



FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2021-2022

Table of Contents

1.0 Overview	3
1.1 About Us.....	3
1.2 Board Authority, Roles and Responsibilities	4
1.3 Our Mission Statement.....	4
1.4 Our Vision Statement.....	4
1.5 Our Values.....	4
2.0 Strategic Plan.....	5
3.0 Financial Governance and Planning Cycle.....	6
3.1 Planning Cycle (Timelines 2021/22)	6
3.2 Budget Advisory and Audit Sub Committees.....	7
3.3 Presentations and Information Sharing	10
4.0 Financial Statement Composition Overview	11
4.1 Statement of Financial Position.....	12
5.0 Financial Highlights	14
5.1 Enrolment.....	14
5.2 Revenues.....	15
5.3 Expenditures	16
5.4 Reserves	17
6.0 Financial Analysis of the District	19
6.1 Analysis of Operating Results to Budget and Last Year	19
Revenues.....	19
Salaries & Benefits	20
Supplies and Services.....	22
6.2 Special Purpose Funds	23
6.3 Capital Fund Accounts	27
6.4 Major Capital Projects	28
6.5 Capital Fund Balances	29
6.6 Reserves—Operating and Capital Balances	30
7.0 Context, Assumptions and Other Considerations	33
8.0 Questions or More Information	35

1.0 Overview

This document will discuss and analyze the financial performance of the Greater Victoria School District (“the District”) for the fiscal year ending June 30, 2022 and will provide clarity to the variances from prior years. The District financial statements represent the consolidation of three separate funds: operating, special purpose and capital. This is only an introduction and should be read in conjunction with the District’s audited financial statements and accompanying notes.

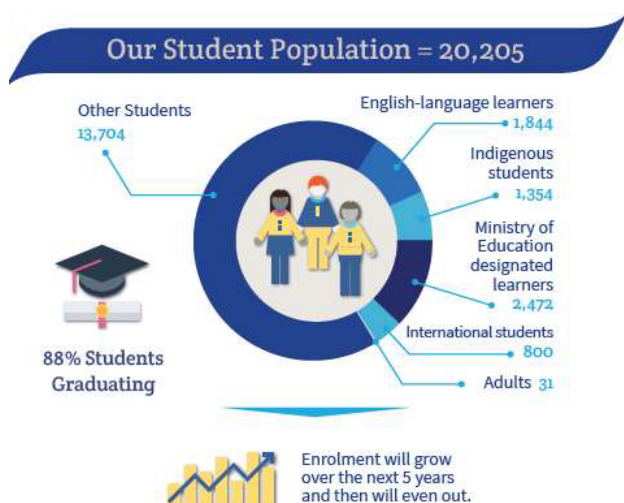
1.1 About Us

The Greater Victoria School District No. 61 (GVSD) resides on the traditional territory of the lək'wəḡən (Lekwungen) people. We would like to acknowledge the Songhees First Nation and the Esquimalt First Nation on whose traditional territory we live, work and play. Hay'sxw'qa—thank you.

The Four Houses represented in the District include the Songhees First Nation, Esquimalt First Nation, Métis Nation Greater Victoria (MNGV) and the Urban Peoples' House Indigenous Advisory (UPHIA). The term Four Houses came from community to the District as a way to activate their relationship for the programs and services for their children.

The District is located in the capital city of British Columbia and covers the municipalities of Esquimalt, Oak Bay, Victoria, View Royal and a portion of Saanich and Highlands.

The District is proud to provide quality education for 20,000 students in 28 elementary schools (kindergarten to grade five), 10 middle schools (grades six to eight), and seven secondary schools (grades nine to twelve). Approximately 1,000 international students from across the globe attend schools in our District, and each year, over 650 adult learners register in the Continuing Education Program. Our District also offers a variety of Programs of Choice, including French Immersion.



1.2 Board Authority, Roles and Responsibilities

The Board of Education has, as its primary role, the governance of the school district and the commitment to student achievement. The Board fulfills this role, in part, through the development and implementation of a strategic plan that establishes a vision, mission and goals **to direct resources** and align the work of staff.

