

NANAIMO LADYSMITH PUBLIC SCHOOLS
Board of Education
Business Committee Meeting
Information Sheet

DATE: February 8, 2023
TO: Business Committee
FROM: Mark Walsh, Secretary-Treasurer & Taunia Sutton, Director of Finance
SUBJECT: 2022/23 Amended Annual Budget with Q2 Financial Report

Background

The Ministry of Education and Child Care requires districts to prepare an Annual Budget in advance of the school year, which is based on estimated enrolments, revenues, and expenses. An Amended Annual Budget is then prepared each February based on actual enrolments captured September 29th on the 1701 Student Data Collection, and revised revenues and expenses based on more current operations.

The following financial report presents the districts Amended Annual Budget, inclusive of all known revenue and expense changes since the Annual Budget was approved and submitted to the Ministry of Education in June 2022, as well as the second quarter financial results to December 31st, with a prior year comparator.

Additionally, a Capital, Local Capital, and Investment update has been included for the Board's information. The Capital schedule reflects projects that are underway or will commence in fiscal 2023. The Local Capital schedule presents projects that are underway as well as those that are planned, but yet to commence. Both schedules are subject to change where further capital projects are approved or emergent demands require a shift in Local Capital planning.

Discussion

At December 31st, the District was 50% through fiscal 2022-23 but with school based operations being only 10 months in duration, some expense categories will only be as much as 40% spent, and some may be less due to the complexities of school start up, and the timing of expense recognitions.

Revenues received are based on external funding schedules which may vary by source. At this time in the year, we have generally received 40% of our Operating Grant which is the most significant source of district funding. This grant is calculated using our student enrolments and the per pupil rates determined by the Ministry of Education and Child Care. In addition to base per student funding there are supplemental categories which flow dollars to support a variety of unique student needs, and direct operating costs.

While overall our enrolment increased, our budgeted enrolment fell short of projections by a total of 130.965 FTE, predominately at the Elementary level at both our brick-and-mortar schools and at our Distributed Learning Program. As a result of this shortfall, our coming year's projections are more conservative in order to mitigate the risk of preliminary overfunding. Overall however, the district saw an increase in operating funds due to higher than projected supplemental funding categories. The total increase to the Operating Grant for 2022-23 was \$469,535

Another significant change in operating revenue was through our International Student Education program where we budgeted cautiously on the heels of COVID but have seen substantial growth, clearly indicating it has not only rebounded back from COVID but has surpassed pre-pandemic enrolment. Preliminary estimates were based on 278 student headcount and with full time equivalent funding of 231FTE. Actual student numbers are an unprecedented 480 headcount and 360 FTE for an increase of 129 FTE which amounts to total retained (net) revenue of \$626,815. This is the amount recorded after the agents and homestay families have received their applicable payments. Although we were initially conservative with our student projections, we responded to additional students by providing the receiving schools with the extra staffing necessary to provide a full complement of courses.

For the coming year's student projections which we are currently working on, we will be less conservative initially, but we will also create an internal ISE contingency with estimated revenues in case we do not reach targets. This approach ensures we are mindful of the potential risk associated with international student attendance subject to unforeseen events or circumstances that may limit or impede their ability to attend in either semester in 2023-24.

A final noteworthy revenue increase pertains to our interest income where current interest rates on our cash balances and investments allowed us to adjust our initial estimates from \$270,000 to \$1,165,000. Of the \$895,000 increase over our Annual Budget, \$170,000 pertains to our Local Capital Fund, \$60,000 to our School Generated Funds, and \$665,000 to support district operations.

This additional revenue was able to offset the funding shortfall due to our lower than anticipated student enrolment at elementary and absorb the cost of the additional staffing provided to secondary and alternate programs due to their growth.

For additional information:

The Bank of Canada has increased interest rates by 425 basis points since March 2022 resulting in a significant increase in rates not only in the district's current Operating and Central Deposit Program (CDP) accounts but also in the rates available on Guaranteed Investment Certificates (GIC's).

The First West Credit Union GIC and the 1-year fixed Coast Capital Savings GIC will be maturing in February and April of 2023. At the time of maturity, we plan to evaluate the market environment and re-invest those funds.

