2024 Amended Budget Overview

Prepared by Adrian Johnson, Secretary-Treasurer, January 24, 2024 Board Meeting

Contents

Background

This narrative complements and explains the Amended Annual Budget for the year to June 30, 2023. The budget itself accompanies this narrative in the Board agenda package. Page number references in this section are to the Budget Bylaw document.

A key control over the School District's budget and expenditure is a comparison of actual expenditure against the budget. This narrative includes a comparison of actual year-to-date expenditure against the proposed budget. In summary, actual year-to-date expenditure is consistent with the budget.

The Amended Annual Budget is prepared in a format prescribed by the Ministry of Education and Child Care (MECC). The Provincial Government requires that Boards adopt an amended budget for the 2023/24 school year by February 29, 2024.

The budget document is complex. Revenues and expenses totalling over $135 million are broken down among many different categories.

The Board approved the original budget for the 2023/24 school year in May 2023. The amended budget considered here updates that budget to reflect changes in funding and updated costs of maintaining existing services.

Total budget revenue and expenditures

The 'Amended Annual Budget Bylaw' on page 1 outlines the bylaw to be adopted by the Board.

The 'Amended Annual Budget – Revenue and Expense' (Statement 2) on page 2 summarises the total of revenues received and expenses budgeted for the twelve months between July 1 2023 and June 30 2024. This provides an indication of the funding the Board expects the District to receive and how the Board will spend that funding.

Revenues	2023 Amended Budget	**2024 Amended Budget $**
Provincial Grants – MECC	107,158,312	**118,172,266**
Provincial Grants – Other Ministries	317,864	**518,338**
Tuition	5,851,600	**6,562,500**
Other Revenue	2,986,601	**4,711,986**
Rentals and Leases	50,000	**146,000**
Investment income	500,000	**800,100**
Amortization of Deferred Capital Revenue	4,668,047	**4,420,560**
Total Revenue	121,532,424	**135,331,750**

The revenues section of this document provides a detailed breakdown of the allocation of the total revenue budget of $135.331.750.

Expenditures are broken out in two places in statement 2. The second page of statement 2 outlines the budget bylaw amount as follows:

Budget Bylaw Amount (Expenses and Capital Asset Purchases)	2023 Amended Budget	**2024 Amended Budget $**
Operating Fund – Total Expense	104,554,807	**114,297,761**
Operating – Tangible Capital Assets Purchased	415,425	**341,628**
Special Purpose Funds – Total Expense	12,133,664	**15,984,316**
Special Purpose Funds – Tangible Capital Assets Purchased	326,260	**326,230**
Capital Fund – Total Expense	6,827,934	**7,328,670**
Capital Fund – Tangible Capital Assets Purchased from Local Capital	1,463,000	**1,163,000**
Total Budget Bylaw Amount	125,721,060	**139,441,605**

The expenditures section of this document provides a detailed breakdown of the allocation of the total budget bylaw amount of **$ 139,441,605.**

Budget Bylaw schedules

The budget contains comparative information from the previous school year's amended budget to add context.

The District manages its financial activities in three distinct areas, being the:

- Operating fund;
- Special purpose funds; and
- Capital fund.

The schedules on pages 5 to 15 provide more detail specific to each of these funds. The balances in these schedules are consistent, when combined together, with statement 2.

Schedule 1 (page 5) illustrates the surpluses in the funds.

Schedule 2 (page 6) provides detail on the **Operating Fund**.

The Operating Fund accounts for the District's operating grants and other operating revenues. Legislation requires that the District present a balanced budget for the Operating Fund, whereby budgeted expenditure does not exceed the total of budgeted revenue and any surplus in the operating fund carried forward from previous years.

Schedule 3 (page 11) provides detail on the **Special Purpose Funds**.

The Special Purpose Funds account for grants and contributions that agreements with third parties direct towards specific activities. As these are targeted grants, the budget typically accounts for any unspent as deferred revenue, not as accumulated surplus.

Schedule 4 (page 15) provides detail on the **Capital Fund**.

The capital fund accounts for:

- The capital assets of the District, including buildings, furniture, computers and equipment;
- Grants directed by agreement with a third party for the purchase of capital assets; and
- Funds restricted by the Board for future capital asset purchases (local capital).

Statement 4 on page 4 identifies the budget amounts for the acquisition of capital assets in the year.

Changes from original budget – updated assumptions

The amended budget is based on the original budget adopted by the Board in May 2023. It incorporates changes in assumptions based on changes since then.

