



**Financial Statement
Discussion and Analysis**

For the Year Ended June 30, 2023

Saanich School District
Financial Statement Discussion & Analysis
For the Year Ended June 30, 2023

The following is a discussion and analysis of the Saanich School District's financial performance for the fiscal year ended 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 prior year and budget. This report should be read in conjunction with the district's financial statements.

OVERVIEW OF THE SCHOOL DISTRICT

The Saanich School District serves about 8,000 student FTE in: 14 neighborhood schools (8 elementary schools, 3 middle schools, and 3 secondary schools); the Children's Development Centre; the South Island Distance Education School (SIDES); the Individual Learning Centre (ILC), the Continuing Education program; and the Saanich International Student Program.

Saanich Schools Strategic Plan 2022-2027 guides the Board of Education and its employees and partners in delivering educational programs. The Strategic Plan is organized around the following four goals:

- Literacy;
- Indigenous Learner Success;
- Mental Health and Wellness; and
- Global Citizenship.

Under the *School Act* and Policy 2 (Role of the Board), the Board is responsible for the improvement of student achievement, and the strategic plan is the means to achieving this objective.

UNDERSTANDING SCHOOL DISTRICT FINANCIAL PERFORMANCE

Annual surplus and accumulated surplus¹ are key financial statement performance indicators; however, interpreting the meaning of these figures in BC school districts is complicated by the use of fund accounting and deferral accounting. The use of fund accounting means the financial statements of school districts are a consolidation of three separate funds (operating, special purpose and capital), and each of these funds differs with respect to the methods of accounting used and the legislative and other constraints on budgeting and financial results. This means financial performance can only be fully understood by reviewing each fund separately. Financial performance for each fund is reported in the supplementary schedules that follow the notes to the financial statements.

¹ Annual surplus is the extent to which annual revenues exceed expenses. If annual expenses exceed revenues the result is referred to as an annual deficit. An accumulated surplus position is the extent to which revenues from all previous years have exceeded expenses from all previous years. An accumulated deficit position occurs when expenses from all previous years exceed revenues from all previous years. When an accumulated deficit occurs, it means future revenues are needed to pay for past expenditures.

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<p>Operating Fund</p> <p>2023 Revenues: \$89.5 million</p>	<p>Annual program revenues and expenditures are reported within the operating fund and special purpose fund (see below). Annual surplus and accumulated surplus within the operating fund are important indicators of financial performance and financial health for school districts. This is because school districts are not permitted to budget for or incur an <u>accumulated</u> deficit position. This means when a school district has accumulated operating surplus available it can be used to budget for future expenditures or to reduce financial risk associated with unforeseen circumstances.</p>
<p>Special Purpose Fund</p> <p>2023 Revenues: \$17.0 million</p>	<p>The special purpose fund includes targeted grants and school generated revenues that are restricted for a specific purpose. Annual and accumulated surplus is always zero because revenues are recognized only as related expenditures occur (deferral method of accounting). If expenditures for a program within the special purpose fund exceed available revenues, the resulting deficit is transferred to the operating fund, reducing accumulated operating surplus.</p>
<p>Capital Fund</p> <p>2023 Capital Funding Received: \$4.1 million</p> <p>2023 Capital Assets Purchased: \$6.9 million</p>	<p>The capital fund reports investment in and financing activities related to capital assets. Capital contributions (funding) from the Province are accounted for using the deferral method of accounting, whereby recognition of revenue is spread out over the life of the related capital assets to match with amortization expense, which reflects the use of the asset over its life. This means capital fund revenues are not a reflection of funding actually received in a given year, and annual surplus (deficit) in the capital fund is not a meaningful indicator of annual financial performance.</p>

FINANCIAL HIGHLIGHTS

As reported in the consolidated statement of operations (statement 2), for the year ended June 30, 2023 the district's expenses exceeded its revenue resulting in an annual deficit of \$346,161 (2022 result was an annual deficit of \$3,498,631). This was comprised of the combined financial results of the operating fund and the capital fund as follows:

