



Chilliwack  
School District

# Financial Statement Discussion Analysis 2022/2023

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, 2023 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.

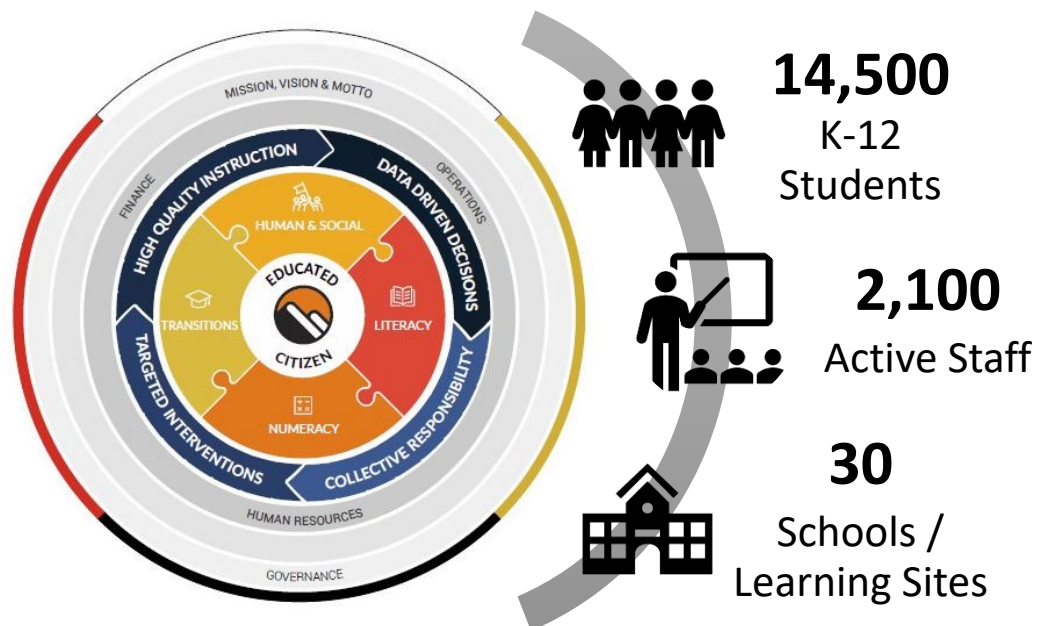
### 1.1 About Us

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.

More than 14,500 full and part-time students attend our facilities plus 1,098 Early Learning students (Pre-K) and are served by approximately 2,100 active staff members.





## 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.





*\* Leary Elementary Field Day to celebrate their success over the 2022-2023 school year*

### 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

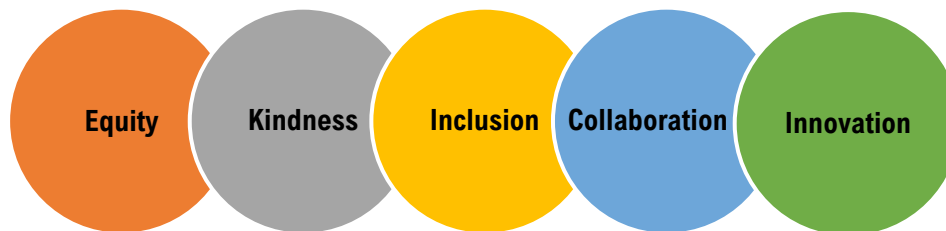
*(One heart, one mind, working together for a common purpose.)*

### 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.

### 1.6 Our Core Values

We provide a learning and working environment where these core values are central to all that we do:





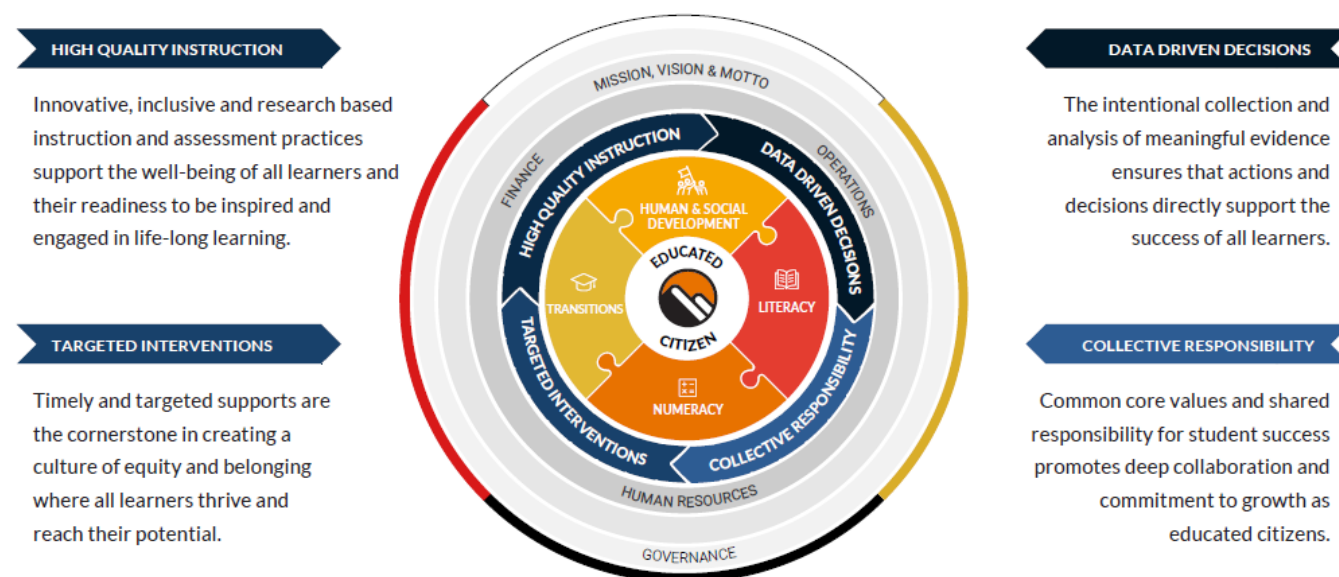
## 2.0 Strategic Plan

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.