The Board also has a foundational responsibility to competently protect the interests, image and credibility of the District, **to ensure its financial viability** and to act in accordance with all applicable laws, regulations and policies.

The Board's authority is established within the School Act and its regulations. The rights, powers, duties and liabilities of the Board rest only with the legally constituted Board, and not with committees of trustees or individual trustees.

The Board exercises its authority and responsibilities through the development of policy and the **establishment of a balanced annual budget**.

1.3 Our Mission Statement

We nurture each student's learning and well-being in a safe, responsive, and inclusive learning community.

1.4 Our Vision Statement

Each student within our world-class learning community has the opportunity to fulfill their potential and pursue their aspirations.

1.5 Our Values

- Engagement—Students are actively engaged in their education and connected to our learning community.
- Equity—We give each student the opportunity to fulfill their potential.
- Innovation/Positive Change—We are innovative. We constantly seek ways to make positive change.
- Integrity—We are ethical and fair.
- Openness and Transparency—We are open about the decisions we make and how we make them.
- Partnerships—We create open and respectful partnerships with each member of our learning community.
- Respect—We respect ourselves, others, and our environment.
- Social Responsibility and Justice—It is our shared responsibility to work with and inspire students to create a better world.

2.0 Strategic Plan

At its June 22, 2020 Regular Board meeting, the Greater Victoria Board of Education approved [Strategic Plan 2020-2025](#).

This Strategic Plan sets priorities and defines the path of our District.

The Strategic Plan has three goals:

1. Create an inclusive and culturally responsive learning environment that will support and improve all learners' personal and academic success.
2. Create a culturally responsive learning environment that will support Indigenous learners' personal and academic success.
3. Create an inclusive and culturally responsive learning environment that will support all learners' physical and mental well-being.

Operational plans for Information Technology for Learning (ITL), Finance and Facilities are in their infancy, and will become the direction for these infrastructure departments in the next strategic plan.

Goal 1

Create an inclusive and culturally responsive learning environment that will support and improve all learners' personal and academic success.

Strategy 1:

Develop and support high quality learning opportunities through the implementation of curriculum in order to improve student achievement.

Strategy 2:

Engage and collaborate with students, families and staff to provide an inclusive learning environment that will enhance and support student learning, identities and well-being.

Strategy 3:

Address the inequity of outcomes for diverse learners in literacy, numeracy, engagement and completion rates.

Goal 2

Create a culturally responsive learning environment that will support Indigenous learners' personal and academic success.

Strategy 1:

Critically examine personal and systemic biases, attitudes, beliefs, values and practices to increase student and staff understanding and appreciation of Indigenous worldviews, histories and perspectives.

Strategy 2:

Engage and collaborate with local Nations, Indigenous educators, Indigenous community leaders, Elders and families to enhance Indigenous student learning and well-being and identity.

Strategy 3:

Address the inequity of outcomes for Indigenous learners in literacy, numeracy, attendance and graduation rates.

Goal 3

Create an inclusive and culturally responsive learning environment that will support all learners' physical and mental well-being.

Strategy 1:

Continue to provide professional learning opportunities to all staff in K-12 to further support implementation of social emotional learning, physical literacy and mental health literacy that improves outcomes for students and classrooms.

Strategy 2:

Work in collaboration with Ministry of Children & Family Development to provide joint educational planning and support for children and youth in care that helps develop the child's personality, talents and mental and physical abilities to the fullest for current and future success.

Strategy 3:

Engage and collaborate with families to encourage awareness of and engagement in physical literacy and mental health literacy that improves outcomes for students in classrooms and at home.

Strategy 4:

Address the inequity of opportunity for all learners to maximize physical health and mental well-being.