The district's total investments are summarized below:

Investment	Purchase Date	Rate	Total	Investment
Central Deposit Program (CDP)	historical balance	4.95%		12,713,993
Royal Bank of Canada - GIC - 2 year with quarterly payouts	01-Dec-21	1.31%		2,000,000
Coast Capital Savings - GIC - 1 year fixed	28-Apr-22	3.15%		2,500,000
Coast Capital Savings - GIC - 4 year fixed	03-Nov-22	5.45%		4,000,000
First West Credit Union - GIC - 1 year cashable after 90 days	03-Nov-22	4.60%		3,613,432

*The CDP rate increased 25bps on January 25, 2023 to 5.20%

Note 1 - the RBC GIC has been maturing every 3 months and now holds a value of \$1,006,525

Note 2 - The CDP rate fluctuates based on the Bank of Canada interest rate announcements

Operating Fund Summary of Revenue and Expense Changes:

All changes in revenue since the preliminary Annual Budget, in the amount of \$2,024,537, are noted below:

Operating Fund Summary - Change in Revenue	
2022-23 Annual Budget Operating Revenue	<u>153,496,764</u>
<u>Changes in Revenue</u>	
Q1 Small decrease to Early Learning Fund (ELF)	(1,611)
Q1 Increase in ISE Tuition	146,135
Q1 Seat Belt Pilot Project Funding	66,862
Q2 Ministry of Education and Child Care Operating Grant update per Student Enrolment	469,535
Q2 Increase in ISE Tuition	480,679
Q2 Increase in Interest Revenue	665,000
Q2 Increase in anticipated Industry Training Authority (ITA) Revenue	25,000
Q2 Decrease to CSF (SD93) Revenue per current year Educational Services Contract	(54,619)
Q2 Increase to Rentals/Leases Revenue	30,000
Q2 Misc. Revenue (Standardized Benefit Plans, Graduated Adults and misc. rebates)	147,556
Q2 Add Revenue for anticipated Child Care fees	50,000
Total Changes Since Annual Budget	<u>2,024,537</u>
2023-23 Amended Annual Budget Operating Revenue	<u>155,521,301</u>
Add, Appropriation of Restricted Surplus	1,498,648
Add, Appropriation of Unrestricted Surplus	1,382,490
2022-23 Total District Operating Revenue	<u>158,402,439</u>

With regards to district expenses, we have budgeted an increase of \$3,799,737 since the preliminary Annual Budget. Expense increases include the addition of prior year surplus, additional staffing to support increased student enrolment at secondary, and other cost pressure adjustments, all of which were presented to the Board on the Q1 Financial Report.

One of the most notable changes since the Q1 report is the significant increase in Education Assistant staffing where 7.31FTE has been assigned to support the additional number of vulnerable student learners over our initial projections. Also, due to current fee schedules and inflationary costs, we have increased multiple budget lines which include the districts utilities expense, cost of VIU fees for our CTC students, increased agent and medical fees for the additional ISE students, and adjustments for contractual obligations. All changes in expense since the preliminary Annual Budget are presented below:

Operating Fund Summary - Change in Expense	
2022-23 Annual Budget Operating Expense	<u>153,602,702</u>
<u>Changes in Expense</u>	
Q1 ISE budget updated with increased estimated revenue, for additional staffing needs	146,135
Q1 ISE Summer Program staffing/expenses using budgeted ISE contingency for associated costs	31,697
Q1 Reduction to the Early Learning Fund per decrease in revenue	(1,611)
Q1 Added 2 Bus Monitor Positions for 2022-23 with Seat Belt Pilot Project Funding	66,862
Q1 <u>2021/22 Surplus Allocations to 2022/23 Budget</u>	<u>Itemized Below</u>
Q1 Indigenous Education - Added 2021/22 Year End Balance per Financial Statements	415,443
Q1 Balance of BCPSEA Mentorship Grant to be co-administrated by NDTA/SD68 (Release Account)	261,758
Q1 School YE Rollover Balances	134,367
Q1 School Inflationary Resource Allocations	82,490
Q1 2 Custodial Positions for continue enhanced cleaning protocols for continued COVID measures	100,000
Q1 Health and Safety - to account for increased Asbestos contractual services	17,800
Q1 Health and Safety - WorkSafe Return to Work Program	100,000
Q1 Continued Enhanced Airflow and filtration costs	50,000
Q1 Cost of undelivered PO's at June 30, 2022	563,342
Q1 NDSS Capacity Issues - Added an SS1/Records Clerk for 2022-23	50,000
Q1 Additional Teacher Staffing to schools for increased student enrolment	617,087
Q1 Additional temporary Clerical time	14,579
Q2 Indigenous Education Target increase per confirmed student enrolment	173,715
Q2 Increased hours to the EA Staffing Contingency per confirmed designated student enrolment	388,451
Q2 School Operating Budgets increased per confirmed student enrolment	49,056
Q2 Increased Contractual Obligations for Pro-D for NDTA/NSAA per Sept 30th staffing	11,185
Q2 Decrease to CSF Revenue = offsetting reduction in NDSS Operating Expense, transferred to CEF	(54,619)
Q2 ISE - Increase to Agent and Medical Fees per additional students	172,000
Q2 CTC - Increase to VIU fees for current estimated costs	134,000
Q2 District Utilities expense increased per current estimated costs	276,000
Total Changes Since Annual Budget	<u>3,799,737</u>
2023-23 Amended Annual Budget Operating Expense	<u>157,402,439</u>
<i>Plus Transfer of Funds from Operating to Local Capital</i>	<i>1,000,000</i>
2022-23 Total District Operating Expense	<u>158,402,439</u>