Significant changes in assumptions for the operating fund include:

Change in assumption from original budget	**Change in revenue $**	**Change in expense $**
Increase in labour settlement operating grant announced by the Province in May 2023 for non-unionised staff wage increases.	520,000	
Increase in other operating grants. The total enrolment was less than budgeted, however the District has a greater percentage of inclusion students.	380,000	
Staff negotiated an increase from Interior Health in funding for therapy services already provided by the District.	200,000	
The District recruited about 20 more international students than budgeted, leading to more revenue and, on a prudent basis, an equal increase in cost.	480,000	480,000
The budget reflects the expected fees and offsetting costs for child care services provided by the board.	120,000	120,000
Interest rates remain high, leading to an increase in expected investment income.	130,000	
The District is renting various facilities to child care operators. This leads to an increase in expected rental revenue, offset by a corresponding increase in utility and maintenance costs.	76,000	76,000
Sick leave absenteeism across all employee groups is trending higher than initially budgeted.		300,000
A change in application of the employment standard's act has led to an increase in sick leave costs.		100,000
The average teacher salary of $96,822 is $180 greater than reflected in the original budget.		150,000
Utility costs are trending higher than expected.		100,000
Negotiated wage increases of NOYFSS, our service provider, were greater than expected.		60,000
Inclusion department costs have risen to accommodate the needs of a greater number of inclusion students.		200,000
The budgeted use of restricted reserves, in particular school budgets, is greater than reflected in the original budget.		80,000

Change in assumption from original budget	**Change in revenue $**	**Change in expense $**
Corrections to transportation support staff wage assumptions		190,000
Other minor changes and rounding	33,447	-3,423
Total	**1,939,447**	**1,852,462**

The increases in revenue assumptions exceed the increase in expense assumptions by $86,985. Therefore, the budget reflects less use of reserves to balance the budget. The following table outlines the surplus appropriation by category and summarises the anticipated reserves at the year-end (June 30, 2024).

	Use of reserves - Original budget $	Impact of updated assumptions $	**Use of reserves - Amended budget $**	Budgeted year-end reserves $
Restricted – Indigenous Education	623,535	-163,914	**459,621**	0
Restricted – Union Commitments*	0	-116,948	**-116,948**	864,394
Restricted – School budgets	0	323,942	**323,942**	175,345
Restricted – Trustee Travel	0	36,787	**36,787**	0
Unrestricted reserves	635,195	-166,852	**468,343**	1,317,545
Total	1,258,730	-86,985	**1,171,745**	2,357,284

*The amended budget assumes that not all the Educational Leave Fund annual allocation will be used. This leads to an increase in the related reserve, reflected as a negative figure.

This amended budget allows for $468,343 (25%) of the Board's $1,785,888 available unrestricted reserves to balance the budget.

This rate of utilization is not sustainable in the long term. There are, however, considerations which may reduce this dependence on reserves to balance the budget. These considerations include:

- The budget assumes no additional funding from the February enrolment count. It is possible that additional funding will be received as the number of students with funded designations increases.
- The use of reserves represents 0.4% of total operating expenses, so a small variation in assumption could reduce the need to use reserves.
- The budget assumes minimal net profit from the International Program. In previous years, as much as $800,000 in profit has been realized.

Amended Budget - Revenues

Fund	Source	Revenue	2024 Am. Budget $	Commentary
Operating	MECC	Operating Grant	102,785,188	The operating grant forms 76% of the District's revenue. The Ministry calculates the grant based on formulas. Key inputs into these formulas are the number of students in the District, their demographics, and funding factors. A detailed summary showing these inputs and calculations shown in Appendix 1 of this document. This figure excludes $950,798 which forms part of the formula-based funding but the Okanagan Indian Band pays to the District.
Operating	MECC	Labour Settlement Funding	1,748,608	The Province provides additional funding to offset the cost of wage increases associated with the recently concluded union collective agreement negotiations.
Operating	MECC	Other unrestricted grants	673,524	MECC provides several other grants that are not legally restricted but do have a specific intended purpose. The largest of these is transportation funding of $361,094. That is the only operating grant funding specifically intended for transportation. It is substantially less than the $2.6 million of operating expenses budgeted for allocation to transportation.
Special Purpose	MECC	Classroom Enhancement and Learning Improvement	9,087,215	The Ministry provides funds that the District must use to fund the costs associated with certain collective agreement commitments. This includes implementing restored Teachers' collective agreement language regarding class size and composition.
Special Purpose	MECC	Targeted early learning grants	1,304,389	MECC provides targeted grants for a number of early learning initiatives, including the Integrated Inquiry Project, Strong Start, Seamless Day, and Early Care and Learning coordination.
Special Purpose	MECC	Other MECC grants	1,061,362	MECC provides grants targeted towards teaching the French language (with an emphasis on French Immersion) and community-based education.
Special Purpose	MECC	First Nation Student Transportation	126,288	This grant is to ensure students living on Okanagan Indian Band land can safely and reliably get to school and back home.
Special Purpose	MECC	Annual Facility Grant	356,577	This is one of several grants the Ministry provides to help maintain our facilities.

