



Chilliwack
School District

Financial Statement Discussion Analysis 2021/2022



Table of Contents

- 1.0 OVERVIEW 2**
 - 1.1 ABOUT US2
 - 1.2 BOARD AUTHORITY, ROLES AND RESPONSIBILITIES3
 - 1.3 OUR MISSION STATEMENT4
 - 1.4 OUR VISION STATEMENT4
 - 1.5 OUR MOTTO: “PARTNERS IN LEARNING”4
- 2.0 STRATEGIC PLAN 5**
- 3.0 FINANCIAL GOVERNANCE AND PLANNING CYCLE 6**
 - 3.1 PLANNING CYCLE (TIMELINES 2021/22).....6
 - 3.2 BOARD ADVISORY COMMITTEES (POLICY 160)7
 - 3.3 PUBLIC BUDGET PRESENTATION.....8
- 4.0 FINANCIAL STATEMENT COMPOSITION OVERVIEW 9**
 - 4.1 STATEMENT OF FINANCIAL POSITION.....10
- 5.0 FINANCIAL HIGHLIGHTS 12**
 - 5.1 ENROLMENT12
 - 5.2 REVENUES.....13
 - 5.3 EXPENDITURES14
 - 5.4 COVID-1915
 - 5.5 GOVERNANCE COSTS15
 - 5.6 RESERVES.....16
- 6.0 FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE 17**
 - 6.1 ANALYSIS OF OPERATING RESULTS TO BUDGET AND LAST YEAR.....17
 - Revenues17
 - Wages & Benefits21
 - Supplies and Services.....26
 - 6.2 SPECIAL PURPOSE FUNDS.....32
 - 6.2 SPECIAL PURPOSE FUNDS (CONTINUED)33
 - 6.3 CAPITAL FUND ACCOUNTS.....33
 - 6.4 MAJOR CAPITAL PROJECTS34
 - 6.5 CAPITAL FUND BALANCES35
 - 6.6 RESERVES – OPERATING, SPECIAL PURPOSE AND CAPITAL BALANCES36
- 7.0 FACTORS BEARING ON THE SCHOOL DISTRICT’S FUTURE / OTHER POTENTIALLY SIGNIFICANT MATTERS 38**
- 8.0 CONTACTING MANAGEMENT 39**

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, 2022 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.

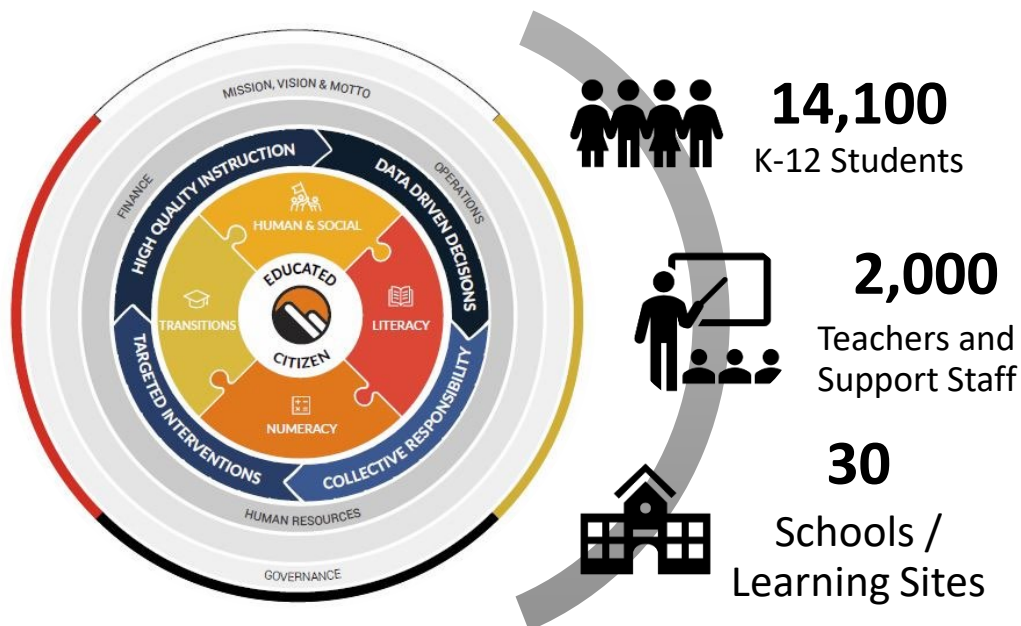
1.1 About Us

Chilliwack School District No.33 is located in the heart of the Stó:lo territory, People of the River. Surrounded by the Ts’elxweyeqw, Pilalt, and Sema:th 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), two 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 learning, distributed learning, French immersion and continuing education.

Our facilities are attended by more than 14,100 full and part-time students and are served by approximately 2,000 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.





* Watson Elementary students working together on Primary Fun day – June 2022

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

The Chilliwack Board of Education's Strategic Plan 2021-2025 sets 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.

