

Audited Financial Statements of

School District No. 63 (Saanich)

And Independent Auditors' Report thereon

June 30, 2023

School District No. 63 (Saanich)

June 30, 2023

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School District No. 63 (Saanich)

MANAGEMENT REPORT

Version: 4166-3421-1438

Management's Responsibility for the Financial Statements

The accompanying financial statements of School District No. 63 (Saanich) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

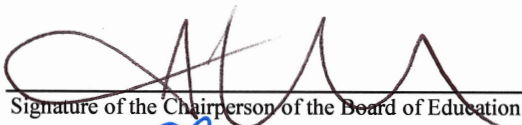
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

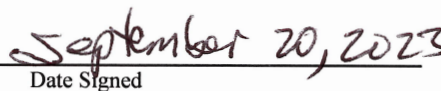
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

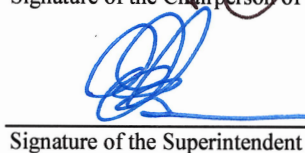
The Board of Education of School District No. 63 (Saanich) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements regularly throughout the year and externally audited financial statements yearly.

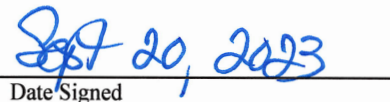
The external auditors, Office of the Auditor General of British Columbia, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 63 (Saanich) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

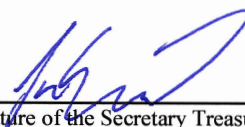
On behalf of School District No. 63 (Saanich)


Signature of the Chairperson of the Board of Education


Date Signed


Signature of the Superintendent


Date Signed


Signature of the Secretary Treasurer


Date Signed



Independent Auditor's Report

*To the Board of Education of School District No. 63 (Saanich), and
To the Minister of Education and Child Care, Province of British Columbia*

Qualified Opinion

I have audited the accompanying financial statements of School District No. 63 (Saanich) (“the entity”), which comprise the statement of financial position as at June 30, 2023 and the statements of operations, changes in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2023, and the results of its operations, change in its net debt, and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Qualified Opinion

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

As described in Note 2a to the financial statements, the entity’s accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized. The entity was required to adopt this accounting policy as prescribed by Province of British Columbia Treasury Board Regulation 198/2011.

Under Canadian Public Sector Accounting Standards, the entity’s method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In my opinion, certain contributions of the entity do not meet the definition of a liability, and as such the entity’s method of accounting for those contributions represents a departure from Canadian Public Sector Accounting Standards.

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. Had the entity made an adjustment for this departure in the current year, the liability for deferred capital revenue as at June 30, 2023 would have been lower by \$114.2 million, the liability for deferred revenue would have been lower by \$.5 million, revenue, annual surplus and accumulated surplus would have been higher by \$114.7 million and net debt would have been lower by \$114.7 million.



Independent Auditor's Report

School District No. 63 (Saanich)

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the entity's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Other Accompanying Information

Management is responsible for the other information accompanying the financial statements. The other information comprises Unaudited Schedules 1 - 4 attached to the audited financial statements, and the information included in the Financial Statement Discussion and Analysis, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information that I have obtained prior to the date of my auditor's report and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report, I obtained a copy of the Financial Statement Discussion and Analysis. If, based on the work I have performed on the other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report.

As described in the Basis for Qualified Opinion section above, the entity has inappropriately deferred certain amounts of its revenues from government transfers. I have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the Financial Statement Discussion and Analysis affected by this departure from PSAS.

Responsibilities of Management and Those Charged with Governance for the Financial Statements.

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when the entity will continue its operations for the foreseeable future.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the entity's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

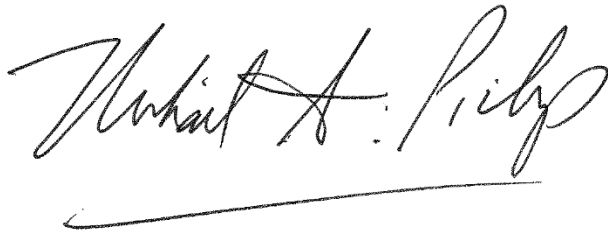
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Independent Auditor's Report

School District No. 63 (Saanich)

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

A handwritten signature in black ink, reading "Michael A. Pickup". The signature is written in a cursive style and is positioned above a horizontal line.

Michael A. Pickup, FCPA, FCA
Auditor General of British Columbia

Victoria, British Columbia, Canada
September 25, 2023

School District No. 63 (Saanich)

Statement of Financial Position
As at June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 23)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	22,012,831	21,801,778
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	676,380	757,785
Due from Province - Other	65,019	-
Due from First Nations	877,020	993,555
Other (Note 3)	1,681,035	1,680,240
Portfolio Investments (Note 4)	211,584	208,765
Construction Security Deposit (Note 5)	587,929	87,100
Total Financial Assets	26,111,798	25,529,223
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	12,720	-
Other (Note 6)	10,212,568	9,142,040
Unearned Revenue (Note 7)	5,764,611	5,055,707
Deferred Revenue (Note 8)	2,149,937	2,023,392
Deferred Capital Revenue (Note 9)	118,349,608	119,585,324
Employee Future Benefits (Note 10)	4,080,077	4,061,261
Asset Retirement Obligation (Note 11)	12,688,641	12,688,641
Total Liabilities	153,258,162	152,556,365
Net Debt	(127,146,364)	(127,027,142)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	144,083,042	144,363,384
Prepaid Expenses	421,978	368,575
Total Non-Financial Assets	144,505,020	144,731,959
Accumulated Surplus (Deficit) (Note 13)	17,358,656	17,704,817
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	17,358,656	17,704,817
Accumulated Remeasurement Gains (Losses)	-	-
	17,358,656	17,704,817

Contractual Obligations (Note 14)
Contractual Rights (Note 15)
Contingent Liabilities (Note 16)

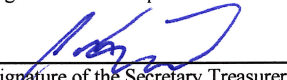
Approved by the Board


Signature of the Chairperson of the Board of Education

September 20, 2023
Date Signed


Signature of the Superintendent

September 20, 2023
Date Signed


Signature of the Secretary Treasurer

September 20, 2023
Date Signed

School District No. 63 (Saanich)

