



FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

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INTRODUCTION

The following is a discussion and analysis of the Delta School District's financial performance for the fiscal year ending June 30, 2022. This report is a summary of the District's financial activities based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the current year budget and prior year results. This report should be read in conjunction with the District's audited financial statements for this same period.

OVERVIEW

The Delta School District aims to be an innovative, inclusive community where all learners belong and everyone soars. We are a District of more than 15,900 student full time equivalents (FTEs) and a headcount of approximately 2,860 active employees. The District's mission is to inspire and nurture thriving, future-ready learners at its 31 schools, located in Ladner, North Delta and Tsawwassen. We value Compassion, Responsibility, Integrity, Creativity, Diversity and Resilience.

Our schools and District offices are located on the traditional territories of the Tsawwassen and Musqueam First Nations. The District offers its respect to the Knowledge Keepers and all First Peoples who have been on these lands since time immemorial.

Our Vision

During 2021-22, the Delta School District and its education stakeholders completed development of the District's vision for the next decade, Vision 2030. This new vision was launched in fall 2021.

An advisory committee comprised of representatives from our staff, students, education partners (CUPE 1091, Delta Teachers' Association, Delta District Parent Advisory Council, and Delta Principals and Vice Principals Association), the Delta Board of Education and local First Peoples – Tsawwassen and Musqueam First Nations – guided the visioning process. Through a variety of conversations and activities, including Zoom calls, online surveys, whiteboard spaces and photo murals, we engaged with our key stakeholders and asked them to share their wishes and desires for the District's future direction. In total, the voices of almost 3,000 individuals were heard, including staff from all schools and district sites. Awareness and experiences gained over the past ten years and lessons learned from the COVID pandemic helped inform the vision for the next decade.

Vision

The Delta School District is an innovative, inclusive community where all learners belong and everyone soars.

Our Mission

To inspire and nurture thriving, future-ready learners.

Our Values

- **Compassion**
- **Responsibility**
- **Integrity**
- **Creativity**
- **Diversity**
- **Resilience**

2021-2024 Strategic Plan



In 2021, the District engaged schools in a planning process to identify key school and District goals under the Ministry of Education and Child Care’s Framework for Enhancing Student Learning (FESL). Schools and departments provided their goals to the District for review. Our analysis of these resulted in a new 2021-2024 Strategic Plan for the District. This new Plan will guide our decision making and actions moving forward, and builds on the achievements from our previous 2018-2021 three-year Strategic Plan. It includes the following five goals:

1. **Graduation for All** → All Delta students will graduate with dignity, purpose, and options, and will leave school more confident and curious than when they entered.
2. **Powerful and Inspiring Learning Environments** → Learning in Delta will provide all students with opportunities and experiences to thrive and flourish.
3. **Strong Foundation in Literacy and Numeracy** → All Delta students will have the literacy and numeracy knowledge and skills to thrive in a global society.
4. **Engaged, Empowered and Healthy Workforce** → Nurturing our workforce will enable employees to thrive and reach their highest potential, which in turn will ensure our students receive the best education possible.
5. **Strong Governance and Stewardship of Resources** → Maximizing the availability of the District’s resources to support the delivery of our strategic goals and ensure long-term sustainability.

The District's Guiding Principles



Academic Achievements for the Year

The District Framework for Enhancing Student Learning (FESL) Goals established back in 2017-18 continued to be a focus for our District and school leaders into the 2021 calendar year. These included:

- 1) Connectedness – Increasing students’ sense of connectedness*
- 2) Reading – All students reading at grade level by grade three*
- 3) Assessment – Building teacher capacity in quality assessment practices*
- 4) Graduation – 100% of students graduating with dignity, purpose, passion and options*

During development of the 2021-2024 Strategic Plan, an assessment was conducted to determine if sufficient progress had been made on the District’s FESL goals. It became clear that some of the District’s FESL goals needed to remain, some had evolved over time, and some broader goals were needed to address gaps in learning and to support student and staff wellness. The guiding principles and goals set out in the 2021-2024 Strategic Plan are intended to help the District meet these needs moving forward.

Literacy Initiatives:

2021-22 saw the continuation of a significant emphasis on student literacy. In primary grades the focus was on developing key foundational proficiencies in reading. The Learning Services team supported schools and teachers in a number of ways:

- Early in the year, all Grade 1 classrooms in the District received a new series of books designed to support a particular stage of early reading. This roll out was supported with professional learning for all Grade 1 teachers.
- All Grade 1-3 teachers chose a new professional resource on reading instruction based on a list of District-approved materials. Workshops were provided for all resource options.
- More than 60 primary teachers attended a six-part book club on “Shifting the Balance” - a popular professional resource that consolidates current reading research. A shorter series was also offered for school principals.
- The “Success with Short Text” project was created for intermediate literacy development – this was a series of curriculum-based bundles of non-fiction articles combined with high-impact classroom routines. The project was piloted with positive results in 12 classrooms before being made available to all intermediate teachers.
- At the end of the year, discussions began at Learning Services around reading in secondary schools. A new District committee will be struck in 2022-23.

Numeracy Initiatives:

In 2021-22, a group of Learning Services staff began working on improving the Numeracy success of Delta students. The main project was an in-depth pilot program called “Math Minds”, which involved:

- Introducing the program to the pilot elementary school
- Supporting the participating staff (90% of classrooms) through the year with professional learning, team-teaching and regular check-ins
- Adjusting and refining the program based on feedback and impact
- Data collection, including report card data, a pre and post assessment using a national math diagnostic, and anecdotal data from staff and students

In addition to the elementary-focused Math Minds program, assessment and reporting resources were created to support Grades 8 and 9 mathematics. This involved contracting a Delta teacher for the final semester to work alongside the District's math coordinator. Together, they created a range of support materials to help teachers design and assess math, aimed toward shifts coming with the new BC Reporting Order. The resources were created and used in workshops in Delta's seven secondary schools and modified based on feedback from each school.

Coordinator of Inquiry (COI) Program:

The COI Program continued in 2021-22, marking the eleventh year of this initiative in the District. The program continued to deepen in impact as it responded to the context of each school. Program goals in 2021-22 were influenced by the ongoing COVID pandemic, with schools continuing to be focused on staff and student wellness, connectedness, and outdoor education.

Indigenous Education

The District's Monday Land Acknowledgment sessions, hosted by Nathan Wilson, continued to have a significant impact District-wide in 2021-22. Sessions were broadcast on Zoom and viewed by hundreds of classrooms in Delta on a weekly basis.

The Indigenous Education Department curriculum team conducted both virtual and in-person visits with students and teachers during the 2021-22 school year. This hybrid model allowed thousands of access points to the Indigenous Cultural Mentor – a newly created exempt position for the District's Indigenous Knowledge Keeper. The Indigenous Education department also developed a mentorship program, Paddling Together, for students in Grades 5 to 12. Fundraising and grant monies enabled the department to acquire a 39-foot fibreglass journey canoe that holds 18 people. Artists from both Musqueam and Tsawwassen First Nations will be taking design ideas from students and parents and transferring them onto the canoe.

The District's Indigenous Literacy Coordinator oversaw the Indigenous Literacy Initiative at 12 elementary schools – this Initiative will continue into 2022-23. The District assigns additional resources to schools with the goal of ensuring primary-aged Indigenous students are reading by end of Grade 3. The District also made a successful application to BC's Office of the Human Rights Commissioner for new Indigenous positions.

Teacher Development

The District's Peer Support Program was developed in 2021-22 to help Delta teachers continually improve their practices. A collection of online resources was made available to assist teachers in their work, and two mentor teachers have been meeting and coaching teachers, including those that are new to the District, to ensure high-quality instruction is being consistently delivered to Delta students. In addition to the Peer Support Program, Delta teachers have access to a wide range of professional development opportunities such as training sessions and workshops.