Note: Beside each line item in both the revenue and expense tables there is either a Q1 or Q2. The Board was previously presented with the Q1 items; the Q2 items are those that have been adjusted between October and mid-January.

Provided below is the financial summary of revenue and expense changes since the preliminary Annual Budget, along with actuals to December 31st and the prior year comparator.

2022-23 - Operating Revenues and Expenses						2021-22 Comparator		
	Actuals at Dec 31	2022-23 Budget - Q2	% Collected or Spent	2022-23 Annual Budget		Actuals at Dec 31	2021-22 Budget - Q2	% Collected or Spent
Revenues - Operating								
Ministry of Education Grant	59,203,006	146,190,852	40%	534,609	145,656,243	56,173,541	144,240,639	39%
Other Provincial	20,000	286,862	7%	51,446	235,416	75,708	275,416	27%
International Student Tuition	2,521,340	5,206,015	48%	626,815	4,579,200	2,059,761	4,322,250	48%
Other Revenue	1,019,069	2,407,572	42%	116,667	2,290,905	1,610,948	2,080,954	77%
Rentals & Leases	299,917	530,000	57%	30,000	500,000	230,988	400,000	58%
Investment Income	471,039	900,000	52%	665,000	235,000	99,122	186,000	53%
Total Revenues (before LC Transfer and Surplus Allocation)	63,534,371	155,521,301	41%	2,024,537	153,496,764	60,250,068	151,505,259	40%
Expenses - Operating								
Salaries								
Teachers	28,792,808	68,734,754	42%	749,050	67,985,704	26,935,727	68,106,949	40%
Administrative Officers	4,392,108	9,078,112	48%	23,983	9,054,129	4,140,049	8,917,757	46%
Education Assistants	4,338,997	11,358,923	38%	401,641	10,957,282	4,214,681	11,246,819	37%
Support Staff	5,840,395	12,672,136	46%	85,607	12,586,529	5,901,197	12,936,225	46%
Other Professionals	2,273,888	4,873,454	47%	(45,542)	4,918,996	2,144,877	4,957,424	43%
Substitutes	2,049,161	5,596,052	37%	456,389	5,139,663	2,314,512	4,863,800	48%
Total Salaries	47,687,357	112,313,431	42%	1,671,128	110,642,302	45,651,043	111,028,974	41%
Benefits	10,022,168	28,252,635	35%	446,317	27,806,318	9,509,669	27,622,706	34%
Total Salaries and Benefits	57,709,525	140,566,066	41%	2,117,445	138,448,619	55,160,712	138,651,680	40%
Services & Supplies	6,624,040	16,836,373	39%	1,682,290	15,154,083	6,224,308	16,524,434	38%
Total Expenses	64,333,565	157,402,439	41%	3,799,735	153,602,702	61,385,020	155,176,114	40%
Net Revenue (Expense)	(799,194)	(1,881,138)		(1,775,198)	(105,938)	(1,134,952)	(3,670,855)	
Restricted Surplus		1,498,648		1,392,710	105,938		7,060,336	
Unrestricted Surplus		1,382,490		1,382,490	-		1,798,019	
Local Capital Transfer		(1,000,000)		(1,000,000)	-		(5,187,500)	
Budgeted Surplus (Deficit)	(799,194)	-		-	-	(1,134,952)	-	

Within the revenue section you will see that "Other Provincial" shows as only 7% collected, for the Boards information, this is due to an organizational change at the Industry Training Authority (ITA) where we have currently only received \$20,000 of an anticipated \$220,000 but we have been in contact with them, and funding is due imminently.

Within the expense section you will note that Substitutes are showing as 37% spent, as opposed to the 48% in 2021-22. We are monitoring our replacement costs very closely as they were the highest on record last year, and we are optimistic that they are reverting to a more historic level.