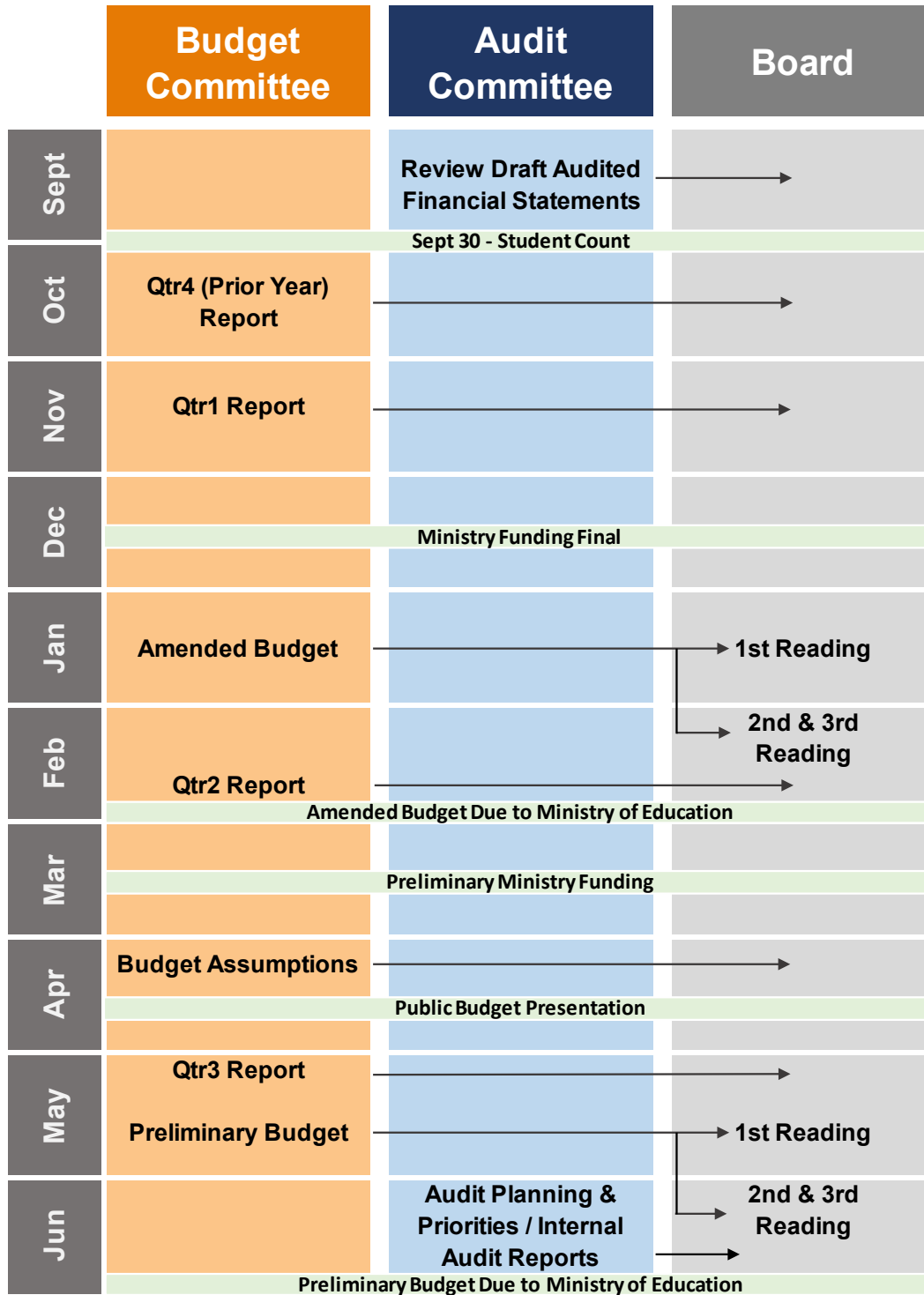


\* McCammon Elementary students at a canoe pull event – June 2023



## 3.0 Financial Governance and Planning Cycle

### 3.1 Planning Cycle (Timelines 2022/23)



### 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 - 2023/24 Operating Budget

On April 18, 2023, the Chilliwack Board of Education hosted the public presentation during the Regular Board meeting and invited input into the 2023/2024 Operating Budget. Secretary Treasurer Simone Sangster and Assistant Secretary Treasurer Mark Friesen presented an overview of the School District's financial information and budget development process. This presentation was presented live 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, 2022 and June 30, 2023 along with the year over year dollar and percentage changes.

	2023	2022	Change	%
<b>Financial Assets</b>				
Cash and Cash Equivalents	40,155,197	44,234,912	(4,079,715)	-9%
Accounts Receivable				
Due from Province - Ministry of Education & Child Care	280,717	4,064,664	(3,783,947)	-93%
Due from LEA/Direct Funding	344,113	519,732	(175,619)	-34%
Other	267,613	471,481	(203,868)	-43%
<b>Total Financial Assets</b>	<b>41,047,640</b>	<b>49,290,789</b>	<b>(8,243,149)</b>	<b>-17%</b>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	17,693,932	22,942,899	(5,248,967)	-23%
Unearned Revenue	1,842,637	1,866,531	(23,894)	-1%
Deferred Revenue	3,329,111	2,388,495	940,616	39%
Deferred Capital Revenue	242,337,300	236,009,675	6,327,625	3%
Employee Future Benefits	4,567,987	4,335,814	232,173	5%
Asset Retirement Obligation	13,870,683	13,870,683	0	0%
Other Liabilities	1,363,679	1,313,699	49,980	4%
<b>Total Liabilities</b>	<b>285,005,329</b>	<b>282,727,796</b>	<b>2,277,533</b>	<b>1%</b>
<b>Net Financial Assets (Debt)</b>	<b>(243,957,689)</b>	<b>(233,437,007)</b>	<b>(10,520,682)</b>	<b>5%</b>
<b>Non-Financial Assets</b>				
Tangible Capital Assets	305,260,198	294,354,196	10,906,002	4%
Restricted Assets-Endowments	73,261	73,261	0	0%
Prepaid Expenses	530,758	447,605	83,153	19%
<b>Total Non-Financial Assets</b>	<b>305,864,217</b>	<b>294,875,062</b>	<b>10,989,155</b>	<b>4%</b>
<b>Accumulated Surplus (Deficit)</b>	<b>61,906,528</b>	<b>61,438,055</b>	<b>468,473</b>	<b>1%</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 & 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.