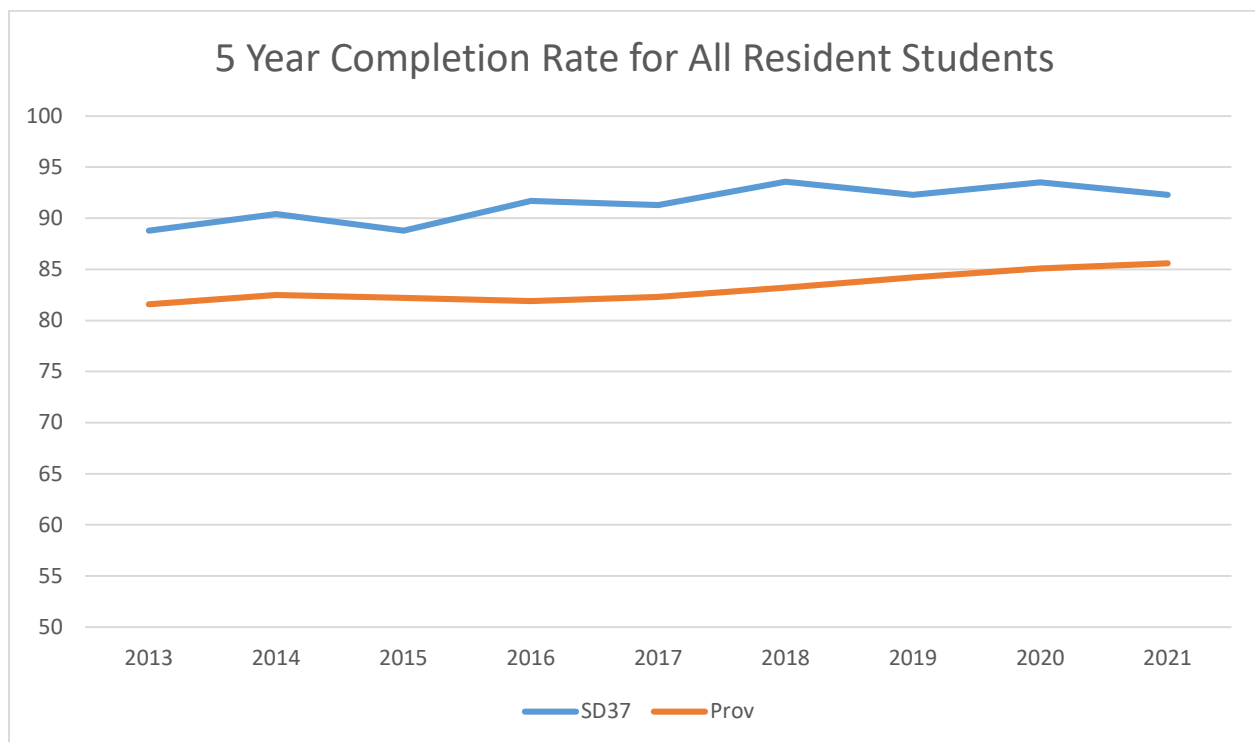
Learning Services

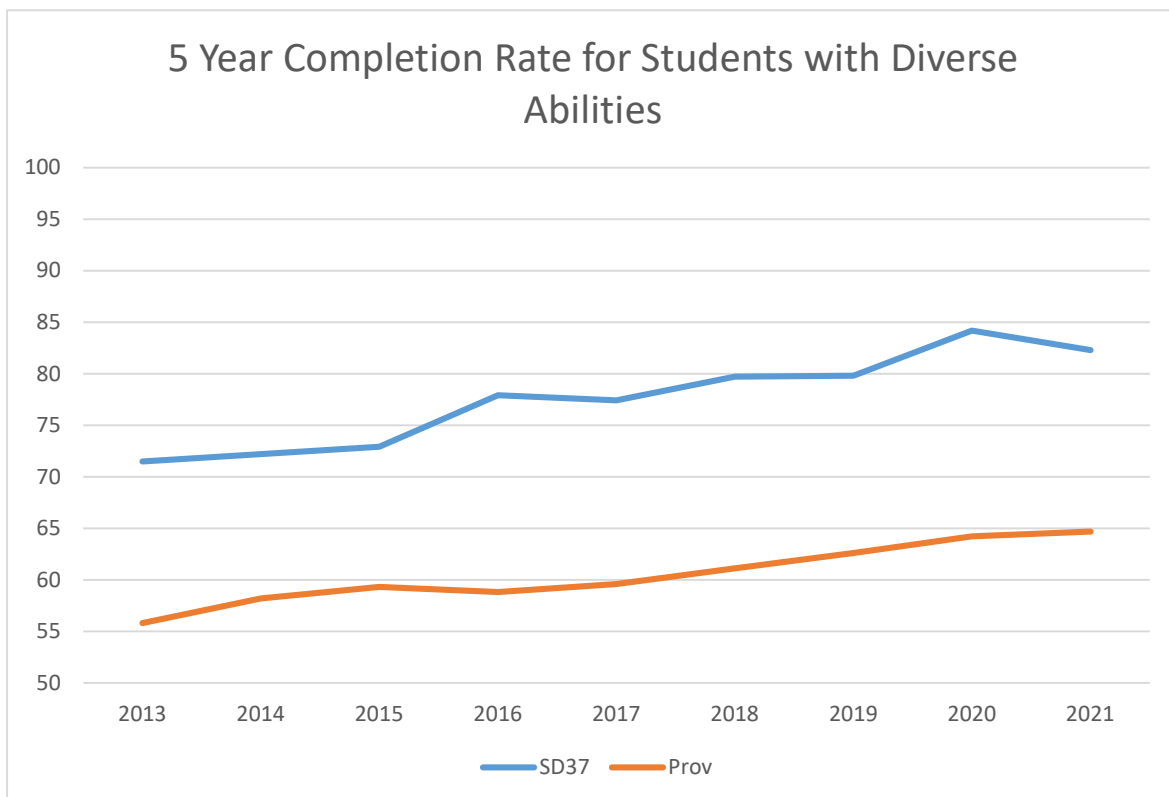
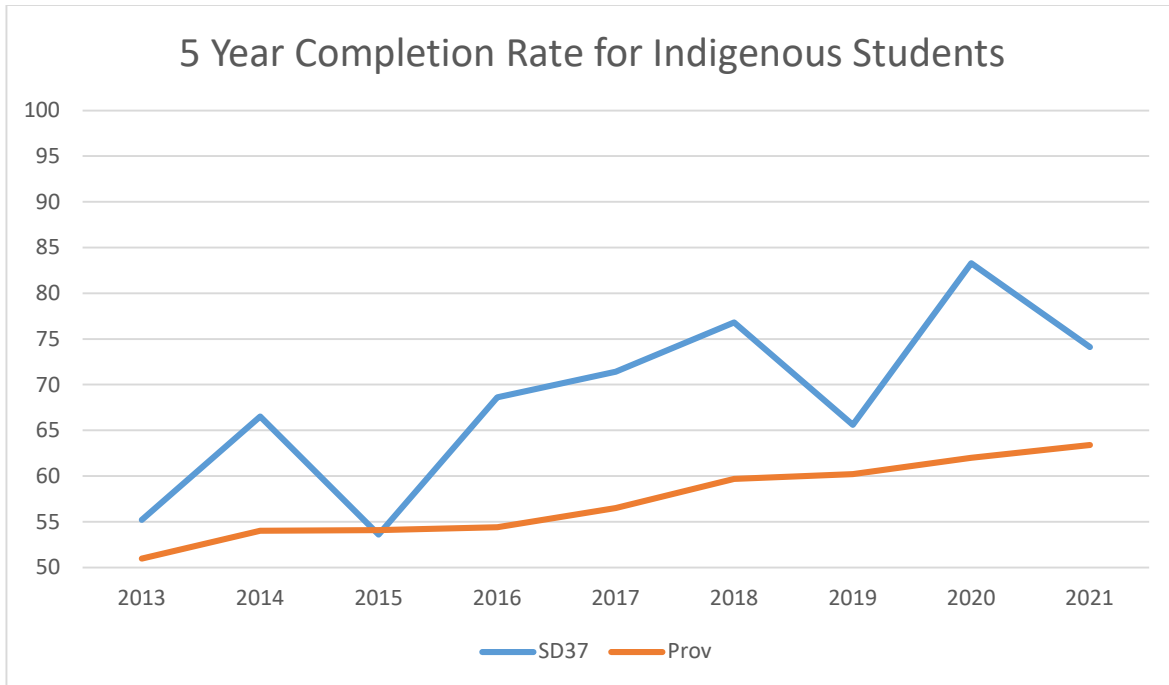
A gradual return to a more normal school year occurred in 2021-22 as we began the recovery from the COVID pandemic. The main focus continued to be on maintaining a healthy and safe environment for all students, families, and staff.

The District's two Distributed Learning Programs, Delta Access (10-12) and Home Quest (K-9), saw significant growth in 2020-21 enrolment due to the pandemic. In 2021-22 enrolments trended downward to more normal levels.

Five Year Completion Rates

The Delta School District continues to have completion rates well above the provincial average as shown in the five-year completion graphs below. We are deeply committed to parity and equity for all students.





International Student Program

The COVID pandemic had a significant impact on the District's schools and students during the 2020-21 year, with travel restrictions resulting in a lower number of international students attending Delta schools. There was some recovery in 2021-22 as restrictions were lifted, resulting in enrolment of 562 students compared to 354 in the previous year. Notably, there was a resurgence to pre-pandemic levels of students from Europe, Thailand, and Japan. The District welcomed back students from its partnerships in Germany, Japan, and Nigeria. In addition, students from Argentina, Armenia, and Myanmar attended Delta schools for the first time. Regular activities were reinstituted, such as sightseeing and cultural opportunities for students.

The District's International Student Program took a leadership role in 2021-22 in the adaptation of national protocols and standards for international students coming into Canada. In addition, a significant number of program staff participated in a series of antiracism workshops as part of their ongoing professional development. Program staff are looking forward to providing increased in-person support across the District's schools as pandemic restrictions continue to be lifted.

Maintenance and Operations

Maintenance and Operations continued to deal with the effects of COVID in 2021-22, including ongoing supply chain issues with increasing costs for goods, services, and materials. The District's custodial team continued its focus on providing safe and clean buildings for students and staff.

The facilities team provided refurbishments to school buildings on a cyclical schedule, including HVAC systems repairs, replacement of air handling rooftop units, roofing refurbishments, and parking lot upgrades. Work was also completed on electrical (emergency lighting and panel upgrades), mechanical (plumbing fixtures and modernization, walk in freezers, and dust extraction units), architectural (carpet wall removal and flooring renewal, locker replacements, and portable relocations), and grounds projects (pavement restoration, softscape upgrades, irrigation, and fencing).

Over the past year, the IT Services department has been working diligently to refresh the District's aging end user devices. This process started with the replacement of elementary school teacher laptops in North Delta and continued with the replacement of elementary mobile cart Chromebooks over the summer. IT Services also continued the work of replacing end-of-life analog phone systems with digital VOIP phone systems, expanded the use of video surveillance in frequently vandalized areas, and created a centralized intranet site, ConnectEd, that contains news and other information for all District staff.

Year in Review

The District worked on several important and high-profile projects during the 2021-22 school year. In the fall of 2021, the District launched Vision 2030 to support students, present and future. In line with Vision 2030 and its new strategic plan, the District initiated a new public engagement process to help stakeholders learn more about the budget and give them more opportunities to provide their feedback and ideas. This included a budget webinar for the public aimed at explaining the budget process and providing an overview of the District's departments and their priorities, and a budget public engagement session to encourage discussion and gather important feedback on stakeholders' funding concerns.

The District continued to expand on important diversity and antiracism initiatives. Delta's Antiracism Committee used a staff survey to gather baseline data and to identify areas where the District needs to focus more time and attention to help make every student and staff member feel valued, seen and heard. Another important antiracism initiative was completed by students in May 2022 – the production of an educational video to help increase community understanding related to racism. Led by its Indigenous Education Department, the District remains committed to implementing the Truth and Reconciliation Calls to Action and preparing educators to teach the curriculum that supports the new Indigenous-focused graduation requirement.

The COVID pandemic continued to have an impact in the District's schools. In January 2022, the Delta Board of Education directed the District to create and implement a Proof of Vaccination Regarding COVID Operations Procedure to help ensure the health and safety of students and staff. The B.C. Government lifted health and safety measures after Spring Break, and school operations were able to return to normal by mid-April, enabling school gatherings and events to resume.