3.0 Financial Governance and Planning Cycle

3.1 Planning Cycle

	Budget Advisory Committee	Operations Policy & Planning Committee	Audit Committee	Board
September	Meeting		Review Draft Audited Financial Statements	Approve Audited Financial Statements
Ministry Student Count for Funding				
October	Meeting	Monthly Financial Report		
November	Meeting	Monthly Financial Report	Quarterly Report	Receive Audit Committee Report
December	Meeting	Monthly Financial Report		
Ministry Funding Final				
January	Meeting	Monthly Financial Report		
February	Meeting	Monthly Financial Report	Quarterly Report	Receive Audit Committee Report Approve Amended Budget
Amended Budget Due to Ministry				
March	Meeting	Monthly Financial Report		
Preliminary Ministry Funding Public Budget Presentation				
April		Monthly Financial Report		Approve Preliminary Budget
May		Monthly Financial Report	Quarterly Report & Audit Plan	Receive Audit Committee Report Approve Audit Plan
June				
Preliminary Budget due to Ministry				

3.2 Budget Advisory Committee

The Board of Education values consultation as an important part of budget development and monitoring. The Board also recognizes and accepts its responsibility to approve the annual budget. The Budget Advisory Committee (the “Committee”) is advisory in nature and reports directly to the Board through the chair of the committee.

The Committee was formed in November 2021. The purpose of the Budget Committee is to oversee the District’s budget process, make recommendations and deliver reports to the Board of Education with a focus on provision of service for every student to succeed, recognizing that all learners are unique and have differing needs.

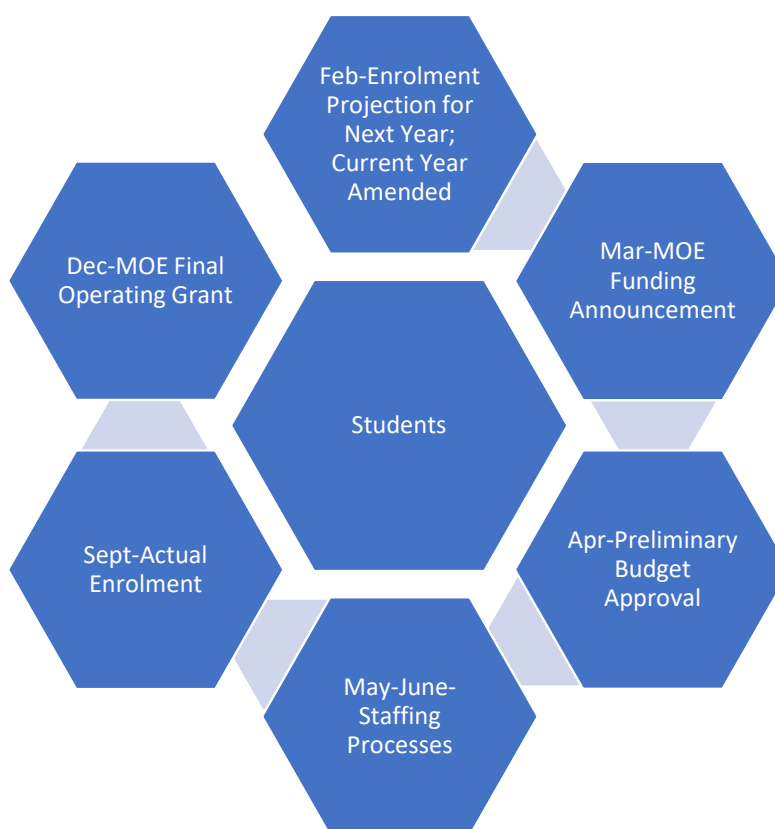
Composition

- All Trustees of the Board
- Superintendent
- Secretary-Treasurer
- Deputy Superintendent
- Associate Superintendent(s)
- Associate Secretary-Treasurer
- Director of Finance, Budgets and Financial Reporting
- Director of Facilities
- Director of Indigenous Education as the conduit to and from the Four Houses
- Two Principals/Vice-Principals
- Two representatives from each of the GVTA, CUPE Local 947, CUPE Local 382, Allied Specialists Association, and VCPAC
- One representative from each of the Songhees Nation, Esquimalt Nation, Urban Peoples’ House Indigenous Advisory (UPHIA) and the Métis Nation of Greater Victoria