**Asset Retirement Obligation** reflects an estimate of the fair value of removing/disposing of asbestos and other hazardous materials within district owned buildings that will undergo major renovations or demolition in the future.

**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).

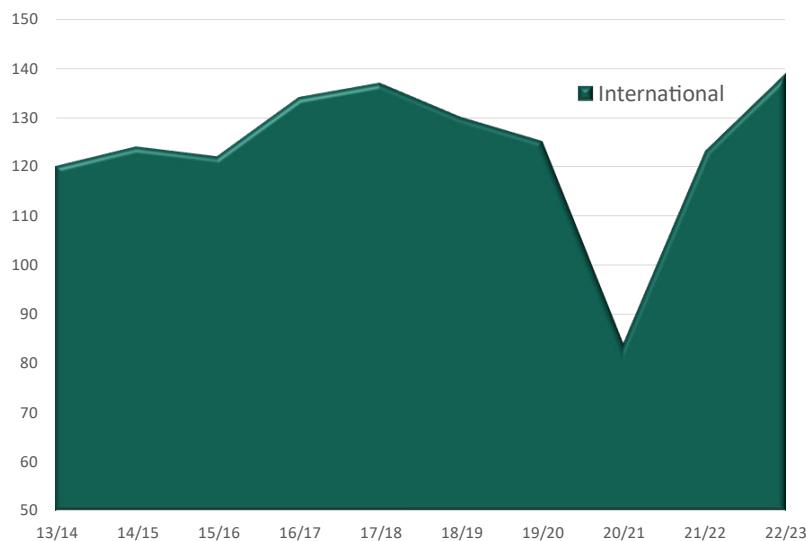
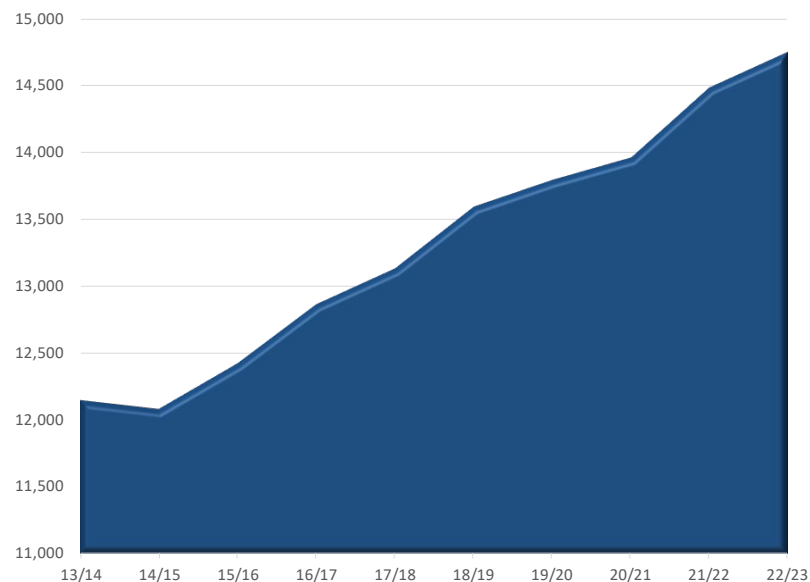


# 5.0 Financial Highlights

## 5.1 Enrolment

In the past seven years, our enrolment has increased from 12,419 Full Time Equivalent (FTE) K-12 students to 14,749 FTE. This is an increase of 2,350 students, and an average of 336 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.



International student enrolment grew again last year reaching the maximum pre-pandemic number of students. Early indications are for continued growth in 2023-24. With three capital projects concluding last year and more scheduled in the next few years, there should be capacity for further growth in international student numbers.

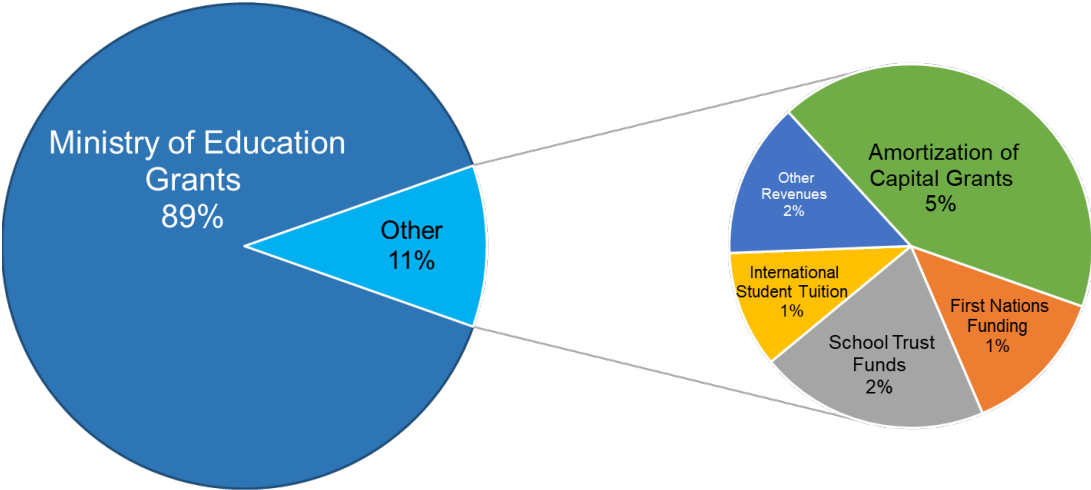


# 5.2 Revenues

Total revenues for the School District were \$197 million for 2022/23. 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.