The District's Inclusive Education Department continued to provide support and learning opportunities for parents and caregivers, offering more than 25 free online workshops and seminars during the school year on topics such as preparing for kindergarten, social media awareness, supporting child experience trauma and talking to kids about drugs and alcohol. In April, the District joined forces with the City of Delta, Delta Police Department, Fraser Health Authority, and Tsawwassen First Nation to participate in the End the Stigma Community Forum.

On a more positive note, Delta students continued to show leadership and citizenship with fundraising initiatives such as the Delta Secondary food drive, Hope 4 Hope Flood Food Drive, Sands Secondary Ukraine fundraiser, and Delview's Thanks 4 Giving Food Drive.

FINANCIAL HIGHLIGHTS

About B.C. School District Financial Statements

B.C. School District financial statements are prepared in accordance with section 23.1 of *the Budget Transparency and Accountability Act* of the Province of BC which requires that financial statements are prepared in accordance with Canadian public sector accounting standards, with some exceptions as explained in Note 2 to the financial statements. Public sector accounting emphasizes accountability, not profitability. **School District Financial Statements have a prescribed common format from the Ministry of Education and Child Care**, and they are consolidated into the BC Consolidated Summary Financial Statements.

Further, **Financial Statements of B.C. School Districts are reported as a consolidation of three separate funds: Operating, Special Purpose, and Capital**. In the financial statements, these three separate funds are reported collectively in audited statements 1 through 5, and separately in the unaudited schedule 2 (Operating Fund), schedule 3 (Special Purpose Funds) and schedule 4 (Capital Fund). To gain a full understanding of statements 1 through 5, it is important to also review each of the funds separately.

Change in Enrolment

It all starts with our students...

B.C. Education funding is largely enrolment driven. Enrolment related funding made up 97.5% of the District's 2021-22 Ministry Operating Grant and 76.0% of overall District revenues. Shifts in enrolment can have significant impacts on School District operations.

Student Enrolment

The Delta School District's FTE enrolment presently ranges around 16,000 students of which 99.0% are school-aged K-12 students. The 2021-22 actual enrolment count for school-aged students exceeded the amended budget by 77.25 FTE, while adult students came in 30 FTE under the amended budgeted amount.

School-aged and summer school enrolments were lower than the prior year by 238.531 and 78.375 student-FTE, respectively.

DELTA SCHOOL DISTRICT - #37							
Overall Student Enrolment							
AS AT JUNE 30, 2022							
	Total 2021-22	A. Budget 2021-22	Total 2020-21	\$ Variance from A.Budget	Variance from Prior Year		
School Age	15,813.0625	15,735.8125	16,051.5938	77.250	0.5%	(238.531)	-1.5%
Adult	34.2500	64.2500	49.0313	(30.000)	-46.7%	(14.781)	-23.0%
Summer School	130.1250	130.1250	208.5000	-	0.0%	(78.375)	-60.2%
Total	15,977.4375	15,930.188	16,309.1251	47.250		(331.688)	

...and the students within our students

Currently, BC's Ministry of Education provides additional supplemental funding for students with disabilities or diverse abilities. The Ministry of Education has grouped these into three categories with the following associated funding amounts.

Categories and funding amounts include:

- **Level 1 designations** include physically dependent (A) and deaf blind (B) students; Funding Amount: \$44,850
- **Level 2 designations** include moderate to profound intellectual disability (C); physical disability/chronic health impairment (D); visual impairment (E); deaf or hard of hearing (F); autism spectrum disorder (G) students; Funding Amount: \$21,280
- **Level 3 designations** include students requiring intensive behavior interventions or students with serious mental illness (H); Funding Amount: \$10,750
- **Unfunded Ministry of Education other designations** include mild intellectual disability (K); students requiring moderate behavior support or students with mental illness (R); gifted (P); or learning disabilities (Q).

Students enrolled in September are funded the full amount. Students enrolled after September are counted in February and are funded half of the full-year amount.

Additionally, the Ministry of Education provides funding for students identified as English Language Learners (ELL) at \$1,585, for students with Indigenous Ancestry at \$1,565, for Newcomer Refugees at \$3,943, and for Adult Students at \$5,030.

Student enrolment varies from school year to school year. The total number of students with Level 1, 2 and 3 Ministry designations, and the variation in the amount of students within the three levels, determine the amount of Ministry funding received.

The nature of the supports that students require also varies from school year to school year and as a result, so do the associated costs for providing students with the required supports and services.

The Ministry funding levels do not reflect and do not provide for the full spectrum and associated cost of addressing actual student learning needs.

- **For example**, in a given school year the number of students identified with Level 2 designations may decrease, resulting in less funding than the previous school year while, at the same time, the costs to provide student supports and services may increase as the number of students requiring intensive and costly supports in this category may increase.
- **For example**, an increase in students with Level 3 Ministry designations is often associated with an increase in complex and costly support needs. A student with a Level 3 designation may require a full complement of supports including counsellor, specialized teacher and full time EA support. For example, a full time EA support is provided at a cost of approximately \$50,000 per school year, as compared to supplemental funding of \$10,750 for a student identified as meeting Level 3 designation criteria.

The types and amounts of support services for individual students is driven by their Individual Education Plans, not by the Ministry designation category.

Unique Student Need Enrolment

In 2021-22, enrolment for students identified with Level 1, 2 and 3 Ministry designations decreased by 33 students over the prior year. ELL students decreased by 105 while there was an increase of 50 students with Indigenous ancestry. As a result of the combined impact of enrolment and per pupil funding increases, funding for unique student needs increased by \$975,000. This, in turn, resulted in increased support for students' needs.

The table below shows 2021-22 versus 2020-21 Enrolment for Designated Students:

ENROLMENT FOR STUDENTS WITH UNIQUE STUDENT NEEDS	2021-22		Total	2020-21		Total	2021-22 vs 2020-21	
	FTE	\$ / ea	Revenue	FTE	\$ / ea	Revenue	FTE	Revenue
Level 1 Students - Sep	15.000	44,850	672,750	14.000	43,000	602,000	1.000	70,750
Level 1 Students - Feb	-	22,425	-	1.000	21,500	21,500	(1.000)	(21,500)
Level 1 Students - Total	15.000		672,750	15.000		623,500	-	49,250
Level 2 Students - Sep	776.000	21,280	16,513,280	750.000	20,400	15,300,000	26.000	1,213,280
Level 2 Students - Feb	24.000	10,640	255,360	24.000	10,200	244,800	-	10,560
Level 2 Students - Total	800.000		16,768,640	774.000		15,544,800	26.000	1,223,840
Level 3 Students - Sep	337.000	10,750	3,622,750	387.000	10,300	3,986,100	(50.000)	(363,350)
Level 3 Students - Feb	12.000	5,375	64,500	21.000	5,150	108,150	(9.000)	(43,650)
Level 3 Students - Total	349.000		3,687,250	408.000		4,094,250	(59.000)	(407,000)
ELL	1,659.000	1,585	2,629,515	1,764.000	1,520	2,681,280	(105.000)	(51,765)
Indigenous	665.000	1,565	1,040,725	615.000	1,500	922,500	50.000	118,225
Newcomer Refugees	12.000	3,943	47,316	2.000	3,780	7,560	10.000	39,756
ELL Supplement for Refugees	4.000	793	3,172	1.000	760	760	3.000	2,412
Sub-total	3,504.000		24,849,368	3,579.000		23,874,650	(75.000)	974,718
Unfunded Students	1,057.000			991.000			66.000	-
Total Enrolment & Funding	4,561.000		24,849,368	4,570.000		23,874,650	(9.000)	974,718

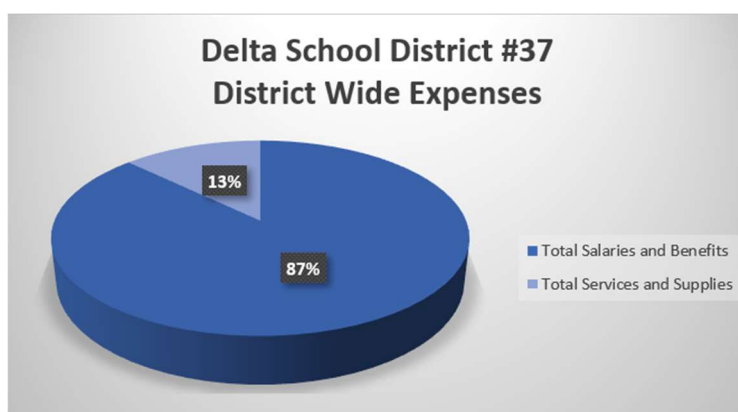
The actual total number of all inclusive education students in 2021-22 was close to the original budgeted number. However, Level 3 and ELL students saw decreases compared to budget, while Level 1, Level 2, and students with Indigenous ancestry saw increases over budget. As shown in the table above, unfunded students do not receive supplemental funding, but each of those students requires an Individual Education Plan (IEP), which may include amended learning outcomes, a list of support services, and/or a list of adapted materials, instruction, or assessment methods.

During the 2021-22 school year, Inclusive Learning continued to prioritize staffing, learning resources, the provision of supports and students directly impacting student success, professional learning and subject-area expert consultation, and the ongoing review and adjustment of structures and processes furthering the District goals of inclusion, equity and the success of all students. Inclusive Learning maintained an array of Kindergarten to Grade 12 support services offered through the tiers of foundational and universal strategies supporting the success of all students through to increasingly targeted and highly individualized supports.

Throughout the 2021-22 school year, to further the goal of continuing to build system-wide capacity to implement universal and inclusive learning environments in support of student success, Inclusive Learning worked with several community-based and internationally renowned subject-area experts in the fields of education, inclusion, and equity.

Changes in Staffing

The majority of School District funding is expended on staffing costs. In 2021-22, 87% of total District expenditures were staffing related.



Teachers

School districts across the province continue to face challenges in teacher recruitment and retention. There is particular difficulty finding staff in specialty areas such as French Immersion, Technology Education, and Inclusive Learning. These issues were exacerbated by the COVID pandemic, as many people in the workforce, including teachers, were pulled away from work to focus on their personal health or the health of family members.

The District uses innovative practices to help manage teacher shortages and attract quality teachers, including using streamlined hiring processes for hard-to-fill positions. The lifting of pandemic restrictions has allowed the return of in-person career fairs for recruitment, while virtual events continue to provide an alternative way to recruit high-quality teachers from across Canada.

