program (a youth drug and alcohol program).

- Distance Ed. textbook deposits & course fees received last year: (\$80,000)
- Funding from the Pacific Community Resources Society (PCRS) for one of our teachers to work with their Traverse Program (a youth drug and alcohol program) \$55,000
- Energy rebates not available in 2019/20: \$43,000
- Transportation fee increase: \$10,000
- Telus rebate received last year: (\$34,000)
- UBC EDI funding received last year: (\$38,000)
- Auction proceeds: \$33,000
- Other grants received last year: (\$14,000)

## Rentals & Leases

| Operating Budget | 2020/21 |         | 2019/20 | Increase (Decrease) vs. BUDGET |    | Increase (Decrease) from PRIOR YEAR |       |
|------------------|---------|---------|---------|--------------------------------|----|-------------------------------------|-------|
|                  | BUDGET  | ACTUAL  | ACTUAL  | \$                             | %  | \$                                  | %     |
| Rentals & Leases | 130,000 | 130,479 | 368,715 | 479                            | 0% | (238,236)                           | (65%) |

No significant variance to budget.

The shutdown of sites due to the pandemic, resulted in the loss of over two-thirds (\$238,000) in rents for use of our facilities.



## Investment Income

| Operating Budget  | 2020/21 |         | 2019/20 | Increase (Decrease) vs. BUDGET |     | Increase (Decrease) from PRIOR YEAR |       |
|-------------------|---------|---------|---------|--------------------------------|-----|-------------------------------------|-------|
|                   | BUDGET  | ACTUAL  | ACTUAL  | \$                             | %   | \$                                  | %     |
| Investment Income | 231,000 | 320,266 | 392,213 | 89,266                         | 39% | (71,947)                            | (18%) |

Ending the year with a surplus was beneficial to our cash position which benefited our investment income.

We also ensured that capital project funding was received prior to large payments being made to contractors.

Our improved financial position provided more cash for investment. This helped offset the pandemic impact on interest rates, which are now half of what they were at the beginning of March 2020.

The net of these is a loss of (\$72,000) interest income.





## 6.1 Budgetary Highlights / Analysis of Operating Results to Budget and Last Year (continued)

### Wages & Benefits

| Operating Budget                     | 2020/21            |                    | 2019/20            | Increase (Decrease) vs. BUDGET |             | Increase (Decrease) from PRIOR YEAR |           |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------------------|-------------|-------------------------------------|-----------|
|                                      | BUDGET             | ACTUAL             | ACTUAL             | \$                             | %           | \$                                  | %         |
| <b>EXPENSE</b>                       |                    |                    |                    |                                |             |                                     |           |
| Salaries                             |                    |                    |                    |                                |             |                                     |           |
| Teachers                             | 61,720,720         | 60,758,312         | 60,079,197         | (962,408)                      | (2%)        | 679,115                             | 1%        |
| Principals & Vice-Principals         | 8,416,670          | 8,364,200          | 7,724,471          | (52,470)                       | (1%)        | 639,729                             | 8%        |
| Education Assistants                 | 11,939,833         | 11,015,385         | 11,393,568         | (924,448)                      | (8%)        | (378,183)                           | (3%)      |
| Support Staff                        | 12,767,032         | 12,206,366         | 12,765,041         | (560,666)                      | (4%)        | (558,675)                           | (4%)      |
| Other Professionals                  | 3,325,172          | 3,398,265          | 3,316,307          | 73,093                         | 2%          | 81,958                              | 2%        |
| Substitutes                          | 5,620,602          | 5,982,312          | 4,640,645          | 361,710                        | 6%          | 1,341,667                           | 29%       |
| <b>Total Salaries</b>                | <b>103,790,029</b> | <b>101,724,840</b> | <b>99,919,229</b>  | <b>(2,065,189)</b>             | <b>(2%)</b> | <b>1,805,611</b>                    | <b>2%</b> |
| Employee Benefits                    | 23,663,152         | 23,702,207         | 23,396,154         | 39,055                         | 0%          | 306,053                             | 1%        |
| <b>Total Salaries &amp; Benefits</b> | <b>127,453,181</b> | <b>125,427,047</b> | <b>123,315,383</b> | <b>(2,026,134)</b>             | <b>(2%)</b> | <b>2,111,664</b>                    | <b>2%</b> |
| Services & Supplies                  | 15,256,474         | 13,777,450         | 13,920,397         | (1,479,024)                    | (9.7%)      | (142,947)                           | (1%)      |
| <b>Total Expense</b>                 | <b>142,709,655</b> | <b>139,204,497</b> | <b>137,235,780</b> | <b>(3,505,158)</b>             | <b>(2%)</b> | <b>1,968,717</b>                    | <b>1%</b> |



## Teachers

| Operating Budget | 2020/21    |            | 2019/20    | Increase (Decrease) vs. BUDGET |      | Increase (Decrease) from PRIOR YEAR |    |
|------------------|------------|------------|------------|--------------------------------|------|-------------------------------------|----|
|                  | BUDGET     | ACTUAL     | ACTUAL     | \$                             | %    | \$                                  | %  |
| Teachers         | 61,720,720 | 60,758,312 | 60,079,197 | (962,408)                      | (2%) | 679,115                             | 1% |

The positive salary variance was mainly due to the following:

- Excluding the collective agreement wage increases, the average teacher salary dropped between last year and this year due to the number of new hires: (\$520,000)
- Staff vacancies and miscellaneous variances: (\$351,000)
- Indigenous program vacancies: (\$91,000)