Statement of Operations
Year Ended June 30, 2023

	2023 Budget (Note 17) \$	2023 Actual \$	2022 Actual (Restated - Note 23) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	87,510,103	90,859,714	85,322,825
Other	53,760	181,545	183,610
Federal Grants			39,492
Tuition	4,048,515	4,193,697	3,708,763
Other Revenue	9,262,687	10,161,076	8,365,862
Rentals and Leases	390,000	415,440	380,542
Investment Income	487,120	791,767	208,900
Amortization of Deferred Capital Revenue	4,805,000	5,320,843	5,136,108
Total Revenue	<u>106,557,185</u>	<u>111,924,082</u>	<u>103,346,102</u>
Expenses (Note 18)			
Instruction	89,265,357	90,184,042	85,552,617
District Administration	3,612,839	3,499,815	3,060,284
Operations and Maintenance	16,994,277	16,780,996	16,470,791
Transportation and Housing	2,068,297	1,805,390	1,761,041
Total Expense	<u>111,940,770</u>	<u>112,270,243</u>	<u>106,844,733</u>
Surplus (Deficit) for the year	<u>(5,383,585)</u>	<u>(346,161)</u>	<u>(3,498,631)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		17,704,817	21,203,448
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>17,358,656</u></u>	<u>17,704,817</u>

School District No. 63 (Saanich)

Statement of Changes in Net Debt

Year Ended June 30, 2023

	2023 Budget (Note 17) \$	2023 Actual \$	2022 Actual (Restated - Note 23) \$
Surplus (Deficit) for the year	(5,383,585)	(346,161)	(3,498,631)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(850,000)	(6,877,314)	(5,126,726)
Amortization of Tangible Capital Assets	6,981,468	7,157,656	6,860,991
Prior Period Adjustment - Adoption of Asset Retirement Obligations			(12,688,641)
Total Effect of change in Tangible Capital Assets	6,131,468	280,342	(10,954,376)
Acquisition of Prepaid Expenses		(421,978)	(368,575)
Use of Prepaid Expenses		368,575	304,713
Total Effect of change in Other Non-Financial Assets	-	(53,403)	(63,862)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>747,883</u>	(119,222)	(14,516,869)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(119,222)	(14,516,869)
Net Debt, beginning of year		(127,027,142)	(112,510,273)
Net Debt, end of year		<u>(127,146,364)</u>	<u>(127,027,142)</u>

School District No. 63 (Saanich)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2023

	2023 Actual	2022 Actual
		(Restated - Note 23)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(346,161)	(3,498,631)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	132,126	302,112
Prepaid Expenses	(53,403)	(63,862)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,083,248	99,855
Unearned Revenue	708,904	860,793
Deferred Revenue	126,545	161,797
Employee Future Benefits	18,816	(26,852)
Amortization of Tangible Capital Assets	7,157,656	6,860,991
Amortization of Deferred Capital Revenue	(5,320,843)	(5,136,108)
Construction Works Deposit	(500,829)	334,200
Total Operating Transactions	<u>3,006,059</u>	<u>(105,705)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(2,889,926)	(1,664,436)
Tangible Capital Assets -WIP Purchased	(3,987,388)	(3,462,290)
Total Capital Transactions	<u>(6,877,314)</u>	<u>(5,126,726)</u>
Financing Transactions		
Capital Revenue Received	4,085,127	5,263,875
Total Financing Transactions	<u>4,085,127</u>	<u>5,263,875</u>
Investing Transactions		
Proceeds on Disposal of Portfolio Investments	(2,819)	(5,856)
Total Investing Transactions	<u>(2,819)</u>	<u>(5,856)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	211,053	25,588
Cash and Cash Equivalents, beginning of year	<u>21,801,778</u>	<u>21,776,190</u>
Cash and Cash Equivalents, end of year	<u>22,012,831</u>	<u>21,801,778</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	11,498,886	6,316,765
Cash Equivalents	10,513,945	15,485,013
	<u>22,012,831</u>	<u>21,801,778</u>

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 AUTHORITY AND PURPOSE

The school district operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 63 (Saanich)", and operates as "School District No. 63 (Saanich)". A board of education ("Board") is elected for a four-year term and governs the school district. The school district provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 63 (Saanich) is exempt from federal and provincial corporate income taxes.

The COVID 19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the school district remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1, 2020 and full-time beginning September 1, 2020 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the school district is not practicable at this time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the school district are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the school district are as follows:

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(f) and 2(m).

In November, 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the school district before or after this regulation was in effect.

As noted in notes 2(f) and 2(m), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the school district to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense.

As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of Accounting (continued)

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian Public Sector Accounting Standards.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

Accounts receivable are measured at amortized cost and shown net of allowance for doubtful accounts.

d) Portfolio Investments

The school district has investments in Guaranteed Investment Certificates (GICs) with terms to maturity of greater than one year. GICs are reported at cost.

e) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (m).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations.

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Deferred Revenue and Deferred Capital Revenue (continued)

This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards, which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished.

g) Employee Future Benefits

The school district provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The school district accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025 for use at June 30, 2025. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The school district and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

h) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District has been initially recognized using the modified retroactive method. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see note 2 j). Assumptions used in the calculations are reviewed annually.

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

i) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the school district:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the school district to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. Work in progress is not amortized until available for productive use. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Tangible Capital Assets (continued)

regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

k) Prepaid Expenses

Amounts for insurance and other services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 13 – Accumulated Surplus).

m) Revenue Recognition

Revenues are recognized on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the school district has to meet in order to receive the contributions including authorization by the transferring government.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

The accounting treatment for restricted contributions that are government transfers is not consistent with the requirements of Canadian public sector accounting standards, which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Revenue Recognition (continued)

unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

n) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Categories of Salaries

- Principals and Vice-Principals employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Directors of Instruction, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and indigenous education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

o) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The school district recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, and accounts payable and accrued liabilities. All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these instruments

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

o) Financial Instruments (continued)

upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

p) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 2(a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liability for asset retirement obligations, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

q) Future Changes in Accounting Policies

PS 3400 Revenue issued November 2018 establishes standards on how to account for and report on revenue and is effective July 1, 2023. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the school district satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when a school district:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the school district's financial results.

r) Comparative Figures

Certain comparative figures presented in the financial statements have been reclassified to conform to the financial statement presentation adopted in the current year and the change in accounting policy referred to in note 23.