Teachers Teaching on Call (TTOC's)

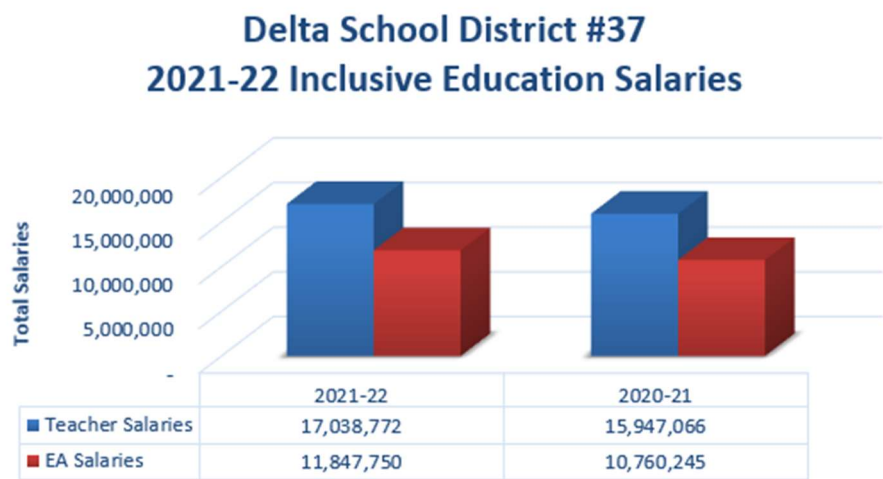
TTOC's are included in the Substitute Labour category, which also includes casual Education Assistants (EA's), Clerical, Maintenance, and Custodial Labour. TTOC's provide release time in the case of teacher illness and to cover teacher collaboration and professional development initiatives.

Since 2017-18, the class size and composition restored language provides teachers with relief where a certain threshold of class size or class compositions have been reached. This relief, referred to as "remedy", can be provided to teachers in several variations, including TTOC release time and pooled minutes to create posted positions. During the 2021-22 school year, several schools were able to buy additional staffing paid through accrued remedy funds.

Education Assistants (EA's)

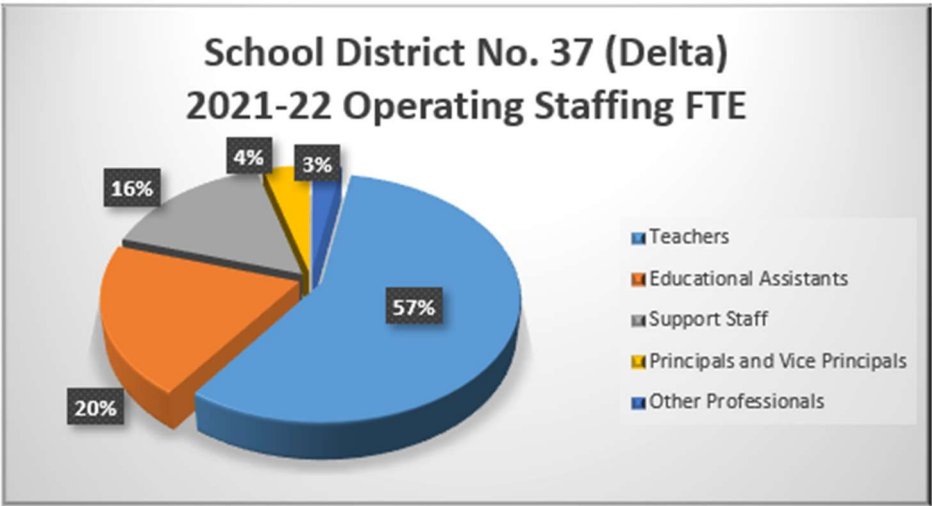
The Education Assistants category includes Child and Youth Care Workers. Education Assistants and Child and Youth Care Workers are employed in a variety of education areas in the District, including Inclusive Education (95%), Career Programs, the International Student Program, Continuing Education, and in a variety of education programs.

The number of EA’s in the District varies with changing individual student needs and enrolment. As noted previously, total 2021-22 enrolment numbers for students with unique student needs decreased compared to the prior year. However, as a result of per pupil funding increases and movements within specific unique student needs categories, total funding for unique student needs increased by \$975 thousand. The increased funding supported the increase in Inclusive Education-related Education Assistant FTE and the related costs in 2021-22 compared to prior year, which was necessary to meet greater service provision needs.



Overall Staffing Composition

At 57%, the largest contingent of the 2021-22 District staffing consisted of teachers, followed by education assistants, who made up 20% of the District’s staffing FTE, and support staff at 16%. Principals and vice principals made up 4% of overall staffing and other professionals, who include management and trustees, made up 3% of the FTE distribution (please see below).



Operating Accounts

The circumstances of 2021-22 resulted in an **Operating Deficit of \$4.95 million**, which **decreased the Operating reserve from \$19.01 million to \$14.07 million**.

The primary factors that contributed to the Deficit:

- Revenue impacts, including \$1.19 million International Education Revenues plus \$148 thousand in Investment Income - **Total: \$1.177 million**
- Wages, including \$1.5 million in teachers' salaries, \$924 thousand for EA's, \$902 thousand for Support staff, and \$2 million for Substitutes - **Total: (\$6.723) million**
- Expenses including (\$132) thousand in Utilities, and \$663 thousand in Schools and District department expenses - **Total: \$530 thousand**
- Addition of non-restricted School Generated Funds (per Public Sector Accounting Standards) – **Total \$2.024 million**
- Technology and other Asset Purchases from reserve and department budgets - **Total: (\$2.185) million**

DELTA SCHOOL DISTRICT - #37					
Operating Fund Net Change					
AS AT JUNE 30, 2022					
	Total 2021-22	A. Budget 2021-22	Total 2020-21	\$ Variance from A.Budget	Variance from Prior Year
Total Revenue	174,450,346	168,076,090	168,309,148	6,374,256	6,141,198
Total Expenses	177,212,193	174,970,312	165,248,870	2,241,881	11,963,323
Net Change	(2,761,847)	(6,894,222)	3,060,278	4,132,375	(5,822,125)
Total Net Transfers	(2,185,326)	(1,813,589)	(2,907,500)	(371,737)	722,174
Total Net Change	(4,947,173)	(8,707,811)	152,778	3,760,638	(5,099,951)
Acc. Surplus Opening Balance	19,012,726	19,012,726	18,859,948	-	152,778
Acc. Surplus Ending Balance	14,065,553	10,304,915	19,012,726	3,760,638	(4,947,173)

Special Purpose Funds

Special Purpose Funds financial statement schedules provide information on “restricted contributions” where the term “restricted contributions” is defined as legislative or contractual stipulations, or restrictions, as to the use of funds. This, among other funds, includes funds that are designated to be Special Purpose Funds by the Ministry of Education (e.g.: Annual Facilities grant) and it includes Scholarship Funds.

At the beginning of the year, the District's Special Purpose Funds had a combined opening balance of \$4.505 million. Receipts of \$18.566 million, spending of \$18.320 million, and reclass of \$1.928 million to the Operating Fund resulted in a (\$1.682) million decrease in the balance to be carried forward. The total carry-forward balance as at June 30, 2022 was \$2.823 million. For more information, please see the section called “Financial Analysis” Subsection “Special Purpose Funds” on page 30.

DELTA SCHOOL DISTRICT - #37

Special Purpose Funds

AS AT JUNE 30, 2022

	ACTUAL Schedule 3A	Prior Year Schedule 3A	Variance from Prior Year
Provincial Grants - Ministry of Education (net)	17,037,382	21,699,590	(4,662,208)
Provincial Grants - Other	257,517	104,674	152,843
Federal Grants	-	-	-
Other	1,260,908	2,762,049	(1,501,141)
Investment Income	10,006	8,098	1,908
Total Restricted Grants	18,565,813	24,574,411	(6,008,598)
Allocated to Revenue	18,319,778	24,801,441	(6,481,663)
Reclass to Operating Fund	1,928,079	-	1,928,079
Total Net Change	(1,682,045)	(227,030)	(1,455,015)
Beginning Balance	4,505,147	4,732,177	(227,030)
Ending Balance	2,823,102	4,505,147	(1,682,045)

Capital Accounts

Capital Fund financial statement schedules provide information on the District's tangible capital asset acquisitions and the net book value of these acquisitions. Additionally, these schedules provide information on externally restricted capital revenues provided to the District for the acquisition of tangible capital assets, and on funds transferred in from the operating or special purpose funds for the purpose of acquiring tangible capital assets.

During the school year ended June 30, 2022, the District spent \$7.162 million in capital assets and capital lease costs. The \$7.162 million spent consisted of \$4.483 million in building and playground upgrades, \$1.773 million in technology and technology infrastructure projects, \$292 thousand in facilities equipment replacements, and \$613 thousand in capital lease payments.

Funding used to make these payments possible consisted of the following sources: \$4.129 million from the Ministry of Education, \$2.185 million from District Operating Funds, \$676 thousand from Special Purpose Funds, and \$171 thousand from other sources.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT

Statement of Financial Position

Definition: “An overarching statement that summarizes an entity’s financial position. It presents an entity’s financial assets and liabilities at a point in time. The statement layout provides two key performance measures of the entity’s ability to finance its operations and provide future services”. (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

The two financial measures are: 1) Net Financial Assets (Debt) and 2) Accumulated Surplus (Deficit).

1) Net Financial Assets (Debt)

“Net debt is a term that is unique to public sector financial reporting. It is the difference between an entity’s financial assets and liabilities at a point in time. This performance measure provides readers with important information regarding the entity’s requirement to generate future revenues to fund past services and transactions.” (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

School Districts will show a “net debt” position due to the funding provided, primarily by the Ministry of Education, for large capital projects and school acquisitions, but also by other external Ministries and organizations. These types of funding carry the term “Deferred Capital Revenue”. Differently from a debt, these contributions do not have to be repaid but are amortized over time. A net debt position therefore is not an indicator of insufficient financial assets to settle existing liabilities.

When District net debt is offset by non-financial assets, which include net capital assets, the resulting positive measure denotes a District’s accumulated surplus. Under the *School Act*, School Districts must not incur any accumulated deficits.