89% of the District’s revenue is from Ministry of Education & Child Care funding, 1% of revenue is First Nations funding, 2% is funds raised by schools through their trust funds, 1% of revenue is generated from International Education Programs, 5% 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 10.3% versus last year due mainly to increases in government grants for enrolment increases and collective agreement wage increases. New sources of revenue in 2022/23 included \$1.5 million for the Family Affordability Fund and \$100,000 in start-up funding for early child care. Other Revenues such as international student tuition, investment income, and school trust income had significant growth year over year.

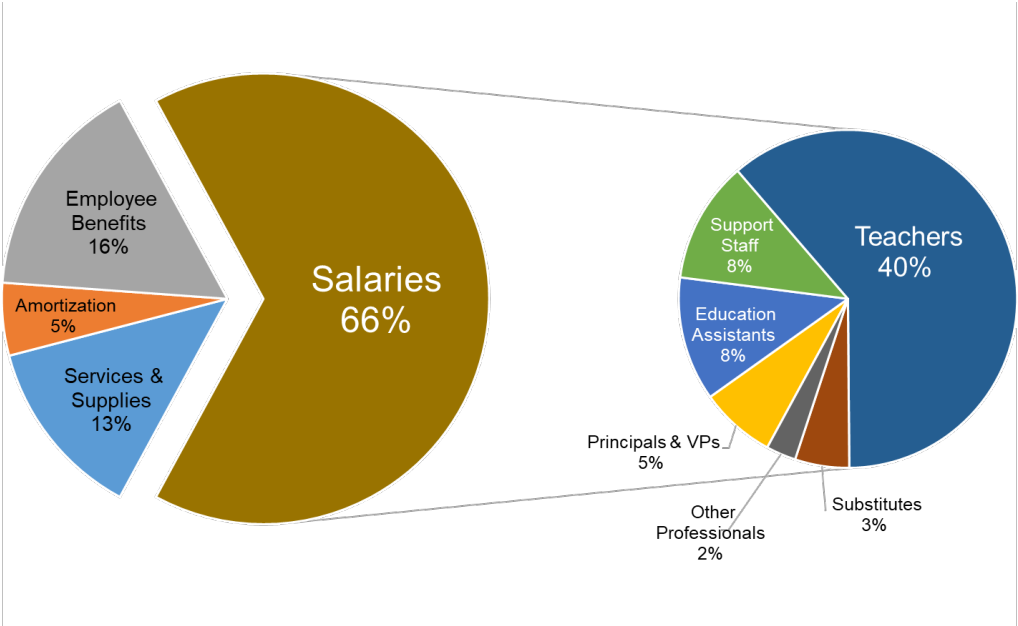




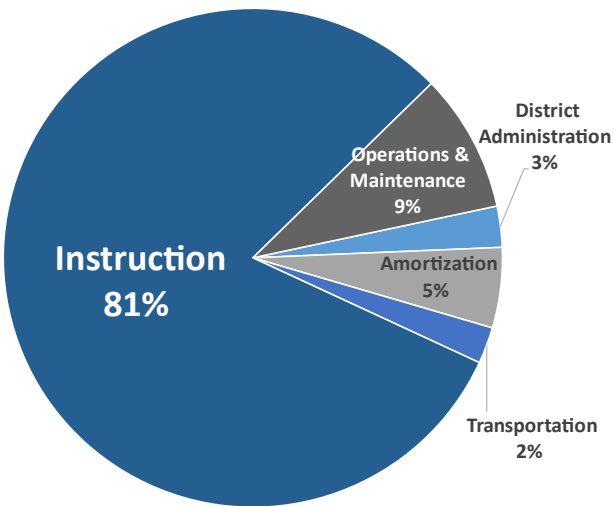
# 5.3 Expenditures

The School District's expenses primarily consist of salaries and benefits, accounting for 82% of the total. Among these salaries, 59% are allocated to teachers. The remaining portion of the expenditures is dedicated to supplies, services (encompassing utilities, professional development, and maintenance), as well as the amortization of capital assets.

Overall expenses are up by 10% versus last year. This increase can be attributed to higher staffing requirements due to a significant growth in enrollment, settlements regarding collective agreement wages, elevated benefit premiums, and expenses related to replacement staff.



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



## 5.4 Student and Family Affordability Fund

This year, our school district secured \$1.5 million through the Ministry of Education and Child Care to assist financially struggling families through the “Student and Family Affordability Fund.” Schools were able to directly connect with families and support them with the majority of these dollars and our community partners were able to further support our school community through the following initiatives:

ORGANIZATION/ PROGRAM	INITIATIVE	AMOUNT
Chilliwack Bowls of Hope Society	Enhancing food options for lunches that are delivered to schools. Providing nutritious meal kits to families.	\$75,000
	<i>Winter Warmth Program</i> : winter coats, boots, and socks <i>We've Got Your Back</i> : school supplies including calculators	\$70,000
Chilliwack Community Services	<i>Starfish Backpack Program</i> : providing support for bi-weekly food hampers, increased protein options with extra funding.	\$55,000
Chilliwack Youth Health Centre	Providing enhanced food options to youth who frequent counselling services.	\$10,000
Mémiyelntel Program	Additional transportation, food, and school supplies for 40 students in the program.	\$18,000
Community Cupboard	Assisting families with food hampers, ability to purchase more fresh fruits and dairy.	\$10,000
Free Store - Skwah First Nation	Assisting families with fresh foods, dairy, meat, fruit - as well as hygiene products.	\$10,000

## 5.5 Governance Costs

Governance costs represent supports for the locally elected Board of Education. The main costs are as follows:

Expense Category	Amount
Trustee Stipends & Benefits	\$186,140
Contract Services	45,650
Legal	7,730
Elections	132,220
BCSTA Membership	52,890
Travel & Professional Development	22,080
Staff Retirement/Recognition	35,720
Telephone/Internet Allowance	3,870
Technology	8,950
Advertising	6,650
PAC Grants	6,300
Supplies	12,540
<b>Total</b>	<b>\$520,740</b>



# 5.6 Reserves

Unrestricted Reserves (accumulated surpluses) increased this year from \$3,641,106 to \$6,018,364. This ending balance brings the district close the Board’s targeted reserve amount of 3.5% of operating expenditures which would be \$6.3 million.