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2023	June 30, 2022
	\$	\$
Due from Federal Government	180,336	105,995
Other	100,062	42,913
BCPSEA and PEBT benefit surplus	1,400,637	1,531,332
	1,681,035	1,680,240

NOTE 4 PORTFOLIO INVESTMENTS

	June 30, 2023	June 30, 2022
Investments measured at cost:	\$	\$
GIC's	211,584	208,765

NOTE 5 CONSTRUCTION SECURITY DEPOSIT

The school district has paid construction security deposits as security for performance of various obligations during construction in progress.

	June 30, 2023	June 30, 2022
	\$	\$
District of Saanich	6,680	87,100
District of Central Saanich	581,249	-
	587,929	87,100

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	June 30, 2023	June 30, 2022
	\$	\$
Trade payables	1,526,541	1,219,357
Salaries and benefits payable	8,180,782	7,430,193
Accrued vacation pay	505,245	492,490
	10,212,568	9,142,040

NOTE 7 UNEARNED REVENUE

	June 30, 2023	June 30, 2022
	\$	\$
Balance, beginning of year	5,055,707	4,194,914
Changes for the year:		
Increase:		
Tuition fees collected	4,646,942	4,247,847
Homestay fees collected	2,621,179	2,534,994
Decrease:	7,268,121	6,782,841
Tuition and other fees recognized as revenue	(4,193,697)	(3,708,763)
Homestay fees recognized as revenue	(2,365,520)	(2,213,285)
Net changes for the year	708,904	860,793
Balance, end of year	5,764,611	5,055,707

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 8 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

	June 30, 2023	June 30, 2022
	\$	\$
Balance, beginning of year	2,023,392	1,861,595
Changes for the year:		
Increase:		
Provincial Grants	13,474,963	10,801,601
Other	3,715,161	2,890,672
Investment Income	4,999	6,283
	17,195,123	13,698,556
Decrease:		
Transfers to Revenue	(17,068,578)	(13,508,935)
Recovered	-	(27,824)
Net changes for the year	126,545	161,797
Balance, end of year	2,149,937	2,023,392

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

	June 30, 2023	June 30, 2022
Balance, deferred capital revenue, subject to amortization, beginning of year	\$ 117,452,523	\$ 116,175,381
Changes for the year:		
Increase:		
Capital Additions	1,184,480	628,501
Transfer from work in progress	880,648	5,784,749
Decrease:		
Amortization	(5,320,843)	(5,136,108)
Net changes for the year	(3,255,715)	1,277,142
Balance, deferred capital revenue, subject to amortization, end of year	114,196,808	117,452,523
Balance, deferred capital revenue, not subject to amortization, beginning of year	874,074	3,196,533
Transfer from unspent deferred capital revenue – work in progress	3,987,388	3,462,290
Transfer completed projects to deferred capital revenue	(880,648)	(5,784,749)
Balance, deferred capital revenue not subject to amortization, end of year	3,980,814	874,074

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 DEFERRED CAPITAL REVENUE (continued)

Balance, unspent deferred capital revenue, beginning of year	1,258,727	85,643
Changes for the year:		
Increase:		
Provincial Grants, Ministry of Education and Child Care	3,363,265	3,543,925
Provincial Grants, Other	-	1,186,419
Other	149,561	359,512
Investment income	2,100	1,974
Receivable from Ministry of Education and Child Care – COA Draws	48,567	172,045
Receivable from Ministry of Education and Child Care - Daycare	521,634	-
Decrease:		
Transferred to DCR – Capital Additions	(1,184,480)	(628,501)
Transferred to DCR – Work in Progress	(3,987,388)	(3,462,290)
Net changes for the year	<u>(1,086,741)</u>	<u>1,173,084</u>
Balance, unspent deferred capital revenue, end of year	<u>171,986</u>	<u>1,258,727</u>
Balance, end of year	<u>118,349,608</u>	<u>119,585,324</u>

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 10 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the school district has provided for the payment of these benefits.

	June 30, 2023	June 30, 2022
Reconciliation of Accrued Benefit Obligation		
	\$	\$
Accrued Benefit Obligation – April 1	4,414,972	4,498,120
Service Cost	336,442	368,344
Interest Cost	146,862	116,935
Benefit Payments	(556,874)	(524,716)
Actuarial Loss	39,228	(43,711)
	4,380,630	4,414,972
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	4,380,630	4,414,972
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(4,380,630)	(4,414,972)
Employer Contributions After Measurement Date	329,763	284,738
Benefits Expense After Measurement Date	(126,850)	(120,826)
Unamortized Net Actuarial Loss	97,640	189,799
	(4,080,077)	(4,061,261)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	4,061,261	4,088,113
Net expense for Fiscal Year	620,714	616,454
Employer Contributions	(601,898)	(643,306)
	4,080,077	4,061,261
Components of Net Benefit Expense		
	\$	\$
Service Cost	328,154	360,369
Interest Cost	181,087	124,417
Amortization of Net Actuarial (Gain)/Loss	75,459	131,669
Net Benefit Expense (Income)	584,700	616,455

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 10 EMPLOYEE FUTURE BENEFITS (continued)

The significant actuarial assumptions adopted for measuring the school district's accrued benefit obligations are:

	June 30, 2023	June 30, 2022
Discount Rate – April 1	3.25%	2.50%
Discount Rate – March 31	4.00%	3.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	11.1 years	11.1 years

NOTE 11 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022 (see Note 23 – Prior Period Adjustment – Change in Accounting Policy). The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

	\$
Asset Retirement Obligation, July 1, 2022 (see Note 23)	12,688,641
Settlements during the year	-
Asset Retirement Obligation, closing balance	12,688,641

NOTE 12 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2023	Net Book Value 2022 (restated see Note 23)
	\$	\$
Sites	6,088,418	6,088,418
Buildings	125,031,774	129,172,178
Buildings - Work in Progress	2,793,079	384,116
Furniture & Equipment	5,804,800	5,524,770
Furniture & Equipment - Work in Progress	1,187,735	489,958
Vehicles	871,411	916,684
Computer Software	6,753	21,213
Computer Hardware	2,299,072	1,766,047
Total	144,083,042	144,363,384

