



# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2023

## Table of Contents

<b>INTRODUCTION</b> .....	2
<b>OVERVIEW</b> .....	2
<b>Our Vision</b> .....	2
<b>Our Mission</b> .....	2
<b>Our Values</b> .....	2
<b>2021-2024 Strategic Plan</b> .....	3
<b>Academic Achievements for the Year</b> .....	5
<b>International Student Program</b> .....	8
<b>Maintenance and Operations</b> .....	9
<b>Year in Review</b> .....	9
<b>FINANCIAL HIGHLIGHTS</b> .....	10
<b>About B.C. School District Financial Statements</b> .....	10
<b>Change in Enrolment</b> .....	10
<b>Changes in Staffing</b> .....	13
<b>FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT</b> .....	15
<b>Statement of Financial Position</b> .....	15
<b>Financial Assets</b> .....	17
<b>Liabilities</b> .....	18
<b>Non-Financial Assets</b> .....	19
<b>Statement of Operations</b> .....	19
<b>Revenues</b> .....	20
<b>Expenses</b> .....	22
<b>Special Purpose Funds</b> .....	25
<b>Capital Fund</b> .....	29
<b>FUTURE CONSIDERATIONS</b> .....	30
<b>CONTACTING MANAGEMENT</b> .....	30

# INTRODUCTION

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The following is a discussion and analysis of the Delta School District’s financial performance for the fiscal year ending June 30, 2023. 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

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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 16,000 student full time equivalents (FTEs) and a headcount of approximately 2,600 employees. The district’s mission is to inspire and nurture thriving, future-ready learners at its 31 schools, located in Ladner, North Delta, Tsawwassen and Tsawwassen First Nation. We value Compassion, Responsibility, Integrity, Creativity, Diversity and Resilience.

Our schools and district offices are located on the traditional territories of the Tsawwassen First Nation (TFN) and Musqueam Indian Band. The district offers its respect to the Knowledge Keepers and all First Peoples who have been on these lands since time immemorial.

### Our Vision

Vision 2030 is the district’s guiding North Star. 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 First Nation and Musqueam Indian Band – guided the visioning process during 2021. 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 ten years prior to 2021 and lessons learned from the COVID pandemic helped inform the vision, which was launched in fall 2021.

#### 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 and analyze key school and district goals under the Ministry of Education and Child Care’s Framework for Enhancing Student Learning (FESL), resulting in the district’s new 2021-2024 Strategic Plan. This new plan guides our decision making and actions, 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 leave school more confident and curious than when they entered.
2. **Powerful and Inspiring Learning Environments** → Learning in Delta will provide all students and staff 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 and experiences possible.
5. **Strong Governance and Stewardship of Resources** → Maximizing the availability of the district’s resources will support the delivery of our strategic goals and ensure long-term sustainability.

The District’s Guiding Principles



## Academic Achievements for the Year

### Literacy Initiatives

The district continued its work on improving student literacy rates in 2022-23. In elementary schools, the focus was on deepening the assessment and instruction of key foundational proficiencies in reading. The Learning Services team supported schools and teachers in a number of ways:

- The Literacy Learning Lab was created, with 24 expert primary teachers meeting 10 times throughout the year. This group of teachers was used to trial and improve new district-developed resources and assessments.
- Delta Literacy Day was hosted on February's Professional Development Day. This full day event brought together 450 teachers (K-7) to learn about new district literacy resources. The day was a mix of keynote speakers and breakout sessions hosted by Delta teachers.
- Following Delta Literacy Day, district Literacy Coordinators visited each elementary school to share additional resources and respond to questions regarding reading instruction.
- Using additional Federal French Grant funds, the district hired a part-time primary French Literacy Coordinator. The position created a number of reading resources in French to mirror the work that has been done in English the last few years.
- A secondary literacy committee began meeting, with the purpose of better supporting literacy instruction in secondary classrooms. The committee focused on establishing literacy assessments that will be trialed in a few schools at the beginning of 2023-24.

### Numeracy Initiatives

The district's Math Minds program, which was launched in 2021-22, is focused on improving the numeracy success of Delta students. Learning Services continued its work on Math Minds in 2022-23 by:

- expanding Math Minds into seven new elementary schools (now eight in total);
- supporting Math Minds staff throughout the year with professional learning, team-teaching and regular check-ins (staff are in approximately 80% of classrooms);
- modifying and refining the program based on feedback and impact; and
- collecting data – including report card data, a pre- and post- assessment using a national math diagnostic, and anecdotal data – from staff and students.

At the secondary level, two 'transition' blocks of Grade 8 students were created at Seaquam Secondary. These blocks each had 12 students identified as having gaps in either literacy or numeracy. Learning Services staff worked with the teacher involved, supporting them with resources and professional learning supports. The impact – tracked by following student performance in 'mainstream' English and math classes in term 2 – was very positive for many of the students.

### Coordinator of Inquiry (COI) Program

The COI Program continued in 2022-23, marking the twelfth year of this initiative in the district. The program continued to deepen engagement as it responded to the context of each school. Program goals in 2022-23 were influenced by the ongoing fallout from the COVID pandemic, with some schools continuing to be focused on learner self-regulation and connectedness; however, a large number of schools also took a deep interest in literacy and numeracy, two foci that benefited from the strong resources and knowledge base provided by Learning Services.

### Teacher Librarians

Supported by a colleague who took on the role of the Teacher Librarian Coordinator of Inquiry, Teacher Librarians (TLs) continued into year two of an inquiry into how to create inclusive library learning commons where students see themselves represented in authentic and visible ways. Federal French funds were used to contract TLs and their French-speaking colleagues to weed the library of out-of-date, inaccurate or culturally inappropriate books from the French Collections.

### Response to Ministry Directives

Delta teachers benefited from the year of planning provided by the Ministry of Education and Child Care before implementation of the new reporting order:

- Every secondary school engaged in conversations during professional development days, staff meetings, and lunch and learns about the upcoming reporting order and how it might impact their practice.
- A district-wide day of learning was held, wherein all secondary teachers gathered according to their discipline to learn about the intersection of assessment for learning (AFL) and the reporting practices specified by the Ministry. Guest practicing teachers such as Kate White presented their AFL practice at the event.
- Resources were created to support teachers in this learning, including a robust set of collaboration plans they could use in groups or on their own.
- In preparation for the Indigenous-focused graduation requirement that takes effect for the 2023-24 school year, teachers received support in their teaching of First Peoples courses via collaboration between the Indigenous Education department and the Curriculum department.

In addition to the academic achievements already listed, the district focused on outdoor education by identifying Outdoor Champions for each school. The Champions then gathered to inquire into how they might support the increase of outdoor pedagogy in the district.

### Indigenous Education

The district's Indigenous Literacy Initiative continued in 2022-23, with the goal of improving literacy levels for Indigenous students in Grades 1 to 4. At the secondary school level, artists Rain and Len Pierre provided the unique opportunity for Grade 10 to 12 students of Indigenous ancestry to create traditional artwork.

The district’s new ocean-going 39-foot Journey Canoe, *Wave Warrior*, made its inaugural trips out on the Fraser River and Deas Slough in September 2022. *Wave Warrior* was acquired to help Delta students learn more about the canoe culture and to connect them with Indigenous ways of knowing and being.