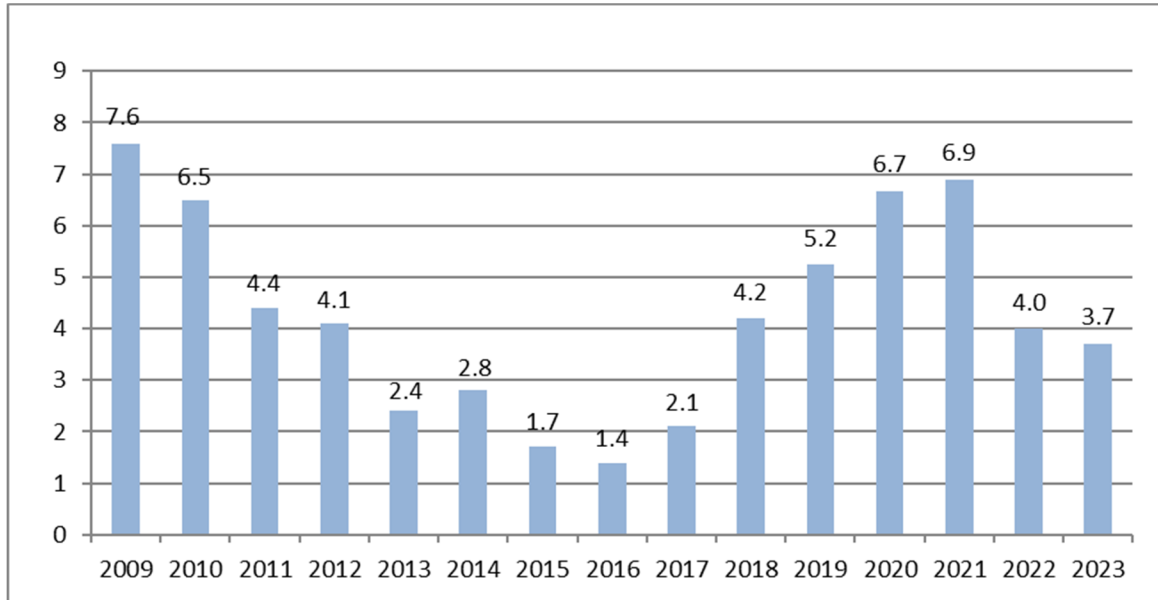
Annual Surplus (Deficit)	June 30, 2023	June 30, 2022
Operating Fund	(335,514)	(2,921,751)
Capital Fund	(10,647)	(576,880)
Combined	(346,161)	(3,498,631)

In the operating fund, the annual deficit of \$335,514 resulted in accumulated operating surplus decreasing from \$3,994,957 at the beginning of the year to \$3,659,443 as at June 30, 2023.

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Overall, this is consistent with the forecasted results reported at the end of May 2023. Note that this operating deficit reflects \$0.5 million in one-time expenditures from the allocation of contingency reserve to fund the replacement of district phone systems (i.e. without these expenditures the district would have experienced a small operating surplus).