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 12 TANGIBLE CAPITAL ASSETS (continued)

June 30, 2023

Cost:	Opening Cost	Additions	Disposals	Transfers	Total 2023
	\$	\$	\$	\$	\$
Sites	6,088,418	-	-	-	6,088,418
Buildings	240,471,751	905,100	-	349,847	241,726,698
Work in Progress	384,116	2,758,810	-	(349,847)	2,793,079
Furniture & Equipment	8,870,039	645,742	(986,362)	530,801	9,060,220
Work in Progress	489,958	1,228,578	-	(530,801)	1,187,735
Vehicles	1,579,837	118,499	(2,746)	-	1,695,590
Computer Software	98,444	-	(52,285)	-	46,159
Computer Hardware	3,039,001	1,220,585	(422,988)	-	3,836,598
Total	261,021,564	6,877,314	(1,464,381)	-	266,434,497

Accumulated Amortization:	Opening Accumulated Amortization (Restated – Note 23)	Additions	Disposals	Transfers	Total 2023
	\$	\$	\$	\$	\$
Sites	-	-	-	-	-
Buildings	111,299,573	5,395,351	-	-	116,694,924
Furniture & Equipment	3,345,269	896,513	(986,362)	-	3,255,420
Vehicles	663,153	163,772	(2,746)	-	824,179
Computer Software	77,231	14,460	(52,285)	-	39,406
Computer Hardware	1,272,954	687,560	(422,988)	-	1,537,526
Total	116,658,180	7,157,656	(1,464,381)	-	122,351,455

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 12 TANGIBLE CAPITAL ASSETS (continued)

June 30, 2022

Cost:	Opening Cost	ARO (see Note 23)	Additions	Disposals	Transfers	Total 2022
	\$		\$	\$	\$	\$
Sites	6,088,418		-	-	-	6,088,418
Buildings	222,395,624	12,688,641	507,661	-	4,879,825	240,471,751
Work in Progress	3,153,760		2,110,181	-	(4,879,825)	384,116
Furniture & Equipment	8,020,025		377,455	(432,368)	904,927	8,870,039
Work in Progress	42,776		1,352,109	-	(904,927)	489,958
Vehicles	1,668,425		92,447	(181,035)	-	1,579,837
Computer Software	121,484		-	(23,040)	-	98,444
Computer Hardware	2,584,204		686,873	(232,076)	-	3,039,001
Total	244,074,716	12,688,641	5,126,726	(868,519)	-	261,021,564

Accumulated Amortization:	Opening Accumulated Amortization	ARO (see Note 23)	Additions	Disposals	Transfers	Total 2022 (restated – Note 23)
	\$		\$	\$	\$	\$
Sites	-		-	-	-	-
Buildings	93,341,169	12,688,641	5,269,763	-	-	111,299,573
Furniture & Equipment	2,933,136		844,501	(432,368)	-	3,345,269
Vehicles	681,775		162,413	(181,035)	-	663,153
Computer Software	78,278		21,993	(23,040)	-	77,231
Computer Hardware	942,709		562,321	(232,076)	-	1,272,954
Total	97,977,067	12,688,641	6,860,991	(868,519)	-	116,658,180

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 13 ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	June 30, 2023	June 30, 2022 <small>(restated – Note 23)</small>
	\$	\$
Invested in tangible capital assets	13,221,588	13,352,955
Local capital surplus	477,625	356,905
Operating surplus	3,659,443	3,994,957
	17,358,656	17,704,817

Inter-fund transfers between the operating, special purpose and capital funds for the year ended June 30, 2023, were as follows:

- \$1,641,865 was transferred from the operating fund to the capital fund and \$63,581 was transferred from the special purpose fund to the capital fund for the purchase of capital assets.
- \$116,820 was transferred from the operating fund to the local capital fund for future purchases of capital assets.

The operating surplus has been internally restricted (appropriated) by the Board for the 2023/2024 budget.

		<u>June 30, 2023</u>
		\$
School Activities	252,928	
District Activities	522,701	
Appropriated for 2023/24 Budget	1,384,307	
Subtotal Internally Restricted		2,159,936
Unrestricted Operating Surplus		1,499,507
Total Available for Future Operations		3,659,443

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 14 CONTRACTUAL OBLIGATIONS

The school district has entered into contracts related to capital projects with a remaining cost of approximately \$4,249,359.

The following table summarizes other contractual obligations of the school district:

\$						
Contractual Obligations	2024	2025	2026	2027	2028	Thereafter
Various purchase contracts	273,761	284,714	293,956	38,600	41,035	-

NOTE 15 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The school district's contractual rights arise because of contracts entered into for the license or lease of district facilities. The following table summarizes the contractual rights of the school district for future assets:

\$						
Contractual Rights	2024	2025	2026	2027	2028	Thereafter
Leases of Property	405,126	430,067	416,643	423,737	154,460	706,846

NOTE 16 CONTINGENT LIABILITIES

The school district, in conducting its usual business activities, is involved in various legal claims and litigation. In the event any unsettled claims are successful, management believes that such claims are not expected to have a material effect on the school district's financial position, and accordingly, no provision has been made in these financial statements for any liability that may result. Any losses arising from these actions will be recorded in the year in which the related litigation is settled.

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget bylaw on February 15, 2023. The original annual budget was adopted on June 15, 2022. The original and amended budgets are presented below.

	2023 Amended Annual Budget	2023 Annual Budget
Revenues		
	\$	\$
Provincial Grants	87,563,863	82,160,738
Tuition	4,048,515	4,137,850
Other Revenue	9,262,687	9,142,187
Rentals and Leases	390,000	390,000
Investment Income	487,120	200,000
Amortization of Deferred Capital Revenue	4,805,000	5,000,000
Total Revenue	106,557,185	101,030,775
Expenses		
Instruction	89,265,357	82,506,152
District Administration	3,612,839	3,600,145
Operations and Maintenance	16,994,277	16,579,057
Transportation and Housing	2,068,297	1,854,543
Total Expense	111,940,770	104,539,897
Net Revenue (Expense)	(5,383,585)	(3,509,122)
Budgeted Allocation of Surplus	4,174,237	2,530,968
Budgeted Surplus (Deficit) for the year	(1,209,348)	(978,154)

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 18 EXPENSE BY OBJECT

	June 30, 2023	June 30, 2022
	\$	\$
Salaries and benefits	88,966,754	85,976,663
Services and supplies	16,145,833	14,007,076
Amortization	7,157,656	6,860,994
	112,270,243	106,844,733

NOTE 19 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers’ Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2022, the Teachers’ Pension Plan has about 51,000 active members and approximately 41,000 retired members. As of December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary’s calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers’ Pension Plan as at December 31, 2020, indicated a \$1.584 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3.761 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$7,331,367 for employer contributions to the plans for the year ended June 30, 2023 (2022: \$7,130,907).