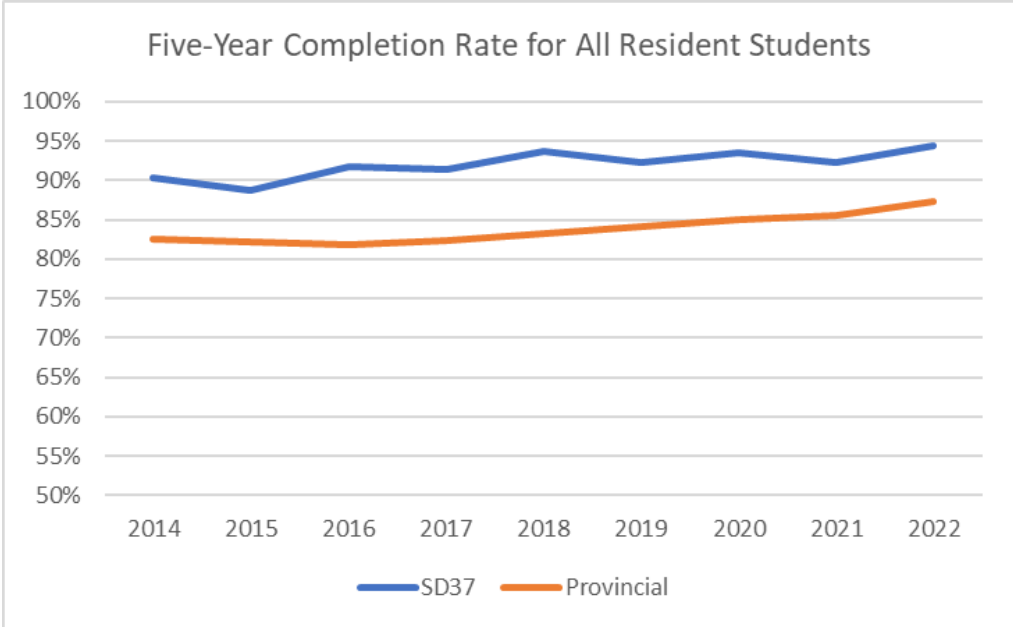
Monday Land Acknowledgment sessions, hosted by the district’s Indigenous Cultural Mentor, Nathan Wilson, continued to have a significant impact district-wide in 2022-23. Sessions were broadcast on Zoom and viewed by hundreds of classrooms on a weekly basis.

Teacher Development

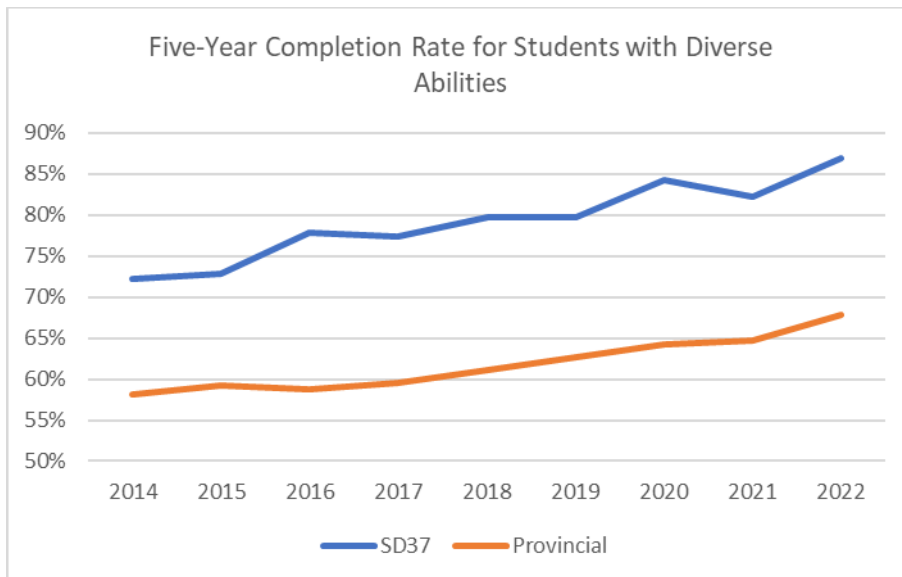
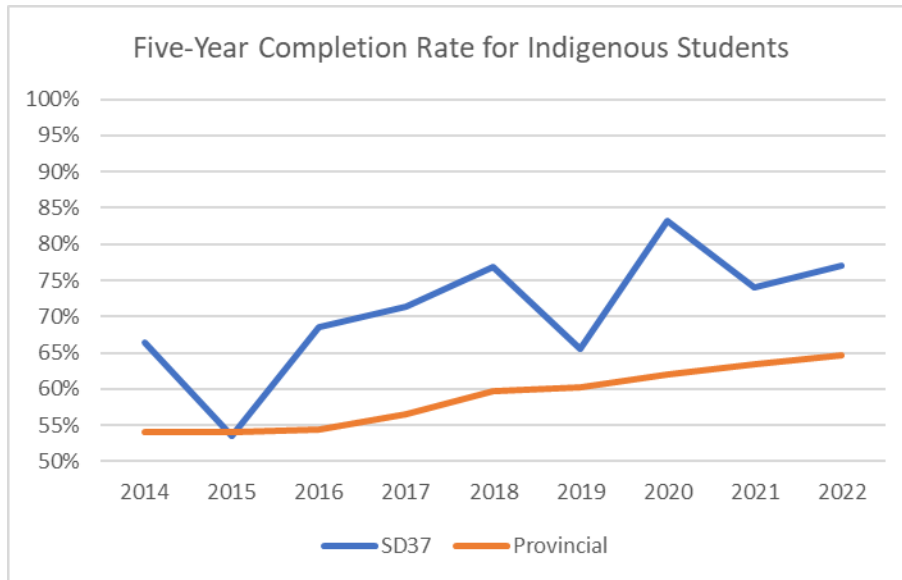
In 2022-23, the district’s Peer Support Program continued helping Delta teachers improve their practices. A collection of online resources was available to assist teachers in their work, and two mentor teachers met and coached teachers, including those that are new to the district, to ensure consistent delivery of high-quality instruction for Delta students. In addition to the Peer Support Program, Delta teachers had access to a wide range of professional development opportunities such as training sessions and workshops.

Five-Year Completion Rates

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







## International Student Program

Travel restrictions during the COVID pandemic resulted in a significantly lower number of international students attending Delta schools. Recovery began in 2021-22, as restrictions were lifted, and continued in 2022-23. This year, the district saw a resurgence of interest from China and Vietnam (with some increase in numbers of students), an increase of students from Chile, Bangladesh, and Scandinavia, and students from Hungary and Portugal attending Delta schools for the first time. There was a total of 571 FTE international students in 2022-23, and there is a current estimate of 650 FTE international students for the upcoming 2023-24 school year. If the 2023-24 estimate materializes, this would mark a return to near pre-pandemic enrolment levels.

## Maintenance and Operations

Maintenance and Operations saw a gradual return to more normal operating procedures, following a very difficult couple of years related to supply chain issues and global logistics stemming from the effects of COVID-19.

In the 2022-23 school year, the district's various Facilities teams continued to focus on stewardship of resources and on providing safe and clean buildings for students and staff, with work on a multitude of projects from refurbishments to school buildings – including HVAC system repairs, new air handling rooftop unit installations, and roofing refurbishments at two schools – and numerous grounds projects such as parking lot upgrades and the opening of three new playgrounds. Work was also completed on electrical (emergency lighting and panel upgrades), mechanical (plumbing fixtures and modernization, a walk-in freezer, and a variety of other projects), and architectural projects (carpet wall removal and flooring renewal, locker replacements, and a portable relocation).

Over the past year, the district's IT Services department (ITS) has been working diligently on refreshing the district's fleet of computers, with particular focus on computers in school libraries and mini mac labs. With cybersecurity being a global priority, ITS also worked on projects aimed at advancing the district's security footprint. And, in response to increased demands of the district's aging Wi-Fi infrastructure, ITS explored ways to optimize existing technology and tested replacement options.

## Year in Review

School operations finally returned to normal in September 2022, and as a result, the pace of life in schools increased significantly almost immediately. For some students, the 2022-23 school year was their first 'normal' year of learning. The pandemic resulted in some ongoing beneficial changes to schools' day-to-day operations, from more time spent learning outdoors to revised scheduling that better supports secondary school students.

Early in the school year, following the municipal elections, the district welcomed several new Board of Education Trustees. Staff and students continued to live the district's Vision, Mission and Values. Students worked on various initiatives to tackle real world challenges, such as climate change and mental health, leading to several awards and accolades. All schools continued to prioritize inclusion and equity by participating in initiatives such as Pink Shirt Day, Black Excellence Day and Black History Month. Students at Sands Secondary organized a two-day anti-racism symposium to raise awareness of racism and how to be an active witness in support of people that are being discriminated against.