Exhibit 1: Closing Accumulated Surplus (\$ million) by Fiscal Year

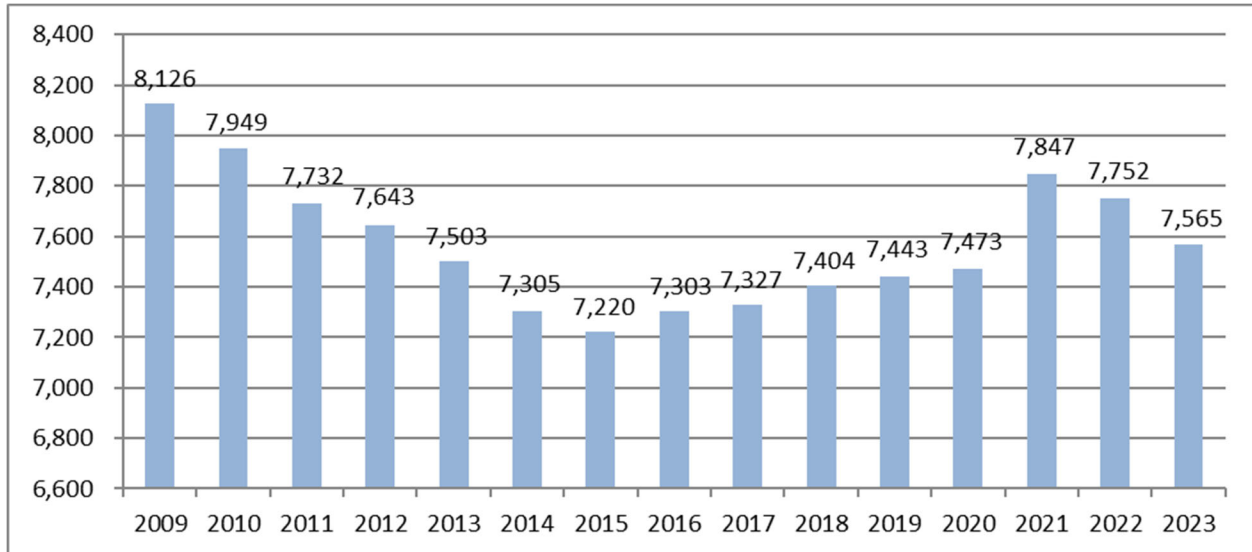


Provincial operating grants, which comprise approximately 87% of total operating fund revenues, are determined largely based on student enrolment. In BC, funding increases or decreases with enrolment to a greater degree than program costs vary with enrolment. This means that when enrolment declines financial pressure results, and when enrolment grows there is generally increased financial flexibility. As shown in exhibits 1 and 2, there is a correlation between periods of enrolment decline and depletion of accumulated surplus, which is a key indicator of financial pressure.

In 2020/21 the district experienced net enrolment growth attributable to the pandemic. This consisted of significant enrolment growth at SIDES (online learning) driven mostly by students enrolling from outside the school district, partially offset by pandemic related enrolment declines in neighbourhood schools. In 2021/22 and 2022/23, enrolment declined overall as enrolment in SIDES and neighbourhood schools have trended closer to “pre-pandemic” levels. Over the next decade, the district is forecasting modest enrolment growth averaging about 1% per year.

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Exhibit 2: Funded FTE Enrolment by Fiscal Year



Capital Investment

During the year ended June 30, 2023, the district invested \$6.9 million in capital additions that were funded by: Provincial capital funding (\$5.2 million), the operating fund (\$1.6 million), and the other capital contributions (\$0.1 million). Capital additions during the year included the following projects:

Project	Total Project Budget	Invested in 2022/23	Completion Date
ŠEŠIŠEJ Childcare Centre	\$3.6m	\$2.0m	Fall 2023
Computer Hardware Upgrades	\$1.2m	\$1.2m	Ongoing
Deep Cove Heating System Upgrade	\$2.1m	\$1.0m	Fall 2023
Prospect Lake Parking Lot Expansion	\$0.6m	\$0.6m	Spring 2023
Parkland Roof Upgrades	\$1.0m	\$0.5m	Summer 2023
Parkland Track	\$0.6m	\$0.4m	Summer 2023
Brentwood Heating System Upgrade	\$0.3m	\$0.3m	Fall 2023
Brentwood Playground Equipment	\$0.2m	\$0.2m	Spring 2023

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2022/23 Significant Financial Events