The next valuation for the Teachers’ Pension Plan will be as at December 31, 2023, with results available in 2024. The next valuation for the Municipal Pension Plan will be as at December 31, 2024, with results available in 2025.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 20 RELATED PARTY TRANSACTIONS

The school district is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Related parties also include key management personnel and close family members. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 21 ECONOMIC DEPENDENCE

The operations of the school district are dependent on continued funding from the Ministry of Education and Child Care and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

NOTE 22 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit Risk

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash and cash equivalents, amounts receivable and investments.

The school district is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

It is management's opinion that the school district is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the school district invests solely in guaranteed investment certificates.

b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the school district is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The school district is exposed to interest rate risk through its investments. It is management's opinion that the school district is not exposed to significant interest

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 22 RISK MANAGEMENT (continued)

b) Market Risk (continued)

rate risk as they invest solely in guaranteed investment certificates that have a maturity date of no more than 3 years.

c) Liquidity Risk

Liquidity risk is the risk that the school district will not be able to meet its financial obligations as they become due.

The school district manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the school district's reputation.

Risk Management and insurance services for all school districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2022 related to credit, market or liquidity risks.

NOTE 23 PRIOR PERIOD ADJUSTMENT – CHANGE IN ACCOUNTING POLICY

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future (see Note 11). This standard was adopted using the modified retroactive approach.

On July 1, 2022 the School District recognized an asset retirement obligation relating to several owned buildings that contain asbestos. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The associated costs have been reported as an increase to the carrying value of the associated tangible capital assets. Accumulated amortization has been recorded from the later of, the date of acquisition of the related asset or April 1, 1988 (effective date of the Hazardous Waste Regulation (April 1, 1988) – Part 6 – Management of Specific Hazardous Wastes).

The impact of the prior period adjustment on the June 30, 2022 comparative amounts is as follows:

	Increase (Decrease)
Asset Retirement Obligation (liability)	\$ 12,688,641
Tangible Capital Assets – cost	\$ 12,688,641
Tangible Capital Assets – accumulated amortization	\$ 12,688,641
Operations & Maintenance Expense – Asset amortization (2022)	-
Accumulated Surplus – Invested in Capital Assets	(\$12,688,641)

School District No. 63 (Saanich)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2023

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual (Restated - Note 23)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	3,994,957		13,709,860	17,704,817	33,892,089
Prior Period Adjustments					(12,688,641)
Accumulated Surplus (Deficit), beginning of year, as restated	3,994,957	-	13,709,860	17,704,817	21,203,448
Changes for the year					
Surplus (Deficit) for the year	1,423,171	63,581	(1,832,913)	(346,161)	(3,498,631)
Interfund Transfers					
Tangible Capital Assets Purchased	(1,641,865)	(63,581)	1,705,446	-	
Local Capital	(116,820)		116,820	-	
Net Changes for the year	(335,514)	-	(10,647)	(346,161)	(3,498,631)
Accumulated Surplus (Deficit), end of year - Statement 2	3,659,443	-	13,699,213	17,358,656	17,704,817

School District No. 63 (Saanich)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget (Note 17)	2023 Actual	2022 Actual (Restated - Note 23)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	74,188,020	77,514,902	74,605,455
Other	53,760	181,545	183,610
Federal Grants			39,492
Tuition	4,048,515	4,193,697	3,708,763
Other Revenue	6,277,687	6,442,309	5,574,297
Rentals and Leases	390,000	415,440	380,542
Investment Income	480,000	782,868	205,968
Total Revenue	<u>85,437,982</u>	<u>89,530,761</u>	<u>84,698,127</u>
Expenses			
Instruction	73,700,164	73,776,687	72,922,289
District Administration	3,526,204	3,413,180	2,973,649
Operations and Maintenance	9,767,530	9,217,468	9,025,217
Transportation and Housing	1,658,321	1,700,255	1,553,652
Total Expense	<u>88,652,219</u>	<u>88,107,590</u>	<u>86,474,807</u>
Operating Surplus (Deficit) for the year	<u>(3,214,237)</u>	<u>1,423,171</u>	<u>(1,776,680)</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>4,174,237</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(850,000)	(1,641,865)	(1,035,089)
Local Capital	(110,000)	(116,820)	(109,982)
Total Net Transfers	<u>(960,000)</u>	<u>(1,758,685)</u>	<u>(1,145,071)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(335,514)</u>	<u>(2,921,751)</u>
Operating Surplus (Deficit), beginning of year		3,994,957	6,916,708
Operating Surplus (Deficit), end of year		<u>3,659,443</u>	<u>3,994,957</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		2,159,936	3,527,484
Unrestricted		1,499,507	467,473
Total Operating Surplus (Deficit), end of year		<u>3,659,443</u>	<u>3,994,957</u>

School District No. 63 (Saanich)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget (Note 17)	2023 Actual	2022 Actual (Restated - Note 23)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	76,774,842	76,627,629	76,549,164
ISC/LEA Recovery	(3,552,472)	(3,190,534)	(3,079,193)
Other Ministry of Education and Child Care Grants			
Pay Equity	377,315	377,315	377,315
Funding for Graduated Adults	362,048	335,439	463,074
Student Transportation Fund	280,000	280,000	280,000
FSA Scorer Grant	15,214	15,214	12,964
Early Learning Framework (ELF) Implementation	1,442	1,442	2,131
Labour Settlement Funding		3,068,397	
Operating Grant Enrolment Adjustment Special Needs	(70,369)	-	-
Total Provincial Grants - Ministry of Education and Child Care	74,188,020	77,514,902	74,605,455
Provincial Grants - Other	53,760	181,545	183,610
Federal Grants	-	-	39,492
Tuition			
International and Out of Province Students	4,048,515	4,193,697	3,708,763
Total Tuition	4,048,515	4,193,697	3,708,763
Other Revenues			
Funding from First Nations	3,552,472	3,192,947	2,723,698
Miscellaneous			
Miscellaneous and School Generated	234,065	529,491	428,694
Cafeteria	68,000	247,679	184,506
Reading Recovery	-	-	69,292
Textbook Deposits and Distance Ed Fees	75,000	63,077	108,010
International and Out of Province Homestay Fees	2,348,150	2,365,520	2,029,855
Community Use	-	43,595	30,242
Total Other Revenue	6,277,687	6,442,309	5,574,297
Rentals and Leases	390,000	415,440	380,542
Investment Income	480,000	782,868	205,968
Total Operating Revenue	85,437,982	89,530,761	84,698,127