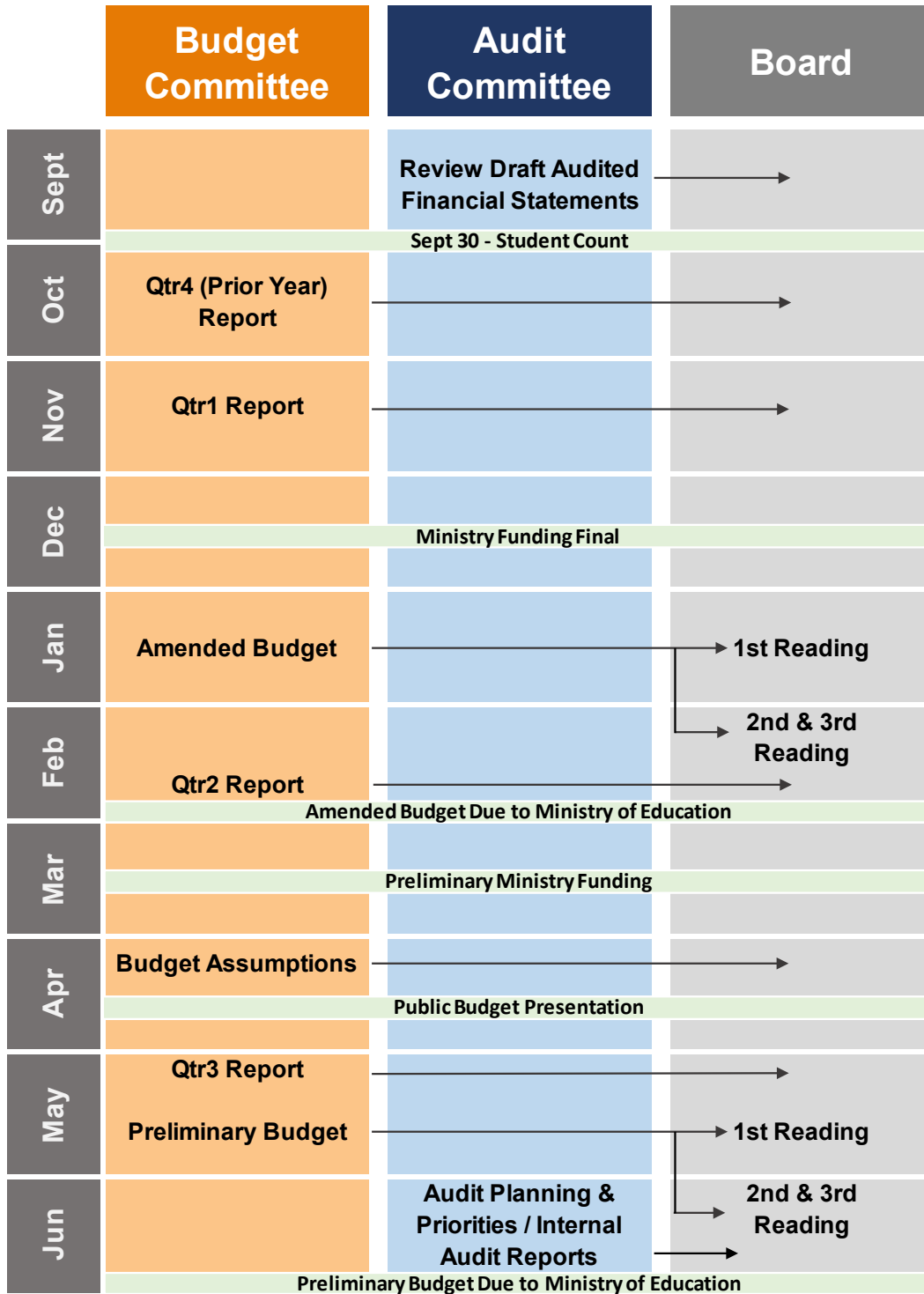


* McCammon Elementary students at a canoe pull event – May 2022



3.0 Financial Governance and Planning Cycle

4.0 3.1 Planning Cycle (Timelines 2021/22)



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 - 2022/23 Operating Budget

On April 12, 2022, the Budget Advisory Committee of the Chilliwack Board of Education held a public presentation during the Regular Board meeting and invited input into the 2022/2023 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 livestreamed via Zoom and recorded for the public to view. Questions from the public were welcome before, during and after the recording.



Microsoft PowerPoint Presentation – click above image to view PDF version

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 revenues and expenses 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 & Child Care 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, 2021 and June 30, 2022 along with the year over year dollar and percentage changes.

	2022	2021	Change	%
Financial Assets				
Cash and Cash Equivalents	44,234,912	39,236,198	4,998,714	13%
Accounts Receivable				
Due from Province - Ministry of Education & Child Care	4,064,664	4,859,056	(794,392)	-16%
Due from LEA/Direct Funding	519,732	78,303	441,429	564%
Other	471,481	502,668	(31,187)	-6%
Total Financial Assets	49,290,789	44,676,225	4,614,564	10%
Liabilities				
Accounts Payable and Accrued Liabilities	22,774,869	23,195,565	(420,696)	-2%
Unearned Revenue	1,866,531	1,407,600	458,931	33%
Deferred Revenue	2,556,525	2,084,801	471,724	23%
Deferred Capital Revenue	236,009,675	197,827,652	38,182,023	19%
Employee Future Benefits	4,335,814	4,027,631	308,183	8%
Other Liabilities	1,313,699	1,075,441	238,258	22%
Total Liabilities	268,857,113	229,618,690	39,238,423	17%
Net Financial Assets (Debt)	(219,566,324)	(184,942,465)	(34,623,859)	19%
Non-Financial Assets				
Tangible Capital Assets	294,345,198	258,153,321	36,191,877	14%
Restricted Assets-Endowments	73,261	73,261	0	0%
Prepaid Expenses	447,605	1,226,560	(778,955)	-64%
Total Non-Financial Assets	294,866,064	259,453,142	35,412,922	14%
Accumulated Surplus (Deficit)	75,299,740	74,510,677	789,063	1%



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 & Child Care 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 Nations for their students attending schools in the District.
- **Other** receivables consist of GST rebates and rental revenue still to be collected.

Accounts Payable & Accrued Liabilities are monies owed to vendors at year end for supplies that have been received or services rendered during the year.

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 actuarially 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).

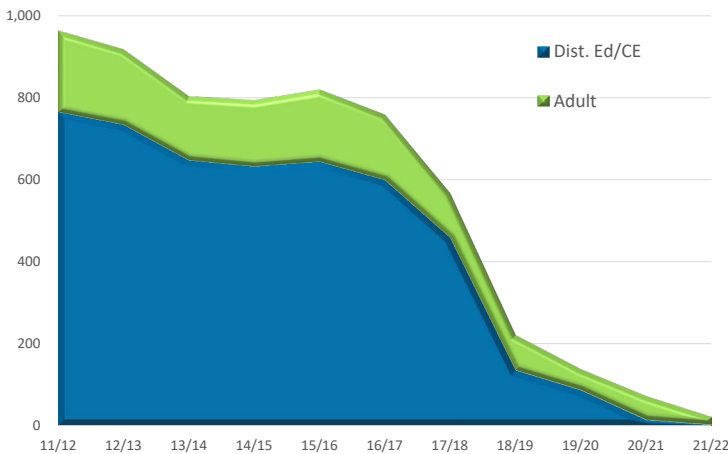
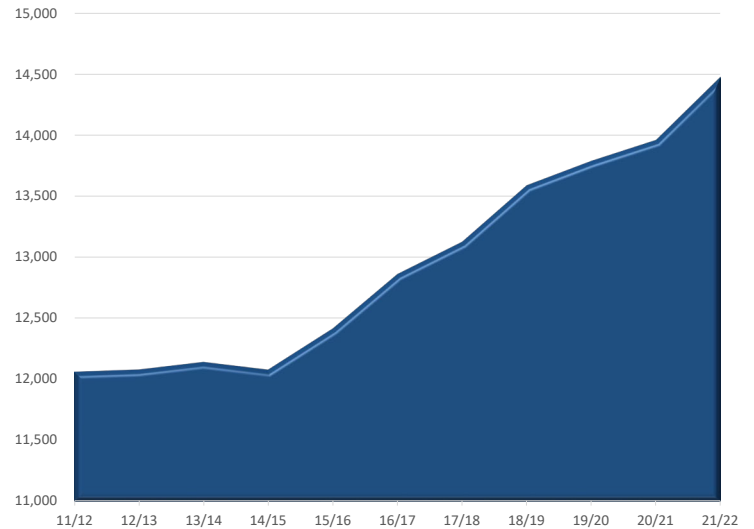