- **Enrolment and Funding** – While 2022/23 on-line learning enrolment remained above “pre-pandemic” levels, it has continued to decrease relative to the 2020/21 school year (when enrolment peaked during the pandemic) as many students return to traditional in-person instruction. As most on-line learning students enroll from outside of the school district, this has resulted in overall enrolment decline during the past two fiscal years as shown in Exhibit 2.
- **International Program Enrolment and Revenues** – The reduced availability of homestay families continues to constrain recovery of international program enrolment below “pre-pandemic” levels (i.e. 320 to 330 FTE). Enrolment during the 2022/23 school year was 256 FTE, and the preliminary budget for 2023/24 reflects forecasted enrolment of 250 FTE. Recruitment of homestay families is a program focus to support the continued recovery of international program enrolment and revenues.
- **Inflationary Cost Pressures** – In 2022/23 the school district experienced growing budget pressures including continued escalation of sick and emergency leave usage and inflationary cost pressures for equipment, services, and supplies. These inflationary costs are putting financial pressure on future budgets and are reducing the purchasing power of existing school and program budgets. The impact on the district technology plan (RefreshED) is particularly concerning as implementation of the plan is no longer possible without either additional funding or a significant reduction in the planned future deployment of technology.

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FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT

In this section, actual results are compared to the prior year and budget (where applicable) in more detail. For the statement of operations, the analysis is performed separately for each of the three funds.

Statement of Financial Position (All Funds)

The table below includes explanations for significant variances in the statement of financial position (statement 1) relative to the prior year.

	2023	2022	Analysis of Variance
Construction Security Deposit	587,929	87,100	In 2023, the district was required to provide a security deposit to District of Central Saanich for the value of required municipal upgrades associated with the construction of the ŠEŠÍŠEJ Childcare Centre. The prior year balance was a similar security deposit with the District of Saanich for a different project.
Accounts Payable and Accrued Liabilities - Other	10,212,568	9,142,040	This increase is primarily due to an increase in salaries and benefits payable, attributable to salary/wage increases and the timing of pay periods relative to year-end.
Unearned Revenue	5,764,611	5,055,707	Increased by \$0.7 million due to increased international program tuition rates and enrolment in 2023/24 relative to 2022/23.
Deferred Capital Revenue	118,349,608	119,585,324	Decreased by \$1.2 million due amortization of deferred capital revenue (\$5.3m), offset by capital revenue received (\$4.1m).
Tangible Capital Assets	144,083,042	144,363,384	Decreased by \$0.3 million due amortization of capital assets (\$7.2m), offset by capital investment (\$6.9m).

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Statement of Operations by Fund – Operating Fund

	Amended Budget 2022/23	Actual 2022/23	Actual 2021/22	Actual 2020/21
Revenues ²	88,615,703	89,530,761	84,698,127	81,844,847
Expenses and fund transfers	<u>89,612,219</u>	<u>89,866,275</u>	87,619,878	81,606,207
Annual Operating Surplus (Deficit)	(996,516)	(335,514)	(2,921,751)	238,630
Opening Accumulated Surplus		<u>3,994,957</u>	6,916,708	6,678,078
Closing Accumulated Surplus		3,659,443	3,994,957	6,916,708

The 2022/23 Amended Budget included as a source of funding appropriation of \$996,516 for district and school program carry-forwards, resulting in a budgeted deficit in the same amount.

Detailed information on the operating fund is presented in schedules 2 to 2C following the notes to the financial statements. Revenues, expenditures and accumulated operating surplus are analysed in greater detail in the next section.

² The Ministry of Education and Childcare directed the school district to budget an estimate of the funding for collective agreement settlement costs as appropriation of accumulated surplus in the 2022/23 Amended Budget, as confirmation of funding was pending at the time. This estimate of \$3,177,721 is presented instead as grant revenues in this document to facilitate meaningful comparison with how the grants were reported in the 2022/23 financial statements.

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Operating Fund Revenues

A high level summary of operating fund revenues is presented below and explanations of significant variances follows. A more detailed presentation of operating revenues is presented in schedule 2A following the notes to the financial statements.

