

2025 Amended Budget Overview



Prepared by Adrian Johnson, Secretary-Treasurer, February 19, 2025, Board Meeting

Contents

Background	1
Total budget revenue and expenditures	2
Budget Bylaw schedules	2
Changes from original budget – updated assumptions	3
Budget preparation	5
Appendix A – Ministry of Education Operating Grant Calculation	6

Background

This narrative complements and explains the Amended Annual Budget for the year to June 30, 2025. The budget itself accompanies this narrative in the Board agenda package. Page number references in this section are to the Budget Bylaw document.

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 2024/25 school year by March 30, 2025.

The budget document is complex. Revenues and expenses totalling about \$146 million are broken down among many different categories.

The Board approved the original budget for the 2024/25 school year in May 2024. 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 and expenses budgeted for the twelve months between July 1 2024 and June 30 2025.

This provides an indication of the funding the Board expects the District to receive and how the Board will spend that funding.

Revenues	2024 Amended Budget	2025 Amended Budget \$
Provincial Grants – MECC	117,744,969	124,080,210
Provincial Grants – Other Ministries	553,814	548,838
Tuition	6,562,500	6,548,875
Other Revenue	5,146,643	5,566,191
Rentals and Leases	146,000	150,000
Investment income	800,100	830,100
Amortization of Deferred Capital Revenue	4,934,510	5,121,599
Total Revenue	135,888,536	142,845,813

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)	2024 Amended Budget \$	2025 Amended Budget \$
Operating Fund – Total Expense	114,297,761	120,204,443
Operating – Tangible Capital Assets Purchased	341,628	260,081
Special Purpose Funds – Total Expense	16,027,152	16,264,811
Special Purpose Funds – Tangible Capital Assets Purchased	326,230	326,230
Capital Fund – Total Expense	7,238,670	7,443,813
Capital Fund – Tangible Capital Assets Purchased from Local Capital	1,163,000	1,486,346
Total Budget Bylaw Amount	139,394,441	145,985,724

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 16 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 16) 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 2024. 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 and fund transfers \$
Increase in labour settlement operating grant announced by the Province in May 2024 for wage increases, and the corresponding wage increases.	1,050,737	1,050,737
Increase in other operating grants. The total enrolment was less than budgeted, however the District has a greater percentage of inclusion students.	930,692	
The Board carries forward unspent budgets for Indigenous Education, Union commitments, school budgets, and Trustee travel. The amended budget incorporates some expected expense covered by those carry forward amounts.		343,525
The District recruited about 16 more international students than budgeted, leading to more revenue and, on a prudent basis, an equal increase in cost.	166,000	166,000

Change in assumption from original budget	Change in revenue \$	Change in expense and fund transfers \$
The budget reflects the expected fees and offsetting costs for child care services provided by the board. An expansion of child care opportunities means this increased since the original budget.	332,000	332,000
The District has secured funding for computer hardware and software as settlement of a class action lawsuit brought against Microsoft. This is transferred to local capital to plan for the purchase of computer hardware in line with the terms of the settlement.	323,346	323,346
Sick leave absenteeism is trending higher than initially budgeted.		1,000,000
Updates in salary and benefit assumptions (slight decrease in teacher average wage, increase in support staff wage assumptions, adjustments to benefit assumptions).		113,064
Inclusion costs have risen to accommodate the needs of a greater number of inclusion students.		300,000
Other minor changes and rounding	13,953	-54,421
Total	2,816,728	3,574,251

The original budget required the use of \$20,174 of reserves to balance the budget. The increases in revenue assumptions exceed the increase in expense assumptions by \$757,523. Therefore, the budget requires a greater use of reserves to balance the budget.

The following table outlines the surplus appropriation by category and summarises the budgeted reserves at the year-end (June 30, 2025).

	Opening reserves	Use of reserves - Amended budget \$	Budgeted year-end reserves \$
Restricted – Indigenous Education	77,016	77,016	0
Restricted – Union Commitments*	895,337	-53,160	948,497
Restricted – School budgets	395,257	263,622	131,635
Restricted – Trustee Travel	36,547	36,547	0
Department	47,569	19,500	28,069
Unrestricted reserves	719,118	434,172	284,946
Total	2,170,844	777,697	1,393,147

*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.

The budgeted year-end unrestricted reserves (contingency fund) of \$284,946 are unsustainably low. However, the assumptions used in the budget are prudent. There is a reasonable likelihood that, in practice, costs will be less than budgeted. Potential variances include:

- The budget assumes no net profit from the International Program. In previous years, profits ranged from \$200,000 to \$800,000.

- Last year, benefit plan costs exceeded premiums by about \$1,000,000 in the year to November 2023. This resulted in a hefty increase in benefit plan premiums, already addressed in this school year budget. The benefit plans are now in a surplus position, with premiums exceeding cost by \$413,000 in the year to November 2024. This surplus will likely translate into lower than budgeted benefit costs this year.

