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## **Administrative Memorandum**

### **Regular Board Meeting**

**Date:** February 16, 2017  
**Topic:** 2016-2017 Amended Annual Budget

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The Board, at its 2016-06-16 regular meeting, adopted the recommendations of the Budget Committee for a balanced 2016/2017 preliminary budget. In accordance with statutory requirements, the Budget Committee is now bringing forward an amended 2016/2017 budget for board consideration and approval. The amended budget has been prepared to reflect actual enrolment as funded by the Ministry of Education as well as updated forecasts for other sources of revenues and revised projected expenditures for the year ended June 30, 2017. Overall, the district is projecting to remain in a strong financial position with a projected unrestricted accumulated Operating Fund balance or surplus at June 30<sup>th</sup>, of \$10.4 million.

#### **Highlights of the 2016/2017 Operating Fund as reflected in the amended budget include:**

Total revenues projected to be \$643 million (see schedule 2) an increase of \$4.2 million over preliminary budget, highlights include:

- Ministry of Education Operating Grant projected to be \$611 million; a net increase of \$1.1 million, based on a total regular school age enrolment of 70,986 FTE students. Specific highlights include:
  - School Age enrolment increased 262 FTE over preliminary budget (\$1.5 million)
  - Total Unique Student Needs funding increased \$1.8 million primarily the result of increased enrolment of Special Needs and English Language Learner Students
  - Reduction in the Educator Salary Index of \$2.2 million

Other Revenues projected to be \$23.8 million an increase of \$2.9 million over preliminary budget, highlights include:

- Increased International and other Tuition fees of \$1.1 million
- Increased Federal Grants for extension of the SWIS program \$1.1 million

Total Operating Expenditures projected to be \$646 million, an increase of \$4.1 million over preliminary budget due primarily to increased staffing and salary costs (\$3.4 million) and increased supply and services costs (\$700,000).

#### **Expenditures by Major Functions**

Budgeted expenditures support Instruction 86.7%, Maintenance and Operations 10.1%, Administration 2.3% and Transportation 0.9%. Schedule 2C provides more detailed description of the expenditure distribution by major function and programs.

### **Net Changes to the Operating Fund Position Control for 2016/2017**

<b>Staffing FTE</b>	<b>2016/2017 Final</b>	<b>2015/2016 Final</b>	<b>Change</b>
Principals and Vice Principals	245	242	+3
Teachers	3,945	3,875	+70
Other Professional Staff	96	92	+4
Educational Assistants	1,407	1,326	+81
Support Staff	1,103	1,099	+4
<b>Total:</b>	<b>6,796</b>	<b>6,634</b>	<b>+162</b>

### **Special Purpose Funds (Schedule 3)**

The Board of Education receives restricted funds targeted for various specific programs or activities. Included within these special purpose funds is the new provincial funding of \$6.2 million which is restricted for the sole purpose of adding 128 FTE teachers to be placed in support of the Interim Priority Measures related to the Supreme Court Ruling on class size/composition. Other Ministry restricted funding received by the district are targeted for such things as; Annual Facility Grants, Learning Improvement Funds, Community Link Funds, Strong Start, Ready, Set, Learn and Provincial Resource Programs. Other restricted funds include Parent Advisory Councils Funds, Scholarships and other specifically targeted funds. More details of these funds can be found on Schedule 3 and 3A.

### **Capital Funds**

Schedule 4 outlines the anticipated change in Investment in Capital and Local Capital Reserve funds.

### **Revenue and Expenditure Budgets**

The attached Statements and Schedules provide the revenue and expenditure estimates distributed in accordance with Public Sector Accounting Standards and as prescribed Ministry of Education account structure and presentation format.

#### **Statements**

- 2 Revenue and Expense
- 4 Change in Net Financial Assets (Debt)

#### **Schedules**

- 2 Operating Revenue and Expense
- 2A Operating Revenue by Source
- 2B Operating Expense by Source
- 2C Operating Expense by Function and Program
- 3 Special Purpose Revenue and Expense
- 3A Change in Special Purpose Funds
- 4 Capital Revenue and Expense

2016-2017 Amended Annual Budget

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**Summary:**

The Board's sound and prudent fiscal management policies and practices have enabled the district to continue to put students' needs first. Despite continuing funding and cost pressures, we continue to remain in a very strong financial position. This strong financial position will assist the district as we plan and develop our budget for the 2017/2018 fiscal year.

In summary, the 2016/2017 Amended Annual Budget reflects all staffing and infrastructure decisions taken to-date and the operating fund balance or surplus for the year ended June 30, 2017, will be needed to address future year's budget decisions and pressures.

**It is recommended:**

*THAT the attached School District Amended Annual Budget for 2016/2017 totaling \$737,417,827 including \$645,919,920 in operating expenditures, be approved and supplied to the Ministry of Education; and*

*THAT the Amended Annual Budget Bylaw 2016/2017 be given three (3) readings at this meeting (vote must be unanimous); and*

*THAT the School District No. 36 (Surrey) Amended Annual Budget Bylaw 2016/2017 be approved as read a first time; and*

*THAT the School District No. 36 (Surrey) Amended Annual Budget Bylaw 2016/2017 be approved as read a second time; and*

*THAT the School District No. 36 (Surrey) Amended Annual Budget Bylaw 2016/2017 be approved as read a third time and finally adopted*

Respectfully submitted by:  
Trustee Terry Allen  
Chairperson  
Budget Committee