5.0 Financial Highlights

5.1 Enrolment

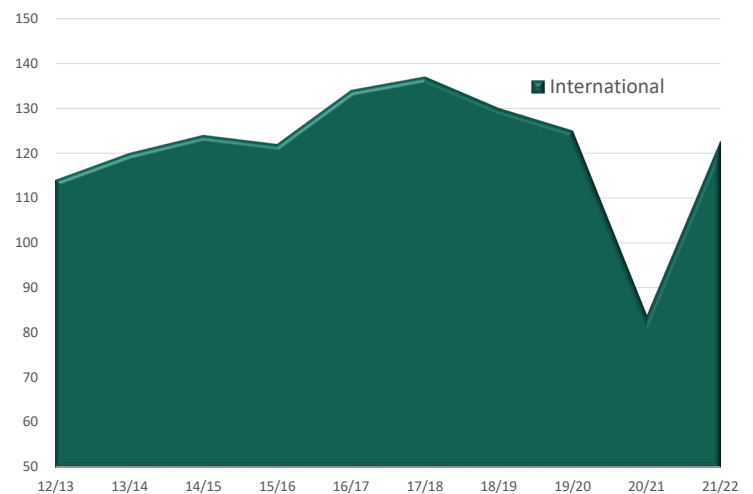
In the past seven years, our enrolment has increased from 12,082 Full Time Equivalent (FTE) K-12 students to 14,501 FTE. This is an increase of almost 2,400 students, and an average of 343 students per year.

This increase of students has a direct impact on our government grant funding and the costs required to support these students. It also has required a significant investment in space to accommodate the influx. The average annual student increase is enough to fill a new elementary school each 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.

International student enrolment experienced a sharp decline in 2020-21 due to COVID-19 travel restrictions but has since bounced back to pre-pandemic levels and is poised to continue to grow this next year. Chilliwack is a desired district for international students, but growth is constrained based on the capacity of our schools.

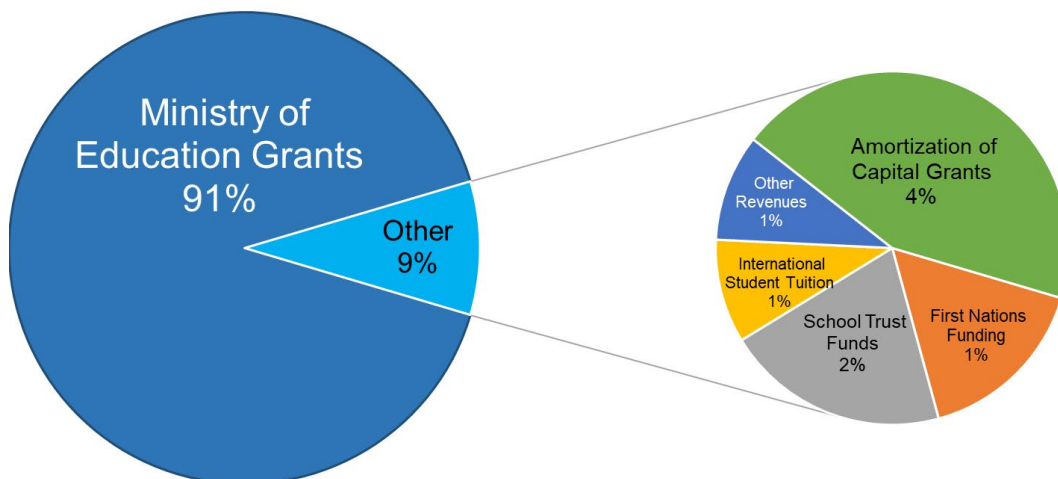


5.2 Revenues

Total revenues for the School District were \$178 million for 2021/22. 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.

91% of the District's revenue is from Ministry of Education & Child Care funding, 1% of revenue is First Nations funding, 2% 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 facility rentals and investment income.

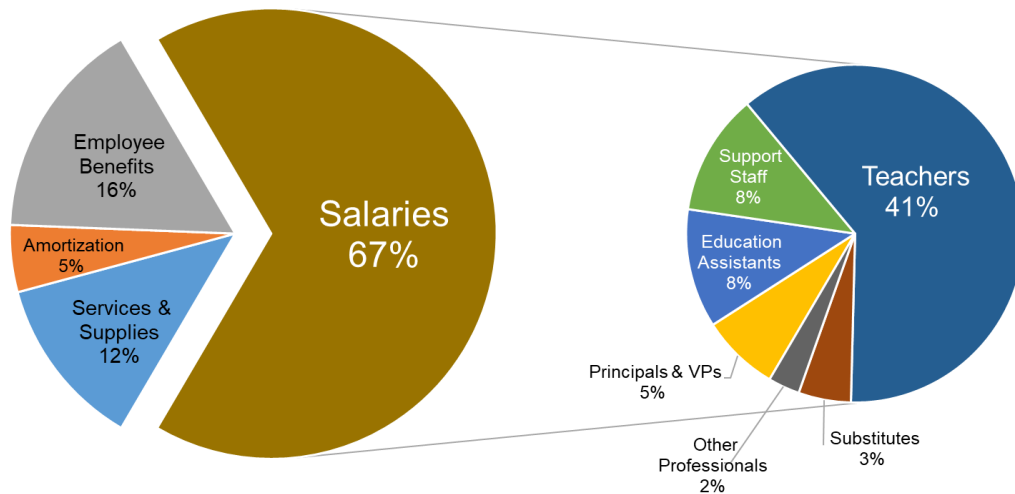
Revenues increased 3.9% versus last year due mainly to increases in government grants for enrolment increases and collective agreement wage increases. Offsetting this increase was the loss of last year's Federal and Provincial funding of \$6.3 million to manage the COVID-19 pandemic. Other Revenues such as international student tuition, rental income and investment income are beginning to recover to pre-pandemic levels.