The increase from last year to this year was made up of the following:

- More teachers hired due to the enrolment increase: \$915,000
- Collective agreement increases: \$1,805,000
- COVID-19 funded positions: (\$865,000)
- Indigenous program vacancies: \$93,000
- Excluding the collective agreement wage increases, the average teacher salary dropped between last year and this year due to the number of new hires: (\$520,000)
- Distance Ed positions: (\$379,000)
- Staff reductions: (\$288,000)

## Principals & Vice Principals

| Operating Budget             | 2020/21   |           | 2019/20   | Increase (Decrease) vs. BUDGET |      | Increase (Decrease) from PRIOR YEAR |    |
|------------------------------|-----------|-----------|-----------|--------------------------------|------|-------------------------------------|----|
|                              | BUDGET    | ACTUAL    | ACTUAL    | \$                             | %    | \$                                  | %  |
| Principals & Vice Principals | 8,416,670 | 8,364,200 | 7,724,471 | (52,470)                       | (1%) | 639,729                             | 8% |

Each year we budget 0.5 FTE extra in case an administrator is ill and needs a temporary replacement. This was not required this year, leading to the current positive variance.

- Wage increases: \$398,000
- Staffing increases due to enrolment: \$79,000
- Staffing for new school: \$121,000
- Positions no longer funded through Special Purpose Funds: \$75,000
- July vacancies: (\$34,000)



## Education Assistants

| Operating Budget     | 2020/21    |            | 2019/20    | Increase (Decrease) vs. BUDGET |      | Increase (Decrease) from PRIOR YEAR |      |
|----------------------|------------|------------|------------|--------------------------------|------|-------------------------------------|------|
|                      | BUDGET     | ACTUAL     | ACTUAL     | \$                             | %    | \$                                  | %    |
| Education Assistants | 11,939,833 | 11,015,385 | 11,393,568 | (924,448)                      | (8%) | (378,183)                           | (3%) |

The large positive variance is made primarily of two items:

- Indigenous Ed EAs – staff vacancies resulted in a \$326,000 positive variance here.
- Budget Error – an error in the preparation of the budget resulted in the hours for the Learning Improvement Fund EAs being double counted. This totalled \$300,000 for the year.
- As part of the collective agreement, \$85,000 was available as a Service Improvement Fund. CUPE was not able to utilize it this year.
- The average annual hours for EAs was lower than budgeted due to less work days in June and large number of leaves without pay for staff who have exhausted their sick banks due to the pandemic. These totalled approximately \$98,000
- The remainder of the variance is due to staff vacancies.

The increase from last year to this year was made up of the following:

- More EAs were hired due to increased special needs student enrolment: \$594,000
- Collective agreement increases: \$293,000
- Indigenous EA staff vacancies: (\$326,000)
- Budget Adjustments:
  - Average annual hours: (\$423,000)
  - Learning Improvement Fund double counted: (\$300,000)
- COVID-19 funded positions: (\$171,000)



## Support Staff

| Operating Budget     | 2020/21    |            | 2019/20    | Increase (Decrease) vs. BUDGET |      | Increase (Decrease) from PRIOR YEAR |      |
|----------------------|------------|------------|------------|--------------------------------|------|-------------------------------------|------|
|                      | BUDGET     | ACTUAL     | ACTUAL     | \$                             | %    | \$                                  | %    |
| <b>Support Staff</b> | 12,767,032 | 12,206,366 | 12,765,041 | (560,666)                      | (4%) | (558,675)                           | (4%) |

Part of the reason for the positive variance is due to staff vacancies in the following areas:

- District Clerical \$60,000
- School Support \$66,000

We also had large favourable variances in the following areas:

- Operations \$74,000 – this is due to the number of staff working on COVID-19-related work, which is charged against the special funding that we received.
- Custodial \$262,000 – our hiring has not been able to keep pace with the large increase in staff to deal with the pandemic.
- Bus Drivers \$260,000 – despite drivers assisting with cleaning at our schools, there is still significantly less hours being worked due to reduced school trips.

Negative variances to this budget included:

- Operations charge outs to other programs was under budget leading to a negative variance of \$160,000.

The positive variance is mainly due to the following:

- Collective agreement increases: \$218,000
- COVID-19 funded positions (\$460,000)
- Staff vacancies and reduced regular hours due to COVID-19 related work:
  - Operations: \$74,000
  - Custodial: \$262,000
  - Bus drivers: \$260,000
  - Operations charge outs: \$27,000
- Budget Adjustments:
  - Vacation pay rates: \$136,000
  - Crossing guards miscategorized: \$110,000
  - Bus driver annual hours: (\$89,000)

## Other Professionals

| Operating Budget           | 2020/21   |           | 2019/20   | Increase (Decrease) vs. BUDGET |    | Increase (Decrease) from PRIOR YEAR |    |
|----------------------------|-----------|-----------|-----------|--------------------------------|----|-------------------------------------|----|
|                            | BUDGET    | ACTUAL    | ACTUAL    | \$                             | %  | \$                                  | %  |
| <b>Other Professionals</b> | 3,325,172 | 3,398,265 | 3,316,307 | 73,093                         | 2% | 81,958                              | 2% |

- Some unused vacation pay is paid out each December resulting in a negative variance (\$40,000).
- With the hiring of a new Operational Health & Safety position, we had duplicate staffing for a transition period (\$21,000).