Duties & Responsibilities

- Make recommendations for Board approval and/or deliver reports relative to the annual operating, special purpose and capital budgets no later than March of any given year.
- Make recommendations that have clear linkages to:
 1. The District's Strategic Plan's goals and strategies and the District Framework for Enhancing Student Learning for inclusion in the Financial Statement Discussion & Analysis Report; and,
 2. The Board's Values and Guiding Principles set out in the fiscal year's budget process
 3. Sustainability:
 - a. Commit to administrative and operational efficiencies, and appropriate management of risk including the provision of safe and healthy learning environments and sustainable environmental practices
 - b. Move toward matching revenues to expenses so the organization does not rely on surplus to balance on-going costs from year to year
 - c. Spend surplus on one-time initiatives and priorities, and not on-going expenses
 - d. Recognize that the needs of students change from year to year and so will the budget allocations
 - e. Protect reserves and contingency even when there is pressure to spend in times of constraint
 - f. Consider long term financial planning and three year budget forecasts
- Oversee the annual budget process.
- Receive budget input from education partners and the public.

Budget Cycle



Audit Sub-Committee (Bylaw 9130.4)

The Audit Sub-Committee (the “Sub-Committee”) mandate exists to assist the Board in fulfilling its financial oversight responsibilities. The committee is advisory in nature and reports directly to the Board through the Chair of the committee. The Sub-Committee will have direct communication channels with the external auditor to discuss and review issues within its mandate.

The Sub-Committee is comprised of two Trustees appointed by the Chair, the Superintendent and any other staff required, usually the Secretary-Treasurer, the Associate Secretary-Treasurer and the Director of Finance, Budgets and Financial Reporting. Any trustee may attend the Sub-Committee meetings as an observer. The Sub-Committee composition also contemplates up to three (3) community members with financial or business backgrounds determined by the Chair of the Sub-Committee; however, the District has not taken up this public membership to date.

3.3 Presentations and Information Sharing

2021/22 Operating Budget

The 2021-2022 budget development process was challenging due to the fact that the Board faced its first deficit in a decade resulting from enrolment decline both local and international due to COVID-19 (the “Pandemic”). The District had depended on large surpluses remaining at year ends to balance future years’ budgets.

Many presentations were made in public committee and board meetings to build understanding amongst Trustees and the community. A special advisor was contracted as an independent third party to verify information, context and status. The results of the advisor’s findings were made publicly available.

Presentations and information sharing opportunities were as follows:

	February	March	April	May	June
Education Policy & Directions Committee (Public)	Opportunities & Gaps: Alignment to Strategic Plan				
Operations Policy & Planning Committee (Public)		Draft 1: Structural Deficit			
Board Working Sessions			Sessions 1,2 and 3		
Board (Public)	Receive Audit Committee Report	Draft 2: Bylaw Reading 1	Draft 3: Reading 2 Update: Surplus Projection, Enrolment, Public Consultation & Music	Independent Advisor’s Presentation & Report Frequently Asked Questions Publication	Preliminary Budget Approval

4.0 Financial Statement Composition Overview

The District uses fund accounting, and each of these funds has restrictions on accounting for revenues and expenditures. There are three funds that are reported in the financial statements:

Operating Fund

Includes revenue and expense related to the daily operation of the District, including school and administrative functions.

Special Purpose Funds

Funding is restricted for a specific purpose and includes school generated funds. These funds do not report a surplus as revenues are only recognized when the related expenditure occurs. There may be a deficit in this fund which is then transferred to the Operating Fund or Capital Fund depending on the nature of the expenditure.

Capital Fund

This fund includes financial activities for tangible capital assets. The Ministry of Education and Child Care provides capital funding which is accounted for using the deferral accounting methodology whereby capital revenue is recorded over the life of the related asset to match the amortization expense recorded in the financial statements. Therefore, the revenue reported in the financial statements does not match the actual capital funding received in a year.