Fund	Source	Revenue	2024 Am. Budget $	Commentary
Special Purpose	MECC	Feeding Futures	1,029,115	MECC provide funding to ensure our students are not hungry at school.
Operating	Other Provincial Ministries	Various grants for specified initiatives	518,338	Various Provincial Ministries provide funding to support projects that fall within their mandate, such as health education and harm reduction and trades education.
Operating	International tuition	Fee for service	6,562,500	The budget assumes the District will educate 250 FTE students through its international program. The Provincial Government does not provide grant funding for the education of international students. The District charges the students' families tuition fees.
Operating	Okanagan Indian Band	Local Education Agreement	950,798	The Okanagan Indian Band (OKIB) provides funding to the District for the education of students who live on OKIB land. The funding provided is calculated in the same way as the Operating Grant.
Operating	Various	Various	1,361,688	The District receives revenues from other sources that are not legally restricted, such as interest on its bank balance. Reflected within this budgeted figure is the assumption that the District will collect $230,000 of transportation fees over the year.
Special Purpose	Various	Various	3,264,900	The District receives contributions from a variety of sources that the fund provider restricts for a specific purpose. This includes school supply fees, field trip contributions, school fundraisers and scholarship donations.
Special Purpose	Woodlot	Timber harvesting revenue	80,000	The District owns a woodlot license to support the delivery of its forestry education program. The District generates revenue through timber sales.
Capital	MECC	Amortization of deferred capital revenue	4,420,560	MECC provides grants to the District that the Ministry designates the District must spend on certain capital projects. The District recognizes the grant as revenue evenly over the expected lifetime of the asset. For example, with a $40 million grant to fund the construction of a school with an expected lifetime of 40 years, the District would record $1 million of revenue every year over the 40 years the District expects the building to be in service.
Total			**121,532,424**	

Amended Budget - Expenditures

Summary

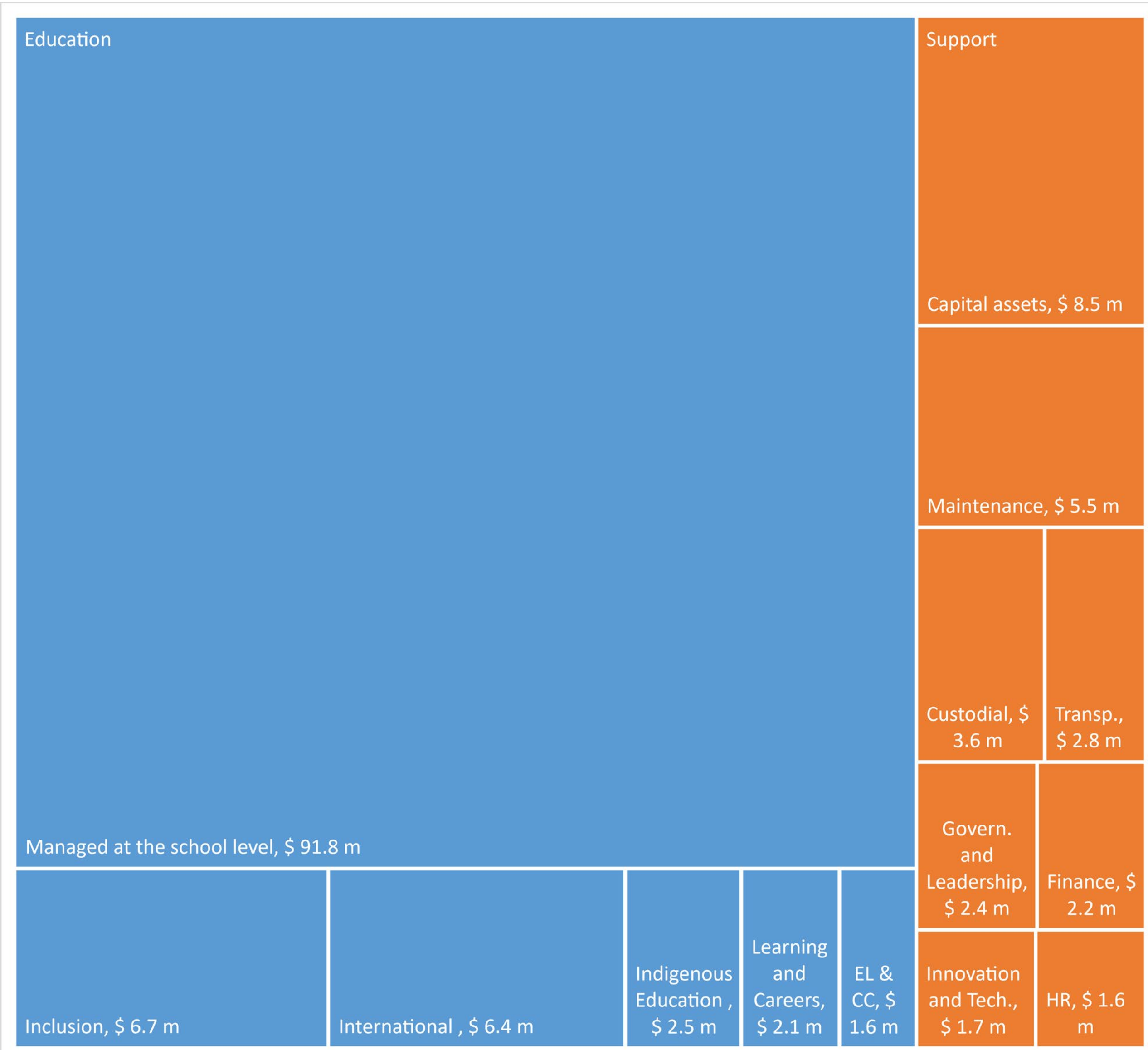
Budget area		2023 Am. Budget $	2024 Am. Budget $
Managed at the school level			
	Teachers, Principals and Vice-Principals	62,693,707	**68,105,790**
	Education Assistants	8,873,595	**10,026,278**
	Clerical and student supervisors	2,800,825	**2,996,563**
	Services and supplies	2,168,958	**2,226,988**
	School based absence costs	3,885,891	**4,234,750**
	School generated funds	1,600,000	**3,000,000**
	Feeding futures and affordability fund	375,000	**1,219,779**
	Total	82,397,976	**91,810,148**
International			
	Teachers, Principal and Vice Principal	1,926,685	**2,064,997**
	Management and clerical support	318,534	**338,730**
	Services and supplies	3,290,090	**3,847,592**
	International reserve	66,291	**116,291**
	Total	5,601,600	**6,367,610**
Indigenous Education			
	Services and supplies	453,795	**222,881**
	Staff	2,027,476	**2,272,101**
	Total	2,481,271	**2,494,982**
Inclusion			
	Teachers and Principal	3,484,839	**4,368,794**
	Management, other professionals and clerical support	443,365	**729,085**
	Services, supplies and substitutes	1,629,069	**1,637,903**
	Affordability fund	350,000	**0**
	Total	5,907,273	**6,735,782**
Learning and Careers			
	Teachers, Principal	668,274	**1,023,605**
	Management and Clerical Support	349,560	**480,333**
	Services, supplies and substitutes	614,139	**596,216**
	Total	1,631,973	**2,100,154**
Early Learning and child care			
	Teachers, Principal and Vice-Principal	520,000	**804,997**
	Early Learning and child care programs	454,268	**844,443**