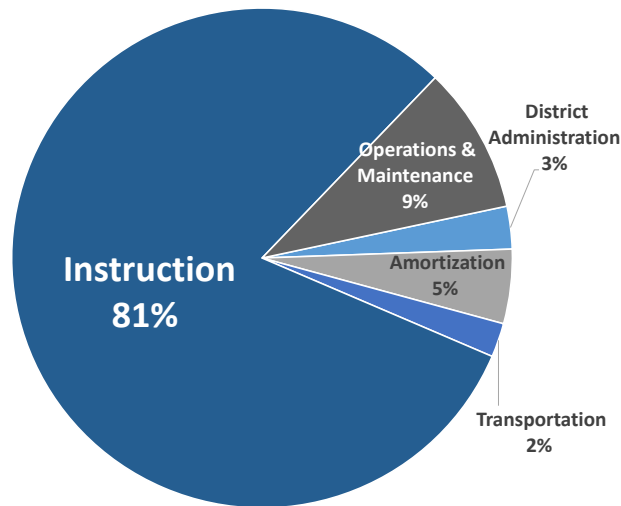
5.3 Expenditures

83% of the School District’s operating expenditures are associated with salaries and benefits, while 61% of Salaries are for teachers. The balance of expenditures is related to supplies and services (including utilities, professional development, and maintenance) and amortization of capital assets.

Overall expenses are up by 5.5% versus last year. This is reflective of increases in staffing to cover the large enrolment increase, collective agreement wage settlements, benefit premiums, and costs for replacement staff.



Looking at expenditures by Program, 81% of expenditures are on instruction, and 11% on operations, maintenance and transportation.



5.4 COVID-19

The COVID-19 pandemic had a much less significant impact on expenditures this year. Last year we received \$6.3 million in federal and provincial funding to assist with additional resources for cleaning supplies, protective equipment, addition custodial staff, student supports, etc. This year we received only \$349,000 in funding to assist with enhanced cleaning and personal protective equipment.



5.5 Governance Costs

A separate budget is established for the Governance costs for the District. Governance costs represent supports for the locally elected Board of Education. The main costs are as follows:

Trustee Stipends & Benefits	\$164,319
Contract Services	31,000
Legal	25,000
BCSTA Membership	51,000
Travel & Professional Development	21,600
Staff Retirement/Recognition	21,000
Telephone Allowance	4,064
Advertising	5,000
Supplies	13,207
TOTAL	\$336,190

Not included in this year's budget, but required for next year, is the cost for conducting an election. For next year we are estimating that to be at least \$90,000.



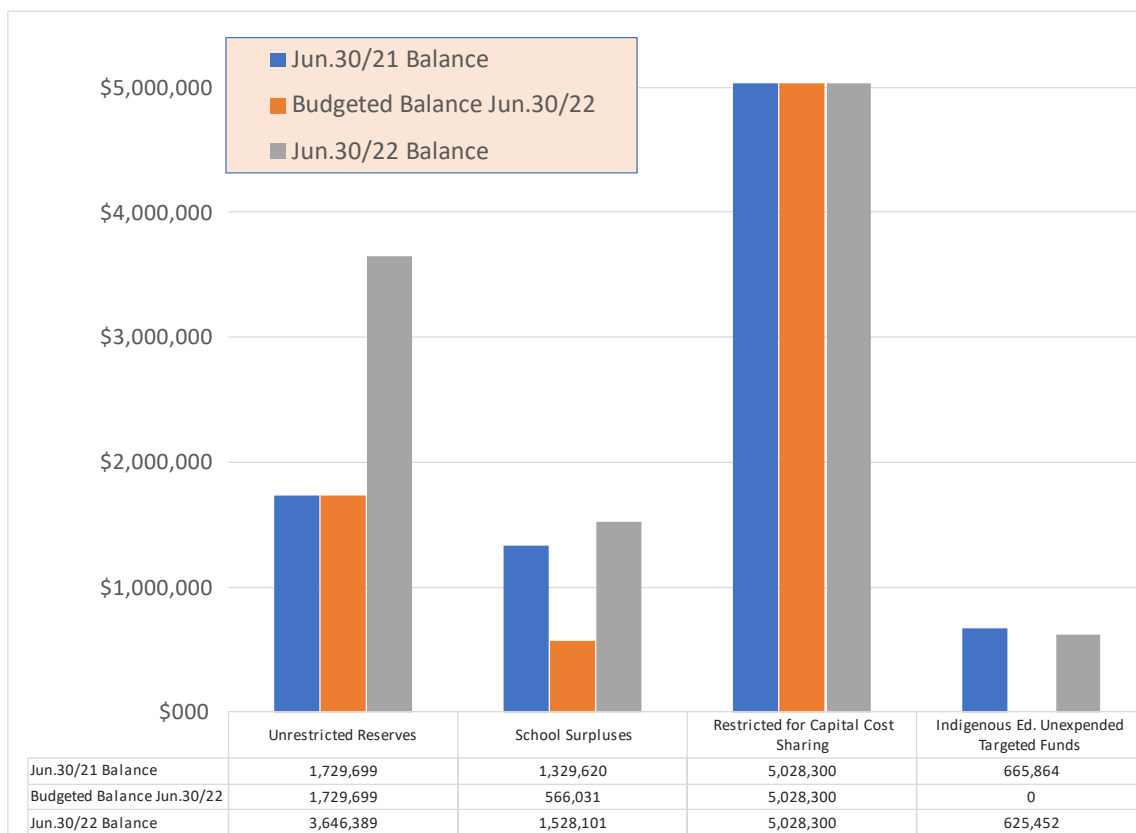
5.6 Reserves

Unrestricted Reserves (accumulated surpluses) increased this year from \$1,729,699 to \$3,646,389.

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 \$198,481 this year to \$1,528,101.

Any unspent targeted funding for Indigenous Education Programs may also be carried over into the next year. The total Indigenous Education surplus (which is included in restricted reserves) decreased by \$40,412 this year to \$625,452.

We also have \$5,028,300 in a Restricted Reserve to cover the District commitment to provide funding towards the cost of the new Stitó:s Lá:lém Totí:it School and the Vedder Elementary School addition.