At secondary schools, educators started teaching curriculum that supports the new Indigenous-focused graduation requirement. Bringing Indigenous culture and history to all learners remained a key focus for the Indigenous Education team. Over the past year, the team organized a number of youth leadership gatherings for Grade 10-12 students with Indigenous ancestry. In addition, the district's new Journey Canoe was used to teach Indigenous Ways to classes across the district, and in March 2023, Nathan Wilson, the district's Indigenous Cultural Mentor, was awarded the Mayor of Delta's Achievement Award in the category of Difference Maker.

Students were given some great opportunities to explore post-secondary options. The Career Programs team collaborated with Delta Fire & Emergency Services and the City of Delta to create a week-long

junior firefighters camp, and the team also started working with the Delta Police Department to develop a similar Police Camp.

In April, the B.C. Government announced the Feeding Futures funding. This new funding will build on the progress of the Student and Family Affordability Fund, ensuring students continue to have stigma-free access to nutritious food at school and can focus fully on their learning.

After Spring Break, the district launched its seamless childcare pilot program at Sunshine Hills Elementary, which offered 12 spots for before and after school care to kindergarten-aged children and their siblings. Recognizing the project's potential to provide more high-quality, low-cost child care options in the community, the district subsequently expanded the pilot so that it will offer an additional 12 spots starting in September 2023. The project is funded through provincial government grants, and utilizes existing facilities and Early Childhood Educators. Government funding from prior years also resulted in the opening of three new playgrounds in 2022-23, including a new accessible playground at Jarvis Elementary.

Students continued to show compassion and made a difference in their local communities by participating in food drives, runs and walks, and musical galas to raise funds for local charities.

## FINANCIAL HIGHLIGHTS

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### 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 B.C. 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 B.C. 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 97.0% of the district's 2022-23 Ministry Operating Grant and 71.4% 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 2022-23 actual enrolment count for school-aged students exceeded the amended budget by 46.563 FTE, while adult students came in only 0.750 FTE under the amended budgeted amount.

School-aged and summer school enrolments were higher than the prior year by 162.625 and 35.125 student-FTE, respectively.

DELTA SCHOOL DISTRICT - #37						
Overall Student Enrolment						
AS AT JUNE 30, 2023						
	Total 2022-23	A. Budget 2022-23	Total 2021-22	\$ Variance from A.Budget	Variance from Prior Year	
School Age	15,975.6875	15,929.1250	15,813.0625	46.563	0.3%	162.625 1.0%
Adult	42.3750	43.1250	34.2500	(0.750)	-1.7%	8.125 18.8%
Summer School	165.2500	165.2500	130.1250	-	0.0%	35.125 21.3%
<b>Total</b>	<b>16,183.3125</b>	<b>16,137.500</b>	<b>15,977.4375</b>	<b>45.813</b>		<b>205.875</b>

## ...and the students within our students

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

### Categories and funding amounts for 2022-23 included:

- **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 or 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 and Child Care 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 provided 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,

determines 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 Education Assistant (EA) support. For example, one full-time EA support is provided at a cost of approximately \$54,000 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 Needs Enrolment In 2022-23, enrolment for students identified with Level 1, 2 and 3 Ministry designations decreased by only 2 students over the prior year. ELL students increased by 156 while there was a decrease of 26 students with Indigenous ancestry. As a result of net enrolment increases, funding for unique student needs increased by \$553 thousand. This, in turn, resulted in increased support for students' needs.

**The table below shows 2022-23 versus 2021-22 Enrolment for Students with Unique Student Needs:**

ENROLMENT FOR STUDENTS WITH UNIQUE STUDENT NEEDS	2022-23			2021-22			2022-23 vs 2021-22	
	FTE	\$ / ea	Revenue	FTE	\$ / ea	Revenue	FTE	Revenue
Level 1 Students - Sep	13.000	44,850	583,050	15.000	44,850	672,750	(2.000)	(89,700)
Level 1 Students - Feb	-	22,425	-	-	22,425	-	-	-
Level 1 Students - Total	13.000		583,050	15.000		672,750	(2.000)	(89,700)
Level 2 Students - Sep	808.000	21,280	17,194,240	776.000	21,280	16,513,280	32.000	680,960
Level 2 Students - Feb	21.000	10,640	223,440	24.000	10,640	255,360	(3.000)	(31,920)
Level 2 Students - Total	829.000		17,417,680	800.000		16,768,640	29.000	649,040
Level 3 Students - Sep	317.000	10,750	3,407,750	337.000	10,750	3,622,750	(20.000)	(215,000)
Level 3 Students - Feb	3.000	5,375	16,125	12.000	5,375	64,500	(9.000)	(48,375)
Level 3 Students - Total	320.000		3,423,875	349.000		3,687,250	(29.000)	(263,375)
ELL	1,815.000	1,585	2,876,775	1,659.000	1,585	2,629,515	156.000	247,260
Indigenous	639.000	1,565	1,000,035	665.000	1,565	1,040,725	(26.000)	(40,690)
Newcomer Refugees	21.500	3,943	84,775	12.000	3,943	47,316	9.500	37,459
ELL Supplement for Refugees	21.000	793	16,653	4.000	793	3,172	17.000	13,481
<b>Sub-total</b>	<b>3,658.500</b>		<b>25,402,843</b>	<b>3,504.000</b>		<b>24,849,368</b>	<b>154.500</b>	<b>553,475</b>
Unfunded Students	960.000			1,057.000			(97.000)	-
<b>Total Enrolment &amp; Funding</b>	<b>4,618.500</b>		<b>25,402,843</b>	<b>4,561.000</b>		<b>24,849,368</b>	<b>57.500</b>	<b>553,475</b>

The actual total number of all students with unique needs in 2022-23 was 57.5 FTE higher than the prior year, mostly due to increases in English Language Learning and Level 2 students. As shown in the table above, the district does not receive supplemental funding for unfunded students (although the district does receive regular per-pupil funding for such students). Each unfunded student requires an Individual

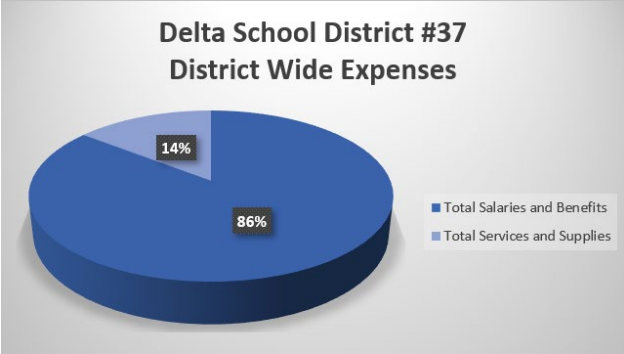
Education Plan (IEP), which may include amended learning outcomes, a list of support services, and/or a list of adapted materials, instruction, or assessment methods.

During the 2022-23 school year, the district’s Inclusive Learning team continued to prioritize staffing, learning resources, and the provision of supports directly impacting student success. There was particular focus on:

- adapting how Inclusive Learning addresses the needs of schools, and developing ways to maximize responsiveness and staffing flexibility;
- offering increasingly targeted and highly individualized supports – particularly for students in younger grades;
- setting up spaces or creating tools to enhance student supports – this included development of a new therapeutic program for students; and
- continuing to build system-wide efficiencies through synergies with other district departments such as Indigenous Education, Facilities, and Procurement – this work included, for example, creation of a district accessibility committee, in partnership with the district’s Facilities department.

### Changes in Staffing

The majority of the district’s funding is expended on staffing costs. In 2022-23, 86% of total district expenditures were staffing related.



Teachers With the high cost of living in B.C., school districts across the province, including Delta, continue to face teacher recruitment and retention challenges. The Delta School District uses innovative practices to help manage teacher shortages and attract quality teachers, including using streamlined hiring processes for hard-to-fill positions. The district is exploring strategies to advertise its teaching positions more effectively, including expanding its attendance at job fairs and establishing a stronger presence on the web.