Budget area	2023 Am. Budget $	**2024 Am. Budget $**
Total	974,268	**1,649,440**
Maintenance		
Utilities	1,738,305	**2,073,305**
Staff	1,832,743	**1,931,114**
Services and supplies	1,138,697	**1,168,697**
Facility infrastructure maintenance	356,577	**356,577**
Total	5,066,322	**5,529,693**
Custodial		
Staff	2,741,369	**3,127,372**
Services, supplies and substitutes	465,505	**465,505**
Total	3,206,874	**3,592,877**
Innovation and Technology		
Management and support staff	523,912	**792,306**
Teachers	360,000	**383,852**
Services and supplies	515,755	**512,955**
Total	1,399,667	**1,689,113**
Transportation		
Staff	1,610,301	**1,806,807**
Services, supplies and substitutes	1,035,964	**1,023,594**
Total	2,646,265	**2,830,401**
Finance		
Staff	765,865	**837,774**
Services and supplies	1,240,826	**1,334,275**
Total	2,006,691	**2,172,049**
Human Resources		
Staff	789,235	**849,826**
Services, supplies and substitutes	286,726	**401,377**
Remedies	175,230	**171,840**
Union commitments	538,068	**132,372**
Total	1,789,259	**1,555,415**
Governance and Leadership		
Staff	1,037,030	**1,114,164**
Services, supplies and substitutes	1,163,657	**1,123,007**
Scholarships and Bursaries	120,000	**185,100**
Total	2,320,687	**2,422,271**
Capital assets		
Tangible Capital Assets purchased from Local Capital	1,463,000	**1,163,000**

Budget area		2023 Am. Budget $	2024 Am. Budget $
	Amortization of capital assets	6,827,934	**7,328,670**
	Total	8,290,934	**8,491,670**
Grand Total		125,721,060	**139,441,605**

The grand totals in the table above agree to the total budget bylaw amount in the amended budget.

Chart: Budget allocations by area, $ millions



Most expenditures are managed at the school level.

Budgets managed at the school level

Teachers, Principals and Vice-Principals

The Board allocates a full-time equivalent (FTE) budget to elementary schools for teachers, Principals and Vice-Principals. The budget is set in April for the following school year and revised if circumstances require.

The following table shows the FTE allocations on which the budget is based.