School District No. 63 (Saanich)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2023

	2023 Budget (Note 17)	2023 Actual	2022 Actual (Restated - Note 23)
	\$	\$	\$
Salaries			
Teachers	33,619,707	34,010,766	35,576,010
Principals and Vice Principals	4,906,441	4,782,113	4,636,514
Educational Assistants	6,230,650	5,802,868	5,214,769
Support Staff	8,917,970	8,494,814	8,463,733
Other Professionals	3,333,828	3,342,948	3,151,514
Substitutes	3,778,550	4,336,063	3,919,473
Total Salaries	60,787,146	60,769,572	60,962,013
Employee Benefits	15,477,935	16,021,019	15,168,799
Total Salaries and Benefits	76,265,081	76,790,591	76,130,812
Services and Supplies			
Services	5,151,057	5,134,765	4,823,714
Professional Development and Travel	807,922	560,033	445,956
Rentals and Leases	169,000	157,541	137,659
Dues and Fees	327,528	304,967	385,591
Insurance	165,460	208,047	187,184
Supplies	4,158,136	3,344,988	2,879,215
Utilities	1,608,035	1,606,658	1,484,676
Total Services and Supplies	12,387,138	11,316,999	10,343,995
Total Operating Expense	88,652,219	88,107,590	86,474,807

School District No. 63 (Saanich)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	25,256,816	514,520	78,994	339,205		3,679,541	29,869,076
1.03 Career Programs	398,446		149,851	64,208		694	613,199
1.07 Library Services	944,319			369,270		1,235	1,314,824
1.08 Counselling	1,183,121	16,957				8,494	1,208,572
1.10 Special Education	4,030,881	184,289	5,282,923	285,827	757,327	254,841	10,796,088
1.30 English Language Learning	831,154						831,154
1.31 Indigenous Education	416,777	146,213	291,100	36,575	72,444	2,370	965,479
1.41 School Administration		3,773,261		1,737,295		45,794	5,556,350
1.62 International and Out of Province Students	843,135	146,873		376,825	169,174	2,167	1,538,174
Total Function 1	33,904,649	4,782,113	5,802,868	3,209,205	998,945	3,995,136	52,692,916
4 District Administration							
4.11 Educational Administration				41,304	843,000		884,304
4.40 School District Governance					124,268		124,268
4.41 Business Administration				432,327	776,475	1,643	1,210,445
Total Function 4	-	-	-	473,631	1,743,743	1,643	2,219,017
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	106,117			100,256	485,889	39,221	731,483
5.50 Maintenance Operations				3,577,340		234,457	3,811,797
5.52 Maintenance of Grounds				492,069			492,069
5.56 Utilities							-
Total Function 5	106,117	-	-	4,169,665	485,889	273,678	5,035,349
7 Transportation and Housing							
7.41 Transportation and Housing Administration				83,519	114,371		197,890
7.70 Student Transportation				558,794		65,606	624,400
Total Function 7	-	-	-	642,313	114,371	65,606	822,290
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	34,010,766	4,782,113	5,802,868	8,494,814	3,342,948	4,336,063	60,769,572

School District No. 63 (Saanich)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2023 Budget (Note 17)	2022 Actual (Restated - Note 23)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	29,869,076	8,247,840	38,116,916	2,460,407	40,577,323	39,894,182	42,801,306
1.03 Career Programs	613,199	141,697	754,896	696,579	1,451,475	1,439,079	1,395,818
1.07 Library Services	1,314,824	325,003	1,639,827	55,620	1,695,447	1,482,042	1,444,087
1.08 Counselling	1,208,572	238,687	1,447,259	-	1,447,259	1,203,168	1,365,495
1.10 Special Education	10,796,088	2,889,859	13,685,947	525,475	14,211,422	15,480,307	12,707,883
1.30 English Language Learning	831,154	194,579	1,025,733	5,187	1,030,920	737,019	1,050,191
1.31 Indigenous Education	965,479	225,789	1,191,268	78,142	1,269,410	1,528,660	1,189,533
1.41 School Administration	5,556,350	1,309,226	6,865,576	106,899	6,972,475	6,598,061	6,420,694
1.62 International and Out of Province Students	1,538,174	401,601	1,939,775	3,181,181	5,120,956	5,337,646	4,547,282
Total Function 1	52,692,916	13,974,281	66,667,197	7,109,490	73,776,687	73,700,164	72,922,289
4 District Administration							
4.11 Educational Administration	884,304	175,395	1,059,699	103,462	1,163,161	1,156,772	1,041,900
4.40 School District Governance	124,268	6,048	130,316	111,597	241,913	308,050	190,148
4.41 Business Administration	1,210,445	302,626	1,513,071	495,035	2,008,106	2,061,382	1,741,601
Total Function 4	2,219,017	484,069	2,703,086	710,094	3,413,180	3,526,204	2,973,649
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	731,483	120,369	851,852	334,278	1,186,130	1,292,511	1,146,189
5.50 Maintenance Operations	3,811,797	1,072,804	4,884,601	745,428	5,630,029	6,058,593	5,649,561
5.52 Maintenance of Grounds	492,069	137,883	629,952	164,699	794,651	808,391	744,791
5.56 Utilities	-	-	-	1,606,658	1,606,658	1,608,035	1,484,676
Total Function 5	5,035,349	1,331,056	6,366,405	2,851,063	9,217,468	9,767,530	9,025,217
7 Transportation and Housing							
7.41 Transportation and Housing Administration	197,890	42,380	240,270	6,056	246,326	314,104	199,818
7.70 Student Transportation	624,400	189,233	813,633	640,296	1,453,929	1,344,217	1,353,834
Total Function 7	822,290	231,613	1,053,903	646,352	1,700,255	1,658,321	1,553,652
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	60,769,572	16,021,019	76,790,591	11,316,999	88,107,590	88,652,219	86,474,807