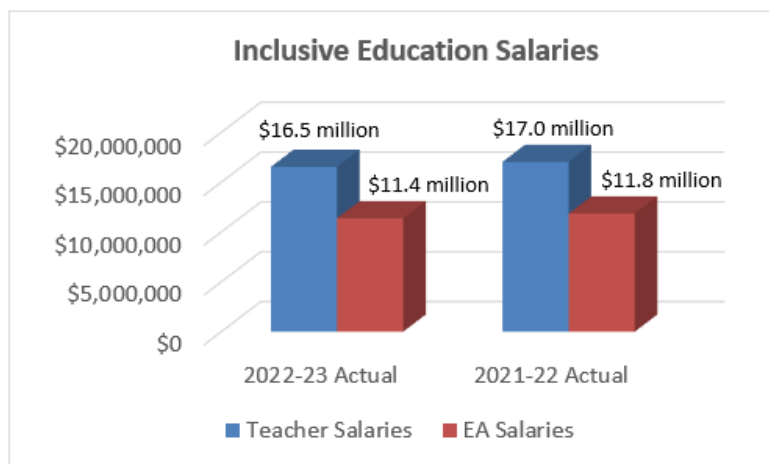
Teachers Teaching on Call (TTOCs) TTOCs are included in the Substitute Labour category, which also includes casual Education Assistants (EAs), Clerical, Maintenance, and Custodial Labour. TTOCs provide release time in the case of teacher illness and to cover teacher collaboration and professional development 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

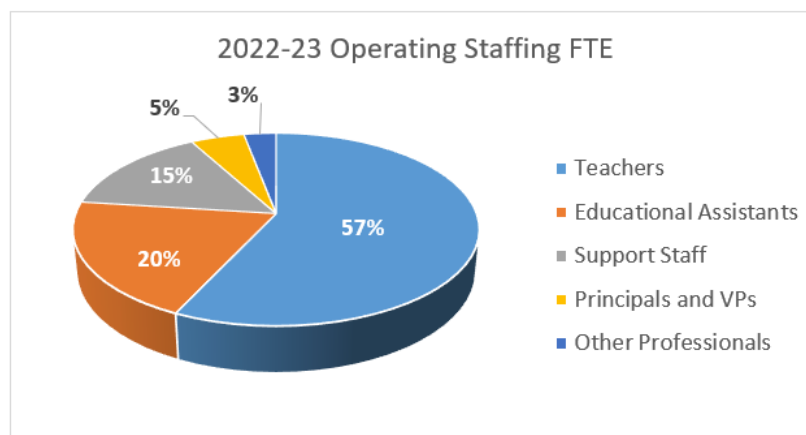
“remedy”, can be provided to teachers in several variations, including TTOC release time and pooled minutes to create posted positions. During the 2022-23 school year, several schools were able to buy additional staffing paid through accrued remedy funds.

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

The number of EAs in the district varies with changing individual student needs and enrolment. As noted previously, total 2022-23 enrolment for students with unique student needs increased compared to the prior year, resulting in an increase of \$553 thousand in funding. The increase in funding and reserve dollars supported the greater service needs of students in Inclusive Education.



Overall Staffing Composition At 57%, the largest contingent of the 2022-23 district staffing consisted of teachers, followed by education assistants, who made up 20% of the district’s staffing FTE, and support staff at 15%. Principals and Vice Principals made up 5% of overall staffing and other professionals, who include Management and Trustees, made up 3% of the FTE distribution (see below).



# 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”.<sup>1</sup>

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.”<sup>1</sup>

School Districts will show a “net debt” position due to the funding provided, primarily by the Ministry of Education and Child Care, 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.

SCHOOL DISTRICT No. 37 (DELTA) STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023				
	TOTAL 2022-23	TOTAL 2021-22	from Prior Year	% of Change
<b>FINANCIAL ASSETS</b>				
Cash and Cash Equivalents	54,292,204	50,614,072	3,678,132	7.3%
Accounts Receivable				
Due from Province - Ministry of Education & Child Care	340,105	577,978	(237,873)	-41.2%
Due from Province - Other	18,925	38,297	(19,372)	-50.6%
Due from First Nations	273,838	278,146	(4,308)	-1.5%
Other Receivables	1,728,713	1,197,510	531,203	44.4%
<b>TOTAL FINANCIAL ASSETS</b>	<b>56,653,785</b>	<b>52,706,003</b>	<b>3,947,782</b>	<b>7.5%</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities				
Due to Province - Other	51	19	32	168.4%
Other	21,763,323	19,659,590	2,103,733	10.7%
Unearned Revenue	8,456,975	8,273,262	183,713	2.2%
Deferred Revenue	3,461,315	2,823,102	638,213	22.6%
Deferred Capital Revenue	105,074,962	105,325,074	(250,112)	-0.2%
Employee Future Benefits	4,868,946	4,669,003	199,943	4.3%
Asset Retirement Obligation	7,573,331	7,573,331	-	0.0%
Capital Lease Obligations	3,526,839	3,940,828	(413,989)	-10.5%
Other Liabilities	1,459,871	1,428,407	31,464	2.2%
<b>TOTAL LIABILITIES</b>	<b>156,185,613</b>	<b>153,692,616</b>	<b>2,492,997</b>	<b>1.6%</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>(99,531,828)</b>	<b>(100,986,613)</b>	<b>1,454,785</b>	<b>-1.4%</b>
<b>NON-FINANCIAL ASSETS</b>				
Tangible Capital Assets - Net	137,601,016	138,714,826	(1,113,810)	-0.8%
Prepaid Expenses	495,962	364,994	130,968	35.9%
Supplies Inventory	45,448	38,774	6,674	17.2%
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>138,142,426</b>	<b>139,118,594</b>	<b>(976,168)</b>	<b>-0.7%</b>
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<b>38,610,598</b>	<b>38,131,981</b>	<b>478,617</b>	<b>1.3%</b>

<sup>1</sup> From: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC.



**2) Accumulated Surplus (Deficit):** “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”.<sup>2</sup>

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.

As shown below, the circumstances of 2022-23 resulted in an **Operating Surplus of \$1.093 million**, which **increased the Accumulated Operating Surplus (also referred to as the “Operating reserve”)** from **\$14.066 million to \$15.158 million**. Note 19 “Internally Restricted Surplus” of the 2022-23 financial statements provides details of the composition of the Operating reserve funds.

<b>DELTA SCHOOL DISTRICT - #37</b>					
<b>Operating Fund Net Change</b>					
<b>AS AT JUNE 30, 2023</b>					
	<b>Total 2022-23</b>	<b>A. Budget 2022-23</b>	<b>Total 2021-22</b>	<b>\$ Variance from A.Budget</b>	<b>Variance from Prior Year</b>
<b>Total Revenue</b>	186,101,155	182,329,010	174,450,346	3,772,145	11,650,809
<b>Total Expenses</b>	183,478,509	181,149,071	177,212,193	2,329,438	6,266,316
<b>Net Change</b>	2,622,646	1,179,939	(2,761,847)	1,442,707	5,384,493
<b>Total Net Transfers</b>	(1,529,858)	(2,042,995)	(2,185,326)	513,137	655,468
<b>Total Net Change</b>	1,092,788	(863,056)	(4,947,173)	1,955,844	6,039,961
<b>Acc. Surplus Opening Balance</b>	14,065,553	14,065,553	19,012,726	-	(4,947,173)
<b>Acc. Surplus Ending Balance</b>	15,158,341	13,202,497	14,065,553	1,955,844	1,092,788

<sup>2</sup> From: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC.