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, 2022. 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 budget. 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	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
REVENUE							
Provincial Grants, Ministry of Education & Child Care	147,215,766	147,206,738	138,618,644	(9,028)	(0%)	8,588,094	6%
LEA/Direct Funding from First Nations	2,356,455	2,640,371	2,318,375	283,916	12%	321,996	14%
Provincial Grants, Other	150,000	279,600	158,100	129,600	86%	121,500	77%
International Student Tuition	1,590,079	1,547,028	831,627	(43,051)	(3%)	715,401	86%
Other Revenue	674,400	535,325	340,052	(139,075)	(21%)	195,273	57%
Rentals & Leases	213,000	240,526	130,479	27,526	13%	110,047	84%
Investment Income	215,000	347,895	320,266	132,895	62%	27,629	9%
Total Revenue	152,414,700	152,797,483	142,717,543	382,783	0.3%	10,079,940	7%



Provincial Grants – Ministry of Education & Child Care

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Provincial Grants – Ministry of Education & Child Care	147,215,766	147,206,738	138,618,644	(9,028)	(0%)	8,588,094	6%

- Funding for students under a Local Education Agreement (LEA) is deducted from our operating grant, and we then bill the local First Nations directly. There were more students than budgeted: (\$284,000)
- Funding received for costs associated with the flooding: \$194,000
- February enrolment count was higher than budgeted: \$68,000

- Funding for students under a Local Education Agreement (LEA) is deducted from our operating grant, and we then bill the local First Nations directly. There was a large increase in students: (\$284,000)
- Funding for costs associated with the flooding: \$194,000
- Holdback Funding last year: (\$447,000)
- BCTF Mentorship Funding last year: (\$290,000)
- Enrolment increases: \$7,000,000
- Funding for collective agreement settlements with unionized staff: \$2,283,000
- Salary Differential Funding which fluctuates with the average teacher salary in the District: \$114,000

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

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
LEA/Direct Funding from First Nations	2,356,455	2,640,371	2,318,375	283,916	12%	321,996	14%

- Funding for students under a Local Education Agreement (LEA) is deducted from our operating grant, and we then bill the local First Nations directly. There was a large increase in students: (284,000)

- Funding for students under a Local Education Agreement (LEA) is deducted from our operating grant, and we then bill the local First Nations directly. There were more students than budgeted: (\$322,000)



Provincial Grant – Other

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Provincial Grants, Other	150,000	279,600	158,100	129,600	86%	121,500	77%

- ERASE Bullying grant from Ministry of Public Safety: \$16,000
- Change in how funds are advance from the Industry Training Authority (ITA): \$53,000
- Increase in ITA grants due to more students taking trades programs: \$61,000

- ERASE Bullying grant from Ministry of Public Safety: \$16,000
- Change in how funds are advance from the Industry Training Authority (ITA): \$53,000
- Increase in ITA grants due to more students taking trades programs: \$61,000

International Student Tuition

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
International Student Tuition	1,590,079	1,547,028	831,627	(43,051)	(3%)	715,401	86%

The District welcomed 123 full year and part year international students which was close to what we were expecting: (\$43,000)

With the lifting of travel restrictions, international student enrolment was able to return to pre-pandemic levels providing a sharp increase in revenue from the prior year: \$715,400

Other Revenues

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Other Revenues	674,400	535,325	340,052	(139,075)	(21%)	195,273	57%

- First Nations transportation funding reduced from last year: (\$131,000)
- Reduced energy program rebates from Fortis: (\$8,000)

- First Nations Transportation recoveries credited to expense in 20/21 \$95,000
- First Nations Transportation Funding reduced from last year: (\$56,000)
- New bus registration fees and Promontory courtesy rider fees:\$152,000
- Less funding from Pacific Community Resources Society for their Traverse Program (youth drug and alcohol) as we move to 50/50 cost sharing : (\$34,000)
- Reimbursement from City for costs associated with the Prest Road widening:\$55,000
- Reduced energy program rebates from Fortis: (\$8,000)



Rentals & Leases

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Rentals & Leases	213,000	240,526	130,479	27,526	13%	110,047	84%

- Rentals are up slightly from budget: \$28,000

- Rentals returning to pre-pandemic levels: \$188,000
- Loss of church rentals: (\$77,000)

Investment Income

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Investment Income	215,000	347,895	320,266	132,895	62%	27,629	9%

- Interest rate increase: \$133,000

- The government changed the interest rate calculation for funds we have on deposit with them: (\$118,000)
- Interest rate increase: \$133,000
- We have been able to maintain our strong cash position: \$13,000



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

Wages & Benefits

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
EXPENSE							
Salaries							
Teachers	65,371,822	64,858,061	60,758,312	(513,761)	(1%)	4,099,749	7%
Principals & Vice-Principals	8,837,422	8,810,821	8,364,200	(26,601)	(0%)	446,621	5%
Education Assistants	13,740,714	12,625,234	11,015,385	(1,115,480)	(8%)	1,609,849	15%
Support Staff	13,781,498	13,462,135	12,206,366	(319,363)	(2%)	1,255,769	10%
Other Professionals	3,492,153	3,583,787	3,398,265	91,634	3%	185,522	5%
Substitutes	5,770,605	5,844,300	5,982,312	73,695	1%	(138,012)	(2%)
Total Salaries	110,994,214	109,184,338	101,724,840	(1,809,876)	(2%)	7,459,498	7%
Employee Benefits	26,577,624	25,969,127	23,702,207	(608,498)	(2%)	2,266,920	10%
Total Salaries & Benefits	137,571,838	135,153,465	125,427,047	(2,418,373)	(2%)	9,726,418	8%
Services & Supplies	16,315,097	15,748,366	13,777,450	(566,731)	(3%)	1,970,916	14%
Total Expense	153,886,935	150,901,831	139,204,497	(2,985,104)	(2%)	11,697,334	8%



Teachers

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Teachers	65,371,822	64,858,061	60,758,312	(513,761)	(1%)	4,099,749	7%

The favourable salary variance was mainly due to the following:

- The average teacher salary was lower than budgeted: \$496,000
- Teachers were unable to utilize all of their prep time due to a shortage of TOCs. This unused prep time was therefore paid out: (\$125,000)
- Indigenous program vacancies: \$142,000