- Wage increases: \$146,000
- Staff reductions: (\$56,000)
- Duplicate Operational Health & Safety staffing for transition period (\$21,000)





## Substitutes

| Operating Budget   | 2020/21   |           | 2019/20   | Increase (Decrease) vs. BUDGET |    | Increase (Decrease) from PRIOR YEAR |     |
|--------------------|-----------|-----------|-----------|--------------------------------|----|-------------------------------------|-----|
|                    | BUDGET    | ACTUAL    | ACTUAL    | \$                             | %  | \$                                  | %   |
| <b>Substitutes</b> | 5,620,602 | 5,982,312 | 4,640,645 | 361,710                        | 6% | 1,341,667                           | 29% |

This unfavourable variance is in the following areas:

- Teachers \$(358,000)
- CUPE 10 month staff (108,000)
- Bus drivers (24,000)
- Custodians 114,000
- Clerical 14,000

The favourable variances in custodial is due to the number of casuals hired into COVID-19 work, which has limited the number of substitutes available to cover absences.

- Collective agreement increases: \$223,000
- Last year's Substitute costs were down over \$631,000 due to the school closures during the pandemic. Excluding this, the current year increases were as follows:
  - Teachers: \$431,000
  - 10-month support staff: \$157,000
  - Bus drivers: \$24,000
  - The large number of casual custodians hired into COVID-19 work limited the casuals available to cover absences. This resulted in a reduction in custodial substitute costs (\$114,000).

## Employee Benefits

| Operating Budget         | 2020/21    |            | 2019/20    | Increase (Decrease) vs. BUDGET |    | Increase (Decrease) from PRIOR YEAR |    |
|--------------------------|------------|------------|------------|--------------------------------|----|-------------------------------------|----|
|                          | BUDGET     | ACTUAL     | ACTUAL     | \$                             | %  | \$                                  | %  |
| <b>Employee Benefits</b> | 23,663,152 | 23,702,207 | 23,396,154 | 39,055                         | 0% | 306,053                             | 1% |

Benefits would have had a positive variance corresponding to the positive salary variance except for these items:

- Retroactive pension payments for contract Occupational Therapists (\$72,000)
- Worksafe BC rate increase (\$165,000)
- Increase in Extended Health average costs (\$257,000)

Most of the variances are due to the differences in salaries costs.

Other impacts:

- Rate changes account for the following:
  - WorkSafe rate; \$218,000
  - MSP premiums eliminated (1/2 year): \$226,000
  - CPP rate: \$175,000
- Retroactive pension payments for contract Occupational Therapists: \$72,000



## 6.1 Budgetary Highlights / Analysis of Operating Results to Budget and Last Year (continued)

### Supplies and Services

Services and Supplies categories represent approximately 11% of the operating budget expenditures. Overall, services and supplies are 10% under budget. Details for each Supply category are explained below.

| Operating Budget                                  | 2020/21           |                   | 2019/20           | Increase (Decrease) vs. BUDGET |              | Increase (Decrease) from PRIOR YEAR |             |
|---|-------------------|-------------------|-------------------|--------------------------------|--------------|-------------------------------------|-------------|
|   | BUDGET            | ACTUAL            | ACTUAL            | \$                             | %            | \$                                  | %           |
| <b>NON-DISTRICT PORTION OF SUPPLIES/SERVICES:</b> |                   |                   |                   |                                |              |                                     |             |
| Schools   | 4,352,751         | 3,765,476         | 3,249,451         | (587,275)                      | (13%)        | 516,025                             | 16%         |
| Indigenous Education                              | 876,622           | 720,926           | 681,041           | (155,696)                      | (18%)        | 39,885                              | 6%          |
| <b>DISTRICT PORTION OF SUPPLIES/SERVICES:</b>     |                   |                   |                   |                                |              |                                     |             |
| Services  | 2,680,961         | 2,981,477         | 2,627,268         | 300,516                        | 11%          | 354,209                             | 13%         |
| Student Transportation                            | 46,000            | 4,320             | 45,155            | (41,680)                       | (91%)        | (40,835)                            | (90%)       |
| Professional Development & Travel                 | 877,257           | 598,604           | 803,946           | (278,653)                      | (32%)        | (205,342)                           | (26%)       |
| Rentals & Leases                                  | 31,500            | 22,986            | 31,360            | (8,514)                        | (27%)        | (8,374)                             | (27%)       |
| Dues & Fees                                       | 265,050           | 213,612           | 351,062           | (51,438)                       | (19%)        | (137,450)                           | (39%)       |
| Insurance   | 308,881           | 297,457           | 274,590           | (11,424)                       | (4%)         | 22,867                              | 8%          |
| Supplies  | 3,323,161         | 3,225,770         | 3,579,904         | (97,391)                       | (3%)         | (354,134)                           | (10%)       |
| Utilities   | 2,494,292         | 1,946,819         | 2,276,620         | (547,473)                      | (21.9%)      | (329,801)                           | (14%)       |
|   | <b>15,256,475</b> | <b>13,777,449</b> | <b>13,920,397</b> | <b>(1,479,025)</b>             | <b>(10%)</b> | <b>(142,948)</b>                    | <b>(1%)</b> |



## Schools

| Operating Budget | 2020/21   |           | 2019/20   | Increase (Decrease) vs. BUDGET |       | Increase (Decrease) from PRIOR YEAR |     |
|------------------|-----------|-----------|-----------|--------------------------------|-------|-------------------------------------|-----|
|                  | BUDGET    | ACTUAL    | ACTUAL    | \$                             | %     | \$                                  | %   |
| <b>Schools</b>   | 4,352,751 | 3,765,476 | 3,249,451 | (587,275)                      | (13%) | 516,025                             | 16% |

Given that schools had unspent funds from the prior school year due to the suspension of in-class learning in the Spring, schools had budgeted to increase their spending in the current year.