Purpose	Total	
Classroom teachers	393.1	Principals forecast school enrollment for the upcoming school year, by grade, and consider students with particular additional needs from a class composition perspective. Using this information, the Board allocates elementary schools the number of divisions necessary to meet collective agreement obligations.
Prep time coverage for classroom teachers	20.2	Teachers are entitled to 120 minutes a week of prep time during instructional time. The Board allocates schools the additional teachers necessary to cover this prep time.
Teacher Librarian	13.3	The Board allocates teacher librarian time to schools dependent on the size of the school.
Principal and Vice-Principal administration time	28.2	The Board allocates administration time to schools dependent on the size of the school and the demographics of the student population.
School Based Resource Teachers	62.5	See the section 'School Based Resource Teacher staffing model and process' later in this document.
Counsellors	9.6	The Board allocates counsellor time to schools dependent on the size of the school and the demographics of the student population.
Teachers - miscellaneous assignments	15.5	The Board allocates additional teaching FTE to accomplish certain initiatives. This includes positions allocated through the discretionary FTE as required by the teachers' collective agreement restored language.
Total	**542.4**	

Sufficient classroom teachers are allocated to ensure collective agreement requirements regarding the number of students in each class are met. These are, broadly:

Grade	Max size
Kindergarten	20
One to three	22
Four to twelve	30
Split classes & certain subjects	22 – 28
Inclusion of students with diverse needs	Lowers max

The above ratios are the maximum. Secondary schools are staffed at a ratio of 25.5 students to one FTE, based on enrollment forecasts.

Education Assistants

The budget allocates 174.0 FTE of Education Assistants to schools following the Education Assistant staffing model and process outlined later in this document.

Services and supplies

The budget allocates schools a discretionary budget based on the formula outlined in the School Services and Supplies section later in this document.

If the school does not use all their allocated funds, the budget allows the carrying forward of funds to the subsequent year.

School generated funds

Schools raise funds directly through fee collection and various fundraisers. The providers of the funds expect the funds to be use for the associated activity (school supply purchases, field trips etc.). The budget assumes approximately $3.0 million of such costs are incurred during the year.

School Based Resource Teacher staffing model and process

Intent of model

The Board of Education receives limited funding to deliver educational services across the School District. The Board aims to allocate that limited funding in a manner that most effectively achieves the District's mission, vision and goals.

District management use a numerical model to guide the allocation of available SBRT time among schools.

The educational needs of each student in our District are diverse, complex and changing. These needs, and the educational resources required to address them, cannot be accurately and unequivocally measured numerically.

The intent of the SBRT staffing model is:

- To facilitate transparent and equitable distribution of SBRTs across District schools.
- To allow for predictable adjustment of the total District-wide SBRT FTE as the demographics and size of the student population change. For example, if the number of designated students increases, the District-wide total SBRT FTE will increase to maintain approximately the same level of service across a larger population.

District management does not intend the model to be an indicator of how much SBRT time individual students need to meet their educational needs. It is an indicator of the relative demands on SBRT time at one school in comparison to another.

Management may change the inputs into the model (for example, FTE per category H student) through the annual budget creation process. This would provide more or less SBRT time independently of demographic changes.

SBRT Model Inputs

Some key drivers of an SBRT's workload, as determined by District management through consultation with Principals, are included in the model.

These factors, and the calculation of SBRT time based on each factor, are currently:

- Number of category A and B students x 0.09 FTE;
- Number of category C, D, E, F, G students x 0.045 FTE;
- Number of category H students x 0.035 FTE;
- Number of K, Q students x 0.02 FTE;
- Number of students at the school x 0.001 FTE; and
- Social Services Index of the school x number of students at the school x 0.007 FTE.

Many other subjective and quantitative factors influence the work SBRTs must do. The model is therefore only a rough approximation of the relative demands on SBRT time. Including more factors increases the complexity of the model and is unlikely to change the overall result in a significant and useful manner.

The model considers students who management anticipate will join the School District in the upcoming school year.

The model allocates an additional eight blocks of SBRT time to schools with a summit room.

An additional 1.6 FTE is available for the Director of Student Support Services to allocate at their discretion.

The actual amount of SBRT time allocated to a school is at the discretion of the Director of Student Support Services. The time allocated to a school may be more or may be less than that calculated by the model. The total time across schools must be within the available budget.

Staffing process

The staffing process follows the regular staffing cycle for teaching staff, and so management allocate SBRT FTE in May for the following school year based on forecast enrolment.

Full-time SBRT positions are typically easier to fill than part-time ones. Application of the model typically requires the school to have at least one SBRT at the school part-time. Use of the 1.6 FTE available at the Director's discretion helps bridge this allocation gap. In addition, management assign district SBRTs to multiple schools to split full-time positions to fill part-time allocations at schools.

Education Assistant staffing model and process

Intent

The Board of Education receives limited funding to deliver educational services across the School District. The Board aims to allocate that limited funding in a manner that most effectively achieves the District's mission, vision and goals.

District management use a numerical model to guide the allocation of available Education Assistant (EA) time among schools.

The educational needs of each student in our District are diverse, complex and changing. These needs, and the educational resources required to address them, cannot be accurately and unequivocally measured numerically.

The goals of the EA staffing model and process are:

- Consistency and fairness of resource allocations between schools in the District;
- Predictable EA staffing levels;
- Link resource allocation to funded student categories to motivate appropriate coding;
- Reduced staff turnover (consistent individuals from year-to-year); and
- Sufficient flexibility to address unique high-needs circumstances.

District management does not intend the model to be an indicator of how much EA time individual students need to meet their educational needs. It is an indicator of the relative demands on EA time at one school in comparison to another.