Schools are permitted to carry over any budget surpluses to the next year. The total school surpluses (which are included in restricted reserves) decreased by \$543,749 this year to \$984,352.

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 \$614,774 this year to \$10,678.

At the start of the year, we had \$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 both of which were completed this fiscal year.





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

### 6.1 Analysis of Operating Results to Amended 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, 2023. This section of the report is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the prior year, as well as in comparison with the amended budget. In the charts that follow, any reference to "budget" implies the amended 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	2022/23		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
<b>REVENUE</b>							
Provincial Grants, Ministry of Education & Child Care	151,092,772	158,011,959	147,206,738	6,919,187	5%	10,805,221	7%
LEA/Direct Funding from First Nations	2,640,377	2,791,233	2,640,371	150,856	6%	150,862	6%
Provincial Grants, Other	160,000	147,140	279,600	(12,860)	(8%)	(132,460)	(47%)
International Student Tuition	1,876,625	2,199,961	1,547,028	323,336	17%	652,933	42%
Other Revenue	546,330	887,089	535,325	340,759	62%	351,764	66%
Rentals & Leases	230,000	221,897	240,526	(8,103)	(4%)	(18,629)	(8%)
Investment Income	980,000	1,327,573	347,895	347,573	35%	979,678	282%
<b>Total Revenue</b>	<b>157,526,104</b>	<b>165,586,852</b>	<b>152,797,483</b>	<b>8,060,748</b>	<b>5.1%</b>	<b>12,789,369</b>	<b>8%</b>



## Provincial Grants – Ministry of Education & Child Care

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
<b>Provincial Grants – Ministry of Education &amp; Child Care</b>	151,092,772	158,011,959	147,206,738	6,919,187	5%	10,805,221	7%

- 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: (\$151,000)
- Funding for labour settlement agreements was not included in budget as it hadn't been announced at the time of budget approval: \$6,054,468
- February enrolment count was higher than budgeted: \$996,000

- 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 an increase in students: (\$151,000)
- Enrolment increases: \$5,351,000
- Funding for collective agreement settlements with unionized staff: \$6,054,468
- Salary Differential Funding which fluctuates with the average teacher salary in the District: (\$259,000)
- Prior year included funding for the costs associated with flooding: (\$194,000)

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

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
<b>LEA/Direct Funding from First Nations</b>	2,640,377	2,791,233	2,640,371	150,856	6%	150,862	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: \$151,000.

- 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 the prior year: \$151,000



## Provincial Grant – Other

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Provincial Grants, Other	160,000	147,140	279,600	(12,860)	(8%)	(132,460)	(47%)

- ERASE Bullying grant from Ministry of Public Safety: \$10,500
- Industry Training Authority (ITA) funding decrease due to timing of new intakes as ITA changed funding model in prior year to only fund at intake: (\$23,400)

- ERASE Bullying grant from Ministry of Public Safety lower this year: (\$5,000)
- One time funding from ITA when changing funding model last year: (\$53,000)
- Decrease in ITA grants due to students no longer getting funds when completing: (\$73,000)

## International Student Tuition

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
International Student Tuition	1,876,625	2,199,961	1,547,028	323,336	17%	652,933	42%

The District welcomed 137 full year equivalent students in 2022-23 up from 123 students last year.

International Program continues to rebound from pandemic levels with an increase of \$653,000 over last year and up \$565,000 from 2019/20.

## Other Revenues

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Other Revenues	546,330	887,089	535,325	340,759	62%	351,764	66%

- Transportation Fees up \$54,000 from budget
- Energy program rebates up \$120,000 from budget
- Trans-Mountain Pipeline payment of \$68,000
- BCTF reimbursement payment of \$84,000 for wages payment from 2021-22 recognized in 2022-23
- PST audit claim payment of \$50,000

- Trans-Mountain Pipeline payment of \$68,000
- BCTF reimbursement payment of \$84,000 for wages payment from 2021-22 recognized in 2022-23
- PST audit claim payment of \$50,000





## Rentals & Leases

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Rentals & Leases	230,000	221,897	240,526	(8,103)	(4%)	(18,629)	(8%)

- Rentals are down slightly from budget: \$8,000

- Rent relief for Child Youth Health Centre (\$22,000)

## Investment Income

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Investment Income	980,000	1,327,573	347,895	347,573	35%	979,678	282%

- Interest rate increase: \$347,500
- Interest rates continued to increase above the projected amounts. Interest rates increased from 4.2% when projections were being made to over 5% by the end of June.

- Interest rate increase: \$980,000
- Interest rates were below 1% for 2021/2022 until April 2022. In 2022/2023 interest grew from 2.5% to over 5% from the beginning to the end of the year.



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

### Wages & Benefits

Operating Budget	2022/23		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
<b>EXPENSE</b>							
Salaries							
Teachers	69,833,312	69,824,656	64,858,061	(8,656)	(0%)	4,966,595	8%
Principals & Vice-Principals	9,250,933	9,083,234	8,810,821	(167,699)	(2%)	272,413	3%
Education Assistants	13,934,944	14,321,952	12,625,234	387,008	3%	1,696,718	13%
Support Staff	14,473,141	14,655,878	13,462,135	182,737	1%	1,193,743	9%
Other Professionals	3,629,942	3,646,063	3,583,787	16,121	0%	62,276	2%
Substitutes	6,433,314	6,516,257	5,844,300	82,943	1%	671,957	11%
<b>Total Salaries</b>	<b>117,555,586</b>	<b>118,048,040</b>	<b>109,184,338</b>	<b>492,454</b>	<b>0%</b>	<b>8,863,702</b>	<b>8%</b>
Employee Benefits	27,841,983	28,579,969	25,969,127	737,986	3%	2,610,842	10%
<b>Total Salaries &amp; Benefits</b>	<b>145,397,569</b>	<b>146,628,009</b>	<b>135,153,465</b>	<b>1,223,440</b>	<b>1%</b>	<b>11,474,544</b>	<b>8%</b>
Services & Supplies	17,346,689	17,233,303	15,748,366	(113,386)	(1%)	1,484,937	9%
<b>Total Expense</b>	<b>162,744,258</b>	<b>163,861,312</b>	<b>150,901,831</b>	<b>1,117,054</b>	<b>1%</b>	<b>12,959,481</b>	<b>9%</b>



## Teachers

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Teachers	69,833,312	69,824,656	64,858,061	(8,656)	(0%)	4,966,595	8%

The variance in salaries was negligible due to the following:

- Labour settlement increases were known and fully costed when the budget was constructed.
- There was minimal vacant positions and when positions were vacant, TTOC salaries were coded to regular teacher salaries.