	Amended Budget 2022/23	Actual 2022/23	Amended Budget 2021/22	Actual 2021/22
Grant Revenue	77,419,501	77,696,447	74,240,072	74,828,557
Tuition Revenue (International Program)	4,048,515	4,193,697	3,507,675	3,708,763
Other Revenue	6,277,687	6,442,309	5,639,840	5,574,297
Rentals and Leases	390,000	415,440	390,000	380,542
Investment Income	480,000	782,868	200,000	205,968
Total Revenues	88,615,703	89,530,761	83,977,587	84,698,127

Grant Revenues:

Budgeted grant revenues in 2022/23 increased by \$3.2 million relative to the 2021/22 budget due primarily to additional budgeted grant revenues (\$3.2 million) for collective agreement settlement costs. While there was also decline in 22/23 enrolment based funding, this was offset by increased supplemental funding for enrolment decline and growth in funding for unique needs.

Actual 2022/23 grant revenues exceeded 2022/23 budget by \$0.3 million due to more enrolment being funded by the ministry and less by First Nations (this is a reclassification of funding that results in a corresponding negative variance in other revenues – see below).

Tuition Revenues:

Budgeted tuition revenues in 2022/23 increased by \$0.5 million relative to the 2021/22 budget reflecting increased tuition fee rates and increase budgeted enrolment (from 225 FTE to 250 FTE).

Actual 2022/23 grant revenues exceeded 2022/23 budget \$0.15 million as enrolment exceeded budget (256 FTE vs budget of 250 FTE).

Other Revenues:

Budgeted other revenues in 2022/23 increased by \$0.6 million relative to the 2021/22 budget due primarily to the international student homestay fees budget increasing by \$0.3 million (increased enrolment), and a \$0.3 million increase to budgeted funding from First Nations.

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Actual other revenues in 2022/23 exceeded budget by \$0.2 million due to higher misc. and school generated revenues (\$0.5 million higher) partially offset by lower funding from First Nations relative to budget (\$0.3 million lower).

Operating Fund Expenses

Expenses in the financial statements are presented both by object (category of expense) and by function (program). Operating fund expenses are presented below using each method with explanations of significant variances following. A more detailed presentation of operating expenses is presented in schedules 2B and 2C following the notes to the financial statements.

Analysis of Variances by Object

Operating Fund Expenditure by Object	Amended Budget 2022/23	Actual 2022/23	Amended Budget 2021/22	Actual 2021/22
Salaries				
Teachers	33,619,707	34,010,766	34,870,563	35,576,010
Principals and Vice Principals	4,906,441	4,782,113	4,727,020	4,636,514
Education Assistants	6,230,650	5,802,868	5,722,047	5,214,769
Support Staff	8,917,970	8,494,814	9,290,257	8,463,733
Other Professionals	3,333,828	3,342,948	3,169,536	3,151,514
Substitutes	3,778,550	4,336,063	2,981,485	3,919,473
Total Salaries	60,787,146	60,769,572	60,760,908	60,962,013
Employee Benefits	15,477,935	16,021,019	15,299,160	15,168,799
Total Salaries and Benefits	76,265,081	76,790,591	76,060,068	76,130,812
Service and Supplies expense	12,387,138	11,316,999	11,197,393	10,343,995
Fund transfers (schedule 2)	960,000	1,758,685	1,052,218	1,145,071
Total Service and Supplies and fund transfers	13,347,138	13,075,684	12,249,611	11,489,066
Total Operating Expenditure	89,612,219	89,866,275	88,309,679	87,619,878

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Salaries – Teachers

Budgeted teacher salary expense in 2022/23 was \$1.3 million lower than budgeted expense in 2021/22 due to:

- Enrolment based staffing reductions - \$0.6 million decrease
- Staffing reductions to balance 22/23 budget - \$0.4 million decrease
- Reallocation of staffing cost to the Classroom Enhancement Fund (CEF) - \$1.6 million decrease
- Wage increases (collective agreement) - \$1.3 million increase.