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

- Collective agreement increases: \$1,226,000
- More teachers hired due to enrolment increase: \$2,446,000
- Teachers hired through Holdback Funding: \$226,000
- Salaries covered by supplemental grants: (\$139,000)
- Teachers redeployed from COVID related duties in 20/21: \$371,000
- Excluding the collective agreement wage increases, the average teacher salary increased versus last year: \$74,000
- Costs associated with one time BCTF Mentorship Funding in 20/21: (\$241,000)
- CEF Program wage increases charged to Operating in 20/21: (\$269,000)
- Staff vacancies 21/22 vs 20/21: \$435,000
- Teachers were unable to utilize all of their prep time due to a shortage of TOCs. This unused prep time was therefore paid out: \$125,000
- Less teachers purchased through school budgets: (\$122,000)

Principals & Vice Principals

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Principals & Vice Principals	8,837,422	8,810,821	8,364,200	(26,601)	(0%)	446,621	5%

The favourable salary variance is due mainly to unpaid staff illnesses covered by substitutes

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

- Wage increases: \$226,000
- New Indigenous Ed VP: \$129,000
- Staff reduction District Principal-Curriculum: (\$129,000)
- Imagine High VP: \$129,000
- Change in staff vacancies Jul/Aug: \$96,000



Education Assistants

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Education Assistants	13,740,714	12,625,234	11,015,385	(1,115,480)	(8%)	1,609,849	15%

The favourable salary variance is made primarily of the following:

- Unpaid sick time/leaves: (\$279,000)
- Indigenous program vacancies: (\$298,000)
- Service Improvement Fund not spent: (\$85,000)
- Staff vacancies: (\$452,000)

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

- More EAs hired due to increased special needs student enrolment: \$1,683,000
- Collective agreement increases: \$307,000
- Increase in Indigenous program vacancies: \$28,000
- Change in staff vacancies 21/22 vs 20/21: (\$346,000)
- Increase in unpaid sick time/leaves: (\$181,000)
- More Indigenous EAs hired due to increased enrolment: \$41,000
- Service Improvement Fund not spent in 21/22: (\$85,000)
- EAs redeployed from COVID-19 related duties in 20/21: \$143,000



Support Staff

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Support Staff	13,781,498	13,462,135	12,206,366	(319,363)	(2%)	1,255,769	10%

The favourable salary variance is due to staff vacancies in the following areas:

- School Support Staff: (\$61,000)
- District Clerical Staff: (\$69,000)
- Trades & Grounds Staff: (\$109,000)
- Custodial Staff: (\$101,000)
- Bus Drivers: (\$149,000)

Negative variances to this budget included:

- Operations charge outs to other programs was under budget leading to a negative variance of \$162,000.

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

- Collective agreement increases: \$252,000
- Staff Reductions-Library Assistants: (\$119,000)
- Staff Reductions-Telephone Technician: (\$30,000)
- Staff Reductions-Supervision Assistants/Crossing Guards: (\$57,000)
- Imagine High Staffing: \$257,000
- Staff redeployed from COVID-19 related duties in 20/21: \$631,000
- Decrease in staff vacancies-Custodial: \$71,000
- Decrease in staff vacancies-Bus Drivers & increased school trips: \$111,000
- Increase in staff vacancies-Trades & Grounds Staff: (\$109,000)
- Occupational Therapists moved from Contracts to Employees: \$183,000

Other Professionals

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Other Professionals	3,492,153	3,583,787	3,398,265	91,634	3%	185,522	5%

The unfavourable salary variance is due mainly to staff vacancies offset by severance paid.

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

- Wage increases: \$96,000
- Severance net of staff vacancies: \$85,000
- Imagine High staffing: \$69,000
- Misc. Staffing changes: (\$64,000)



Substitutes

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Substitutes	5,770,605	5,844,300	5,982,312	73,695	1%	(138,012)	(2%)

- Increased TOCs due to absences: \$159,000

Shortages of substitutes this year resulted in the following favourable variances:

- School Support Staff: (\$14,000)
- EAs (\$99,000)
- Bus Drivers: (\$35,000)

This year we utilized some retired Principals to cover some of our PVP absences resulting in \$37,000 in substitute PVP costs.

Shortages of substitutes this year resulted in the following favourable variances:

- EAs and School Support Staff: (\$97,000)
- Bus Drivers: (\$31,000)
- Less Custodians charged to COVID-19 funding resulted in an increase in sub costs of \$23,000
- This year we utilized some retired Principals to cover some of our PVP absences resulting in \$37,000 in substitute PVP costs
- Reduced Curriculum TOCs: (\$168,000)
- Increased TOCs due to absences: \$97,000

Employee Benefits

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Employee Benefits	26,577,624	25,969,127	23,702,207	(608,498)	(2%)	2,266,920	10%

The lower benefit costs corresponds to the variance in Salaries.

- Collective agreement and other wage increases: \$302,000
- Benefit changes due to various staffing changes: \$327,000
- Increased premiums for Extended Health Benefits: \$786,000
- Increased rates for EI, CPP and Worksafe: \$840,000



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

Supplies and Services

Services and Supplies categories represent approximately 12% of the operating budget expenditures. Overall, services and supplies are 3% under budget. Details for each Supply category are explained below.

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
NON-DISTRICT PORTION OF SUPPLIES/SERVICES:							
Schools	4,695,342	3,819,968	3,765,476	(875,374)	(19%)	54,492	1%
Indigenous Education	956,449	900,549	720,926	(55,900)	(6%)	179,623	25%
DISTRICT PORTION OF SUPPLIES/SERVICES:							
Services	3,388,451	3,615,398	2,981,477	226,947	7%	633,921	21%
Student Transportation	22,750	12,221	4,320	(10,529)	(46%)	7,900	183%
Professional Development & Travel	926,577	682,140	598,604	(244,437)	(26%)	83,536	14%
Rentals & Leases	25,000	23,817	22,986	(1,183)	(5%)	831	4%
Dues & Fees	219,625	181,358	213,612	(38,267)	(17%)	(32,255)	(15%)
Insurance	310,981	257,896	297,457	(53,085)	(17%)	(39,561)	(13%)
Supplies	3,554,422	3,769,917	3,225,770	215,495	6.1%	544,147	17%
Utilities	2,215,500	2,485,102	1,946,819	269,602	12.2%	538,283	28%
	16,315,097	15,748,366	13,777,449	(566,731)	(3%)	1,970,917	14%



Schools

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Schools	4,695,342	3,819,968	3,765,476	(875,374)	(19%)	54,492	1%

Many schools this year had planned for significant technology and equipment replacements within their budgets. Due to global supply chain issues, there were many orders that were not filled by the end of the school year which resulted in the large underspending of school budgets.