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

- Enrolment increases: \$1,434,000
- Collective agreement increases: \$2,500,000
- Average teacher cost increases: \$654,000
- More teachers purchased by secondary schools: \$409,000

## Principals & Vice Principals

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Principals & Vice Principals	9,250,933	9,083,234	8,810,821	(167,699)	(2%)	272,413	3%

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	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Education Assistants	13,934,944	14,321,952	12,625,234	387,008	3%	1,696,718	13%

The favourable salary variance is made primarily of the following:

- Staff vacancies (\$240,000)

Negative variances to this budget included:

- Labour settlement increases not included in budget: \$629,000

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

- More EAs hired due to increased special needs student enrolment: \$750,000
- Collective agreement increases: \$629,000
- Change in staff vacancies 22/23 vs 21/22: \$180,000





## Support Staff

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
<b>Support Staff</b>	14,473,141	14,655,878	13,462,135	182,737	1%	1,193,743	9%

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

- Trades & Grounds Staff: (\$279,000)
- Custodial Staff: (\$150,000)
- Bus Drivers: (\$65,000)

Note some of these vacancies were covered by replacement staff and shown in "Substitutes".

Negative variances to this budget included:

- Labour settlement increases not included in budget: \$478,000
- Additional clerical time not budgeted: \$75,000
- Operations charge outs to other programs was under budget leading to a negative variance of \$126,000.

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

- Collective agreement increases: \$539,000
- Staffing for Stitó:s opening: \$347,000
- Custodians for GWG & Vedder Elementary additions: \$57,000
- New Electronics Tech position: \$58,000
- Behaviour Consultant additional positions: \$128,000
- Bus drivers for new bus routes: \$77,000

## Other Professionals

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
<b>Other Professionals</b>	3,629,942	3,646,063	3,583,787	16,121	0%	62,276	2%

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	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
<b>Substitutes</b>	6,433,314	6,516,257	5,844,300	82,943	1%	671,957	11%

Favourable variances due to less absences than expected from Covid:

- TTOCs: (\$236,000)
- EAs: (\$37,000)

Negative variances to this budget included:

- Labour settlement increases not included in budget: \$41,000
- Higher than expected contract PVP: \$42,000
- Replacement staff used for vacancies:
  - a. Custodial: \$104,000
  - b. Bus Drivers: \$59,000
  - c. Grounds/Trades: \$43,000

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

Labour settlement increases: \$214,000  
 Enrolment increases: \$68,000  
 Contract PVP usage: \$54,000

Increase use of TTOCs and Eas: \$135,000  
 Clerical absences: \$37,000  
 Custodial absences: \$104,000  
 Bus driver absences: \$37,000  
 Grounds/Trades absences: \$22,000

## Employee Benefits

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
<b>Employee Benefits</b>	27,841,983	28,579,969	25,969,127	737,986	3%	2,610,842	10%

Benefits are higher than budget due to the following:

- Benefits within labour settlement increases not included in budget: \$281,000
- Accrual for higher usage of teacher benefits:
  - a. Extended Health: \$196,000
  - b. Dental \$144,000
- Support Ext Health & Dental use: \$39,000
- Benefits for additional wages paid: \$78,000

- Collective agreement increases and staffing changes: \$715,141
- Increased premiums for Extended Health Benefits and Dental usage: \$510,777
- Increased rates for EI, CPP and Worksafe: \$1,364,923



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

### Supplies and Services

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

Operating Budget	2022/23		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
<b>NON-DISTRICT PORTION OF SUPPLIES/SERVICES</b>							
Schools	4,026,877	3,707,049	3,819,968	(319,828)	(8%)	(112,919)	(3%)
Indigenous Education	1,347,728	1,303,352	900,549	(44,376)	(3%)	402,803	45%
<b>DISTRICT PORTION OF SUPPLIES/SERVICES</b>							
Services	3,910,460	4,015,697	3,615,398	105,237	3%	400,299	11%
Student Transportation	13,000	28,849	12,221	15,849	122%	16,628	136%
Professional Development & Travel	903,316	849,194	682,140	(54,122)	(6%)	167,054	24%
Rentals & Leases	25,000	36,879	23,817	11,879	48%	13,061	55%
Dues & Fees	267,774	248,061	181,358	(19,713)	(7%)	66,703	37%
Insurance	276,500	311,466	257,896	34,966	13%	53,570	21%
Supplies	4,109,034	4,230,416	3,769,917	121,382	3%	460,499	12%
Utilities	2,467,000	2,502,341	2,485,102	35,341	1.4%	17,239	1%
<b>Total Supplies/Services</b>	<b>17,346,689</b>	<b>17,233,303</b>	<b>15,748,366</b>	<b>(113,386)</b>	<b>(1%)</b>	<b>1,484,937</b>	<b>9%</b>



## Schools

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
<b>Schools</b>	4,026,877	3,707,049	3,819,968	(319,828)	(8%)	(112,919)	(3%)

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. There continued to be global supply chain issues for technology and equipment replacements, which accounted for some of the underspending. Three schools completed capital projects which contain capital budget for technology and equipment purchases lowering the need for schools to use operating budgets. This included GW Graham \$74,300, Vedder Elementary \$14,000 and Stitô's \$32,500 under spending budget.