Actual teacher salary cost in 2022/23 exceeded budget by \$0.4 million because average teacher cost exceeded budget (increase category changes from more teachers obtaining their masters degrees was a contributing factor), and because two teachers were appointed to interim administrator positions during the year (their teacher salaries and the teachers backfilling their positions were coded to teacher salaries).

The district is funded for 79.7 teacher full-time equivalent (FTE) positions through the Classroom Enhancement Fund (CEF) (was 60.7 FTE in 2021/22) for the restoration of class size and composition language. The CEF and related costs are reported in the special purpose fund and are not reflected in the operating fund figures reported above.

Salaries – Principals and Vice Principals (PVP)

Budgeted PVP salary expense in 2022/23 was higher than 2021/22 budgeted expense by \$0.2 million primarily due to inflationary salary increases.

Actual 2022/23 expense was below budget by \$0.1 million primarily because a portion of salary for temporary VP assignments was coded to the teacher salary budget.

Salaries – Education Assistants (EA)

Budgeted Education Assistant salary expense in 2022/23 was higher than 2021/22 budgeted expense by \$0.5 million primarily due to inflationary salary increases (\$0.25m) and increased position budget (\$0.25 million).

In 2022/23 actual expense was below budget by \$0.4 million primarily due to hiring lag for vacant positions and unpaid leaves.

Salaries – Support Staff

Budgeted Support Staff salary expense in 2022/23 was lower than 2021/22 budgeted expense by \$0.3 million primarily due to a \$0.7 million decrease resulting from a change in the financial statement presentation of cost recovery of staff cost allocated to capital projects, and partially offset by a \$0.4 million increase for wage increases.

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In 2022/23 actual expense was below budget by \$0.4 million due primarily to hiring lag for vacant positions and unpaid leaves.

Salaries – Other Professionals

Budgeted other professional salary expense in 2022/23 increased relative to 2021/22 budgeted expense by \$0.2 million due to inflationary wage increases. Actual expense in 2022/23 was consistent with budget.

Salaries –Substitutes

Budgeted substitute salary expense in 2022/23 increased relative to 2021/22 budgeted expense by \$0.8 million including \$0.1 million for inflationary wage increases, and \$0.7 million to reflect the increased usage of sick and emergency leave experienced in the prior year. In the prior year (2021/22) actual substitute salary cost exceeded budget by \$0.9 million.

Actual expense in 2022/23 exceeded budget by \$0.6 million, and exceeded prior year expense (2021/22) by \$0.4 million. This significant negative variance relative to budget and prior year is attributable to continued escalation of sick and emergency leave usage.

Employee Benefits

Budgeted employee benefits expense in 2022/23 increased relative to 2021/22 budgeted expense by \$0.2 million due primarily to wage increases, partially offset by reallocation of \$0.4 million from the operating fund to the special purpose fund relating to the increased funding of teacher positions through the Classroom Enhancement Fund (CEF).

Actual expense in 2022/23 exceeded budget by \$0.5 million due to increased usage of benefit programs (medical, dental, EFAP).

Total Service and Supplies and Fund Transfers

For the purpose of this analysis, fund transfers are combined with service and supply expense because fund transfers relate primarily to the purchase of capital assets from service and supply budgets in the operating fund.

It is expected that actual service and supply expenditures will be less than budget as most surplus carry-forward balances are reflected as service and supply expenditure in the budget and are not fully spent.

Budgeted expense in 2022/23 was \$1.1 million higher than budgeted expense in 2021/22. The primary reasons were higher homestay costs by \$0.3 million (increased enrolment), and because supply budget increased by \$0.7 million from the change in financial statement presentation of

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cost recovery of staff cost allocated to capital projects (see budget variance explanation above for support staff).

Actual expense in 2022/23 was below budget by \$0.3 million primarily due to the impact of unspent budget related to carry-forward balances of \$0.8 million, partially offset by additional expenditure of \$500,000 to replace district phone systems (approved following adoption of the amended budget and expensed before year-end).