With the prolonged uncertainty of the pandemic, schools were unable to spend these budgets as programs weren't being run at a normal level.

The current year's spending more closely resembles a non-COVID-19 year (2018/19 was \$3.8 million) given that schools were operating continuously throughout the year. In 2019/20 schools were unable to spend their supplies budgets as they were closed for 2 months due to the suspension of in-class learning.

## Indigenous Education

| Operating Budget            | 2020/21 |         | 2019/20 | Increase (Decrease) vs. BUDGET |       | Increase (Decrease) from PRIOR YEAR |    |
|-----------------------------|---------|---------|---------|--------------------------------|-------|-------------------------------------|----|
|                             | BUDGET  | ACTUAL  | ACTUAL  | \$                             | %     | \$                                  | %  |
| <b>Indigenous Education</b> | 876,622 | 720,926 | 681,041 | (155,696)                      | (18%) | 39,885                              | 6% |

Over the past number of years, funding for Indigenous Education has increased significantly. The district has responded by adding indigenous language learning opportunities and other new programs. Spending was underbudget this year as many students were at home learners so not as many direct resources were needed.

The increase in spending from the prior year is partially explained by a 3.4% increase in the per student funding available for indigenous students. Schools were open for the full 10 months this year as opposed to only 8 months in 2019/20.



## Services

This account includes costs for contracted professionals, consultants and technical services, software maintenance, grounds upkeep, security services, bank charges, telephones, and legal and audit fees.

| Operating Budget | 2020/21   |           | 2019/20   | Increase (Decrease) vs. BUDGET |     | Increase (Decrease) from PRIOR YEAR |     |
|------------------|-----------|-----------|-----------|--------------------------------|-----|-------------------------------------|-----|
|                  | BUDGET    | ACTUAL    | ACTUAL    | \$                             | %   | \$                                  | %   |
| Services         | 2,680,961 | 2,981,477 | 2,627,268 | 300,516                        | 11% | 354,209                             | 13% |

Service areas where costs exceeded budget include:

- \$369,000 reclassification of Next Generation Network from Utilities
- \$68,000 additional costs to run the trustee by-election due to COVID-19 protocols
- \$20,000 Ministry appointed advisor that wasn't budgeted

Departments saw the following reduced costs:

- \$33,000 maintenance repairs
- \$34,000 legal & Human Resources investigations
- \$25,000 Learning Services contracts
- \$48,000 software contract changes
- \$19,000 Employee Assistance Program usage

Major increases in Services from 2019/20 include:

- \$369,000 reclassification of Next Generation Network (NGN) costs from Utilities
- \$133,000 trustee by-election costs
- \$20,000 for Ministry appointed advisor

Notable decreases in Services from 2019/20 include:

- \$47,000 International Student commissions
- \$46,000 software contract changes
- \$26,000 Employee Assistance Program usage
- \$46,000 Performing Arts and other 3<sup>rd</sup> party contracts that weren't available during COVID-19.

## Student Transportation

This account includes payments for charter buses and travel assistance reimbursements to parents/guardians.

| Operating Budget       | 2020/21 |        | 2019/20 | Increase (Decrease) vs. BUDGET |       | Increase (Decrease) from PRIOR YEAR |       |
|------------------------|---------|--------|---------|--------------------------------|-------|-------------------------------------|-------|
|                        | BUDGET  | ACTUAL | ACTUAL  | \$                             | %     | \$                                  | %     |
| Student Transportation | 46,000  | 4,320  | 45,155  | (41,680)                       | (91%) | (40,835)                            | (90%) |

Budget expectation was based on 2019/20 actual experience. With minimal sports and fieldtrips this year, there was little need for contract bussing.

With minimal sports and fieldtrips this year, the need for contract bussing was negligible compared with 2019/20.





## Professional Development & Travel

This account includes costs incurred for training and travel.

| Operating Budget                  | 2020/21 |         | 2019/20 | Increase (Decrease) vs. BUDGET |       | Increase (Decrease) from PRIOR YEAR |       |
|-----------------------------------|---------|---------|---------|--------------------------------|-------|-------------------------------------|-------|
|                                   | BUDGET  | ACTUAL  | ACTUAL  | \$                             | %     | \$                                  | %     |
| Professional Development & Travel | 877,257 | 598,604 | 803,946 | (278,653)                      | (32%) | (205,342)                           | (26%) |

2020/21 budgets were built in anticipation of COVID-19 restrictions being lifted and district departments being able to participate in professional development and travel close to the same levels as pre-pandemic. The continuation of restrictions meant that there was less in person professional development. Travel budgets were also underspent as the uptake for on-line meetings at the time of budgeting was unknown.

Decreases in the current year are broken down as \$110,000 in travel and \$95,000 in professional development.

A large portion of the decrease in travel was in international recruiting (\$30,000). The remainder of the decrease was less travel to conferences and less in district travel with more meetings conducted over Zoom or Teams.

Several professional development opportunities were either cancelled or moved online this year. Several annual off-site events were not held in 2020/21 including those hosted by Curriculum and Learning Services as well as the Principal/Vice Principal leadership retreat.