2) Accumulated Surplus (Deficit)

An accumulated surplus position means that a district has net positive resources for the provision of future services. District-wide “Accumulated Surplus” consists of “Accumulated Operating Surplus” and “Accumulated Capital Surplus”.

Conceptually, special purpose funds do not incur surpluses because the deferred revenues remaining in these funds are liabilities that are owing back to the provider of the funds in the event that the stipulations attached to the funds are not met.

As an exception, when special purpose funds make capital expenditures, they create a surplus by recognizing more revenues than expenses. This surplus is then transferred to the Capital Fund in payment of the capital acquisition (see Schedules 3 and 3a in the Financial Statements). The revenue recognized thus exactly covers operating and capital expenditures, leaving no surplus.

An accumulated operating surplus consists of accumulated surpluses and deficits over the years. The balance must always be positive, however, school districts can incur an annual deficit when they are in an accumulated surplus position. The deficit is a way to access the prior accumulated surplus balances.

The use of accumulated operating surplus balances is guided by District policy and is authorized, monitored, and reviewed by the Board and the Audit Committee throughout the year.

SCHOOL DISTRICT No. 37 (DELTA) STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022				
	TOTAL 2021-22	TOTAL 2020-21	Variance from Prior Year	% of Change
FINANCIAL ASSETS				
Cash and Cash Equivalents	50,614,072	50,778,597	(164,525)	-0.3%
Accounts Receivable				
Due from Province - Ministry of Education	577,978	170,149	407,829	239.7%
Due from Province - Other	38,297	41,955	(3,658)	-8.7%
Due from LEA/Direct Funding	278,146	267,503	10,643	4.0%
Other Receivables	1,197,510	993,041	204,469	20.6%
TOTAL FINANCIAL ASSETS	52,706,003	52,251,245	454,758	0.9%
LIABILITIES				
Accounts Payable and Accrued Liabilities				
Due to Province - MOE	-	23,537	(23,537)	-100.0%
Due to Province - Other	19	152	(133)	-87.5%
Other	19,659,590	14,476,071	5,183,519	35.8%
Unearned Revenue	8,273,262	6,664,556	1,608,706	24.1%
Deferred Revenue	2,823,102	4,505,147	(1,682,045)	-37.3%
Deferred Capital Revenue	105,325,074	105,683,749	(358,675)	-0.3%
Accrued Employee Future Benefits	4,669,003	4,665,747	3,256	0.1%
Capital Lease Obligations	3,940,828	4,379,651	(438,823)	-10.0%
Other Liabilities	1,428,407	1,483,285	(54,878)	-3.7%
TOTAL LIABILITIES	146,119,285	141,881,895	4,237,390	3.0%
NET FINANCIAL ASSETS (DEBT)	(93,413,282)	(89,630,650)	(3,782,632)	4.2%
NON-FINANCIAL ASSETS				
Tangible Capital Assets - Net	138,708,668	139,190,450	(481,782)	-0.3%
Prepaid Expenses	364,994	586,734	(221,740)	-37.8%
Supplies Inventory	38,774	28,761	10,013	34.8%
TOTAL NON-FINANCIAL ASSETS	139,112,436	139,805,945	(693,509)	-0.5%
ACCUMULATED SURPLUS (DEFICIT)	45,699,154	50,175,295	(4,476,141)	-8.9%

Financial Assets

Definition: "Financial Assets are the financial resources an entity controls and can use to pay what it owes to others. These assets include cash, accounts receivable, investments and assets that are convertible to cash or that generate cash so that the entity can pay its liabilities as they come due".

(Quoted from: "Understanding Canadian Public Sector Financial Statements" by the Office of the Auditor General of BC)

Cash and Investments Balance

Cash and investments are required to settle the District's liabilities after deducting its receivables. The District's cash balance is always sufficient to cover these costs and the initiatives that are fundable from the accumulated operating surplus.

The District's cash and investments balance decreased by (\$165) thousand (decrease of 0.3%) over the prior year. The reconciliation below provides details regarding the change in cash and investments from the prior year and shows how it will be used to meet District requirements. Most significant among these are an increase of \$5.160 million in Accounts Payable, mostly due to teacher summer pay being kept in District-held rather than teacher-held accounts this year, and a \$1.609 million increase in tuition and facility rental advance payments, offset against a decrease of (\$1.682) million in unspent special purpose funds and a decrease of (\$4.947) million in internally restricted operating reserves.

2021-22 CASH RECONCILIATION				
CASH & INVESTMENT BALANCE AT JUNE 30, 2022	2021-22		2020-21	
CASH BALANCE FOR ALL FUNDS	15,542,267		16,077,498	
INVESTMENT WITH PROV. TREASURY	35,071,805	69%	34,701,099	
PORTFOLIO INVESTMENTS	-		-	
TOTAL CASH & INVESTMENTS	50,614,072		50,778,597	
FUNDS NEEDED FOR				
Accounts Payable	19,659,608		14,499,760	
<i>Includes: Wages, Payroll Deductions</i>				
<i>Amounts due to Vendors, Taxes</i>				
Tuition and Facility Rental Advance Payments	8,273,262		6,664,556	
Restricted Special Purpose Funds	2,823,102		4,505,147	
Unspent Deferred Contributions - Capital Funds	1,574,347		1,750,150	
Accrued Employee Benefits - Mercer	4,669,003		4,665,747	
Vacation and Overtime Banks	1,428,407		1,483,285	
Operating Reserve Initiatives	14,065,553		19,012,727	
Capital Reserves Initiatives	616,487	14,682,040	285,368	19,298,095
LESS: FUNDS TO BE RECEIVED FOR OR SAVED FROM				
Accounts Receivable	(2,091,929)		(1,472,648)	
<i>Includes: GST Refund, TFN & Other Billings</i>				
<i>Computer Plan, Interest Receivable</i>				
<i>Amounts receivable from PAC and SGF</i>				
Prepaid Expenses	(364,994)		(586,734)	
Maintenance Inventory	(38,774)		(28,761)	
TOTAL USES OF CASH & INVESTMENTS	50,614,072		50,778,597	

Accounts Receivable increased by \$619 thousand due to various year-end timing differences between the current and prior fiscal years from transactions pertaining to the ordinary course of business. Included in this amount are \$408 thousand in increased receivables from the Ministry of Education due to the receipt of funding for capital projects and an increase of \$204 thousand in other receivables.

Liabilities

Definition: “Liabilities are existing financial obligations to outside parties at the date of the financial statements. They result from past transactions and events and will lead to the future sacrifice of economic benefits”. (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

Accounts Payable increased by \$5.160 million. This amount comprises various year-end timing differences including the following: \$4.446 million increase in teachers’ summer pay, \$1.453 million increase in International Student Program payables, (\$203) thousand decrease in amounts owing to the federal government, (\$258) thousand decrease in trade payables, (\$202) thousand decrease in wages payable, and a decrease of (\$68) thousand in construction holdbacks.

Unearned Revenue consists of advance tuition fees received for the upcoming school year. As the education services paid for by these fees have not yet been provided by the District, the fees have not yet been earned. Unearned revenues increased by \$1.609 million due to enrolment increases in the International Student Program as COVID travel restrictions were lifted.

Deferred Revenue is another form of liability consisting of advance payments that have not been earned yet. Deferred revenues mainly include capital and special purpose funds that have been restricted by the provider of the funds for a particular use. This funding is recorded as revenue when the deliverables have been provided. Deferred revenue decreased by (\$1.682) million as a result of changes in the unspent carry-forward balances of various special purpose funds.

Deferred Capital Revenue (DCR) consists of deferred revenue that is earmarked for capital projects. Deferred capital revenue is taken into income via amortization. DCR decreased by (\$359) thousand from the prior year. This was related to an increase of only \$4.124 million in deferred capital revenue employed in capital projects, compared with a decrease of (\$4.483) million through the amortization of deferred capital revenue.

Accrued Employee Future benefits include post-employment benefits, compensated absences and termination benefits. Liability balances are determined by an actuarial process and are reduced when entitlements are taken through leaves or payouts. The liability amount for 2021-22 only increased by \$3 thousand from the prior year.

Capital Lease Obligations Lease payments made during the 2020-21 school year reduced principal owing on District leases by (\$439) thousand.

Other Liabilities decreased by (\$55) thousand due to an decrease of accruals for vacation and overtime banks.

Non-Financial Assets

Definition: “Non-financial assets are assets that an entity will use up when providing future services to the public. These assets are not normally used by an entity to settle its liabilities with external parties. As a result, they are shown separately in the Statement of Financial Position”. (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

Tangible Capital Assets: An adjustment of \$3.472 million was made by the District in 2021-22 to the June 30, 2021 tangible capital assets balance to apply the half-year rule method of amortization beginning in the fiscal year an asset is placed into service. With the adjustment, the tangible capital assets balance as at June 30, 2022 decreased by (\$482) thousand from the prior year. This change consisted of \$5.722 million in capital asset additions (net of disposals), primarily in the areas of buildings and to a lesser extent in computer hardware. The asset additions were offset by amortization of (\$6.204) million (net of disposals).

Prepaid Expenses decreased by (\$222) thousand due to decreases in prepaid IT support fees paid to external vendors.

Supplies Inventory saw a small variance resulting from the normal course of doing business.

Accumulated Surplus or Deficit

Definition: “The accumulated surplus or deficit represents the net recognized economic resources (all assets and liabilities) of the entity at the date of the financial statements. This measure provides the net economic position of the entity from all years’ operations at a point in time. An accumulated surplus position means that the entity has net positive resources that could be used to provide future services. An accumulated deficit position means that the entity has borrowed to finance annual operating deficits”. (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

Accumulated Surplus totals \$45.699 million and consists of \$14.066 million in accumulated operating surplus and \$31.634 million in accumulated capital surplus balances.

Accumulated Operating Surplus of \$19.013 million at the beginning of the year, decreased by (\$4.947) million during the year as described on page 16 of this report. Note 18 “Internally Restricted Surplus” of the 2021-22 financial statements provides details of the composition of the reserve funds.

Accumulated Capital Surplus of \$31.163 million at the beginning of the year, increased during the year by \$471 thousand. It is composed of investments in capital assets in the amount of \$31.017 million and of local capital reserves of \$616 thousand. For greater detail on the activity in these areas throughout the year, please refer to Schedule 4 of the 2021-22 financial statements package.