Assets purchased in the Operating and Special Purpose funds are also recorded on the Capital fund balance sheet.

4.1 Statement of Financial Position

The Statement of Financial Position (balance sheet) presents the District's financial assets and liabilities at the fiscal year end. It provides a comparative analysis of the district's net financial position for fiscal years ending June 30, 2021 and June 30, 2022 along with the year over year dollar and percentage changes.

		2022	2021	Change	%
Financial Assets					
	Cash and Cash Equivalents	66,075,808	62,735,222	3,340,586	5%
	Accounts Receivable				
	Due from Province—Ministry of Education & Child Care	1,240,454	4,851,003	-3,610,549	-74%
	Due from Province—Other	0	476,596	-476,596	-100%
	Due from First Nations	0	306,891	-306,891	-100%
	Other	3,322,280	3,408,670	-86,390	-3%
	Portfolio Investments	499,715	499,658	57	0%
	Total Financial Assets	71,138,257	72,278,040	-1,139,783	-2%
Liabilities					
	Accounts Payable and Accrued Liabilities	34,580,499	33,492,718	1,087,781	3%
	Unearned Revenue	11,497,069	11,955,313	-458,244	-4%
	Deferred Revenue	7,532,465	6,540,627	991,838	15%
	Deferred Capital Revenue	246,275,116	223,573,627	22,701,489	10%
	Employee Future Benefits	3,073,254	2,996,493	76,761	3%
	Total Liabilities	302,958,403	278,558,778	24,399,625	9%
	Net Financial Assets (Debt)	-231,820,146	-206,280,738	-25,539,408	11%
Non-Financial Assets					
	Tangible Capital Assets	287,356,817	265,216,436	22,140,381	8%
	Prepaid Expenses	875,252	957,276	-82,024	-9%
	Total Non-Financial Assets	288,232,069	266,173,712	22,058,357	8%
	Accumulated Surplus (Deficit)	56,411,923	59,892,974	-3,481,051	-6%

Explanation of Components of Financial Position

Cash and Cash Equivalents represent funding available to meet short term obligations such as Accounts Payable. Both Cash and Accounts Payable have increased significantly from the prior year due to the volume of spending on four concurrent building projects.

Accounts Receivable are monies owed to the District and primarily consist of GST rebates and draw claims from the Ministry of Education and Child Care for capital projects.

- **Due from Province** includes reimbursements receivable for expenses made on capital projects.
- **Due from First Nations** relates to the purchase of educational services from the District by local First Nation Bands for their students attending schools in the District.

Unearned Revenue is related mainly to International Education tuition for subsequent years received in advance.

Deferred Revenue refers to the unused money in Special Purpose Funds. The majority of this balance consists of School Generated Funds and Scholarship & Bursary investments.

Deferred Capital Revenue is money provided to the District for capital projects. This account will increase as new building projects are constructed and decrease to match the amortization on those buildings. Note how the increase this year closely relates to that of Tangible Capital Assets.

Employee Future Benefits relate to retirement payments to employees for years of service and are actuarial adjusted on an annual basis.