Management may change the inputs into the model (for example, EA hours per week per category H student) through the annual budget creation process. This would provide more or less EA time independently of demographic changes.

EA model inputs

Base allocation of hours per week per designation is shown in the following table.

Designation (funded only)	Elementary	Secondary
A, B	30	30
C,D,E,F,G	10.25	5
H	5	2.5

This excludes hours allocated from the Learning Improvement Fund.

- A typical EA posting at an Elementary school is 25 hours per week, topped up with 2.5 hours funded through the Learning Improvement Fund.
- A typical EA posting at a Secondary school is 27.5 hours per week, topped up with 2.5 hours funded through the Learning Improvement Fund.

An additional 420 hours a week is available for the Director of Student Support Services to allocate at their discretion.

EA staffing cycle

Principals enter a forecast of designated students for the following school year into MyBudgetFile. There will be two deadlines for this data to be input.

Deadline 1 – early March, a preliminary estimate to assist District Staff in forecasting funding for the following school year.

Deadline 2 – late April, a more detailed forecast using knowledge of any students expected to join the school the following year and discussions with the District Student Support Services team. This forecast is then entered into the model to establish a base EA allocation for the following school year.

The aim is to post permanent EA positions equivalent to the base EA allocation, rounded to a reasonable hours per week number that fits with postings. During the May / June staffing cycle, EA positions are posted or laid off to achieve this base hours per school.

Management revisit the number and allocation of EA positions periodically throughout the year to reflect changes in numbers of students with designations.

School services and supplies

Costs covered by school budgets

All revenues and costs over which the School Principal has discretion are to be allocated to schools' cost centres.

Allocation of funds to schools

Purpose	Reflected in allocation
Base costs of operating a school, regardless of size. This includes telephone costs, cost of maintaining a workshop classroom, etc.	Each school receives a base allocation of: • Elementary $13,250 • Secondary $26,500 • Alternative schools, including vLearn: combined base of $48,049.
Costs associated with the **number of students**, such as photocopying and classroom supplies	Each school receives an amount per pupil, on a headcount basis and excluding international students, of: • Elementary $95 • Secondary $183 • Alternative schools, including vLearn, receive the same. Due to the continuous enrolment funding model the vLearn amount is based on the previous year's total enrolment on an FTE basis.
Schools in lower income areas typically collect up to about	Each school receives an allocation based on the social index of their catchment area and number of students, as follows:

Purpose	Reflected in allocation
$4,000 less in school supply fee revenue than similar sized schools with more affluent catchment areas.	• $55 x number of students x Social Index % • Alternative schools, including vLearn, receive an additional 10% of their regular enrolment based funding. Social indexes ranged from 2% to 26%. The Provincial Government publishes a revised social index every two years.
Transportation costs associated with being further from Vernon	Each school receives an allocation dependent on the number of pupils and the distance to the Vernon Rec Centre, calculated as follows: • $0.50 x number of students x distance from school to Rec Centre in kilometres
Receiving a share of the **international** income assists schools that house international students purchase general supplies and pay for the incremental costs of housing international students.	At the end of each semester, schools are allocated a budget as follows: • Elementary $1,000 per international FTE • Secondary $500 per international FTE
Schools without **a Vice-Principal** incur additional costs due to having to allocate a teacher-in-charge and TTOC if the Principal is absent	Schools with no VP are allocated funding as follows: • Less than 300 students $2,400 • More than 300 students $4,000
To purchase basic supplies for district summit program	Schools with a district summit program are allocated $1,000 in additional funding.
To assist school administration in the year-to-year management of the school budget.	Any unspent budget is carried forward to the following year, allowing a reserve to be created at the school level.

Capital assets

Tangible Capital Assets purchased from Local Capital

The budget reflects a transfer of $1,163,000 from the operating fund to local capital during the year.

Project	Budget $
Maintenance, custodial and transportation equipment	58,000

Project	Budget $
Computer Hardware	845,000
Maintenance Vehicles	130,000
Shop equipment replacement	30,000
Classroom standardisation project	100,000
Total	**1,463,000**

Amortization of capital assets

The financial statements expense the cost of capital assets, such as school buildings, over the lifetime of the asset. For example, if a vehicle costs $50,000 and has an estimated lifetime of ten years, the financial statements recognise a cost of $5,000 each year.

The budget also reflects an estimate of this amortization expense.