## Rentals & Leases

Included here are the operating expenditures for the rental of space, vehicles and equipment for temporary or long-term use by the School District.

| Operating Budget | 2020/21 |        | 2019/20 | Increase (Decrease) vs. BUDGET |       | Increase (Decrease) from PRIOR YEAR |       |
|------------------|---------|--------|---------|--------------------------------|-------|-------------------------------------|-------|
|                  | BUDGET  | ACTUAL | ACTUAL  | \$                             | %     | \$                                  | %     |
| Rentals & Leases | 31,500  | 22,986 | 31,360  | (8,514)                        | (27%) | (8,374)                             | (27%) |

The one-time catch-up lease payment for Cultus Lake Elementary from 2019/20 was incorrectly included in this year's budget making it appear that the district had a drop in rent.

Cultus Lake Park Board had under charged the District for the lease of land at Cultus Lake Elementary in the past few years. In 2019/20, the District made a catch-up payment to rectify this.



## Dues & Fees

This account includes membership fees and/or dues in professional organizations as determined by the policies and regulations of the School District.

| Operating Budget       | 2020/21 |         | 2019/20 | Increase (Decrease) vs. BUDGET |       | Increase (Decrease) from PRIOR YEAR |       |
|------------------------|---------|---------|---------|--------------------------------|-------|-------------------------------------|-------|
|                        | BUDGET  | ACTUAL  | ACTUAL  | \$                             | %     | \$                                  | %     |
| <b>Dues &amp; Fees</b> | 265,050 | 213,612 | 351,062 | (51,438)                       | (19%) | (137,450)                           | (39%) |

Fees were lower than budgeted as there were less students enrolled in UFV trades programs. This was due to factors such as less programs currently being offered by UFV. Also, students were reluctant to enroll in available programs either due to timetabling with the Octet system or the COVID-19 protocols that were required.

The majority of dues and fees are paid to UFV for dual credit trades programs. 2019/20 was the final year for many programs including Dairy Production, Horticulture and Health & Human Services explaining the lower fees paid in 2020/21.

## Insurance

This account includes all forms and types of insurance coverage (vehicles, buildings, liability).

| Operating Budget | 2020/21 |         | 2019/20 | Increase (Decrease) vs. BUDGET |      | Increase (Decrease) from PRIOR YEAR |    |
|------------------|---------|---------|---------|--------------------------------|------|-------------------------------------|----|
|                  | BUDGET  | ACTUAL  | ACTUAL  | \$                             | %    | \$                                  | %  |
| <b>Insurance</b> | 308,881 | 297,457 | 274,590 | (11,424)                       | (4%) | 22,867                              | 8% |

Vehicle insurance premiums were lower than budgeted as a result of a general rate reduction by ICBC as the corporation experienced lower claims submission during the pandemic.

Schools Protection Plan (SPP) increased its rates in 2020/21 due to increasing operating costs and a sector wide increase in claims. In addition, with ICBC moving to a "no fault" insurance model, some coverage such as hit-and-run is no longer covered under ICBC's basic coverage so SPP is now picking up this liability on district vehicles.



## Supplies

This item consists of expenditures for supplies and materials of a consumable and/or non-capital nature. This includes classroom supplies, learning resources, computer equipment, and custodial supplies.

| Operating Budget | 2020/21   |           | 2019/20   | Increase (Decrease) vs. BUDGET |      | Increase (Decrease) from PRIOR YEAR |       |
|------------------|-----------|-----------|-----------|--------------------------------|------|-------------------------------------|-------|
|                  | BUDGET    | ACTUAL    | ACTUAL    | \$                             | %    | \$                                  | %     |
| Supplies         | 3,323,161 | 3,225,770 | 3,579,904 | (97,391)                       | (3%) | (354,134)                           | (10%) |

Most supplies areas tracked close to their respective budget. There was an overall 3% decrease compared to budget which means that most district programs were carried out as planned.

In 2019/20, with the onset of the pandemic, there was a need for the district to make expenditures on supplies for safety protocols such as cleaning supplies. As well, the district invested in significant technology in response to learn at home needs.

With the Federal and Provincial government providing COVID-19 related grants in 2020/21, expenses for related safety measures were paid from these grants which meant a \$65,000 decrease in operating expenses from the prior year. As well, technology purchases shifted to providing laptops for learn at home students which also came from the grant. The decrease in technology spending represents \$217,000 of the overall drop in supplies expense from 2019/20.

## Utilities

Included here are the expenditures for electricity, heating, water & sewage, and garbage & recycling costs.

| Operating Budget | 2020/21   |           | 2019/20   | Increase (Decrease) vs. BUDGET |         | Increase (Decrease) from PRIOR YEAR |       |
|------------------|-----------|-----------|-----------|--------------------------------|---------|-------------------------------------|-------|
|                  | BUDGET    | ACTUAL    | ACTUAL    | \$                             | %       | \$                                  | %     |
| Utilities        | 2,494,292 | 1,946,819 | 2,276,620 | (547,473)                      | (21.9%) | (329,801)                           | (14%) |

Most of the variance can be explained by the following:

- \$369,000 of Next Generation Network (NGN) costs have been combined with other information services provided by the Ministry of Education and are now classified as "Digital Services Recoveries" and reported under Services.
- \$200,000 reduction in electricity due to less occupancy of facilities (e.g., Rentals and after school activities) and the further impact of moving to LED lighting.

Significant changes in Utilities expenditures from the prior year are as follows:

- \$318,000 was due to the reclassification of NGN costs to Services in 2020/21.
- \$55,000 reduction in electricity costs due to building upgrades with more efficient LED lighting.
- \$36,000 increase in heating costs from COVID-19 safety protocols relating to increasing airflow
- \$9,000 increase in garbage collection with increasing landfill costs.