**The Accumulated Capital Surplus** of \$31.634 million at the beginning of the year was adjusted to \$24.066 million as a result of the required ARO recognition (see Asset Retirement Obligation section on the previous page). The restated amount of \$24.066 million decreased during the year by (\$614) thousand, to \$23.452 million, as transfers into the Capital Fund from the Operating Fund and Special Purpose Fund were exceeded by the Capital Deficit for the year. The ending balance is composed of investments in capital assets in the amount of \$23.027 million and local capital reserves of \$426 thousand. For greater detail on the activity in these areas, please refer to Schedule 4 of the 2022-23 financial statements.

**The Accumulated Operating Surplus of \$15.158 million, combined with the Accumulated Capital Surplus of \$23.452 million, resulted in a district-wide Accumulated Surplus of \$38.611 million.**

## Financial Assets

“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”.<sup>3</sup>

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 increased by \$3.678 million (increase of 7.3%) 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 \$2.104 million in accounts payable (mostly due to higher payroll deductions payable as a result of higher salaries in 2022-23, and higher International Student Program payables due to increased program activity this year and higher agent commission rates), an increase of \$638 thousand in unspent special purpose funds (due to the significant increase in grants received), and a \$200 thousand increase in accrued employee benefits.

2022-23 CASH RECONCILIATION				
CASH & INVESTMENT BALANCE	June 30, 2023		June 30, 2022	
CASH BALANCE FOR ALL FUNDS	18,422,493		15,542,267	
INVESTMENT WITH PROV. TREASURY	35,869,711	66%	35,071,805	
PORTFOLIO INVESTMENTS	-		-	
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>54,292,204</b>		<b>50,614,072</b>	
<b>FUNDS NEEDED FOR</b>				
Accounts Payable	21,763,373		19,659,609	
<i>Includes: Wages, Payroll Deductions</i>				
<i>Amounts due to Vendors, Taxes</i>				
Tuition and Facility Rental Advance Payments	8,456,980		8,273,263	
Restricted Special Purpose Funds	3,461,314		2,823,102	
Unspent Deferred Contributions - Capital Funds	1,600,682		1,574,347	
Accrued Employee Benefits - Mercer	4,868,946		4,669,003	
Vacation and Overtime Banks	1,459,871		1,428,407	
Operating Reserve Initiatives	15,158,341		14,065,553	
Capital Reserves Initiatives	425,687	15,584,028	616,487	14,682,040
<b>LESS: FUNDS TO BE RECEIVED FOR OR SAVED FROM</b>				
Accounts Receivable	(2,361,579)		(2,091,931)	
<i>Includes: GST Refund, TFN &amp; Other Billings</i>				
<i>Computer Plan, Interest Receivable</i>				
<i>Amounts receivable from PAC and SGF</i>				
Prepaid Expenses	(495,963)		(364,994)	
Maintenance Inventory	(45,448)		(38,774)	
<b>TOTAL USES OF CASH &amp; INVESTMENTS</b>	<b>54,292,204</b>		<b>50,614,072</b>	

<sup>3</sup> From: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC.

Accounts Receivable increased by \$270 thousand due to various year-end timing differences between the current and prior fiscal years from transactions pertaining to the ordinary course of business. The increase in accounts receivable is mostly due to \$531 thousand more resulting from increases in interest receivable (stemming from increased investment returns this year) and increases in receivables from schools, offset by (\$238) thousand less in receivables from the Ministry of Education and Child Care.

## 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”.<sup>4</sup>

Accounts Payable increased by \$2.104 million. This increase is mostly because of the \$1.056 million increase in payroll deductions payable, resulting from higher salaries in 2022-23, and \$698 thousand increase in International Student Program payables due to increased program activity.

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 \$184 thousand due to enrolment increases in the International Student Program as the program continues recovery following COVID travel restrictions.

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 increased by \$638 thousand due to the significant increase in grants received this year (there was \$22.529 million received in 2022-23 compared to \$18.566 million in 2021-22).

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 (\$250) thousand from the prior year. This was related to an increase of only \$4.321 million in deferred capital revenue employed in capital projects, compared with a decrease of (\$4.572) 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 2022-23 increased by \$200 thousand from the prior year due to lower employer contributions.

Asset Retirement Obligation Adoption of a new Public Sector Accounting Standard (PSAS), effective July 1, 2022, required the district to recognize an asset retirement obligation (ARO). The ARO was calculated based on the estimated costs of removal of asbestos and other hazardous materials from district-owned buildings. The district recorded an ARO of \$7.6 million and an associated increase of \$7.6

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<sup>4</sup> From: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC.

million to the cost of tangible capital assets in 2022-23 and restated the 2021-22 comparative values. Accumulated amortization of \$7.6 million was added to the associated assets, with the offset to Accumulated Capital Surplus.

Capital Lease Obligations Lease payments made during the year – which included payoff of the district’s photocopier leases – reduced principal owing on district leases from \$3.941 million down to \$3.527 million.

Other Liabilities increased by \$31 thousand, due to increased 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”.<sup>5</sup>

SCHOOL DISTRICT No. 37 (DELTA)				
NON-FINANCIAL ASSETS				
	TOTAL	TOTAL	Variance from	% of
	2022-23	2021-22	Prior Year	Change
<b>NON-FINANCIAL ASSETS</b>				
Tangible Capital Assets - Net	137,601,016	138,714,826	(1,113,810)	-0.8%
Prepaid Expenses	495,962	364,994	130,968	35.9%
Supplies Inventory	45,448	38,774	6,674	17.2%
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>138,142,426</b>	<b>139,118,594</b>	<b>(976,168)</b>	<b>1.3%</b>

Tangible Capital Assets The aforementioned ARO recognition (see Asset Retirement Obligation section on previous page) resulted in an increase of \$7.6 million to the prior year tangible capital assets balance and a restated prior year balance of \$138.715 million.

During 2022-23, the \$138.715 million balance was increased by \$3.445 million of additions (net of disposals, additions were mostly building-related) and decreased by amortization of \$4.559 million (net of disposals), resulting in the tangible capital assets balance of \$137.601 million as of June 30, 2023.

Prepaid Expenses increased by \$131 thousand, mostly due to increases in prepaid IT licensing fees and support fees paid to external vendors.

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

## 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”.<sup>5</sup>

<sup>5</sup> 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”.<sup>6</sup>

Operating Fund Revenues							
AS AT JUNE 30, 2023							
	Total 2022-23	A. Budget 2022-23	Total 2021-22	\$ Variance from A.Budget		Variance from Prior Year	
Ministry of Education & Child Care	165,224,805	164,134,193	155,981,150	1,090,612	1%	9,243,655	6%
Other Provincial Revenue	866,920	669,539	775,969	197,381	29%	90,951	12%
Federal Revenues	1,267,173	1,171,442	1,214,995	95,731	8%	52,178	4%
Tuition	9,838,406	9,489,572	8,935,565	348,834	4%	902,841	10%
Other Revenues	6,624,026	4,741,577	6,490,423	1,882,449	40%	133,603	2%
Facility Rental	764,046	752,375	640,505	11,671	2%	123,541	19%
Interest Income	1,515,779	1,370,312	411,739	145,467	11%	1,104,040	268%
<b>Total Operating Fund Revenues</b>	<b>186,101,155</b>	<b>182,329,010</b>	<b>174,450,346</b>	<b>3,772,145</b>	<b>2%</b>	<b>11,650,809</b>	<b>7%</b>

[Ministry of Education and Child Care Funding](#) was \$1.091 million higher than the Amended Budget and \$9.244 million higher than the prior year.

- **Variance from the Amended Budget of \$1.091 million:** Inclusive Education and Continuing Education funding for mid-year enrolment increased by \$341 thousand and \$338 thousand, respectively. Graduated adults funding came in \$59 thousand over expectation. And, the Extended Health Care Grant and Teacher Labour Settlement funding exceeded the Amended Budget by \$195 thousand and \$149 thousand, respectively.

Ministry of Education and Child Care 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 of \$9.244 million:** The district received \$6.309 million in 2022-23 in Labour Settlement Funding, as part of the Ministry’s Operating Grant, to cover salary and wage increases from new collective agreements. The Ministry also provided an additional \$933 thousand in Salary Differential funding – this funding provides funding to districts with higher average teacher salaries compared to the provincial average.