However, note that we have left the current budgets in place in the event costs rise over the ladder portion of the school year.

Staffing changes that have taken place since the preliminary Annual Budget are presented below. Again, the Board has previously seen line items with a Q1 beside them; Q2 items are adjustments that have been made since the financial report in early October.

2022-23 OPERATING FUND - Summary of Staffing Change		
<u>Administrative Officers</u>		
Q2 Cedar Elementary		0.200
<u>Teachers</u>		
Q1 International Education Program		0.858
Q1 Island Connect Ed		0.600
Q1 Secondary Staffing adjustments		3.430
Q1 Elementary Staffing adjustments		1.162
Q1 Indigenous Education Staffing adjustments		1.830
Q2 IST for Tier 3 support		1.000
Q2 Converted to Release Time		-0.271
Q2 NDSS FTE transferred to CEF		-0.688
Q2 Additional Secondary Staffing		0.286
Total Teachers		8.207
<u>Support Staff</u>		
Q1 International Summer Program support		1.000
Q1 HR Temp Clerical		1.000
Q1 2 Bus Monitors for the 2022/23 Seat Belt Pilot Project		1.561
Q1 2 Custodians for increased cleaning Protocol (\$100K from Surplus)		1.606
Q1 1 Students Records Clerk for NDSS per Capacity (\$50K from Surplus)		1.000
Q1 Transportation Routes transferred to Special Purpose Fund		-2.553
Q2 Additional Clerical time for Pauline Haarer		0.084
Q2 Correction to HR Temp Clerical as s/b partial year only		-0.747
Total Support Staff		2.951
<u>Education Assistants</u>		
Q1 Crossing Guard for North Oyster Elementary (Funded by Surplus)		0.286
Q2 Additional EA Student Support		7.309
Total Education Assistants		7.595
Total All Categories		18.953

2022-23 OPERATING FUND FTE Summary			
Category	22/23 Q2 Financial Report	Change	22/23 Annual Budget
Teachers	789.573	8.207	781.366
Administrative Officers	68.000	0.200	67.800
Education Assistants	274.176	7.595	266.581
Support Staff	239.895	2.951	236.944
Other Professionals	49.500	0.000	49.500
Total FTE	1421.144	18.953	1402.191

Special Purpose Fund Update:

All changes applicable to our Special Purpose Funds are presented below, items noted as Q2 are the adjustments that have been made since mid-October.

Special Purpose Summary - Change in Revenue	
2022-23 Annual Budget Revenue	17,907,628
<u>Change in Revenue</u>	
Q1 Student Family Affordability Fund	1,458,182
Q1 Early Learning Child Care Capacity Grant	175,000
Q1 Strengthening Early Years to K Transitions (SEY2KT)	19,000
Q1 Ready Set Learn Increase	2,450
Q1 Seamless Day Kindergarten Pilot Project Grant	55,400
Q1 Deferred Revenue - 2021/22 Year End balances	1,407,592
Q1 BCTEA 2022/23 Funding	191,947
Q1 Miscellaneous Special Purpose Grants	59,584
Q2 ECE Dual Credit Grant	29,000
Q2 Confirmed CEF Funding - (\$182,850 = Staffing and \$383,169 = estimated Remedy)	566,019
Q2 School Generated Funds Interest Adjustment	60,000
Total changes in Revenue	4,024,174
2022-23 Amended Annual Budget Revenue	21,931,802

Special Purpose Summary - Change in Expense	
2022-23 Annual Budget Expense	17,907,628
<u>Change in Expense</u>	
Q1 Student Family Affordability Fund	Supplies 1,458,182
Q1 Ready Set Learn Increase in Funding	Supplies 2,450
Q1 Early Learning Child Care Capacity Grant	Administrative Officer, supplies 175,000
Q1 Strengthening Early Years to K Transitions	Supplies 19,000
Q1 Seamless Day Kindergarten Pilot Project Grant	ECE Costs 55,400
Q1 Deferred Revenue - 2021/22 Year End balances	Supplies, Staffing Contingencies 1,407,592
Q1 BCTEA 2022/23 Funding	Staffing for transportation routes added 191,947
Q1 Miscellaneous Special Purpose Grants	Supplies 59,584
Q2 ECE Dual Credit Grant	Teacher Staffing 29,000
Q2 Confirmed CEF	Teacher Staffing/Remedy 566,019
Q2 School Generated Funds	Supplies 60,000
Total changes in Expense	4,024,174
2022-23 Amended Annual Budget Expense	21,931,802

Staffing changes are summarized by category below.