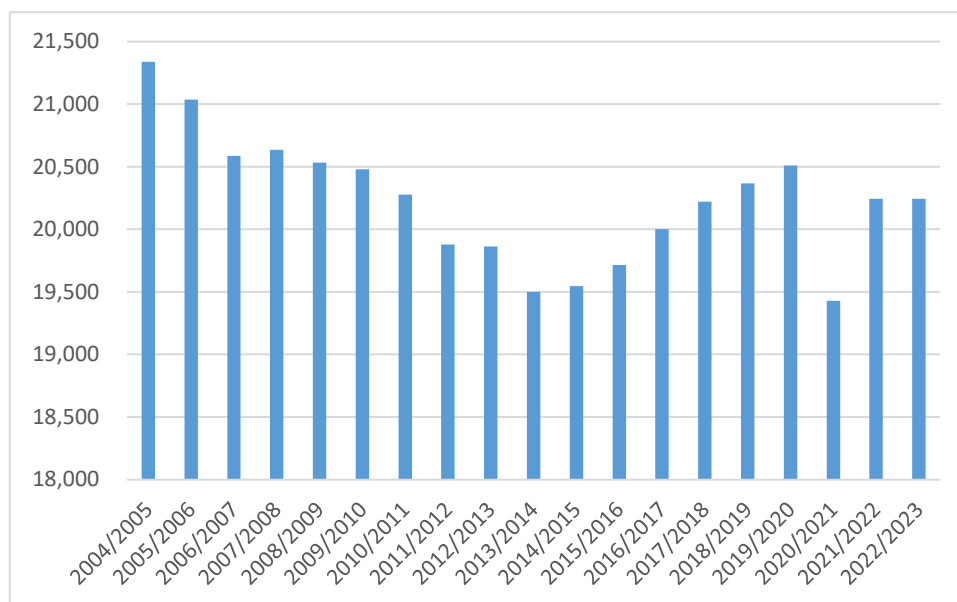
Tangible Capital Assets reflect the unamortized cost of land, buildings and equipment owned by the District.

Prepaid Expenses are expenditures that have been made for a future period (e.g., next year's insurance premiums paid in advance).

5.0 Financial Highlights

5.1 Enrolment

For the ten year period 2004-2005 to 2013-2014 the District experienced declining enrolment similar to much of the province. The District experienced a period of growth for the six year period 2014-2015 to 2019-2020. With the onset of the Pandemic the District experienced severe enrolment decline in 2020-2021 and since then has made a steady recovery to near pre-pandemic levels, but still lower than the highest enrolment in 2004-2005.