## 6.2 Special Purpose Funds

Special Purpose Funds consist of restricted grants and other funding subject to a legislative or contractual restriction on its use. These revenues are deferred until the relevant expenditures are incurred. The School District incurred the following expenditures in 2020/2021 as related to significant Special Purpose grants:

| GRANT  | SOURCE                      | AMOUNT RECEIVED | AMOUNT EXPENDED | DISCUSSION  |
|--|-----------------------------|-----------------|-----------------|---|
| Annual Facility Grant (AFG) Operating Portion                    | Ministry of Education       | \$456,531       | \$456,531       | See discussion in the Capital Projects section under "Annual Facility Grant (AFG) Funding."   |
| Learning Improvement Fund (LIF)                                  | Ministry of Education       | \$490,428       | \$483,293       | Funding to augment Educational Assistants' hours to provide additional support to complex learners.   |
| Scholarships and Bursaries                                       | Other and Investment Income | \$101,662       | \$96,340        | Funds collected from donors which are awarded to graduating students in the district to attend post-secondary schools.  |
| School Generated Funds   | Other and Investment Income | \$1,710,753     | \$1,773,332     | Monies collected by schools for field trips, school sports, and fundraising for school equipment.   |
| Strong Start   | Ministry of Education       | \$224,000       | \$224,493       | Funding for Strong Start early learning centers to provide school- based, drop-in programs for children from birth to age five and their parents or caregivers.           |
| Ready, Set, Learn (RSL)  | Ministry of Education       | \$49,000        | \$36,711        | Funding for eligible RSL events for 3 to 5-year-olds and their parents to support and facilitate a smooth transition to Kindergarten                                      |
| Official Languages in Education French Programs (OLEP)           | Ministry of Education       | \$152,054       | \$143,466       | Funding for core French- language programs and curriculum resources.  |
| Community LINK   | Ministry of Education       | \$722,132       | \$717,386       | Funding for programs and initiatives to improve the education performance of vulnerable students, including both academic achievement and social functioning.             |
| Classroom Enhancement Fund (CEF) Overhead, Staffing and Remedies | Ministry of Education       | \$9,637,001     | \$8,988,073     | Funding for eligible expenses resulting from restoration of class size and composition language. Expenses include teacher staffing, overhead staffing and equipment costs |
| First Nation Student Transportation                              | Ministry of Education       | \$137,311       | \$102,935       | Funding to support the transportation needs of on-reserve First Nation students to/from school and extra-curricular activities.   |
| Mental Health in Schools   | Ministry of Education       | \$51,000        | \$28,993        | Funding for Mental Health literacy activities with a goal to build a safe, caring and inclusive environment in schools.   |
| Changing Results for Young Students (CR4YC)                      | Ministry of Education       | \$6,000         | \$4,210         | Funding for collaborative professional learning for early learning educators focused on improving social-emotional outcomes for young children.                           |
| After School Sport and Arts Initiative                           | Ministry of Education       | \$61,582        | \$45,613        | Funding for ASSAI supports participating school districts to offer safe, accessible, high-quality, and fun programming that meets the needs of their school communities.  |



## 6.2 Special Purpose Funds (continued)

| GRANT                        | SOURCE                | AMOUNT RECEIVED | AMOUNT EXPENDED | DISCUSSION   |
|------------------------------|-----------------------|-----------------|-----------------|--|
| Safe Return to School        | Ministry of Education | \$1,073,102     | \$1,073,102     | Provincial funding in response to COVID-19.<br>(see below) |
| Federal Safe Return to Class | Ministry of Education | \$5,201,988     | \$5,201,988     | Federal funding in response to COVID-19.<br>(see below)    |

### Special Purpose Grants Related to Safety Protocols for COVID-19

To support the health and safety of students and staff during the pandemic, both the Provincial and the Federal governments provided the district with special one-time grants totaling \$6,275,090.

Through assessing the safety needs of the district as well as addressing the complex learning needs of students who were transitioning back to the classroom, the funds were used as follows:

| <b>Safe Return to Class - Federal/Provincial</b> |                    |
|--|--------------------|
| Cleaning staff                                   | \$1,020,046        |
| Transportation                                   | 121,709            |
| First Nations Support                            | 87,432             |
| Hybrid & Transition Support Teachers/EAs         | 1,918,386          |
| Additional Divisions (Teachers)                  | 606,176            |
| Support Staff (Clerical, SAs, EAs)               | 201,631            |
| Recruiting, Contract TOCs                        | 133,224            |
| PPE  | 335,574            |
| Improved Hand Hygiene                            | 227,547            |
| Cleaning Supplies & Equipment                    | 191,369            |
| Redeployed Teaching Staff (i.e Int'l)            | 435,529            |
| HVAC   | 177,400            |
| Contact Tracing Software                         | 160,429            |
| Technology                                       | 156,945            |
| Mental Health Support                            | 94,447             |
| OH&S Manager Support                             | 33,416             |
| Barriers and space adaptations                   | 181,774            |
| Communications                                   | 67,056             |
| Utilities (maintaining fresh airflow)            | 125,000            |
|  | <b>\$6,275,090</b> |





## 6.3 Capital Fund Accounts

Capital fund schedules provide information on the District's tangible capital acquisitions and the net book value of these acquisitions. The Capital Fund includes capital expenditures related to land, buildings, computer hardware and software, vehicles and equipment that are funded from Ministry of Education capital grants, land capital, local capital, the operating fund, and special purpose funds.