2022-23 SPECIAL PURPOSE FUND - Summary of Staffing Changes	
<u>Teachers</u>	
Q1 Federal French Fund - converted .20 Teaching Time into Release	-0.200
Q1 ECE Dual Credit Program at CTC	0.302
Q2 ECE Dual Credit Program increase to .50FTE	0.198
Q2 CEF reduction to Teacher Staffing from 21/22 request and approval to 22/23	-0.303
Total Teachers	-0.003
<u>Administrative Officers</u>	
Q1 Early Learning Child Care Capacity Fund	1.000
Total Administrative Officers	1.000
<u>Education Assistants</u>	
Q1 Mental Health Grant - FTE adj from 2.33 to 1.886 per less funding	-0.436
Q1 Seamless Day K funding confirmed for 22/23 - 1 ECE added	0.750
Q2 Mental Health Grant - unfilled position converted to Pro-D funding	-0.943
Total Education Assistants	-0.629
<u>Support Staff</u>	
Q1 BCTEA Transportation Routes added	2.553
Total Support Staff	2.553
Total All Categories	2.921

2022-23 Special Purpose Fund FTE Summary			
Category	22/23 Q2 Financial Report	Change	22/23 Annual Budget
Teachers	97.621	-0.003	97.624
Administrative Officers	3.000	1.000	2.000
Education Assistants	44.550	-0.629	45.179
Support Staff	25.158	2.553	22.605
Other Professionals	4.500	0.000	4.500
Total FTE	174.829	2.921	171.908

There were only a few changes required within the Special Purpose Funds since the first quarter financial Report. Most notably our staffing request under the Classroom Enhancement Fund was approved in December, and we can confirm that the district received it's full ask of the Ministry as necessary to comply with Class Size and Composition limits under LOU17.

There was a small decrease in teacher FTE required this year over last, thus the staffing adjustment. However, the cost of teacher salaries this year increased over last year, which accounts for the additional funding.

Also, as we received another grant for the Early Childhood Educator (ECE) Dual Credit Program we were able to increase the teaching FTE to a more fulsome assignment and provide enhanced program delivery.

The Special Purpose Fund revenue and expense schedule is presented below, with all known adjustments fully incorporated, inclusive of actuals at December 31st, the prior year comparator, and a summary of changes.

2022-23 - Special Purpose Revenues and Expenses						2021-22 Comparator		
	Actuals at Dec 31	2022-23 Budget - Q2	% Collected or Spent	2022-23 Annual Budget		Actuals at Dec 31	2021-22 Amended Budget - Q2	% Collected or Spent
Revenues - Special Purpose								
Annual Facilities Grant	252,641	573,245	44%	17,499	555,746	155,589	608,485	26%
Learning Improvement Fund	194,530	498,816	39%	-	498,816	191,013	487,126	39%
French Programs	80,882	291,264	28%	35,628	255,636	60,670	270,107	22%
Ready Set Learn	7,127	103,236	7%	39,536	63,700	10,615	102,766	10%
Strong Start	100,548	288,849	35%	32,849	256,000	105,536	289,855	36%
Community Link	909,811	2,445,727	37%	83,949	2,361,778	933,081	2,409,321	39%
Classroom Enhancement Fund	4,694,280	11,765,443	40%	606,741	11,158,702	4,505,444	11,547,216	39%
CR4YC	2,353	30,386	8%	19,136	11,250	1,538	26,780	6%
Mental Health	23,656	137,838	17%	86,838	51,000	8,142	166,440	5%
BCTEA Transportation Fund	64,128	272,353	24%	272,353	-	93,365	297,146	31%
Provincial COVID Fund	-	6,147	0%	6,147	-	59,195	423,553	14%
Federal COVID Fund	173,507	249,739	69%	249,739	-	-	-	-
School Generated Funds	967,689	2,705,000	36%	60,000	2,645,000	773,333	2,645,000	29%
Other Misc./Deferred Revenue	524,702	2,563,759	20%	2,513,759	50,000	171,855	981,031	18%
Total Special Purpose Revenue	7,995,854	21,931,802	36%	4,024,174	17,907,628	7,069,376	20,254,826	35%
Expenses - Special Purpose								
Salaries								
Teachers	3,338,112	8,454,447	39%	171,025	8,283,422	3,159,800	8,279,722	38%
Administrative Officers	178,579	404,696	44%	142,494	262,202	131,521	262,373	50%
Education Assistants	793,556	1,937,582	41%	49,203	1,888,379	823,645	1,958,922	42%
Support Staff	241,264	529,417	46%	138,270	391,147	276,940	655,210	42%
Other Professionals	104,944	208,284	50%	-	208,284	109,718	221,564	50%
Substitutes	219,126	816,410	27%	381,130	435,280	221,521	677,089	33%
Total Salaries	4,875,581	12,350,836	39%	882,122	11,468,714	4,723,145	12,054,880	39%
Benefits	1,198,342	3,106,496	39%	218,594	2,887,902	1,165,831	3,027,636	39%
Total Salaries and Benefits	6,073,923	15,457,332	39%	1,100,716	14,356,616	5,888,976	15,082,516	39%
Services & Supplies	1,921,931	6,474,470	30%	2,923,458	3,551,012	1,180,400	5,172,310	23%
Total Special Purpose Expenses	7,995,854	21,931,802	36%	4,024,174	17,907,628	7,069,376	20,254,826	35%
Fund Variance	-	-	-	-	-	-	-	-