Analysis of Variances by Function

Operating Fund Expenditure by Function	Amended Budget 2022/23	Actual 2022/23	Amended Budget 2021/22	Actual 2021/22
Instruction	73,700,164	73,776,687	72,844,921	72,922,289
District Administration	3,526,204	3,413,180	3,371,562	2,973,649
Operations and Maintenance	9,767,530	9,217,468	9,538,764	9,025,217
Transportation	1,658,321	1,700,255	1,502,214	1,553,652
Fund transfer	960,000	1,758,685	1,052,218	1,145,071
Total	89,612,219	89,866,275	88,309,679	87,619,878

Instruction – 2022/23 budgeted expenditures exceed 2021/22 budgeted expenditures by \$0.85 million. This increase was primarily attributable to wage and benefit cost increases (\$2.8 million increase), offset by increased allocation of costs to the Classroom Enhancement Fund (\$2.0 million decrease). While the number of Teacher positions also decreased (with lower enrolment), the budget impact was offset by growth in Education Assistant positions and growth in Substitute budget (attributable to continued escalation of sick and emergency leave usage).

In 2022/23 actual cost exceeded budget by under \$0.1 million for a variety of reasons identified in the analysis of expenditure variances by object above.

District Administration – 2022/23 budgeted expenditures exceed 2021/22 budgeted expenditures by \$0.15 million attributable primarily to salary inflation. In 2022/23 actual costs were \$0.1 million below budget primarily due to underspend of service and supply budgets.

Operations and Maintenance and Fund Transfer – 2022/23 budgeted expenditures exceed 2021/22 budgeted expenditures by \$0.2 million attributable primarily to salary inflation (\$0.3 million), partially offset by the reduction of one position.

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When Operations and Maintenance expense is combined with fund transfers, expenditure was \$0.2 million above budget; however, actual results includes a \$0.5 million expenditure to replace district phone systems which was not reflected in the amended budget (approved subsequent to budget adoption).

Transportation – 2022/23 budgeted expenditures exceed 2021/22 budgeted expenditures by \$0.15 million attributable inflation in fuel, supplies and wages. Actual expense exceeded budget by \$0.05 million due to supply and fuel cost inflation.

Accumulated Operating Surplus

Understanding the components of accumulated operating surplus is necessary for knowing how much of the balance relates to multi-year funding of programs (surplus carry-forwards) and how much of the balance is available to reduce financial risk associated with unforeseen expenditures or to fund additional expenditures in the future. The components of closing accumulated surplus are presented in the table below:

	2022/23 Financial Statements	2022/23 Amended Budget	2021/22 Financial Statements
School Activities (multi-year funding)	252,928	403,932	403,932
District Activities (multi-year funding)	522,701	592,584	592,584
Appropriated for Budget in Following Year	1,384,307	-	2,530,968
Total Internally Restricted	2,159,936	996,516	3,527,484
Contingency Reserve (Unappropriated Surplus)	1,499,507	2,998,441	467,473
Total Accumulated Surplus	3,659,443	3,994,957	3,994,957

The right column in the above table shows how accumulated surplus was restricted in the prior year (2021/22) financial statements, and the middle column shows how this prior year accumulated surplus was then allocated in the 2022/23 amended budget adopted by the Board in February 2022. The reduction in the appropriation of accumulated surplus and corresponding increase to the contingency reserve in the 2022/23 amended budget resulted from increased funding for teacher positions through the Classroom Enhancement Fund (CEF), which effectively transferred expenditure budget to the special purpose fund (discussed in next section).

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During the year ended June 30, 2023 accumulated operating surplus declined from \$3,994,957 at the beginning of the year to \$3,659,443 at the end of the year. The left column shows that \$1,384,307 of this balance has been allocated to fund continuing expenditures in the 2023/24 Preliminary Budget, \$775,629 is allocated to multi-year funding of district and school programs, and \$1,499,507 is allocated to contingency reserve.