School District No. 63 (Saanich)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

	2023 Budget (Note 17) \$	2023 Actual \$	2022 Actual (Restated - Note 23) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	13,322,083	13,344,812	10,717,370
Other Revenue	2,985,000	3,718,767	2,791,565
Investment Income		4,999	
Total Revenue	<u>16,307,083</u>	<u>17,068,578</u>	<u>13,508,935</u>
Expenses			
Instruction	15,565,193	16,407,355	12,630,328
District Administration	86,635	86,635	86,635
Operations and Maintenance	405,872	405,872	705,639
Transportation and Housing	249,383	105,135	86,333
Total Expense	<u>16,307,083</u>	<u>17,004,997</u>	<u>13,508,935</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>63,581</u>	<u>-</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(63,581)	
Total Net Transfers	<u>-</u>	<u>(63,581)</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u><u>-</u></u>	<u><u>-</u></u>

School District No. 63 (Saanich)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2023

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	61,314	247,181	1,486,632	-	14,948	23,274	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	305,872	266,534			96,000	19,600	172,006	440,482	880,374
Other			232,268	3,482,893					
Investment Income			4,999						
	305,872	266,534	237,267	3,482,893	96,000	19,600	172,006	440,482	880,374
Less: Allocated to Revenue	305,872	264,794	213,332	3,510,434	93,940	16,579	173,395	440,482	880,374
Deferred Revenue, end of year	-	63,054	271,116	1,459,091	2,060	17,969	21,885	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	305,872	264,794			93,940	16,579	173,395	440,482	880,374
Other Revenue			208,333	3,510,434					
Investment Income			4,999						
	305,872	264,794	213,332	3,510,434	93,940	16,579	173,395	440,482	880,374
Expenses									
Salaries									
Teachers							45,316		
Principals and Vice Principals								64,418	147,059
Educational Assistants		214,882					9,810		198,240
Support Staff					56,897			287,425	79,296
Other Professionals									72,803
Substitutes							19,797		216,450
	-	214,882	-	-	56,897	-	74,923	351,843	713,848
Employee Benefits		49,423			14,584		21,869	88,639	154,526
Services and Supplies	305,872	489	213,332	3,446,853	22,459	16,579	76,603		12,000
	305,872	264,794	213,332	3,446,853	93,940	16,579	173,395	440,482	880,374
Net Revenue (Expense) before Interfund Transfers	-	-	-	63,581	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased				(63,581)					
	-	-	-	(63,581)	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 63 (Saanich)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2023

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School / Restart: Health & Safety Grant	Federal Safe Return to Class / Ventilation Fund	Student & Family Affordability	ECL (Early Care & Learning)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	164,383	-	25,660	-	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	8,788,760	1,473,693	42,480	52,000	25,000	-	-	737,162	175,000
Other									
Investment Income									
	8,788,760	1,473,693	42,480	52,000	25,000	-	-	737,162	175,000
Less: Allocated to Revenue	8,788,760	1,473,693	105,135	52,000	21,421	-	-	644,524	83,843
Deferred Revenue, end of year	-	-	101,728	-	29,239	-	-	92,638	91,157
Revenues									
Provincial Grants - Ministry of Education and Child Care	8,788,760	1,473,693	105,135	52,000	21,421	-	-	644,524	83,843
Other Revenue									
Investment Income									
	8,788,760	1,473,693	105,135	52,000	21,421	-	-	644,524	83,843
Expenses									
Salaries									
Teachers	7,087,710								
Principals and Vice Principals									59,070
Educational Assistants				16,521					
Support Staff			45,165						
Other Professionals									
Substitutes		1,228,078			12,779				4,648
	7,087,710	1,228,078	45,165	16,521	12,779	-	-	-	63,718
Employee Benefits	1,701,050	245,615	11,992	3,479	2,276				16,346
Services and Supplies			47,978	32,000	6,366			644,524	3,779
	8,788,760	1,473,693	105,135	52,000	21,421	-	-	644,524	83,843
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 63 (Saanich)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2023

Schedule 3A (Unaudited)

	<u>TOTAL</u>
	\$
Deferred Revenue, beginning of year	2,023,392
Add: Restricted Grants	
Provincial Grants - Ministry of Education and Child Care	13,474,963
Other	3,715,161
Investment Income	4,999
	<u>17,195,123</u>
Less: Allocated to Revenue	<u>17,068,578</u>
Deferred Revenue, end of year	<u><u>2,149,937</u></u>
Revenues	
Provincial Grants - Ministry of Education and Child Care	13,344,812
Other Revenue	3,718,767
Investment Income	4,999
	<u>17,068,578</u>
Expenses	
Salaries	
Teachers	7,133,026
Principals and Vice Principals	270,547
Educational Assistants	439,453
Support Staff	468,783
Other Professionals	72,803
Substitutes	1,481,752
	<u>9,866,364</u>
Employee Benefits	2,309,799
Services and Supplies	4,828,834
	<u>17,004,997</u>
Net Revenue (Expense) before Interfund Transfers	<u>63,581</u>
Interfund Transfers	
Tangible Capital Assets Purchased	<u>(63,581)</u>
	<u>(63,581)</u>
Net Revenue (Expense)	<u><u>-</u></u>

School District No. 63 (Saanich)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2023