DELTA SCHOOL DISTRICT - #37

Operating Fund Net Change

AS AT JUNE 30, 2022

	Total 2021-22	A. Budget 2021-22	Total 2020-21	\$ Variance from A.Budget	Variance from Prior Year
Total Revenue	174,450,346	168,076,090	168,309,148	6,374,256	6,141,198
Total Expenses	177,212,193	174,970,312	165,248,870	2,241,881	11,963,323
Net Change	(2,761,847)	(6,894,222)	3,060,278	4,132,375	(5,822,125)
Total Net Transfers	(2,185,326)	(1,813,589)	(2,907,500)	(371,737)	722,174
Total Net Change	(4,947,173)	(8,707,811)	152,778	3,760,638	(5,099,951)
Acc. Surplus Opening Balance	19,012,726	19,012,726	18,859,948	-	152,778
Acc. Surplus Ending Balance	14,065,553	10,304,915	19,012,726	3,760,638	(4,947,173)

Statement of Operations

Definition: “The Statement of operations explains the change in the accumulated surplus or deficit from the prior year. Financial elements of the statement of operations include revenues and expenses. The performance and accountability measures are the annual surplus or deficit and the comparison of budgeted to actual results”. (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

Revenues

Definition: “Revenues are increases in economic resources that result from the entity’s operations, transactions and events during the accounting period. Revenues result from decreases in liabilities or increases in assets”. (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

DELTA SCHOOL DISTRICT - #37

Operating Fund Revenues

AS AT JUNE 30, 2022

	Total 2021-22	A. Budget 2021-22	Total 2020-21	\$ Variance from A.Budget		Variance from Prior Year	
Ministry of Education	155,981,150	154,946,199	157,767,962	1,034,951	1%	(1,786,812)	-1%
Provincial Revenue	775,969	694,039	725,156	81,930	12%	50,813	7%
Federal Revenues	1,214,995	1,096,540	1,057,741	118,455	11%	157,254	15%
Tuition	8,935,565	8,552,063	5,888,996	383,502	4%	3,046,569	52%
Other Revenues	6,490,423	1,956,874	1,995,515	4,533,549	232%	4,494,908	225%
Facility Rental	640,505	566,375	440,127	74,130	13%	200,378	46%
Interest Income	411,739	264,000	433,651	147,739	56%	(21,912)	-5%
Total Operating Fund Revenues	174,450,346	168,076,090	168,309,148	6,374,256	4%	6,141,198	4%

[Ministry of Education Funding](#) was \$1.035 million higher than the Amended Budget and (\$1.787) million lower than the prior year.

- **Variance from the Amended Budget:** Inclusive Education and Continuing Education funding for mid-year enrolment increased by \$370 thousand and \$345 thousand, respectively. Graduated adults funding came in \$107 thousand over expectation. Ministry of Education funding levels are known up to the time of finalizing the Amended Budget at the end of February. Funding in excess of the Amended Budget tends to be for amounts unknown at the time of preparing the Amended Budget or is estimated low due to reasons of uncertainty.
- **Variance from the Prior Year:** [Regular Instruction Block Funding](#) increased by \$3.695 million over 2020-21. This increase resulted from the per pupil amount increase of \$325, from \$7,560 in 2020-21 to \$7,885 in 2021-22. Inclusive Education also saw per pupil amount increases, resulting in an increase of \$552 thousand over 2020-21 for the District's Inclusive Education program. Continuing Education Academic Program funding decreased by (\$528) thousand over 2020-21, largely due to decreased DL enrolment. Graduated Adult Program funding decreased by (\$117) thousand compared to 2020-21.

The District received \$4.479 million in labour settlement funding in 2020-21 but did not receive any such funding in 2021-22 as this funding was instead rolled into the per pupil amounts. Holdback funding of \$488 thousand, targeted for the COVID-related learning impacts, did not have an equivalent in the 2021-22 funding.

[Provincial Revenues](#) were \$51 thousand higher than the prior year and \$82 thousand higher than the Amended Budget, mainly in connection with grants for the Language Challenge, Life Skills, and POPARD Teacher Training programs.

[Federal Revenues](#) were \$157 thousand higher than the prior year and \$118 thousand higher than the Amended Budget, in connection with the Federal LINK and SWIS programs. Approved funding for these programs is received based on service provision.

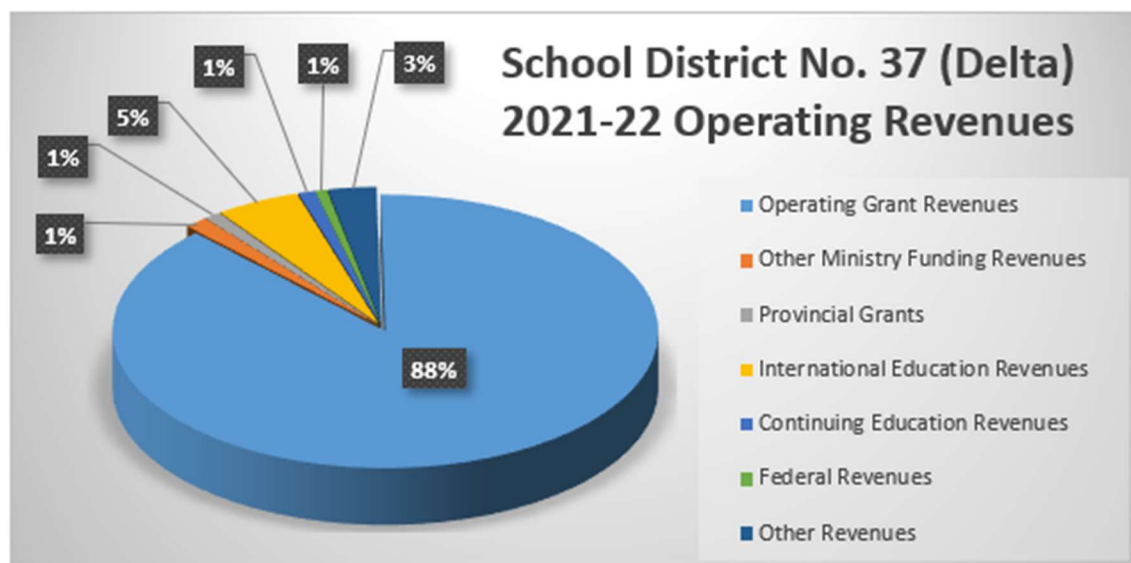
[Tuition Revenues](#) were \$3.047 million higher than the prior year and \$384 thousand higher than the Amended Budget. The increase over prior year was primarily due to lower International Student enrolment from COVID travel restrictions in 2020-21, compared to higher enrolment in 2021-22 as the restrictions were lifted.

[Other Revenues](#) were \$4.495 million higher than the prior year and \$4.534 million higher than the Amended Budget, mostly because of \$4.034 million in additional revenues from school generated funds.

[Facility Rentals](#) were \$200 thousand higher than the prior year and \$74 thousand higher than the Amended Budget. During COVID, rentals to outside groups were suspended; however, some District spaces were able to be rented out again in 2021-22 as restrictions lifted.

[Interest Income](#) was (\$22) thousand lower than the prior year but \$148 thousand higher than the Amended Budget. Differences were due to investment rate fluctuations.

Revenue distribution by source:



Expenses

Definition: “Expenses are decreases in economic resources that result from the entity’s operations, transactions and events during the accounting period. Expenses result from decreases in assets or increases in liabilities”. (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

OPERATING SALARIES

DELTA SCHOOL DISTRICT - #37 Operating Fund Salaries and Benefits AS AT JUNE 30, 2022							
	Total 2021-22	A. Budget 2021-22	Total 2020-21	\$ Variance from A. Budget		Variance from Prior Year	
Teachers	83,147,504	83,174,757	80,373,655	(27,253)	0%	2,773,849	3%
Principals and Vice Principals	9,567,434	9,531,247	9,230,971	36,187	0%	336,463	4%
Educational Assistants	13,277,696	13,078,970	12,113,155	198,726	2%	1,164,541	10%
Support Staff	13,637,849	13,699,698	12,554,891	(61,849)	0%	1,082,958	9%
Other Professionals	4,433,951	4,344,051	4,008,095	89,900	2%	425,856	11%
Substitutes	5,556,940	4,628,662	3,983,201	928,278	20%	1,573,739	40%
Total Salaries	129,621,374	128,457,385	122,263,968	1,163,989	1%	7,357,406	6%
Benefits	32,158,902	32,101,527	30,732,921	57,375	0%	1,425,981	5%
Total Salaries and Benefits	161,780,276	160,558,912	152,996,889	1,221,364	1%	8,783,387	6%

Teacher Salaries were \$2.774 million higher than the prior year but only (\$27) thousand lower than the Amended Budget. The higher costs were driven by higher classroom teacher costs, which were \$3.259 million greater in 2021-22 compared to 2020-21, with an offset from lower teacher illness costs. Costs

that came in higher compared to the Amended Budget include those for classroom teachers (\$651 thousand higher), online distance learning teachers (\$531 thousand higher), and summer school teachers (\$199 thousand higher), while costs that came in lower than the Amended Budget include those for international teachers (\$393 thousand lower), special education teachers (\$201 thousand lower), teacher illness (\$366 thousand lower). All other teaching costs came in under budget by (\$448) thousand.

[Principal and Vice Principals Salaries](#) were \$336 thousand higher than the prior year and only \$36 thousand higher than the Amended Budget. A salary increase of 2% had been included in the Amended Budget; however, the actual increase was somewhat larger than was anticipated. The increase in salaries compared to the prior year is due to administrative increases over the prior year, Academy overhead having been incurred out of Federal COVID funding in the prior year, salary composition changes, and overlap coverage due to illness and temporary leaves.

[Education Assistant \(EA\) Salaries](#) were \$1.165 million higher than the prior year and \$199 thousand higher than the Amended Budget. In Inclusive Education, there was a significant increase in reserve funded EA staffing this year due to COVID impacts for which there were no longer any COVID grants available. International EA costs increased as COVID-related travel bans were lifted, resulting in a related enrolment increase in the International Program.