## Indigenous Education

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
<b>Indigenous Education</b>	1,347,728	1,303,352	900,549	(44,376)	(3%)	402,803	45%

Spending on Indigenous education was close to budget.

Spending increased from the prior year as the Indigenous Education Department focused more resources on staffing resource spending. This includes increased spending on teachers \$166,000 and Education Assistants \$92,000 and the accompanying benefits \$25,000.

Spending also increased in contract services \$20,000 and technology \$17,000.





## 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	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Services	3,910,460	4,015,697	3,615,398	105,237	3%	400,299	11%

Service areas where costs exceeded budget include:

- \$42,000 due to higher than anticipated election expenses
- \$63,000 increased costs for MyEd BC student information software and Next Generation Network
- \$123,000 Pipe break at Sardis Secondary

Service areas where budget exceeded costs include:

- \$22,000 HR service contracts below expected amount.
- \$78,000 Psych Ed assessments budgeted for 2022/2023 not fully completed before year-end.

Services increased from the prior year as follows:

- \$56,000 in international agent fees and homestay coordinator with the increase in international students
- \$94,000 Student Services contracts for hard to fill positions (Vision, SLP, Psych Ed)
- \$41,000 on assessment software for curriculum.
- \$209,000 increased costs on building and equipment servicing, including inflationary costs and unplanned costs such as abnormal cold spell this winter causing frozen water lines and water damage to buildings
- \$77,000 in increased transportation costs for vehicle maintenance and software charges.

## Student Transportation

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

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Student Transportation	13,000	28,849	12,221	15,849	122%	16,628	136%

The district's current bus fleet was not able to absorb the increased post-pandemic increases in field trips in particular due to delays in receiving buses from the province and preparing the buses for service.

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	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Professional Development & Travel	903,316	849,194	682,140	(54,122)	(6%)	167,054	24%

Travel expenses were close to budget considering the budgeted expense amounts were made early in the school year with incomplete knowledge as to what the effect of COVID would be on professional development and travel.

2022/23 saw the full end to travel restrictions, the district had an increase in travel this year of \$167,000. This included district leaders fully returning to professional development events, both within the district and throughout the province.

## 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	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Rentals & Leases	25,000	36,879	23,817	11,879	48%	13,061	55%

Increase (\$12,000) due to the need to rent additional buses due to the late delivery of replacement buses from the province.

Increase (\$12,000) due to the need to rent additional buses due to the late delivery of replacement buses from the province.



## 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	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Dues & Fees	267,774	248,061	181,358	(19,713)	(7%)	66,703	37%

The majority of dues and fees are paid to UFV for dual credit trades programs. In 2022/23 there were less attendees than originally projected.

2022/23 had more students enroll in dual credit programs than in 2021/22.

## Insurance

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

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Insurance	276,500	311,466	257,896	34,966	13%	53,570	21%

Schools Protection Plan (SPP) increased its premiums by \$66,000 from what was budgeted.

Vehicle insurance premiums were lower than budgeted (\$28,000) as a result of a general rate reduction by ICBC.

SPP (property insurance) increased its rates in 2022/23 by \$66,000 from the prior year. Rates are adjusted due to claims activity within the sector.



## 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	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Supplies	4,109,034	4,230,416	3,769,917	121,382	3%	460,499	12%

Supplies areas where costs exceeded budget include:

- \$48,000 Vehicle Fuel and Oil and \$135,000 Transportation Supplies
- \$72,000 Theft/Vandalism
- \$31,000 Disability Management and Health & Safety

Items that came in lower than budget include:

- (\$43,000) Student Services Assessments
- (\$86,000) Cessna Renovations
- (\$31,000) Disability Management and Health & Safety
- 

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

- \$192,000 in transportation costs
- \$105,000 maintenance supplies.

## Utilities

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

Operating Budget	2022/2023		2021/22	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%
Utilities	2,467,000	2,502,341	2,485,102	35,341	1.4%	17,239	1%

Most of the variance can be explained by the following:

- (\$109,000) savings in electricity. with lower A/C costs due to a cooler spring
- \$120,000 increase in heating due to a continued high natural gas prices and increased ventilation in classrooms.
- \$21,000 increase in water and sewer.

Utilities increased from the prior year as follows:

- \$(52,000) decrease in electricity.
- \$52,000 increase in heating due to a continued high natural gas prices and increased ventilation in classrooms.





## 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 2022/2023 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	\$456,617	\$38,861	See discussion in the Capital Projects section under "Annual Facility Grant (AFG) Funding."
Learning Improvement Fund (LIF)	Ministry of Education & Child Care	\$537,401	\$531,426	Funding to augment Educational Assistants' hours to provide additional support to complex learners.
Scholarships and Bursaries	Other and Investment Income	\$164,420	\$140,700	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	\$4,332,652	\$4,232,118	Monies collected by schools for field trips, school sports, and fundraising for school equipment.
Strong Start	Ministry of Education & Child Care	\$238,415	\$234,670	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	\$30,163	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	\$172,623	\$129,523	Funding for core French- language programs and curriculum resources.
Community LINK	Ministry of Education & Child Care	\$740,968	\$727,806	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	\$11,805,964	\$11,822,921	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	\$48,364	\$22,000	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	\$51,000	\$84,539	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	\$11,250	\$9,502	Funding for collaborative professional learning for early learning educators focused on improving social-emotional outcomes for young children.
Federal Safe Return to Class / Ventilation Fund	Ministry of Education & Child Care	\$0*	\$207,071	Funding to improve ventilation systems in schools including ventilation filter upgrades and enhancing control systems that increase airflow in schools. *Funding was provided in 2021/22