In addition, Regular Instruction Block Funding was \$1.374 million higher in 2022-23 compared to 2021-22. This funding increase was driven from increased standard FTE, from 15,418 FTE in prior year to 15,601 in 2022-23. Inclusive Education also saw enrolment increases, resulting in an increase of \$553 thousand over 2021-22 for the district’s Inclusive Education program.

<sup>6</sup> From: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC.

Other Provincial Revenues were \$91 thousand higher than the prior year and \$197 thousand higher than the Amended Budget, in connection with an additional grant that came in during the year from the Ministry of Public Safety and Solicitor General (this grant is for countering gang recruitment and associated risks) and increased revenues from the district’s Language Challenge and Autism Intervention programs.

Federal Revenues were \$52 thousand higher than the prior year and \$96 thousand higher than the Amended Budget, in connection with the Federal Language Instruction for Newcomers to Canada (LINC) and Settlement Workers in Schools (SWIS) programs. Program funding is based on service provision.

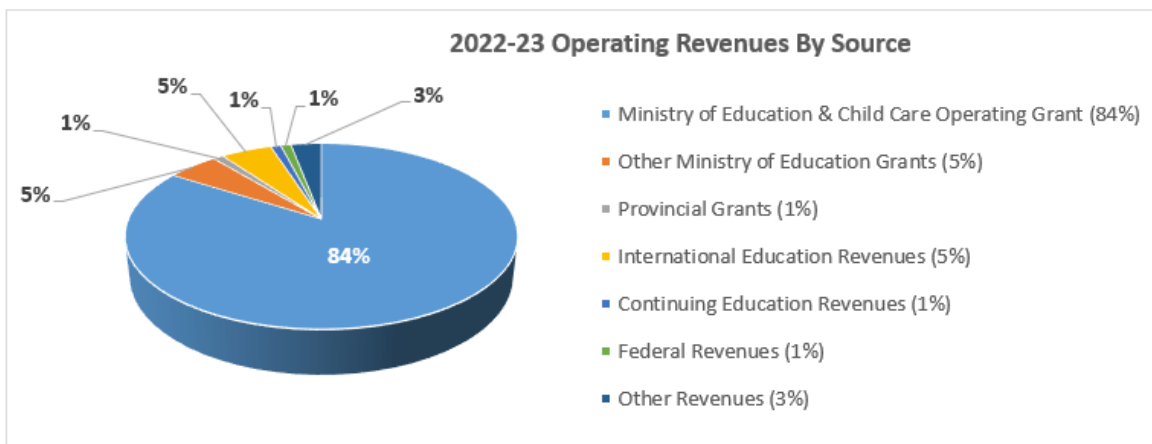
Tuition Revenues were \$903 thousand higher than the prior year and \$349 thousand higher than the Amended Budget. The increases were mostly due to higher International Student enrolment in 2022-23 as the International Program continued recovery after the lifting of COVID-related travel restrictions.

Other Revenues were \$134 thousand higher than the prior year, due primarily to additional miscellaneous revenues related to the International Student Program, such as medical insurance payments and homestay fees. Other Revenues were \$1.882 million higher than the Amended Budget, mostly because International Student Program miscellaneous revenues came in \$482 thousand over expectation and school generated funds (SGF) came in \$821 thousand over the Amended Budget.

SGF are collected and managed directly at schools, with financial oversight by the district, and include amounts such as parent contributions to school trips and PAC donations to schools. Schools are collecting more of these funds, and are using these funds for education-related supplies, in a post-COVID environment. The net change in SGF – the total of the increase of SGF revenue of \$821 thousand and increase of SGF expenses of \$727 thousand – was \$94 thousand over the 2022-23 Amended Budget (see page 25 for more discussion of SGF).

Facility Rentals were \$124 thousand higher than the prior year and \$12 thousand higher than the Amended Budget, as Facility Rentals continued to recover from the impacts of COVID in 2022-23.

Interest Income was \$1.104 million higher than the prior year and \$145 thousand higher than the Amended Budget. Differences were from higher returns on investments due to rising interest rates.



## 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”.<sup>7</sup>

### OPERATING SALARIES

Operating Fund Salaries and Benefits							
AS AT JUNE 30, 2023							
	Total 2022-23	A. Budget 2022-23	Total 2021-22	\$ Variance from A.Budget		Variance from Prior Year	
Teachers	84,456,150	84,117,363	83,147,504	338,787	0.4%	1,308,646	2%
Principals and Vice Principals	10,050,604	10,093,079	9,567,434	(42,475)	-0.4%	483,170	5%
Educational Assistants	12,745,885	12,356,270	13,277,696	389,615	3.2%	(531,811)	-4%
Support Staff	13,438,424	13,416,895	13,637,849	21,529	0.2%	(199,425)	-1%
Other Professionals	4,605,312	4,574,880	4,433,951	30,432	0.7%	171,361	4%
Substitutes	6,461,551	5,873,734	5,556,940	587,817	10.0%	904,611	16%
Total Salaries	131,757,926	130,432,221	129,621,374	1,325,705	1.0%	2,136,552	2%
Benefits	33,625,437	32,944,334	32,158,902	681,103	2.1%	1,466,535	5%
<b>Total Salaries and Benefits</b>	<b>165,383,363</b>	<b>163,376,555</b>	<b>161,780,276</b>	<b>2,006,808</b>	<b>1.2%</b>	<b>3,603,087</b>	<b>2%</b>

#### Collective Agreement Increases for 2022-23

Teachers received an increase of 3.24% with an additional step increase of \$440.84, effective July 1, 2022. Education assistants and support staff received a 3.24% increase, plus an additional \$0.25 per hour, effective July 1, 2022.

Teacher Salaries were \$1.309 million higher than the prior year and \$339 thousand higher than the Amended Budget. Despite lower teaching FTE in 2022-23 (885 FTE compared to 920 FTE in prior year), overall costs went up as a result of salary increases related to the new collective agreement ratified during 2022-23. Classroom teacher costs were \$1.372 million greater and teacher long-term illness costs \$485 thousand higher in 2022-23 compared to 2021-22.

Principal and Vice Principals Salaries were \$483 thousand higher, under the Provincial Compensation Framework, than the prior year but (\$42) thousand lower than the Amended Budget. Salaries came in lower than the Amended Budget as a result of temporarily vacant Vice Principal positions during the 2022-23 year.

Education Assistant (EA) Salaries were (\$532) thousand lower than the prior year. Reasons for the variances are almost entirely related to Inclusive Education. The Inclusive Education budget, in total, experienced a \$1.772 million budget cut in the 2022-23 budget, which led to a decrease in actual costs in 2022-23 compared to prior year throughout the Inclusive Education program. Spending on EAs was \$392 thousand above the Amended Budget and was based on known increases in supplemental funding for designated students.

<sup>7</sup> From: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC.

Support Staff Salaries were (\$199) thousand lower than the prior year and only \$22 thousand higher 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, but in 2022-23 the FTE and costs reverted back to pre-COVID levels. At the same time, support staff salaries increased this year from the newly negotiated CUPE collective agreement. The net impact of these two occurrences resulted in salaries being (\$199) thousand lower than the prior year.

Other Professionals' salaries were \$171 thousand higher than the prior year and only \$30 thousand higher than the Amended Budget. Costs in this category increased compared to the prior year due to exempt staff salary increases under the Provincial Compensation Framework and a slight 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 \$905 thousand higher than the prior year and \$588 thousand higher than the Amended Budget. Key factors for this include:

- Illness & Absence: Short-term illnesses and absences increased over the prior year by \$739 thousand. Most of this cost increase was anticipated and included in the Amended Budget. The following excerpt from management's 2023-24 budget recommendations provides an explanation:

*Since the pandemic, work absences from illness are at an all-time high across Canada and show few signs of relenting. People are now far more inclined to stay home from work if they are unwell to avoid spreading their illness to others in their workplace. The district, like most organizations, has seen a significant increase in illness costs as a result.*

- Substitute Teachers: This expense category was over the Amended Budget by \$285 thousand and exceeded the prior year by \$124 thousand. There were increases in discretionary leave for teachers, elementary prep time, and sick leave under the *B.C. Employment Standards Act* five-day leave provision for casual employees.
- Casual Maintenance Work: Results from a labour category of facility workers who fill in when regular Facilities staff are not available, either due to illness or as needed for projects. This expense category was over the Amended Budget by \$197 thousand and exceeded the prior year by \$143 thousand.