Capital Fund Update:

The Ministry of Education and Child Care provides the district with capital funding, as identified through our 5-year capital plan, where annually and as Ministry funding permits, the most urgent or operationally conducive projects are provided under an "Annual Funding Agreement". In addition, the district's childcare initiative is ongoing, and we have multiple approved projects that are currently underway or scheduled to begin in the near future.

Current projects are identified in the following table starting with the approved funding envelope referred to as the Certificate of Approval, or COA. Following that, all project costs that have been incurred in a prior year(s), known as Work in Progress, or WIP, are reflected leaving the total funding that has not yet been spent which is the budget amount for 2022-23.

Also included are the total project expenses from July 1st to December 31st, leaving the residual funding balance available to support the work of each project until completion or the end of this fiscal year. A revised Capital schedule will be provided each quarter, which will include additional approved Capital project(s) if applicable.

2022-23 Capital Budget - Revenue/Expense Schedule									
December 31, 2022									
Capital Projects				Total Project COA	WIP Yr 1	WIP Yr 2	2022/23 Annual Budget	2022/23 Expenses at Dec 31 - Q2	Project Funding Balance
School Addition	C344B	Hammond Bay		11,277,098	1,955,466	5,293,754	4,027,878	1,944,862	2,083,016
School Reno	C210A	Dover Bay		2,344,274	360,925		1,983,349	902,922	1,080,427
BEP = Building	C337A	Forest Park		31,000	6,132	12,209	12,659	3,365	9,294
Envelope	C211C	John Barsby		24,250	6,947	8,341	8,962	40	8,922
Program	C348B	LIS		33,000	6,495	18,588	7,917	-	7,917
	C352A	Mountain View		44,250	9,695	20,812	13,743	199	13,544
	C358A	NOE		1,322,000	4,722	29,911	1,287,367	330,742	956,625
Seismic	C324C	Cilaire		10,027,544	1,639,939	5,129,007	3,258,598	1,331,587	1,927,011
	C366B	Pleasant Valley		6,713,304	994,187	3,526,325	2,192,792	1,349,687	843,105
SEP/CNCP =	C344A	Hammond Bay		159,000	132,672	18,135	8,193	-	8,193
School	C366A	Pleasant Valley (HVAC)		375,000	511,552	-	136,552	16,717	(153,269)
Enhancement	C324A	Cilaire (HVAC)		1,000,000	1,000,000		-	-	-
Program/Carbon	C209A	Cedar Secondary		400,000	400,000		-	-	-
Neutral Capital	C348A	Ladysmith Intermediate		600,000	90,467		509,533	(2,202)	511,735
Program	C211A	John Barsby Ph2 HVAC		618,000	9,144		608,856	39,624	569,232
	C211B	John Barsby		508,000	45,029		462,971	376,788	86,183
BUS	CP682	District - Bus x 3		642,287	-		642,287	-	642,287
Playground	C324B	Cilaire		165,000	-		165,000	-	165,000
Child Care	C322A	Chase River		2,196,213	292,203	1,096,612	807,398	617,799	189,599
	C337B	Forest Park		2,123,636	505,560	1,343,209	274,867	99,699	175,168
	C349A	LPS		2,206,255	240,656	666,495	1,299,104	648,590	650,514
	C370A	QQS		1,976,689	17,018	-	1,959,671	18,728	1,940,943
	C376A	Rock City		2,436,717	24,418	60,011	2,352,288	472,121	1,880,167
	CP457	Cilaire		2,698,085	-		2,698,085	-	2,698,085
	C341A	Georgia Ave		2,431,273	432		2,430,841	36,777	2,394,064
	CP459	Pleasant Valley		2,838,069	-		2,838,069	-	2,838,069
	CP460	Quarterway		1,073,279	-		1,073,279	-	1,073,279
	C380A	Seaview		2,594,173	4,257	-	2,589,916	2,751	2,587,165
StrongStart	CP452	Bayview		34,286	-		34,286	-	34,286
Project Totals				58,892,682	8,257,917	17,223,408	33,411,357	8,190,797	25,220,560

