

# Staff Report



February 13, 2024

**To** Board of Education (Public Meeting)

**From** Ray Velestuk, Secretary-Treasurer/CFO  
Monica Schulte, Assistant Secretary-Treasurer

**Re** **2023-2024 Amended Annual Budget Bylaw**

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## **RECOMMENDATION:**

THAT the Board of Education approve having all three readings of the 2023/2024 Amended Annual Budget Bylaw in this one meeting.

THAT School District No. 34 (Abbotsford) Amended Annual Budget Bylaw for fiscal year 2023/2024 be given first reading.

THAT School District No. 34 (Abbotsford) Amended Annual Budget Bylaw for fiscal year 2023/2024 be given second reading.

THAT School District No. 34 (Abbotsford) Amended Annual Budget Bylaw for fiscal year 2023/2024, specifying an expenditure of \$275,265,482 be given third reading, reconsidered, and finally passed and adopted on this 13<sup>th</sup> day of February 2024.

## **BACKGROUND:**

On June 13, 2023, the Board of Education approved the 2023-2024 Annual Budget Bylaw based on preliminary estimates of enrolment, funding, and expenditures. Since that time, July and September actual enrolments have resulted in recalculated operating grants for the 2023-2024 year.

Section 113 (1) of the *School Act*, requires that a board, by bylaw, (a) must adopt an annual budget on or before June 30 of each year for the next fiscal year, and (b) may amend the annual budget adopted under paragraph (a).

Section 113 (2) of the *School Act*, further states that if an operating grant to a board is amended, or a grant is withheld or reduced, the minister may order that the board, by bylaw, must amend its annual budget, and must send a certified copy of the amended annual budget to the minister within 60 days of the order together with a certified copy of its annual budget.

The following details the changes incorporated into the 2023-2024 Amended Budget.

**OPERATING FUND REVENUE CHANGES - \$3.29 million increase**

Ministry of Education and Child Care Operating Grant

Changes in July and September enrolment from projections to actual have generated an additional \$2.94 million; \$2.02 million generated by regular enrolment increases and \$0.92 million for unique enrolment increases.

Rentals and Leases

It is anticipated that revenue will increase by \$0.12 million.

Investment Income

Due to the increase in interest rates, it is anticipated that an additional \$0.15 million of investment income will be received.

**OPERATING FUND EXPENDITURE CHANGES - \$3.76 million increase**

Teacher Salaries

Increased enrolment has required additional teachers at a cost of \$0.29 million.

Other Salaries

Approved cost of living salary increases result in an increase of \$1.23 million.

Substitute Salaries

Substitute Salaries are anticipated to increase by \$0.85 million.

Benefits

Benefit costs have increased \$0.02 million due to the above-mentioned changes.

Supplies and Services

Schools and departments will have reallocated their budgets between supply and capital asset accounts as operational needs for the year become known.

Supplies and services have increased \$1.37 million, funded primarily from prior year surplus carryforwards. Supply allocations to schools have increased also to match increased enrolment.

**OPERATING FUND CAPITAL ASSET PURCHASE CHANGES - \$0.08 million increase**

Increases to capital asset purchases are funded from prior year surplus.

**OPERATING FUND ACCUMULATED SURPLUS APPROPRIATION – \$0.55 million increase**

The net change to operating fund revenue and expenses of \$0.55 million detailed above are funded through prior year appropriated surplus reported on the June 30, 2023, financial statements.

The following table shows the change in surplus from the June 30, 2023, Financial Statements to the 2023-24 Amended Budget Bylaw. The remaining unrestricted operating surplus of \$3.34 million is 1.57% of operating expenditures and is compliant with AP 524.

<b>ANALYSIS OF SURPLUS:</b>	<b>Financial Statements</b>	<b>Allocated in Amended</b>	<b>Anticipated Surplus at June 30, 2024</b>
<b>Operating</b>			
<b>Internally restricted</b>			
Career Prep/ACE-IT	233,415	233,415	0
Career Prep/Skills Exploration	112,490	112,490	0
Schools	1,140,551	117,350	1,023,201
Around School Program	2,927		2,927
<b>Unrestricted operating surplus</b>	<b>4,283,174</b>	<b>947,357</b>	<b>3,335,817</b>
<b>Restricted</b>			
Strategic plan initiatives	339,107	54,558	284,549
IT infrastructure	600,000		600,000
Abby Arts	100,851		100,851
Support for equity initiatives	243,224	30,000	213,224
	<b>7,055,739</b>	<b>1,495,170</b>	<b>5,560,569</b>

**LOCAL CAPITAL FUND**

The only change made in the local capital fund is an increase in anticipated investment income of \$0.05 million.