School spending was comparable to the prior year. The expectation was that schools were going to use their accumulated surpluses for technology and equipment replacements. Many of these purchases were not able to complete as global supply chain issues caused delays in shipments.

Indigenous Education

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Indigenous Education	956,449	900,549	720,926	(55,900)	(6%)	179,623	25%

Spending on Indigenous education was close to budget. Areas of underspending included travel which was a result of pandemic restrictions still in effect for part of the year. There was also modest underspending in programs as not all students returned from at home learning.

Spending increased from the prior year as more indigenous learners returned to the classroom and the district had less at home learners which meant an increase in direct resources consumed.



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	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Services	3,388,451	3,615,398	2,981,477	226,947	7%	633,921	21%

Service areas where costs exceeded budget include:

- \$36,000 to contract for Speech Language Pathologists due to vacancies
- \$22,000 to contract Psych Ed assessments due to capacity constraints
- \$15,700 in international agent fees with more first time international students enrolling with the district
- \$55,000 in Next Generation Network costs
- \$61,000 to upgrade Kwíyeyel South property due to Prest Rd expansion
- \$57,000 in assessing Board office for heating and lighting upgrades.

Services increased from the prior year as follows:

- \$154,000 in international agent fees and homestay coordinator with the increase in international students
- \$97,000 in Software license fees to expand software backups
- \$122,000 Student Services contracts for hard to fill positions (Vision, SLP, Psych Ed)
- \$45,000 on contracted retired principal to assist with recruitment
- \$35,000 increased costs on vehicle repairs and equipment servicing (eg. elevators)
- \$161,000 in one-time costs including holdback funding usage, property upgrade (Prest Rd) and assessing heating/lighting upgrades for Board office.

Student Transportation

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

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Student Transportation	22,750	12,221	4,320	(10,529)	(46%)	7,900	183%

The district's current bus fleet was able to absorb many of the fieldtrip and athletic trip requests resulting in less need to outsource bussing as planned for in the budget.

Athletics tournaments and fieldtrip activities resumed to a pre-pandemic level resulting in a need for more contract bussing than in the prior year.



Professional Development & Travel

This account includes costs incurred for training and travel.

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Professional Development & Travel	926,577	682,140	598,604	(244,437)	(26%)	83,536	14%

Travel expenses totaled \$140,000 this year in comparison to a \$241,000 budget. The underspending was due to early Covid restrictions as well as the floods that prevented travel to key conferences.

Professional Development activities were budgeted at \$686,000 but actual spending was only \$542,000. A number of events were cancelled or went on-line including:

- \$78,000 Curriculum workshops not held in person
- \$52,000 Secondary School Link training
- \$20,000 H/R Manager training deferred

As 2020/21 saw significant travel restrictions, the district had an increase in travel this year of \$57,000 with \$30,000 of this expense attributed to international recruiting.

The remaining \$26,000 increase from prior year spending is within Pro-D activities where several in-person training events were once again able to take place.

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	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Rentals & Leases	25,000	23,817	22,986	(1,183)	(5%)	831	4%

No significant variance.

No significant variance.



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	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Dues & Fees	219,625	181,358	213,612	(38,267)	(17%)	(32,255)	(15%)

The majority of dues and fees are paid to UFV for dual credit trades programs. In 2021/22 there were less attendees than originally projected. As well, individual tuition fees were lower than budgeted.

2021/22 had less students enroll in dual credit programs than in prior years, but more students participate in trades exploration programs which are part of Services expenditures.

Insurance

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

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Insurance	310,981	257,896	297,457	(53,085)	(17%)	(39,561)	(13%)

Schools Protection Plan (SPP) lowered its premiums by \$6,000 from what was budgeted.

Vehicle insurance premiums were lower than budgeted as a result of a general rate reduction by ICBC as the corporation restructured its coverage to a "no fault" insurance model.

SPP (property insurance) lowered its rates in 2021/22 by \$9,000 from the prior year. Rates are adjusted due to claims activity within the sector.

In addition, the full impact of ICBC's rate reduction is now reflected in the current year's expenses.



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	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Supplies	3,554,422	3,769,917	3,225,770	215,495	6.1%	544,147	17%

Supplies areas where costs exceeded budget include:

- \$115,000 strategic technology purchases to manage supply chain issues
- \$117,000 increased fuel costs
- \$57,000 unexpected repairs on busses and increases in prices of parts
- \$50,000 operations & custodial supplies price increases

Items that came in lower than budget include:

- (\$67,000) in transportation cost recoveries as there were more fieldtrips than planned
- (\$76,000) in Curriculum workshop resources as workshops were delivered on-line.

A significant contributing factor to the increase in supplies spending from the prior year was due to inflation. Examples of cost increases include:

- \$258,000 in fuel costs
- \$165,000 in transportation parts and operation supplies such as custodial, fertilizer, salt and sand

Other one time spending unique to 2021/22 includes:

- \$150,000 in holdback funds spent on math resources

Utilities

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

Operating Budget	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Utilities	2,215,500	2,485,102	1,946,819	269,602	12.2%	538,283	28%

Most of the variance can be explained by the following:

- (\$58,000) savings in electricity with lower A/C costs due to a cooler Spring
- \$273,000 increase in heating due to a spike in natural gas prices and increased ventilation in classrooms
- \$40,000 increase in water due to more handwashing and cleaning

Utilities increased from the prior year as follows:

- \$150,000 increase in electricity due to rate increase, new school spaces and more rentals
- \$307,000 increase in heating due to a spike in natural gas prices and increased ventilation in classrooms
- \$50,000 increase in water due to more handwashing and cleaning
- \$19,000 increase in garbage collection with increasing cleaning supplies.