Appropriation of \$1,384,307 in accumulated operating surplus to balance the 2023/24 budget (2022/23 budget appropriation was \$0) in the absence of a trend of growing accumulated surplus is an indicator that budgetary balance is not sustainable, and measures are likely necessary to improve fiscal balance in future budgets.

Statement of Operations by Fund – Special Purpose Fund

	Amended Budget 2022/23	Actual 2022/23	Amended Budget 2021/22	Actual 2021/22
Provincial Grants	13,322,083	13,344,812	10,495,170	10,717,370
Other Revenues	2,985,000	3,723,766	1,744,500	2,791,565
Expenditures	(16,307,083)	(17,004,997)	(12,239,670)	(13,508,935)
Fund transfers	-	(63,581)	-	-
Annual Surplus (Deficit)	-	-	-	-

2022/23 Budgeted grant revenues in the special purpose fund increased by \$2.8 million relative to 2021/22 budgeted revenues primarily due to: additional teaching positions funded through CEF (\$2.0 million), funding for wage inflation (\$0.5 million), and a number of smaller factors.

Actual 2022/23 Provincial Grants were close to budget. Other revenues in 2022/23 exceeded budget by \$0.7 million due to school-based revenues exceeding budget by \$0.5 million, and a number of other smaller factors.

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Statement of Operations by Fund – Capital Fund

	Amended Budget 2022/23	Actual 2022/23	Amended Budget 2021/22	Actual 2021/22
Revenues	4,812,120	5,324,743	5,014,611	5,139,040
Expenses	(6,981,468)	(7,157,656)	(6,718,052)	(6,860,991)
Fund Transfers (capital assets purchased in other funds)	<u>960,000</u>	<u>1,822,266</u>	<u>1,052,218</u>	<u>1,145,071</u>
Change in Accumulated Surplus	(1,209,348)	(10,647)	(651,223)	(576,880)
Prior Period Adjustment				<u>(12,688,641)</u>
Opening Accumulated Surplus		<u>13,709,860</u>		<u>26,975,381</u>
Closing Accumulated Surplus		13,699,213		13,709,860

It is expected that revenues and expenses in the capital fund will be predictable and consistent, as they reflect the recognition of capital funding (as revenue) and the usage of capital assets over their life (as amortization expense).

The 2022/23 financial statements reflect a prior period adjustment to implement new standards relating to asset retirement obligations. This adjustment reduced opening accumulated surplus in the capital fund by \$12,688,641. A description of this adjustment is found in note 23 of the financial statements.

During the year ended June 30, 2022, the district invested \$6.9 million in capital additions. Further details are presented in the Financial Highlights section.

Within the capital fund the following two balances are important as they represent funds available for future capital investment:

- Local Capital Reserve – this balance forms part of accumulated surplus in the capital fund and represents funds available for future investment in capital assets. In Saanich, these funds are generated primarily from allocation of lease revenues designated for future asset renewal.
- MEd Restricted Capital – this balance forms part of the deferred capital revenue balance in the capital fund and represents funds available for investment in capital assets at the discretion of the Ministry of Education and Childcare. These funds are generated primarily from capital project savings.

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The table below presents the June 30, 2023 closing balances in Local Capital and MEd Restricted Capital and what portion of the balances remains uncommitted for future capital investment.

	Local Capital	MEd Restricted Capital
Balance at June 30, 2023	477,625	167,442
Committed for future investment	477,625	-
Uncommitted Balance	-	167,442

The local capital balance consists of the accumulated allocation of lease revenues for the future renewal of leased space. The MEd Restricted Capital balance has not been committed to a project at this time.

Detailed information on the capital fund is presented in schedules 4 to 4D following the notes to the financial statements.

CONTACTING THE SCHOOL DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District’s stakeholders with a general overview of the School District’s finances and to demonstrate the School District’s accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Office of the Secretary Treasurer at 250-652-7332.