Budget preparation

Management use software called MyBudgetFile to:

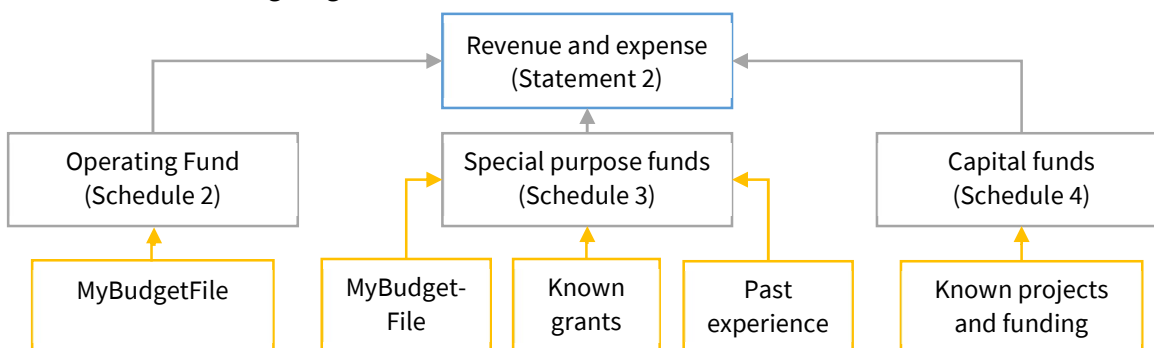
- calculate budgeted operating and certain special purpose fund revenue based on enrolment data, MECC funding announcements, and known or expected other grants;
- allocate staff FTE and service and supply funds to schools and departments;
- calculate salary and benefit costs, by position, based on the 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 (for example, 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:



Appendix A – Ministry of Education Operating Grant Calculation

(on following page)

Interim Operating Grants Overview - 2024/25 School Year
(Following the September 2024 Enrolment Count)

September 2024 Enrolment Count				
	School-Age Enrolment	Funding Level	Funding	Total Supplement
Standard (Regular) Schools	8,603.0000	\$8,915	\$76,695,745	
Continuing Education	0.1250	\$8,915	\$1,114	
Alternate Schools	73.0000	\$8,915	\$650,795	
Online Learning	148.3750	\$7,200	\$1,068,300	
Home Schooling	40	\$250	\$10,000	
Course Challenges	1	\$279	\$279	
Total Enrolment-Based Funding (September)		8,824.5000		\$78,426,233
	Total Enrol. Change	Funding Level	Funding	Total Supplement
1% to 4% Enrolment Decline	34.0625	\$4,458	\$0	
4%+ Enrolment Decline		\$6,686	\$0	
Significant Cumulative Decline (7%+)	118.1250	\$4,458	\$0	
Supplement for Enrolment Decline				\$0
	Enrolment	Funding Level	Funding	Total Supplement
Level 1 Inclusive Education	11	\$50,730	\$558,030	
Level 2 Inclusive Education	546	\$24,070	\$13,142,220	
Level 3 Inclusive Education	368	\$12,160	\$4,474,880	
English Language Learning	395	\$1,795	\$709,025	
Indigenous Education	1,311	\$1,770	\$2,320,470	
Adult Education	0.0000	\$5,690	\$0	
Equity of Opportunity Supplement			\$551,951	
Supplement for Unique Student Needs				\$21,756,576
			Funding	
Variance from Provincial Average	\$1,780			
Estimated Number of Educators	490.250		\$872,645	
	Enrolment	Funding Level	Funding	Total Supplement
FTE Distribution	8,824.5000	\$180.33	\$1,591,322	
Supplement for Salary Differential				\$2,463,967
Supplement for Unique Geographic Factors				\$6,178,720
Funding Protection				\$0
Curriculum and Learning Support Fund				\$79,114
September 2024 Enrolment Count, Total				\$108,904,610

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

School District 22 (Vernon)

July 2024 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
Summer Learning Grade 1-7	0	\$255	\$0	
Summer Learning Grade 8-9	0	\$255	\$0	
Summer Learning Grade 10-12	0	\$505	\$0	
Supplemental Summer Learning Funding			\$0	
Cross-Enrolment, Grade 8 and 9	13	\$505	\$6,565	
Summer Learning, Total				\$6,565
February 2025 Enrolment Count*				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	3.0000	\$8,915	\$26,745	
Adult FTE - Continuing Education	0.0000	\$5,690	\$0	
K-Gr 9 School-Age FTE - Online Learning	8.0000	\$3,600	\$28,800	
Gr 10-12 School-Age FTE - Online Learning	57.0000	\$7,200	\$410,400	
Adult FTE - Online Learning	0.0000	\$5,690	\$0	
Level 1 Inclusive Education Enrolment Growth	0	\$25,365	\$0	
Level 2 Inclusive Education Enrolment Growth	0	\$12,035	\$0	
Level 3 Inclusive Education Enrolment Growth	0	\$6,080	\$0	
Newcomer Refugees	10.0000	\$4,458	\$44,580	
ELL Supplement - Newcomer Refugees	10	\$898	\$8,980	
February 2025 Enrolment Count, Total				\$519,505
May 2025 Enrolment Count*				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	2.0000	\$8,915	\$17,830	
Adult FTE - Continuing Education	0.0000	\$5,690	\$0	
K-Gr 9 School-Age FTE - Online Learning	0.0000	\$2,400	\$0	
Gr 10-12 School-Age FTE - Online Learning	33.0000	\$7,200	\$237,600	
Adult FTE - Online Learning	0.0000	\$5,690	\$0	
May 2025 Enrolment Count, Total				\$255,430
Indigenous Education Councils				\$59,733
2024/25 Full-Year Estimated Total				\$109,745,843
Estimated 2024/25 Operating Grant from Indigenous Services Canada				\$1,124,550
Estimated 2024/25 Operating Grant from Ministry of Education and Child Care				\$108,621,293