Budget preparation

Management use software called MyBudgetFile to:

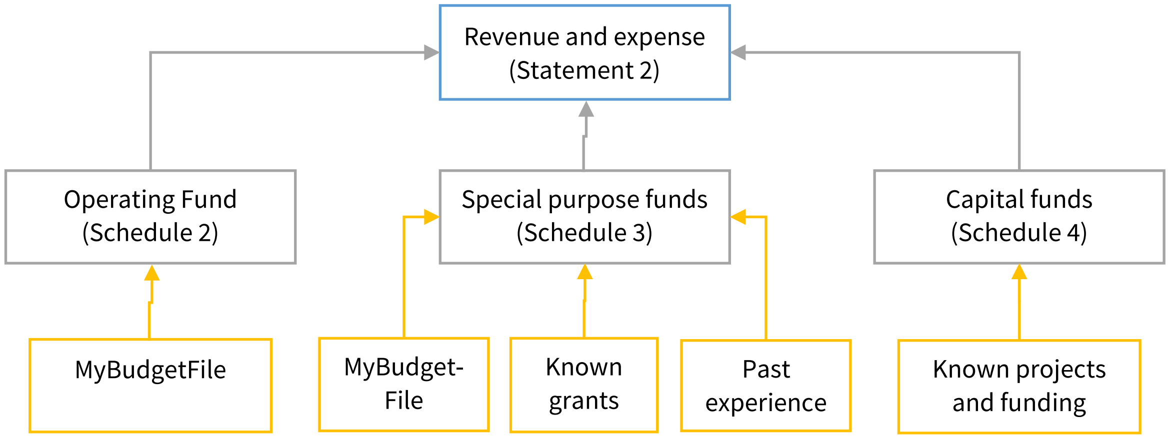
- calculate budgeted operating and certain special purpose fund revenue based on enrolment data, Ministry of Education funding announcements, and known or expected other grants;
- allocate staff FTE and service and supply funds to schools and departments;
- calculate salary and benefit costs, by position, based on the FTE assigned, average or actual staff wages, and estimates of benefit costs; and
- track the allocation by department managers or School Principals of service and supply funds between different categories (eg. utilities and phone costs)

This software provides good visibility over the many components of the complex budget and reduces the risk of calculation error.

Management calculate the school generated fund and scholarship fund budget disclosed in schedule at a high level and based on previous years' experience. School and department management perform detailed monitoring of expenditure in those funds.

Management prepare capital fund budgets based on known capital projects and capital funding.

Management create the budget bylaw document directly from data extracted from these various sources as the following diagram illustrates:



Year to date financial performance

Revenue

The amended budget is updated to reflect current revenue projections. Actual revenue is in line with these projections.

Expenditure

Operating fund

The following table shows year-to-date expenditure in the operating fund. December 31 is three months into the school year and six months into the fiscal year.

	Actual to Dec 31, 2023 $	2024 amended budget $	% budget spent	Bench-mark	Commentary
Instruction					
Salaries & benefits	35,637,052	89,203,460	40.0%	40.0%	Expenditure is approximately in line with the benchmark.
Services and supplies	3,394,076	7,367,249	46.1%	40.0%	Expenditure is typically weighted towards the beginning of the year as classroom supplies are purchased for the year ahead.
Total	39,031,128	96,570,709			
District Administration					
Salaries & benefits	1,629,821	3,260,965	50.0%	50.0%	Expenditure is approximately in line with the benchmark.
Services and supplies	442,492	1,101,364	40.2%	50.0%	Expenditure is approximately in line with the benchmark.
Total	2,072,313	4,362,329			
Operations & Maintenance					
Salaries & benefits	3,092,154	6,530,861	47.3%	50.0%	Expenditure is approximately in line with the benchmark. Wage expenditure varies with allocations to capital projects.
Services and supplies	2,302,957	4,281,505	53.8%	50.0%	Expenditure is approximately in line with the benchmark.
Total	5,395,111	10,812,366			

	Actual to Dec 31, 2023 $	2024 amended budget $	% budget spent	Bench-mark	Commentary
Transportation					
Salaries & benefits	816,945	1,916,433	42.6%	43.0%	Expenditure is approximately in line with the benchmark.
Services and supplies	167,124	635,924	26.3%	40.0%	Variance is largely due to timing differences in fuel deliveries.
Total	984,069	2,552,357			
	47,482,621	114,297,761	41.5%	41.4%	

Overall, expenses are generally as budgeted.

Special Purpose Funds

Special purpose funds track the use of funding which is targeted towards a specific purpose. Broadly, expenditure is in line with budget.

Capital expenditure

Significant capital projects funded with targeted grants include:

- Phase 3 of Charles Bloom renovation $1,993,780
- Hillview Elementary HVAC upgrades $145,000
- Kitchen upgrades (feeding futures) $143,730
- Bus purchases $902,453

No cost overruns are foreseen at this point.

Key financial risks

Inflation pressures

Risk

The current economic environment means the cost of acquiring supplies and services continues to increase at an unusually high rate. Department service and supply budgets have not increased in line with inflation. This increases the risk that departments are unable to meet their goals within the allocated budgets, leading to budget variances.

Mitigation

Department leaders continue to monitor spend against budget to identify and rectify any concerns early. Adjusting budgets within available funding to ensure continuity of existing service will be a consideration during the 2024/25 budget creation cycle.

Early learning and child care

Risk

The incorporation of Child Care into the Ministry of Education has expanded the Board's scope from kindergarten to grade 12 to birth to grade 12. This creates opportunities for the Board to achieve its mission '*We inspire and nurture students to thrive in their learning, relationships and community*' as much student development occurs pre-kindergarten.