Benefits were \$1.467 million higher than the prior year and \$681 thousand higher than the Amended Budget. Key factors for this include:

- Extended Health and Dental costs were \$322 thousand higher than prior-year and \$101 thousand over the Amended Budget due to higher rates in 2022-23.
- Canada Pension Plan (CPP) / Employment Insurance (EI) costs were \$488 thousand higher than prior year and \$300 thousand over the Amended Budget, due to increases in CPP and EI



employer contribution rates and also due to increased salaries costs on which CPP and EI are calculated.

- Pension costs increased by \$400 thousand over the prior year, mostly on the teacher pension side, due to increased salary expenses (pension costs are calculated as a % of salaries). The rate itself did not change.
- All other benefits costs increased, in total, by \$185 thousand this year, mostly due to WorkSafe rates increasing by 7.6% over the prior year.

## **OPERATING SERVICES & SUPPLIES**

<b>Operating Services and Supplies</b>							
AS AT JUNE 30, 2023							
	Total 2022-23	A. Budget 2022-23	Total 2021-22	\$ Variance from A.Budget	Variance from Prior Year		
Services	4,718,448	4,332,989	4,296,397	385,459	9%	422,051	10%
Student Transportation	1,069,957	1,348,137	1,084,569	(278,180)	-21%	(14,612)	-1%
Professional Development and Travel	609,279	641,585	469,659	(32,306)	-5%	139,620	30%
Rentals and Leases	48,873	182,162	46,172	(133,289)	-73%	2,701	6%
Dues and Fees	181,157	140,100	201,050	41,057	29%	(19,893)	-10%
Insurance	342,011	326,001	316,001	16,010	5%	26,010	8%
Supplies	8,313,670	8,279,814	6,312,346	33,856	0%	2,001,324	32%
Utilities	2,811,751	2,521,728	2,705,722	290,023	12%	106,029	4%
<b>Total Services and Supplies</b>	<b>18,095,146</b>	<b>17,772,516</b>	<b>15,431,917</b>	<b>322,630</b>	<b>2%</b>	<b>2,663,229</b>	<b>17%</b>

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 increased by \$422 thousand over the prior year and increased by \$385 thousand compared to the Amended Budget.

### **Variances to the Prior Year:**

- International Student Program agent commissions increased by \$183 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.
- Consulting Fees: One-time costs in 2021-22 had no comparable counterpart in 2022-23.
- The Provincial Outreach Program for Autism and Related Disorders (POPARD) Teacher Training program incurred \$103 thousand more in services costs in 2022-23 compared to the prior year. These increased costs were more than offset by program revenues.
- All other service costs were, in total, \$222 thousand higher in 2022-23 compared to 2021-22.

### **Variances to the Amended Budget:**

- Inclusive Education's service costs exceeded the Amended Budget by \$100 thousand for additional specialized contract services that were required to meet specific student needs.

- Service costs for the Provincial Outreach Program for Autism and Related Disorders (POPARD) teacher training program came in higher than the Amended Budget by \$101 thousand.
- Software costs are increasing steadily due to inflation and due to an increase in technology. Actual costs of \$586 thousand this year increased by \$142 thousand over the Amended Budget. A key area of increasing technology is in the area of cybersecurity.

Student Transportation costs were (\$15) thousand lower than the prior year and (\$278) thousand lower than the Amended Budget. Increased COVID-related bus cleaning costs in 2021-22 subsided in 2022-23.

Professional Development (PD) and Travel were \$140 thousand higher than the prior year and (\$32) thousand below the Amended Budget. Reasons for the increase over the prior year include increasing gas prices, which impacted mileage and non-PD travel costs, and higher travel costs incurred in the International Student Program for student recruitment.

Rentals and Leases came in (\$133) thousand below the Amended Budget due to timing of expenditures and were only \$3 thousand higher 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.

Supply costs in 2022-23 came in, overall, slightly higher than the Amended Budget (difference of \$34 thousand). However, within the difference are a number of large variances that offset one another; namely, \$727 thousand more in supply expenses charged to school generated funds or SGF (as mentioned on page 21, SGF are being utilized at a higher rate for school-related supplies) and \$809 thousand less in technology and other supply costs. Expenses for school supplies went up significantly in 2022-23 compared to the prior year, due to increased school activity in a post-COVID environment.

Utilities costs were \$106 thousand higher than prior year and \$290 thousand higher than the Amended Budget, mostly due to increased geothermal plant gas costs in 2022-23.

## 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 and Child Care (e.g., Annual Facilities grant) and it includes Scholarship Funds.

As shown in the first table on the next page, at the beginning of the year, the district’s Special Purpose Funds had a combined opening balance of \$2.823 million. Receipts of \$22.549 million, spending of \$21.247 million, and recovery of \$664 thousand of funds by the Ministry resulted in a net \$638 thousand increase in the balance to be carried forward. The total carry-forward balance as at June 30, 2023 was \$3.461 million.

**DELTA SCHOOL DISTRICT - #37**

**Special Purpose Funds**

AS AT JUNE 30, 2023

	Opening Balance	Receipts	Spent	MOE Recovery	Ending Balance	Change
Annual Facilities Grant	-	627,873	627,873		-	-
Learning Improvement Grant	-	536,232	536,232		-	-
Scholarships	283,353	43,152	49,185		277,320	(6,033)
School Generated Funds	867,429	1,530,245	1,490,170		907,504	40,075
Strong Start	-	224,000	224,000		-	-
Ready, Set, Learn	31,225	58,800	55,665		34,360	3,135
Federal French Grant	-	489,657	450,216		39,441	39,441
Community Link	114,355	620,342	604,741		129,956	15,601
Community Schools Partnership	-	50,000	50,000		-	-
New Horizons for Seniors	11,498	22,500	-		33,998	22,500
Changing Results for Youth	4,897	11,250	14,005		2,142	(2,754)
Safe Return to School / Restart: Health & Safety Grant	79,077	-	79,077		(0)	(79,077)
Federal Safe Return to Class / Ventilation Fund	231,487	-	231,487		-	(231,487)
Seamless Day Kindergarten	-	67,292	40,372		26,920	26,920
Early Care & Learning	-	175,000	127,439		47,561	47,561
Erase Grant	-	-	-		-	-
ECE Dual Credit Grant	43,205	28,000	17,068		54,137	10,933
Mental Health Grant	12,506	51,000	16,546		46,960	34,455
Student & Family Affordability Grant	-	1,509,498	1,382,667		126,831	126,831
First Nations Student Transportation	-	-	-		-	-
POPARD	-	3,611,300	3,611,300		-	-
CEF Remedies	664,303	1,615,034	1,042,904	664,303	572,130	(92,173)
CEF Staffing	-	9,987,572	9,263,835		723,737	723,737
CEF Overhead	-	796,382	796,382		(0)	(0)
ESWIS-Settlement Workers	58,175	-	11,267		46,908	(11,267)
Youth Train in Trades	10,414	100,985	100,078		11,321	907
NOIIE	411,178	393,030	424,119		380,089	(31,088)
<b>GRAND TOTAL</b>	<b>2,823,102</b>	<b>22,549,144</b>	<b>21,246,628</b>	<b>664,303</b>	<b>3,461,315</b>	<b>638,213</b>