[Support Staff Salaries](#) were \$1.083 million higher than the prior year and \$62 thousand lower than the Amended Budget. Maintenance and Facility Services salaries were higher in 2021-22 due to increased FTE to deal with ongoing maintenance and cleaning needs related to the pandemic. Clerical Staffing at the District increased due to additional reserve funded support staffing in Human Resources. Support positions increased also to some extent due to Collective Agreement increases. Homestay Coordinator costs increased as COVID-related travel bans were lifted, resulting in a related enrolment increase in the International Program.

[Collective Agreement Increases for 2021-22](#)

Teachers, education assistants and support staff received a collective agreement increase of 2%, effective July 1, 2021; and no Economic Stability Dividend was given this year.

Salaries for [Other Professionals](#) were \$426 thousand higher than the prior year and \$90 thousand higher than the Amended Budget. Costs in this category increased compared to the prior year due to exempt staff salary increases authorized under the Provincial compensation framework and small increase in FTE.

[Substitute Labour](#) includes TTOCs, Casual EAs, Casual Maintenance and Facility Service workers, Casual Clerical, Cafeteria staff and Crossing Guards. Costs in this category were \$1.574 million higher than the prior year and \$928 thousand higher than the Amended Budget. Key factors for this include:

- [Illness & Absence](#): Short term illnesses and absences increased over the prior year by \$1.433 million. Some of this cost increase was anticipated in the Amended Budget but full-year trends are not entirely visible at the time of the Amended Budget creation.

- Substitute Teachers: In 2020-21, \$410 thousand COVID-specific TTOC costs were incurred for health and safety measures. With COVID easing off in 2021-22 actual costs were lower by (\$112) thousand than in the prior year. However, at Amended Budget time, the full yearly cost could not yet be predicted. This resulted in the Amended Budget being too low by \$215 thousand.
- Casual Aides: These employees fill in for ongoing EA positions, where the assignment is short or where EA's are not available. 2021-22 costs exceeded the prior year by \$128 thousand. Some of the cost increase was anticipated in the Amended Budget but full-year trends are not entirely visible at the time of the Amended Budget creation.

Benefits were \$1.426 million higher than the prior year and \$57 thousand higher than the Amended Budget. Key factors for this include:

- Extended Health and Dental costs were (\$184) thousand lower than prior year due to decreased benefit rates – these rates are given by the benefits providers. Benefits costs were \$77 thousand over the Amended Budget due to the addition of reserve funded staff for COVID related coverage, for instance in Facility Services and Inclusive Education.
- CPP/EI costs were \$824 thousand higher than prior year and \$114 thousand over the Amended Budget, due to increases in the required CPP contribution rate and increased salaries expense this year.
- Employer Health Tax costs were \$152 thousand higher than prior year but only \$49 thousand over the Amended Budget. The costs were greater this year due to increased salary expenses.
- Pension costs increased by \$479 thousand over the prior year, mostly on the Teacher Pension side, due to increased salary expenses (pension costs are calculated as a % of salaries). Greater salary costs had been anticipated in the Amended Budget, and as pension costs are wage sensitive the Amended Budget was underspent by (\$195) thousand. The Municipal Pension rate dropped somewhat in the second half of the prior school year. The lower rates impacted all of 2021-22 which was difficult to anticipate with great certainty, given staffing changes, and some semestered class schedules.
- All other benefits costs increased, in total, by \$189 thousand this year, mostly due to WorkSafe costs increasing \$184 thousand over the prior year.

OPERATING SERVICES & SUPPLIES

DELTA SCHOOL DISTRICT - #37 Operating Services and Supplies AS AT JUNE 30, 2022							
	Total 2021-22	A. Budget 2021-22	Total 2020-21	\$ Variance from A.Budget	Variance from Prior Year		
Services Total	4,296,397	4,469,475	4,122,718	(173,078)	-4%	173,679	4%
Student Transportation Total	1,084,569	1,071,736	971,762	12,833	1%	112,807	12%
Professional Development and Travel Total	469,659	540,066	384,663	(70,407)	-13%	84,996	22%
Rentals and Leases Total	46,172	55,202	18,923	(9,030)	-16%	27,249	144%
Dues and Fees Total	201,050	196,102	160,249	4,948	3%	40,801	25%
Insurance Total	316,001	326,001	320,194	(10,000)	-3%	(4,193)	-1%
Supplies Total	6,312,347	5,171,089	3,761,385	1,141,258	22%	2,550,962	68%
Utilities Total	2,705,722	2,581,729	2,512,087	123,993	5%	193,635	8%
Total Services and Supplies	15,431,917	14,411,400	12,251,981	1,020,517	7%	3,179,936	26%

Services budget allocations and transfers from other budget areas after the Amended Budget date (end of February), for instance, from supplies, have not been captured in the Amended Budget. These timing differences explain many of the variances in spending to the Amended Budget. Services decreased by \$173 thousand over the Amended Budget and increased by \$174 thousand compared to the prior year.

Variances to the Amended Budget:

- Inclusive Instruction costs exceeded the Amended Budget by \$236 thousand due to specific costs incurred to meet unique student needs.
- Communication Line contract service costs came in (\$162) thousand below the Amended Budget due to advantageous contractual rate changes.
- Superintendent Office costs exceeded the Amended Budget by \$129 thousand due to higher Visioning costs after the Amended Budget.

Variances to the Prior Year:

- International Student Program agent commissions increased by \$655 thousand due to a shift toward shorter international student stays, increased average agent commission rates resulting from a shift to more commission intense markets, and an increase in the number of students that the commissions are based on as COVID restrictions were lifted.
- Software costs decreased by (\$138) thousand due to a change in IEP software providers and a reduction in the need for online learning software compared to the prior COVID year.
- Consulting Fees increased \$128 thousand in connection with costs of an external auditor's assessment of the District's HR and Payroll operations.
- Inclusive Instruction costs decreased by (\$124) thousand, mostly due to lower costs paid to one service provider during the 2021-22 year. Where outside services are engaged to support individual students with unique needs, the need for these services can vary year over year which impacts the cost.
- All other services costs in the District collectively increased by \$25 thousand.

Student Transportation costs were \$113 thousand higher than the prior year and \$13 thousand over the Amended Budget. The cost increase was primarily because of increased travel by Inclusive Education students and the related increased bus cleaning costs due to the ongoing COVID pandemic.

Professional Development and Travel were \$85 thousand higher than the prior year and (\$70) thousand below the Amended Budget. Costs were higher in 2021-22 due to COVID restrictions being lifted, resulting in increased travel and professional development costs (such as increased costs for the Transformative Educational Leadership program and increased travel for student recruitment by the International Student Program).

Rentals and Leases came in \$9 thousand below the Amended Budget due to timing of expenditures and were \$27 thousand higher than the prior year.

Dues and Fees came in \$5 thousand above the Amended Budget due to timing of expenditures and were \$41 thousand higher than the prior year.

Insurance came in \$10 thousand below the Amended Budget and were \$4 thousand less than the prior year.

Supplies variances in spending to the Amended Budget are heavily influenced by the timing of the Amended Budget, which captures only the first half of the year. Budget dollars transferred to the capital fund after the approval and submission of the Amended Budget (end of February), for instance, to fund capital asset acquisitions, are not considered in the Amended Budget.

Additionally, budget allocations and transfers to other budget areas after the Amended Budget date, for instance, for services, have not been captured in the Amended Budget. These timing differences explain many of the variances in spending from the Amended Budget.

Finally, unspent school supply and service balances are traditionally carried forward at the District, for spending in the coming year.

Supplies costs were \$1.141 million higher than the Amended Budget and \$2.551 million higher than prior year.

- **Variance to the Amended Budget:** A Public Sector Accounting Standards (PSAS) adjustment was made in 2021-22 that moved into the \$2.024 million of unrestricted costs into the Operating Fund from School Generated Funds (a Special Purpose Fund). Without this adjustment, supplies costs came in \$869 thousand under the Amended Budget. This variance is mostly due to underspending, compared to the Amended Budget, in operations and maintenance, technology, and school accounts.
- **Variance to the Prior Year:** Without the aforementioned PSAS adjustment, supplies costs came in \$541 thousand higher than the prior year. Operations and maintenance supplies costs were higher than the prior year, mostly because of need for increased supplies related to grounds maintenance, with more students back at schools after prior year's pandemic lockdowns. School supplies costs were higher because of increased cost of food for teaching cafeterias, which were not open in the prior year due to COVID. Additionally, there were increased resource material needs for various programs (e.g., Home Quest, Languages) and increased general supplies needs, including for Inclusive Education, Continuing Education, and Academies, as a result of lessening COVID impacts.

Utilities: Uncertain weather conditions and fluctuations in utility unit rates are a standard cause for variability in utility costs from budget and prior years. Green initiatives can help to control emissions and cost increases. Utilities costs were \$194 thousand higher than prior year and \$124 thousand higher than the Amended Budget. The main reason for the increase in costs was higher geothermal plant gas costs in 2021-22.

Special Purpose Funds

DELTA SCHOOL DISTRICT - #37							
Special Purpose Funds							
AS AT JUNE 30, 2022							
	Opening Balance	Receipts	Spent	MOE Recovery	Reclass to Operating	Ending Balance	Change
Annual Facilities Grant	-	604,879	604,879			-	-
Learning Improvement Grant	-	537,110	537,110			-	-
Scholarships	269,364	52,249	38,260			283,353	13,988
School Generated Funds	2,754,397	902,595	861,484		1,928,079	867,429	(1,886,968)
Strong Start	-	224,000	224,000			-	-
Ready, Set, Learn	25,677	58,800	53,252			31,225	5,548
Federal French Grant	-	248,895	248,895			-	-
Community Link	89,109	597,756	572,509			114,355	25,246
Community Schools Partnership	-	50,000	50,000			-	-
New Horizons for Seniors	11,498	-	-			11,498	-
Changing Results for Youth	10,244	9,900	15,247			4,897	(5,347)
Safe Return to School / Restart: Health & Safety Grant	-	373,236	294,159			79,077	79,077
Federal Safe Return to Class / Ventilation Fund	-	299,470	67,983			231,487	231,487
Erase Grant	-	100,500	100,500			-	-
ECE Dual Credit Grant	-	60,000	16,795			43,205	43,205
Mental Health Grant	-	120,482	107,976			12,506	12,506
First Nations Student Transportation	52	-	52			-	(52)
POPARD	-	3,573,848	3,573,848			-	-
CEF Remedies	972,177	1,688,035	1,023,732	972,177		664,303	(307,874)
CEF Staffing	-	7,877,585	7,877,585			-	-
CEF Overhead	-	767,671	767,671			-	-
ESWIS-Settlement Workers	59,948	-	1,773			58,175	(1,774)
Youth Train in Trades	-	101,000	90,586			10,414	10,414
NOIIE	312,681	317,802	219,306			411,178	98,497
GRAND TOTAL	4,505,147	18,565,813	17,347,602	972,177	1,928,079	2,823,102	(1,682,046)

As shown in the table below, the total receipts received in Special Purpose Funds in 2021-22 was (\$6.009) million less than in prior year. The difference was mostly because of \$6.642 million more in COVID-related grants received in 2020-21.