The expected role of Boards for age 0 to kindergarten is evolving, as is the funding model. There is a financial risk of a mismatch between funding and the additional costs necessary to meet the Board's goals in this regard. For example, the Board's inclusive approach for students with diverse needs in a pre-school setting differs from the practice of legacy child care service providers.

Mitigation
SD22 is a pilot District for child care initiatives. Staff are highlighting these problems to staff from the Ministry of Education Child Care. Staff are monitoring activities to ensure no unfunded early learning and child care commitments are made while still striving to achieve the strategic plan goals.

Sick leave costs

Risk
Sick leave fluctuates during the year, and has generally exceeded expectations. This poses a risk of costs exceeding budget.

Mitigation
The amended budget contains increased allocations to sick leave. The Board carries a contingency reserve to address unforeseen costs.

Appendix A – Ministry of Education Operating Grant Calculation

(on following page)

Interim Operating Grants Overview - 2023/24 School Year

School District 22 (Vernon)

(Following the September 2023 Enrolment Count)

September 2023 Enrolment Count	School-Age Enrolment	Funding Level	Funding	Total Supplement
Standard (Regular) Schools	8,566.2500	$8,625	$73,883,906	
Continuing Education	0.5000	$8,625	$4,313	
Alternate Schools	75.0000	$8,625	$646,875	
Online Learning	148.6875	$6,960	$1,034,865	
Home Schooling	31	$250	$7,750	
Course Challenges	1	$270	$270	
Total Enrolment-Based Funding (September)	**8,790.4375**			**$75,577,979**
	Total Enrol. Change	**Funding Level**	**Funding**	**Total Supplement**
1% to 4% Enrolment Decline	52.4375	$4,313	$0	
4%+ Enrolment Decline		$6,469	$0	
Significant Cumulative Decline (7%+)	251.5000	$4,313	$0	
Supplement for Enrolment Decline				**$0**
	Enrolment	**Funding Level**	**Funding**	**Total Supplement**
Level 1 Special Needs	10	$49,070	$490,700	
Level 2 Special Needs	476	$23,280	$11,081,280	
Level 3 Special Needs	340	$11,760	$3,998,400	
English Language Learning	355	$1,735	$615,925	
Indigenous Education	1,289	$1,710	$2,204,190	
Adult Education	0.6250	$5,505	$3,441	
Equity of Opportunity Supplement			$486,993	
Supplement for Unique Student Needs				**$18,880,929**
			Funding	
Variance from Provincial Average	$1,812			
Estimated Number of Educators	488.392		$884,966	
	Enrolment	**Funding Level**	**Funding**	**Total Supplement**
FTE Distribution	8,791.0625	$180.33	$1,585,292	
Supplement for Salary Differential				**$2,470,258**
Supplement for Unique Geographic Factors				**$5,940,350**
Funding Protection				**$0**
Curriculum and Learning Support Fund				**$78,642**
September 2023 Enrolment Count, Total				**$102,948,158**

July 2023 Enrolment Count	Enrolment	Funding Level	Funding	Total Supplement
Summer Learning Grade 1-7	128	$245	$31,360	
Summer Learning Grade 8-9	0	$245	$0	
Summer Learning Grade 10-12	0	$490	$0	
Supplemental Summer Learning Funding			$6,313	
Cross-Enrolment, Grade 8 and 9	2	$490	$980	
Summer Learning, Total				**$38,653**

February 2024 Enrolment Count*	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	3.0000	$8,625	$25,875	
Adult FTE - Continuing Education	0.0000	$5,505	$0	
K-Gr 9 School-Age FTE - Online Learning	8.0000	$3,480	$27,840	
Gr 10-12 School-Age FTE - Online Learning	57.0000	$6,960	$396,720	
Adult FTE - Online Learning	0.0000	$5,505	$0	
Level 1 Special Needs Enrolment Growth	0	$24,535	$0	
Level 2 Special Needs Enrolment Growth	0	$11,640	$0	
Level 3 Special Needs Enrolment Growth	0	$5,880	$0	
Newcomer Refugees	10.0000	$4,313	$43,130	
ELL Supplement - Newcomer Refugees	10	$868	$8,680	
February 2024 Enrolment Count, Total*				**$502,245**

May 2024 Enrolment Count*	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	2.0000	$8,625	$17,250	
Adult FTE - Continuing Education	0.0000	$5,505	$0	
K-Gr 9 School-Age FTE - Online Learning	0.0000	$2,320	$0	
Gr 10-12 School-Age FTE - Online Learning	33.0000	$6,960	$229,680	
Adult FTE - Online Learning	0.0000	$5,505	$0	
May 2024 Enrolment Count, Total*				**$246,930**

2023/24 Full-Year Estimated Total*	$103,735,986
Estimated 2023/24 Operating Grant from Indigenous Services Canada	$967,845
Estimated 2023/24 Operating Grant from Ministry of Education and Child Care	$102,768,141

***Note**: Highlighted sections are estimated and will be updated following the February and May enrolment counts