	2023	2023 Actual			2022
	Budget (Note 17)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 23)
	\$	\$	\$	\$	\$
Revenues					
Investment Income	7,120		3,900	3,900	2,932
Amortization of Deferred Capital Revenue	4,805,000	5,320,843		5,320,843	5,136,108
Total Revenue	4,812,120	5,320,843	3,900	5,324,743	5,139,040
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	6,820,875	7,157,656		7,157,656	6,739,935
Transportation and Housing	160,593			-	121,056
Total Expense	6,981,468	7,157,656	-	7,157,656	6,860,991
Capital Surplus (Deficit) for the year	(2,169,348)	(1,836,813)	3,900	(1,832,913)	(1,721,951)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	850,000	1,705,446		1,705,446	1,035,089
Local Capital	110,000		116,820	116,820	109,982
Total Net Transfers	960,000	1,705,446	116,820	1,822,266	1,145,071
Total Capital Surplus (Deficit) for the year	(1,209,348)	(131,367)	120,720	(10,647)	(576,880)
Capital Surplus (Deficit), beginning of year		13,352,955	356,905	13,709,860	26,975,381
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(12,688,641)
Capital Surplus (Deficit), beginning of year, as restated		13,352,955	356,905	13,709,860	14,286,740
Capital Surplus (Deficit), end of year		13,221,588	477,625	13,699,213	13,709,860

School District No. 63 (Saanich)

Tangible Capital Assets
Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	6,088,418	227,783,110	8,870,039	1,579,837	98,444	3,039,001	247,458,849
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		12,688,641					12,688,641
Cost, beginning of year, as restated	6,088,418	240,471,751	8,870,039	1,579,837	98,444	3,039,001	260,147,490
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		742,930	291,966				1,034,896
Deferred Capital Revenue - Other		149,561	23				149,584
Operating Fund		12,609	290,172	118,499		1,220,585	1,641,865
Special Purpose Funds			63,581				63,581
Transferred from Work in Progress		349,847	530,801				880,648
	-	1,254,947	1,176,543	118,499	-	1,220,585	3,770,574
Decrease:							
Deemed Disposals			986,362	2,746	52,285	422,988	1,464,381
	-	-	986,362	2,746	52,285	422,988	1,464,381
Cost, end of year	6,088,418	241,726,698	9,060,220	1,695,590	46,159	3,836,598	262,453,683
Work in Progress, end of year		2,793,079	1,187,735				3,980,814
Cost and Work in Progress, end of year	6,088,418	244,519,777	10,247,955	1,695,590	46,159	3,836,598	266,434,497
Accumulated Amortization, beginning of year		98,610,932	3,345,269	663,153	77,231	1,272,954	103,969,539
Prior Period Adjustments							
		12,688,641					12,688,641
Accumulated Amortization, beginning of year, as restated		111,299,573	3,345,269	663,153	77,231	1,272,954	116,658,180
Changes for the Year							
Increase: Amortization for the Year		5,395,351	896,513	163,772	14,460	687,560	7,157,656
Decrease:							
Deemed Disposals			986,362	2,746	52,285	422,988	1,464,381
		-	986,362	2,746	52,285	422,988	1,464,381
Accumulated Amortization, end of year		116,694,924	3,255,420	824,179	39,406	1,537,526	122,351,455
Tangible Capital Assets - Net	6,088,418	127,824,853	6,992,535	871,411	6,753	2,299,072	144,083,042

School District No. 63 (Saanich)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2023

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
Work in Progress, beginning of year	\$ 384,116	\$ 489,958	\$ -	\$ -	\$ 874,074
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	805,274	1,228,578			2,033,852
Deferred Capital Revenue - Other	1,953,536				1,953,536
	<u>2,758,810</u>	<u>1,228,578</u>	<u>-</u>	<u>-</u>	<u>3,987,388</u>
Decrease:					
Transferred to Tangible Capital Assets	349,847	530,801			880,648
	<u>349,847</u>	<u>530,801</u>	<u>-</u>	<u>-</u>	<u>880,648</u>
Net Changes for the Year	<u>2,408,963</u>	<u>697,777</u>	<u>-</u>	<u>-</u>	<u>3,106,740</u>
Work in Progress, end of year	<u>2,793,079</u>	<u>1,187,735</u>	<u>-</u>	<u>-</u>	<u>3,980,814</u>

School District No. 63 (Saanich)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	106,022,900	10,476,722	952,901	117,452,523
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,034,896	23	149,561	1,184,480
Transferred from Work in Progress	880,648			880,648
	<u>1,915,544</u>	<u>23</u>	<u>149,561</u>	<u>2,065,128</u>
Decrease:				
Amortization of Deferred Capital Revenue	4,849,316	400,551	70,976	5,320,843
	<u>4,849,316</u>	<u>400,551</u>	<u>70,976</u>	<u>5,320,843</u>
Net Changes for the Year	<u>(2,933,772)</u>	<u>(400,528)</u>	<u>78,585</u>	<u>(3,255,715)</u>
Deferred Capital Revenue, end of year	<u>103,089,128</u>	<u>10,076,194</u>	<u>1,031,486</u>	<u>114,196,808</u>
Work in Progress, beginning of year	844,793	29,281	-	874,074
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	2,033,852	1,953,536		3,987,388
	<u>2,033,852</u>	<u>1,953,536</u>	<u>-</u>	<u>3,987,388</u>
Decrease				
Transferred to Deferred Capital Revenue	880,648			880,648
	<u>880,648</u>	<u>-</u>	<u>-</u>	<u>880,648</u>
Net Changes for the Year	<u>1,153,204</u>	<u>1,953,536</u>	<u>-</u>	<u>3,106,740</u>
Work in Progress, end of year	<u>1,997,997</u>	<u>1,982,817</u>	<u>-</u>	<u>3,980,814</u>
Total Deferred Capital Revenue, end of year	<u>105,087,125</u>	<u>12,059,011</u>	<u>1,031,486</u>	<u>118,177,622</u>

School District No. 63 (Saanich)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ -	\$ 62,602	\$ 1,192,581	\$ -	\$ 3,544	\$ 1,258,727
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	3,172,488		760,978			3,933,466
Other					149,561	149,561
Investment Income		1,100	1,000			2,100
Transfer project surplus to MECC Restricted (from) Bylaw	(103,740)	103,740				-
	3,068,748	104,840	761,978	-	149,561	4,085,127
Decrease:						
Transferred to DCR - Capital Additions	1,034,896		23		149,561	1,184,480
Transferred to DCR - Work in Progress	2,033,852		1,953,536			3,987,388
	3,068,748	-	1,953,559	-	149,561	5,171,868
Net Changes for the Year	-	104,840	(1,191,581)	-	-	(1,086,741)
Balance, end of year	-	167,442	1,000	-	3,544	171,986