During the year ended June 30, 2021, the District invested \$35.5 million in capital additions, as follows:

| <b>2020/21 Projects</b>        | <b>Current Year Additions</b> | <b>TOTAL SPENT TO DATE</b> |
|--------------------------------|-------------------------------|----------------------------|
| Stitó:s Lá:lém Totí:lt School  | \$ 16,564,821                 | \$ 27,716,352              |
| Imagine High Renos/Gym         | 9,005,365                     | 10,435,546                 |
| Vedder Elementary Addition     | 2,090,244                     | 2,187,284                  |
| GWG Secondary Addition         | 2,367,772                     | 2,413,046                  |
| Sardis Secondary Addition      | 7,112                         | 7,112                      |
| New Eastside Elementary        | 305                           | 305                        |
| School Enhancement Program     | 1,504,284                     | 1,504,284                  |
| Carbon Neutral Climate Program | 26,213                        | 26,213                     |
| Building Envelope Program      | 1,259,148                     | 1,259,148                  |
| Facility Improvements (AFG)    | -                             | -                          |
| School Buses                   | 1,878,006                     | 1,878,006                  |
| Playground-Robertson           | 175,000                       | 175,000                    |
| Playground-Promontory          | 170,221                       | 170,221                    |
| Portables                      |                               | -                          |
| Vehicles & Equipment           | 480,333                       | 480,333                    |
|                                | <b>\$ 35,528,824</b>          | <b>\$ 48,252,850</b>       |

Funding to make these additions came from the following sources: \$34.8 million from the Ministry of Education, \$0.5 million from District Operating Funds, and \$0.2 million from other sources.



## 6.4 Major Capital Projects

**Stitó:s Lá:lém Totí:lt School** is currently under construction and expected to be occupied in September 2022. It will be an Elementary/Middle school with space for 930 students. The budget of \$56.3 million is made up of \$47.6 million from the Ministry of Education, \$5.0 million from the Chilliwack School District, and \$3.75 million from the City of Chilliwack.



The **Imagine High Integrated Arts and Technology Secondary School** project involved the addition of a gymnasium and renovation to the former UFV site on Yale Road. The total cost of the project was \$17.8 million. The school opened September 2021 with space for 600 students.

The addition to **Vedder Elementary School** is currently under construction. The two-storey, 10-classroom addition will add space for an additional 240 students and has a budget of \$12.3 million. It is expected to be occupied in September 2022.

The addition to **GW Graham Secondary School** is currently under construction. It will add space for an additional 450 students and has a budget of \$23.9 million. The two-story, 18 additional teaching spaces includes trades space, a robotics tech program, a shared outdoor covered area, and additional washrooms. It is expected to be occupied in September 2022.

The Ministry of Education has also given support for two additional major capital projects: A **new elementary school** in the eastern part of Chilliwack, and an **addition to Sardis Senior Secondary**. The District is currently developing detailed business cases for presentation to the Ministry by the end of November.

For updates on current major capital projects in the district, visit <https://www.sd33.bc.ca/capital-projects>.



## 6.5 Capital Fund Balances

Specific balances in the Capital Fund are as follows:

| Capital Funds            | June 30, 2021 | June 30, 2020 | Change       |
|--------------------------|---------------|---------------|--------------|
| Bylaw Capital            | \$ -          | \$ -          | \$ -         |
| Restricted Capital       | -             | 1             | (1)          |
| Other Provincial Capital | 65            | 65            | -            |
| Land Capital             | 4,255,880     | 3,745,515     | 510,365      |
| Other Capital            | 650,290       | 140,577       | 509,713      |
| Local Capital            | 5,101,574     | 2,293,332     | 2,808,242    |
|                          | \$ 10,007,809 | \$ 6,179,490  | \$ 3,828,319 |

### Bylaw Capital

Bylaw Capital represents Ministry of Education capital grants drawn on Certificates of Approval (COA) for capital projects and includes amounts for specific capital projects funded by the Ministry of Education, capital portion of the Annual Facility Grant, carbon neutral capital project funding, playground equipment funding, and other project funding paid through a COA.

### Restricted Capital

Ministry of Education restricted capital represents the Ministry's portion (usually 75%) of the proceeds on disposal of land and buildings, and any bylaw project surpluses on completed projects. The Ministry's permission must be received to spend these funds. There is currently a zero balance.

### Other Provincial Capital

These funds were provided by the Ministry of Jobs, Tourism and Skills Training to purchase trades training equipment in support of Industrial Training Authority Youth Trades programs.

### Land Capital

The balance in the Land Capital Reserve Fund is comprised of School Site Acquisition Charges (SSAC), which municipalities collect on behalf of school districts to help school boards pay for future school sites. Municipalities collect these charges for each new residential parcel to be created and new multiple family residential units to be constructed on an existing parcel. The funds may only be used to purchase ministry approved sites for new schools.

### Other Capital

Other capital is comprised of funds from other non-provincial government sources, such as municipal grants, PAC contributions for playgrounds, etc. All of the current balance is funding raised for playgrounds.

### Local Capital Reserve

The Board's Local Capital Reserve is designated for local capital expenditures. Most of the balance in the fund at June 30, 2021 is restricted towards the District's share of two major projects currently underway: the Stitó's Lá:lém Totí:lt School and the addition to Vedder Elementary School.