SPF Receipts Year over Year	2022-23	2021-22	Variance
Annual Facilities Grant	627,873	604,879	22,994
Learning Improvement Grant	536,232	537,110	(878)
Scholarships	43,152	52,249	(9,097)
School Generated Funds	1,530,245	902,595	627,650
Strong Start	224,000	224,000	-
Ready, Set, Learn	58,800	58,800	-
Federal French Grant	489,657	248,895	240,762
Community Link	620,342	597,756	22,586
Community Schools Partnership	50,000	50,000	-
Changing Results for Youth	11,250	9,900	1,350
ECE Dual Credit Grant	28,000	60,000	(32,000)
Mental Health Grant	51,000	120,482	(69,482)
New Horizons for Seniors	22,500	-	22,500
POPARD	3,611,300	3,573,848	37,452
CEF Remedies	1,615,034	1,688,035	(73,001)
CEF Staffing	9,987,572	7,877,585	2,109,987
CEF Overhead	796,382	767,671	28,711
Youth Train in Trades	100,985	101,000	(15)
NOIIE	393,030	317,802	75,228
<b>One-time grants:</b>			
Seamless Day Kindergarten	67,292	-	67,292
Early Care & Learning	175,000	-	175,000
Student & Family Affordability Grant	1,509,498	-	1,509,498
<b>Grants received in 2021-22, but not in 2022-23:</b>			
Safe Return to School / Restart: Health & Safety Grant	-	373,236	(373,236)
Federal Safe Return to Class / Ventilation Fund	-	299,470	(299,470)
Erase Grant	-	100,500	(100,500)
<b>GRAND TOTAL</b>	<b>22,549,144</b>	<b>18,565,813</b>	<b>3,983,331</b>

As shown in the second table on the previous page, the total receipts received in Special Purpose Funds in 2022-23 was \$3.983 million more than in the prior year. The difference was mostly because of \$2.110 million more in Classroom Enhancement Staffing Funding (CEF) received in 2022-23, and also receipt of \$1.509 million of Student and Family Affordability Grant funding.

**Commentary on Special Purpose Funds:**

<p><u><b>Annual Facilities Grant</b></u> \$628 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><b>Learning Improvement Fund</b></u> \$537 thousand available and spent this year</p>	<p>This grant increases weekly EA time by 45 minutes for 26-hour EAs, by 60 minutes for secondary EAs and by 30 minutes for EAs with less than 26 hours to enhance consultation, collaboration, and planning time, and to attend IEP and other school-based meetings. It also provides for two to three additional Peer Support positions. It is allocated in annual consultation with CUPE.</p>
<p><u><b>Scholarships</b></u> \$49 thousand spent this year; \$277 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><b>School Generated Funds</b></u> \$1.49 million spent this year; A portion of SGF funds is reported outside of the SGF Special Purpose Fund in the Operating Fund for unrestricted funds as determined in accordance with Public Sector Accounting Principles; \$908 thousand is the 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 three months delay.</p>
<p><u><b>Various Annual Education Grants</b></u> A total of \$1.385 million spent; \$204 thousand carry forward</p>	<p>Several annual, education initiative specific funds, largely provided in advance by the Ministry of Education and Child Care meet the criteria of special purpose funds and are reported as such. <b>These include the following: Strong Start and Ready-Set-Learn</b> for early learning initiatives, the <b>Federal French Grant</b> which provides supplemental funding for Official Language Education initiatives, <b>Community LINK</b> funding which supports academic achievement and social functioning of vulnerable students and funding from the United Way to help support <b>Community Schools programs</b>, such as after school and summer programs for students and community youth.</p>

<p><b><u>Provincial Safe Return to Schools / Restart Grant for Health &amp; Safety</u></b> Funding ended in the prior year; the remaining \$79 thousand were spent this year</p>	<p>This funding was provided by the Province to manage COVID-related health and safety costs.</p>
<p><b><u>Federal Safe Return to Class / Ventilation Fund</u></b> Funding ended in the prior year; the remaining \$231 thousand were spent this year</p>	<p>This funding was provided by the Federal Government to manage a wide range of COVID-related costs.</p>
<p><b><u>POPARD</u></b> \$3.611 million received and spent</p>	<p>The Provincial Outreach Program for Autism Related Disorders (POPARD) provides professional support for school districts around B.C. with respect to autism-related orders. The program is administered by the Delta School District for the Province of B.C. The fund is to be spent fully each year.</p>
<p><b><u>CEF Staffing, Remedies and Overhead Funds</u></b> A total of \$11.103 million spent; 15 additional teacher staffing FTE had been requested and received this year</p>	<p>This funding is provided by the Ministry of Education and Child Care 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><b><u>ESWIS Settlement Workers and Youth At Risk grants</u></b> \$11 thousand was spent; \$47 thousand remains</p>	<p>These grants date back several years and are used to supplement ESWIS programs while funds last.</p>
<p><b><u>Youth Train in Trades</u></b> \$100 thousand was spent; \$11 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 SkilledTradesBC. Youth Train in Trades programs are usually offered as partnerships between school districts and post-secondary institutions.</p>
<p><b><u>Erase Grant</u></b> There was no grant received nor spending activity this year</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><b><u>ECE Dual Credit Grant</u></b> \$28 thousand received, resulting in \$71 thousand available; \$54 thousand remains</p>	<p>The grant supports school districts in the development and administration of their early childhood education dual credit program.</p>
<p><b><u>Mental Health Grant</u></b> \$17 thousand spent; \$47 thousand remains; grant funding has decreased to pre-COVID levels and spending has followed suit;</p>	<p>This grant provides students with access to support when needed and to feel safe and connected at school.</p>

<p><b><u>Network of Inquiry and Indigenous Education (NOIIE)</u></b>          \$424 thousand spent; \$380 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 <i>Spiral of Inquiry</i>, 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>
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## Capital Fund

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.

Sites: No sites were acquired or disposed of this year.

Facility Improvement Projects of \$4.180 million in 2022-23 included \$3.981 million in Ministry Funded Bylaw projects, \$71 thousand for various small classroom enhancements, and \$128 thousand for Annual Facilities Grant improvement projects.

Capital Lease payments in connection with the district’s copier fleet and thermal energy plant amounted to \$568 thousand.

Technology costs included \$661 thousand in replacement education technology, \$187 thousand in Wi-Fi upgrades and \$15 thousand for a school LED sign. 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.

Maintenance Equipment Replacement: The district purchased Facilities equipment in the amount of \$309 thousand.

Education Equipment & Furniture of \$398 thousand included \$247 thousand in playground equipment, and \$151 thousand in projectors, classroom furniture and various other equipment.

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

DELTA SCHOOL DISTRICT - #37	
CAPITAL PROJECTS	
AS AT JUNE 30, 2023	
	TOTAL
Facility Improvement Projects	4,179,846
Copier & Thermal Energy Plant Lease	567,580
Education Technology & Equipment	863,845
Maintenance Equipment Replacement	308,742
Education Equipment & Furniture	398,354
	<u>6,318,367</u>

During the school year ended June 30, 2023, the district spent \$6.318 million in capital assets and capital lease costs. The \$6.318 million spent consisted of \$4.578 million in building and playground upgrades, \$864 thousand in technology and technology infrastructure projects, \$309 thousand in facilities equipment replacements, and \$568 thousand in capital lease payments.

Funding utilized to make these additions possible were: \$3.981 million from the Ministry of Education and Child Care, \$1.53 million from the district’s Operating Funds, \$493 thousand from Special Purpose Funds and \$314 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, 2023			
	Total	Total	Variance from
	2022-23	2021-22	Prior Year
Ministry Bylaw Funds	39,078	72,971	(33,893)
Ministry Restricted Funds	1,561,607	1,501,376	60,231
<b>Total Deferred Revenue</b>	<b>1,600,685</b>	<b>1,574,347</b>	<b>26,338</b>
Capital Reserve Funds	425,687	616,487	(190,800)
<b>Total Available Funds</b>	<b>2,026,372</b>	<b>2,190,834</b>	<b>(164,462)</b>

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

The Ministry of Education and Child Care’s Restricted Funds 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 2023-24 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 Delta School District’s stakeholders with a general overview of the district’s finances and to demonstrate the 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.