## 6.2 Special Purpose Funds (continued)

GRANT	SOURCE	AMOUNT RECEIVED	AMOUNT EXPENDED	DISCUSSION
Early Childhood Education Dual Credit	Ministry of Education & Child Care	\$130,000	\$29,095	Funding to help set up and train secondary school students for a career in Early Childhood Education.
Student & Family Affordability	Ministry of Education & Child Care	\$1,526,471	\$1,071,909	Funding to make back-to-school more affordable for the most vulnerable in the school community. Focused spending on food security and school supplies.
Seamless Day Kindergarten	Ministry of Education & Child Care and Other Income	\$125,124	\$137,462	Funding to support transitions between before/after school care and the kindergarten classroom.
Just B4	Ministry of Education & Child Care	\$25,000	\$25,000	Supplement to the Strong Start program targeting students just about to enter Kindergarten with a focus on developing skills in engaging with others, well-being, and communication
Early Years to Kindergarten (SEY2KT)	Ministry of Education & Child Care	\$19,000	\$16,269	Funding to help develop partnerships with community-based learning experiences to ensure coherent transitions to Kindergarten.
Early Care and Learning	Ministry of Education & Child Care	\$175,000	\$175,000	Funding to help to pay for staffing to plan for expansion of child care on school grounds including aligning district resources with early learning initiatives and an environmental scan.
After School Sport and Arts Initiative	Ministry of Education & Child Care	\$94,263	\$67,509	Funding for ASSAI supports participating school Districts to offer safe, accessible, high-quality, and fun programming that meets the needs of their school communities.



### 6.3 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, 2023, the District invested \$21.1 million in capital additions, as follows:

2022/23 Projects	Current Year Additions	TOTAL SPENT TO DATE
Stitó:s Lá:lém Totí:lt School	\$ 8,574,847	\$ 55,307,531
Imagine High Renos/Gym	60,783	\$ 14,807,678
Vedder Elementary Addition	2,673,985	\$ 10,145,195
GWG Secondary Addition	4,710,378	\$ 19,172,241
Sardis Secondary Addition	202,874	\$ 299,339
New Eastside Elementary	6,228	\$ 82,389
School Enhancement Program	1,437,639	\$ 1,437,639
Carbon Neutral Climate Program	301,014	\$ 301,014
Building Envelope Program	2,184,030	\$ 2,184,030
Childcare Spaces	108,471	\$ 108,471
School Buses	17,665	\$ 17,665
Playgrounds	261,156	\$ 261,156
Vehicles & Equipment	558,996	\$ 558,996
	<u>\$ 21,098,066</u>	<u>\$ 104,683,344</u>

Funding to make these additions came from the following sources: \$15.6 million from the Ministry of Education & Child Care, \$5.5 million from District Operating Funds.





## 6.4 Major Capital Projects

**Stitó:s Lá:lém Totí:lt Elementary/ Middle School** opened its doors to staff and students in September 2022. The budget of \$56.3 million was 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 funding from the City of Chilliwack for the turf fields.

The addition to **Vedder Elementary School** completed construction at the end of the summer in August 2022. The two-storey, 10-classroom addition included space for 240 more students and inclusive washrooms with a budget of \$12.3 million.

The addition to **GW Graham Secondary School** completed construction in the fall of 2022. It added space for an additional 450 students and had a budget of \$23.9 million. This two-story addition included 18 additional teaching spaces, trades space, a robotics tech program, a shared outdoor covered area, and inclusive washrooms.

The Ministry of Education & Child Care has approved an **addition to Sardis Senior Secondary** comprising 18 classrooms for 400 students, drama and music performance space and inclusive washrooms. This is expected to begin construction in Spring, 2024.

Two other major capital projects that have been supported by the Ministry are an east side elementary on a district owned property near Rosedale and a land purchase on the south side of town.

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



*\* GW Graham inclusive washrooms & outdoor covered area*





## 6.5 Capital Fund Balances

Specific balances in the Capital Fund are as follows:

Capital Funds	June 30 2023	June 30 2022	Change
Bylaw Capital	\$ -	\$ -	\$ -
Restricted Capital	-	-	-
Other Provincial Capital	6	6	-
Land Capital	5,135,083	4,694,289	440,794
Other Capital	627,322	1,368,455	(741,133)
Local Capital	61,476	5,101,574	(5,040,098)
	<u>\$ 5,823,887</u>	<u>\$ 11,164,324</u>	<u>\$ (5,340,437)</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 and new childcare spaces.

### Local Capital Reserve

The Board's Local Capital Reserve is designated for local capital expenditures. The balance in the fund at June 30, 2023 represents a commitment for vehicle purchases that were delayed due to supply chain issues in the industry.



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

### Reserves

	June 30 2023	June 30 2022
<b>1. Operating Fund Accumulated Surplus</b>		
Internally Restricted	\$ 1,025,030	\$ 2,183,553
Unrestricted Operating Surplus	5,956,889	3,567,832
Total	6,981,919	5,751,385
<b>2. Special Purpose Funds Surplus</b>		
	73,261	73,261
<b>3. Capital Fund Accumulated Surplus</b>		
Local Capital	61,475	73,274
Restricted for Capital Cost Sharing	0	5,028,300
Investment in Tangible Capital Assets	54,789,873	50,511,835
Total	54,851,348	55,613,409
<b>Total Accumulated Surplus</b>	<b>\$ 61,906,528</b>	<b>\$ 61,438,055</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 \$6,981,919 operating surplus of which \$1,025,030 was internally restricted for specific purposes and \$5,956,889 was unrestricted. The majority of the restricted reserve balance (\$984,352) represents school surpluses that are carried forward for expenditures in a future year. The remainder of the restricted surplus represents targeted funding for Indigenous learners as well as funds for international student support.

### 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 opening balance of \$5,028,300 reflected the remaining commitment required for the new Stitó:s school (\$5,000,000) and the Vedder Elementary addition (\$500,000) which were both completed in this fiscal year.

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 new Food's room*



## 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.

### 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. We opened up several new spaces this year (Stitó:s Elementary/Middle, GW Graham Secondary addition, Vedder Elementary addition) which 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 opened in September 2022 and an addition to Sardis Secondary will open in a 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 considerable time.

### Inflation and Supply Chain Issues

While inflation has come down off its highs of 2022, our operating grant from the government has not caught up to the reality of higher prices. 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, supply chains are still challenged in meeting demands. 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.



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