SPF Receipts Year over Year	2020-21	2021-22	Variance
Annual Facilities Grant	617,687	604,879	(12,808)
Learning Improvement Grant	534,907	537,110	2,203
Scholarships	51,807	52,249	442
School Generated Funds	2,533,788	902,595	(1,631,193)
Strong Start	224,000	224,000	-
Ready, Set, Learn	58,800	58,800	-
Federal French Grant	253,419	248,895	(4,524)
Community Link	585,488	597,756	12,268
Community Schools Partnership	50,000	50,000	-
Changing Results for Youth	6,750	9,900	3,150
Safe Return to School / Restart: Health & Safety Grant	1,155,892	373,236	(782,656)
Federal Safe Return to Class / Ventilation Fund	6,158,409	299,470	(5,858,939)
Erase Grant	-	100,500	100,500
ECE Dual Credit Grant	-	60,000	60,000
Mental Health Grant	51,000	120,482	69,482
First Nations Student Transportation	420	-	(420)
POPARD	3,355,120	3,573,848	218,728
CEF Remedies	1,561,258	1,688,035	126,777
CEF Staffing	6,373,105	7,877,585	1,504,480
CEF Overhead	767,671	767,671	-
Youth Train in Trades	48,400	101,000	52,600
NOIIE	186,490	317,802	131,312
GRAND TOTAL	24,574,411	18,565,813	(6,008,598)

Commentary on Special Purpose Funds:

<p><u>Annual Facilities Grant</u> \$605 thousand available and spent this year</p>	<p>The Annual Facilities Grant provides funding for planned repair and maintenance costs. This funding can also be used for Capital projects. The expectation is that funding is fully spent during the year, as seen here.</p>
<p><u>Learning Improvement Fund</u> \$537 thousand available and spent this year</p>	<p>This grant increases weekly EA time by 45 minutes for 26-hour EA's, by 60 minutes for Secondary EA's and by 30 minutes for EA's with less than 26 hours to enhance consultation, collaboration, and planning time, to attend IEP and other school-based meetings. It also provides for 2 to 3 additional Peer Support positions. It is allocated in annual consultation with CUPE.</p>
<p><u>Scholarships</u> \$38 thousand spent this year; \$283 thousand available for future scholarships</p>	<p>The District manages a group of scholarship and memorial funds on behalf of various families and groups of individuals wishing to provide funding for specific educational initiatives in the memory of special educators and loved ones. The individual funds have different stipulations. Some scholarships are paid from investment income, others draw down the main contribution itself.</p>
<p><u>School Generated Funds</u> \$861 thousand spent; \$1.928 million reclassified to the Operating Fund for unrestricted funds as determined in accordance with Public Sector Accounting Principles; \$867 thousand March 31 year-end balance</p>	<p>School Generated Funds (SGF) are collected and managed directly at our schools with financial oversight by the District. Fundraisers, parent contributions to school trips, PAC donations to the school, etc. are reported in these funds. The District reports SGF on its financial statements with 3 months delay.</p>
<p><u>Various Annual Education Grants</u> A total of \$1.149 million spent; \$146 thousand carry forward</p>	<p>Several annual, education initiative specific funds, largely provided in advance by the Ministry of Education meet the criteria of a special purpose funds and are reported as such. These include the following: Strong Start and Ready-Set-Learn for early learning initiatives, the Federal French Grant which provides supplemental funding for Official Language Education initiatives, Community LINK funding which supports academic achievement and social functioning of vulnerable students and funding from the United Way to help support Community Schools programs, such as after school and summer programs for students and community youth.</p>
<p><u>Provincial Safe Return to Schools / Restart Grant for Health & Safety</u> \$373 thousand received and \$294 thousand spent</p>	<p>This funding was provided by the province to manage COVID related Health & Safety costs.</p>
<p><u>Federal Safe Return to Class / Ventilation Fund</u> \$299 thousand received, \$68 thousand spent</p>	<p>This funding was provided by the Federal Government to manage a wide range of COVID related costs.</p>

<p><u>POPARD</u> \$3.574 million spent</p>	<p>The Provincial Outreach Program for Autism Related Disorders (POPARD) provides professional support for school Districts around BC with respect to autism related orders. The program is administered by the Delta School District for the Province of BC. The fund is to be spent fully each year.</p>
<p><u>CEF Staffing, Remedies and Overhead Funds</u> A total of \$9.669 million spent</p>	<p>This funding is provided by the Ministry of Education for the additional costs of teacher staffing, teacher remedies and overhead costs provided by the restored collective agreement language dating back to 2002 under LOU 17.</p>
<p><u>ESWIS Settlement Workers and Youth At Risk grants</u> \$1,773 was spent; \$58 thousand remains</p>	<p>These grants date back several years and are used to supplement ESWIS programs while funds last.</p>
<p><u>Youth Train in Trades</u> \$91 thousand spent; \$10 thousand remains</p>	<p>The Youth Train in Trades program is the in-class component of a high school apprenticeship. Youth Train in Trades students are Youth Apprentices registered with the Industry Training Authority. Youth Train in Trades programs are usually offered as partnerships between school Districts and post-secondary institutions.</p>
<p><u>Erase Grant</u> \$101 thousand received</p>	<p>This stream of Erase Grant provides funding in support of evidence-based, targeted crime prevention initiatives, focused on countering gang recruitment as well as lifestyle initiatives that reinforce healthy relationships/values.</p>
<p><u>ECE Dual Credit Grant</u> \$60 thousand received, \$43 thousand remains</p>	<p>The grant supports school districts in the development and administration of their early childhood education dual credit program.</p>
<p><u>Mental Health Grant</u> \$108 thousand spent; \$13 thousand remains</p>	<p>Grant to provide students with access to support when needed and to feel safe and connected at school.</p>
<p><u>Network of Inquiry and Indigenous Education (NOIIE)</u> \$219 thousand spent; \$411 thousand carry-forward</p>	<p>The District provides financial services to the Network of Inquiry and Indigenous Education (NOIIE), which is a voluntary network of inquiry-based schools and school Districts in British Columbia, with partner networks around the world. Using an inquiry-oriented, evidence-based approach to learning and teaching through the Spiral of Inquiry, teams work towards improving outcomes for all learners in their settings and submit case studies to share their progress in a spirit of generosity, curiosity and growth.</p>

Capital Fund

Sites: no sites were acquired or disposed of this year. The City of Delta acquired a statutory right of way from the District, at Heath Elementary, for proceeds of \$304 thousand in 2021-22.

Facility Improvement Projects of \$4.611 million included \$4.129 million in Ministry Funded Bylaw projects, \$61 thousand for various small classroom enhancements, \$237 thousand in moving costs and equipment for the Ministry's POPARD program, and \$184 thousand for Annual Facilities Grant improvement projects. Additionally, \$109 thousand was incurred for SD Gym Floor improvements.

Capital Lease payments in connection with the District's copier fleet and thermal energy plant amounted to \$613 thousand.

Equipment & Vehicle Replacement: the District purchased Facilities equipment in the amount of \$292 thousand.

Technology costs included \$1.537 million in replacement education technology, server replacements and infrastructure upgrades. The District is guided in its technology purchases by a Technology Roadmap that meets the District's three-fold objective of investing in education technology, cybersecurity, and the timely replacement of aging infrastructure.

The schedule below provides a summary of the projects mentioned above.

DELTA SCHOOL DISTRICT - #37	
CAPITAL PROJECTS	
AS AT JUNE 30, 2022	TOTAL
Facility Improvement Projects	4,610,753
Copier & Thermal Energy Plant Lease	613,271
Education Technology & Equipment	1,536,671
Maintenance Equipment Replacement	292,075
SD Gym Floor	108,948
	<u>7,161,718</u>

Funding utilized to make these additions possible were: \$4.129 million from the Ministry of Education, \$2.185 million from District Operating Funds, \$676 thousand from Special Purpose Funds and \$171 thousand from other sources.

External and Internal Capital Funds – per schedules 4 and 4D of the Financial Statements:

DELTA SCHOOL DISTRICT - #37			
Available Capital Funds			
AS AT JUNE 30, 2022	Total 2021-22	Total 2020-21	Variance from Prior Year
Ministry Bylaw Funds	72,971	264,096	(191,125)
Ministry Restricted Funds	1,501,376	1,486,054	15,322
Total Deferred Revenue	1,574,347	1,750,150	(175,803)
Capital Reserve Funds	616,487	285,368	331,119
Total Available Funds	2,190,834	2,035,518	155,316

Unspent Capital Reserve and Ministry Bylaw Funds carry forward for earmarked in-progress projects.

The Ministry of Education and Child Care's Restricted Capital (shown in the table on the previous page) consists of proceeds from land sales, funding remainders of completed projects and investment income on the restricted capital. This funding can be accessed with authorization from the Ministry.

FUTURE CONSIDERATIONS

In the 2022-23 school year, the Delta School District will continue to focus on its strategic priorities to ensure it meets the needs of its student, parent, staff and stakeholder community, and remains on track to achieve its Vision for 2020. The District will strive to continuously improve the educational outcomes for all students and improve equity for Indigenous students, children and youth in care, and students with disabilities or diverse abilities.

CONTACTING MANAGEMENT

This financial report is designed to provide the School District's stakeholders with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Secretary Treasurer's office.