Note 1: Annual Budget figures are the Total Project COA, less prior year(s) WIP

Note 2: WIP (Work in Progress) - Prior year(s) project expenditures; per Schedule 4B of the Annual Financial Statements

Note 3: COA (Certificate of Approval) - The current approved funding envelope, subject to change by the funding party

Note 4: This list is exclusive of AFG (Annual Facilities Grant) and Local Capital

Local Capital Update:

Presented below is the current Three-Year Local Capital Schedule; accompanying information is on the following page.

Local Capital - Quarterly Financial Update						
<i>December 31, 2022</i>						
<u>Revenue</u>	WIP - Work in Progress prior Year	Budget	Expenses to Dec 31 (Q2)	Budget Remaining	2023-24	2024-25
Deferred Revenue per F/S		7,221,058			1,465,520	1,085,520
Planned carry-forward for to support three-year planning					1,500,000	1,000,000
Estimated additional carry-forward (Variance from Budget)					2,965,520	2,085,520
		<u>7,221,058</u>				
<u>Operating Fund and/or Accumulated Surplus Transfers</u>						
Transfer necessary to support three-year planning					1,250,000	1,250,000
Technology / Infrastructure Upgrades		1,000,000			1,000,000	1,000,000
Total Transfer from Operating		<u>1,000,000</u>			<u>2,250,000</u>	<u>2,250,000</u>
Investment Income		200,000			135,000	135,000
Total Revenue		<u>8,421,058</u>			<u>5,350,520</u>	<u>4,470,520</u>
<u>Planned Local Capital Projects</u>						
Board Goal - Continuous improvement of instruction and assessment						
LC035 Equitable Access to Technology (Wi-Fi)	755,643	1,500,000	685,231	814,769	800,000	800,000
LC609 Technology Plan		1,000,000	52,977	947,023	1,000,000	1,000,000
LC800 Learning Studios		275,000	21,848	253,152	275,000	300,000
Board Goal - To be a leader in environmental stewardship and sustainability						
LC682 Solar Panel Project	4,193	250,000	11,233	238,767		
LC683 Landscape Sustainability Project		10,000	-	10,000		
LC723 Environmental Upgrades - General	33,159	775,000	715,864	59,136	100,000	100,000
LC724 E-Bus		225,000	-	225,000	250,000	275,000
LC561 Outdoor Learning Fund	88,245	300,000	65,089	234,911	50,000	50,000
Board Goal - Safe, caring and healthy learning and working environment that is inclusive of the diversity of our entire learning community						
LC681 Accessibility		40,000	26,153	13,847	40,000	40,000
LC750 School Enhancement Projects	21,000	88,000	16,833	71,167	50,000	50,000
Board Goal - Truth and Reconciliation						
LC203 Syeyutsus Support	8,257	175,000	12,321	162,679	100,000	100,000
Long Range Facilities Plan (LRFP)						
LC580 Vehicle Replacement Program/AMP		381,179	81,179	300,001	350,000	400,000
LC581/LC823 District Equipment/Signage	11,945	200,000	15,919	184,081		
LC997 Enrollment Growth Space Needs	1,524	250,000	231,498	18,502	300,000	350,000
LCSSA School Site Acquisition Fund		400,000	-	400,000		
LCLRP LRFP-Capacity/Capital Contributions		-	-	-	850,000	850,000
LCCAP Support of Pending/New Capital Projects		211,359	67,310	144,049	100,000	100,000
LCTFR Turf Field Reserve		500,000	-	500,000		
LC324 Cilaire Parking Lot		50,000	50,000	-		
TBD Randerson Drainage Support		200,000	-	200,000		
LC66C Pleasant Valley HVAC Support		125,000	65,758	59,242		
TBD LIS/NDSS Capacity and Seismic Capital Contribution		-	-	-		
LCXXX Residual Prior Yr. Project Expense		-	7,492	(7,492)		
LC999 Contingent Reserve		-	-	-		55,520
Total Projects/Expenses	923,964	6,955,538	2,126,704	4,828,834	4,265,000	4,470,520
<u>Fund Balance</u>					1,465,520	1,085,520

Note 1: The current allocations are subject to change if emergent needs arise

Note 2: WIP (Work in progress) is equal to the costs incurred in previous years for projects not yet complete at the end of 2021/22.