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 2021/2022 as related to significant Special Purpose grants:

GRANT	SOURCE	AMOUNT RECEIVED	AMOUNT EXPENDED	DISCUSSION
Annual Facility Grant (AFG) Operating Portion	Ministry of Education & Child Care	\$446,902	\$317,322	See discussion in the Capital Projects section under "Annual Facility Grant (AFG) Funding."
Learning Improvement Fund (LIF)	Ministry of Education & Child Care	\$501,688	\$509,305	Funding to augment Educational Assistants' hours to provide additional support to complex learners.
Scholarships and Bursaries	Other and Investment Income	\$136,188	\$106,870	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	\$3,606,516	\$3,346,645	Monies collected by schools for field trips, school sports, and fundraising for school equipment.
Strong Start	Ministry of Education & Child Care	\$224,000	\$201,866	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 & Child Care	\$49,000	\$27,261	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 & Child Care	\$145,607	\$148,754	Funding for core French-language programs and curriculum resources.
Community LINK	Ministry of Education & Child Care	\$728,611	\$727,682	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 & Child Care	\$10,700,334	\$10,491,116	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 & Child Care	\$219,700	\$37,946	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 & Child Care	\$120,482	\$90,727	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 & Child Care	\$6,000	\$15,712	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 & Child Care	\$53,591	\$85,029	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 / Restart: Health & Safety	Ministry of Education & Child Care	\$348,673	\$348,673	Funding for enhanced cleaning and disinfecting as well as hand hygiene for students and staff.
Federal Safe Return to Class / Ventilation Fund	Ministry of Education & Child Care	\$207,071	\$0*	Funding to improve ventilation systems in schools including ventilation filter upgrades and enhancing control systems that increase airflow in schools. *Funding intended for spending in 2022/23
Seamless Day Kindergarten	Ministry of Education & Child Care	\$50,000	\$200	Funding to support transitions between before/after school care and the kindergarten classroom

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 & Child Care capital grants, land capital, local capital, the operating fund, and special purpose funds.

During the year ended June 30, 2022, the District invested \$44.7 million in capital additions, as follows:

2021/22 Projects	Current Year Additions	TOTAL SPENT TO DATE
Stitó:s Lá:lém Totí:lt School	\$ 19,016,332	\$ 46,732,684
Imagine High Renos/Gym	4,311,349	14,746,895
Vedder Elementary Addition	5,283,926	7,471,210
GWG Secondary Addition	12,048,817	14,461,863
Sardis Secondary Addition	89,353	96,465
New Eastside Elementary	75,856	76,161
School Enhancement Program	1,524,472	1,524,472
Carbon Neutral Climate Program	314,867	314,867
Building Envelope Program	1,185,133	1,185,133
School Buses	594,320	594,320
Playground-Cultus Lake	23,835	23,835
Vehicles & Equipment	272,961	272,961
	\$ 44,741,221	\$ 87,500,866

Funding to make these additions came from the following sources: \$44.4 million from the Ministry of Education & Child Care, \$0.3 million from District Operating Funds, and \$0.02 million from other sources.



6.4 Major Capital Projects

Stitó:s Lá:lém Totí:lt School is currently under construction and planned 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 & Child Care, \$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. Although construction is completed, we are still receiving some equipment and furniture for the school that has been delayed due to supply chain issues.

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. This two-story addition includes 18 additional teaching spaces, trades space, a robotics tech program, a shared outdoor covered area, and additional washrooms. It is expected to be occupied in late September 2022.

The Ministry of Education & Child Care 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 has completed detailed business cases and forwarded them to the Ministry for approval.

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

** Stitó:s playground installation and a view of the Learning Commons – July 2022*



6.5 Capital Fund Balances

Specific balances in the Capital Fund are as follows:

Capital Funds	June 30 2022	June 30 2021	Change
Bylaw Capital	\$ -	\$ -	\$ -
Restricted Capital	-	-	-
Other Provincial Capital	6	65	(59)
Land Capital	4,694,289	4,255,880	438,409
Other Capital	1,368,455	650,290	718,165
Local Capital	5,101,574	5,101,574	-
	<u>\$ 11,164,324</u>	<u>\$ 10,007,809</u>	<u>\$ 1,156,515</u>

Bylaw Capital

Bylaw Capital represents Ministry of Education & Child Care capital grants drawn on Certificates of Approval (COA) for capital projects and includes amounts for specific capital projects funded by the Ministry of Education & Child Care, 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 & Child Care 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, 2022 is restricted towards the District's share of two major projects currently underway: the Stitó:s Lá:lém Totí:It School and the addition to Vedder Elementary School.



6.6 Reserves – Operating, Special Purpose and Capital Balances

Reserves

	June 30 2022	June 30 2021
1. Operating Fund Accumulated Surplus		
Internally Restricted	\$ 2,183,553	\$ 2,472,266
Unrestricted Operating Surplus	3,567,832	1,656,425
Total	5,751,385	4,128,691
2. Special Purpose Funds Surplus		
	73,261	73,261
3. Capital Fund Accumulated Surplus		
Local Capital	73,274	73,274
Restricted for Capital Cost Sharing	5,028,300	5,028,300
Investment in Tangible Capital Assets	64,373,520	65,207,151
Total	69,475,094	70,308,725
Total Accumulated Surplus	\$ 75,299,740	\$ 74,510,677

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 \$5,751,385 operating surplus of which \$2,183,553 was internally restricted for specific purposes and \$3,567,832 was unrestricted. While the majority of the restricted reserve balance (\$1,528,101) represents school surpluses that are carried forward for expenditures in a future year, there is also a \$625,452 surplus in Indigenous Education as many students were at home learners this year so less resources were required.

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 & Child Care. 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.

**GW Graham's shop wing at the steel structure phase – April 2022*



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.

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 continue to be a major focus of staff and administration this next year.

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. The opening of new spaces this year and next (Imagine High-Sep.2021, Stitó:s Elementary/Middle-Sep.2022, GW Graham Secondary addition-Sep.2022, Vedder Elementary addition-Sep.2022) will certainly help alleviate our immediate dependence on portables. However, the portables being freed up by these new spaces are being redeployed to other areas of the District with capacity issues.

The District currently has 94 portables, which are expensive to purchase and maintain. While new schools and expansions are opening in September 2022, 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.

Inflation and Supply Chain Issues

The annual inflation rate to the end of June 2022 was 8.1%, while our operating grant from the government has remained at the same level as last year. This is putting significant pressure on our operating budget as cost increases need to be funded through savings in other areas.

At the same time, there have been major breakdowns in supply chains. This disruption to our access to technology, building materials, and other commodities has created operational, financial and inflationary risk.



Recruitment and Retention

Jobs recovery in Canada since the COVID-19 lockdowns has been strong, and the unemployment rate is at an historic low. This has resulted in a shortage of workers across wide ranges of occupations. This has put a lot of pressure on our ability to recruit and retain staff.

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.



Gerry Slykhuis, Secretary Treasurer
gerry_slykhuis@sd33.bc.ca



Mark Friesen, Assistant Secretary Treasurer
mark_friesen@sd33.bc.ca



Talana McInally, Executive Assistant
talana_mcinally@sd33.bc.ca