## 6.6 Reserves – Operating, Special Purpose and Capital Balances

### Reserves

|  | June 30, 2021        | June 30, 2020        |
|--|----------------------|----------------------|
| <b>1. Operating Fund Accumulated Surplus</b> |                      |                      |
| Internally Restricted                        | \$ 2,472,266         | \$ 1,306,614         |
| Unrestricted Operating Surplus               | 1,656,425            | 1,969,168            |
| Total  | 4,128,691            | 3,275,782            |
| <b>2. Special Purpose Funds Surplus</b>      | <b>73,261</b>        | <b>73,261</b>        |
| <b>3. Capital Fund Accumulated Surplus</b>   |                      |                      |
| Local Capital                                | 73,274               | 2,293,332            |
| Restricted for Capital Cost Sharing          | 5,028,300            | -                    |
| Investment in Tangible Capital Assets        | 65,207,151           | 65,833,606           |
| Total  | 70,308,725           | 68,126,938           |
| <b>Total Accumulated Surplus</b>             | <b>\$ 74,510,677</b> | <b>\$ 71,475,981</b> |

### 1 - Operating Fund Surplus

The Board of Education is responsible for ensuring the District is protected financially from forecasting risk and unforeseen circumstances. Therefore, they have established an Accumulated Operating Surplus Policy that allows the District to budget for an accumulated operating surplus to serve as a contingency reserve for the risks associated with unexpected increases in expenses and/or decreases in revenues related to major emergent operating issues, one-time costs and intermittent projects.

The District closed out the year with a \$4,128,691 operating surplus of which \$2,472,266 was internally restricted for specific purposes and \$1,656,425 was unrestricted. While the majority of the restricted reserve balance (\$1,329,620) represents school surpluses that are carried forward for expenditures in a future year, there is also a \$665,000 surplus in Indigenous Education as many students were at home learners this year so less resources were required. As well, there is \$447,000 of holdback funds from the Ministry of Education to be used to address learning impacts resulting from the pandemic.

### 2 - Special Purpose Fund Surplus

This amount of \$73,261 is for endowments where the original donors have stipulated that the principal amounts cannot be spent. Investment income earned on the balances is able to be paid out as scholarships.





### 3 - Capital Fund Surplus

There are three categories of Capital Fund Surpluses:

The **Local Capital** reserve fund represents a portion of accumulated operating surpluses designated to fund the purchase of Tangible Capital Assets which are not funded directly from the Ministry of Education. The Local Capital Reserve fund is increased if the Board of Education passes a motion to transfer operating surpluses to Local Capital.

The **Capital Cost Sharing** reserve fund represents the District's share of the costs towards building new schools or school additions. The current balance of \$5,028,300 reflects the remaining commitment required for the new Stitó:s school (\$5,000,000) and the Vedder Elementary addition (\$500,000).

The **Invested in Tangible Capital Assets** reserve represents capital investments that are funded by operating revenues (recorded as transfers of accumulated operating surplus to the capital fund). Then, as assets are amortized, a deficit is incurred in the capital fund which is applied against the Invested in Tangible Capital Assets reserve. Therefore, the balance in this fund is to cover future amortization costs and is not available for other purposes.

*\*an aerial shot of Stitó:s Lá:lém Totí:lt Elementary / Middle School – February 2021*





## 7.0 Factors Bearing on the School District's Future / Other Potentially Significant Matters

### Enrolment Growth

The District's long-term student enrolment projections show ongoing, moderate growth across the city. After a number of years of having to purchase portables to address this growth, we are excited to see the approval of several capital building projects to alleviate this pressure. There is a continuing need to identify new building sites to keep pace with the growth. That said, it appears that enrolment for the 2021/22 school year will far exceed previous years.

### Funding Model Review

Approximately 96 per cent of the District's operating funding is provided by the Ministry of Education (MOE) and is based on student enrolment and other factors. The current funding formula has been in place since 2002. In 2018, the MOE began a review of the formula and work is currently underway on the development, review and consultation on a potential new formula. While it was expected that the new formula would be announced and implemented for 2020/21, the Ministry has postponed the decision to implement any changes at this time. It is not known whether a new formula will have a positive or negative impact on the operating budget. Due to this uncertainty, the District has taken a conservative approach to making budget decisions the last three years.

### Pandemic

The COVID-19 pandemic continues to impact school operations such as maintaining enhanced cleaning protocols. From a student perspective, assessing learning gaps and mental health issues will be a major focus of staff and administration this next year.

It will take some time to rebuild operational areas back to pre-pandemic levels (eg. International Student Program). The District has adjusted operating budgets accordingly, and in some cases, opportunities have been found to do things differently such as more on-line meetings which reduce travel costs.

### Strategic Plan

At its June 15, 2021 meeting, the Chilliwack Board of Education approved [Strategic Plan 2021-2025](#). Operational plans for Human Resources, Finance and Operations are in progress, and will support the education initiatives contained in the Strategic Plan.



### Space/Capacity

There continues to be an increasing demand for space throughout the District. While reconfiguration created some additional space in our Elementary schools, it did put more pressure on our Middle and Secondary Schools. The District is currently utilizing 94 portables to meet space demands, which are expensive to purchase and maintain. While new schools and expansions are in the works for the next few years, they will not be adequate for our current over-capacity situation and future enrolment projections. The long-term facilities plan has identified the need for a number of new schools; however, suitable land is in short supply in the area, and the government capital approval process takes significant time. Also, the Ministry continues to request that school districts contribute more local funds towards capital projects, which puts further pressure on the district's operating budget.



## 8.0 Contacting Management

This financial report is designed to provide the School District's stakeholders with a general but more detailed overview of the School District's finances and to demonstrate increased accountability for the public funds received by the School District.

If you have questions about this financial report or need additional financial information, please contact the Secretary Treasurer's office at 604-792-1321.



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