Note 3: The amount indicated as the transfer necessary to fund three year planning will be adjusted +/- depending on the year-end Local Capital Balance

Local Capital Funds come from either the sale of any surplus properties and/or through transfers from the Operating Fund. Transfers from the Operating Fund are routinely budgeted to cover capital equipment costs such as the annual technology plan and the vehicle replacement program. Other capital expenditures, not covered under the Ministry's Capital Program, may require further transfers from the Operating Fund during the year. Limited surplus properties mean that future Local Capital resources will be contingent on these transfers.

As a reminder to the Board, the Ministry of Education and Child Care advised that going forward districts are to provide three-year, or multi-year financial plans. However, due to the complexity of government funding, where future year's funding is not able to be confirmed or calculated for certainty, this shift is still in preliminary stages. Ministry will be providing key deliverables, templates, and parameters for which to calculate, estimate and report these plans over the course of this and the coming school year.

In advance of the multi-year financial planning implementation, the Ministry required that districts update their Accumulated Operating Surplus Policy and create a Financial Planning and Reporting Policy. In alignment with these Policies the district has shifted to long term Local Capital planning where a three-year Local Capital project schedule has been created. The purpose of this Schedule is to ensure that the district has the resources available to support long range facility planning for projects not covered under the Ministry's Capital Program, to recommend additional resources be transferred annually from the Operating Fund to support ongoing planning, and to be fully transparent with the public and stakeholders in regard to available resources.

Additional Information:

For the Boards information, the Ministry of Education and Child Care has not yet provided funding for the negotiated General Wage Increases (GWI's), however, per BCTF ratification and Executive Compensation direction and approval from BCPSEA we are already incurring the additional expenses for Teachers, Administrators and Exempt Staff. Wages increases and retro for CUPE staff, per their ratification are currently being calculated, expected to be processed and paid February 17th.

As revenue has not been provided, we are unable to increase our budgeted expenses at this time. On the third quarter financial report, revenue and expenses will be updated accordingly, or we will provide the Board with a further update.

Financial Summary:

Although the districts student enrolment did not meet expected levels at elementary thus funding was lower than anticipated, and growth at secondary required additional staffing resources, we were able to balance the budget with increase investment income and much higher than anticipated ISE revenue.

Overall, the district is in a favorable position as we did not have to appropriate surplus reserves, leaving them intact in case of emergent needs or unforeseen events.

As previously indicated, we are closely monitoring our absenteeism to ensure we have earmarked enough resources to cover total replacement costs in 2022-23 as the effects of the newly legislated sick entitlements under the Employment Standards Acts, on top of the post-COVID landscape of staying home when your sick is yet to be annualized. As well, although we have already adjusted for increased utilities costs, we are tracking monthly expenses as they are recorded and updating projections to year-end; we will make further budget adjustments if necessary.

Ministry of Education Budget Bylaw Reconciliation:

The information provided below reconciles the budgeted figures presented within this financial report to those included in the Ministry of Education and Child Care Budget Bylaw. The official 2022-23 Amended Annual Budget Bylaw, pending Board approval and then submission to the Ministry has been included in the agenda for information purposes.

<u>2022/23 Budget Reconciliation</u>	
Operating Revenue	155,521,301
Special Purpose Revenue	21,931,802
Amortization of Deferred Capital Revenue	6,800,000
Local Capital Investment Income	200,000
Total Revenue	184,453,103
Operating Expense	157,402,439
Special Purpose Expense	21,931,802
Amortization of Capital Asset Expense	10,400,000
Total Expense	189,734,241
Surplus(Deficit)	(5,281,138)
Appropriation of Accumulated Surplus	2,881,138
Surplus(Deficit)	(2,400,000)

* The deficit presented is from the Capital Fund only. It is the difference between the Amortization of Capital Revenue plus Interest Income and the Local Capital Transfer less the Amortization of Capital Asset Expense; Ministry allows for this deficit.

<u>2022/23 Budget Bylaw</u>	
<u>The Bylaw amount is the District's Budgeted EXPENSES only, which are as follows:</u>	
Operating Expense	157,402,439
Special Purpose Expense	21,931,802
Amortization of Capital Asset Expense	10,400,000
Tangible Capital Assets Purchased from Local Capital	5,000,000
Total Bylaw	194,734,241