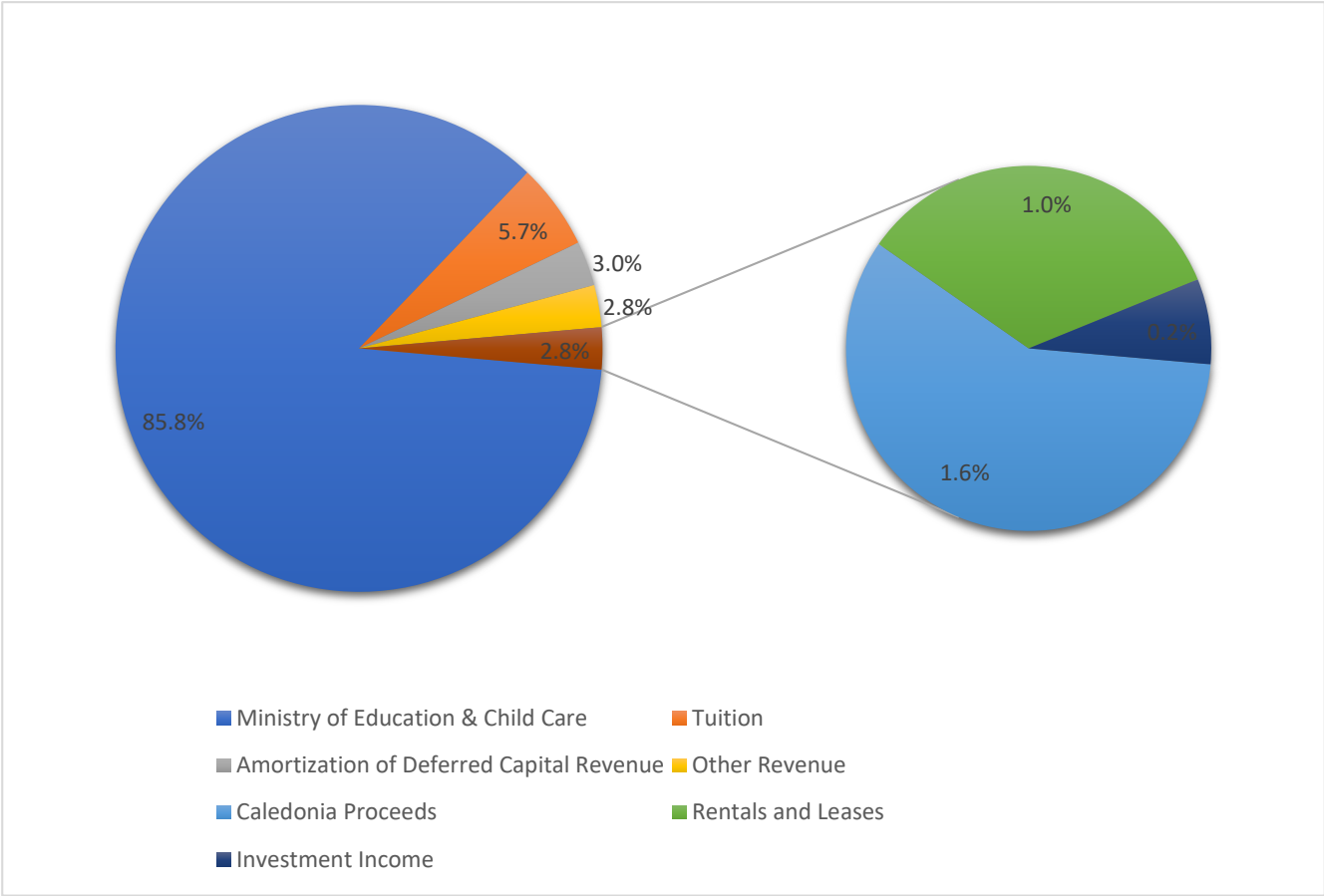


5.2 Revenues

Total revenues for the District were \$265 million for 2021/22. Revenue is heavily reliant upon funding from the Provincial government which is based mainly on student enrolments. The grant is calculated on student enrolment which is compiled through a data collection process called 1701 in September, February, May and July. The District receives a fixed amount per full-time equivalent student (FTE). The District also receives supplementary grants for students who are identified as having unique needs and for other demographic and geographical factors.

86% of the District’s revenue is from Ministry of Education and Child Care funding, 6% of revenue is tuition, 1% of revenue is rentals and leases and 3% are funds raised by schools through their non-public funds. 1% of revenue is generated from the proceeds of the conclusion of the Caledonia land exchange, long term lease, land acquisition and land disposal. 3% is associated with the recognition of deferred capital grants, and the balance through other revenue programs such as investment income.

Revenues increased 5.3% versus last year due mainly to the Caledonia proceeds, and increased local and international enrolment increases over 2020/2021, the District’s most impactful COVID-19 year in terms of enrolment. As well rentals and lease revenue increased due to the opening up of facilities after the COVID-19 restrictions.

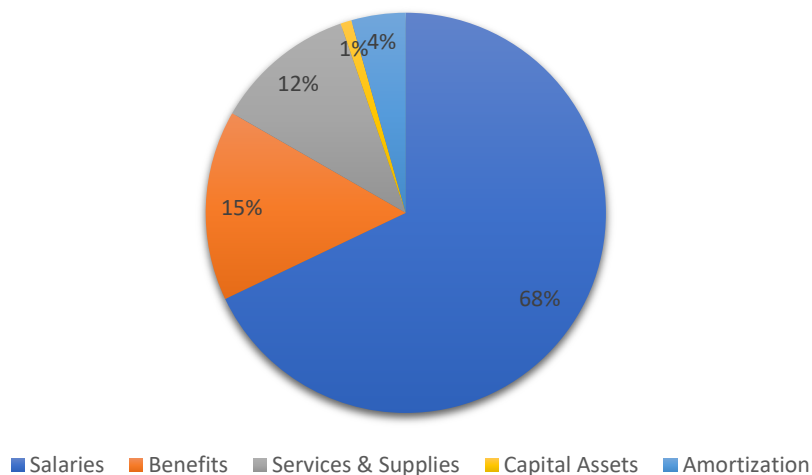


5.3 Expenditures

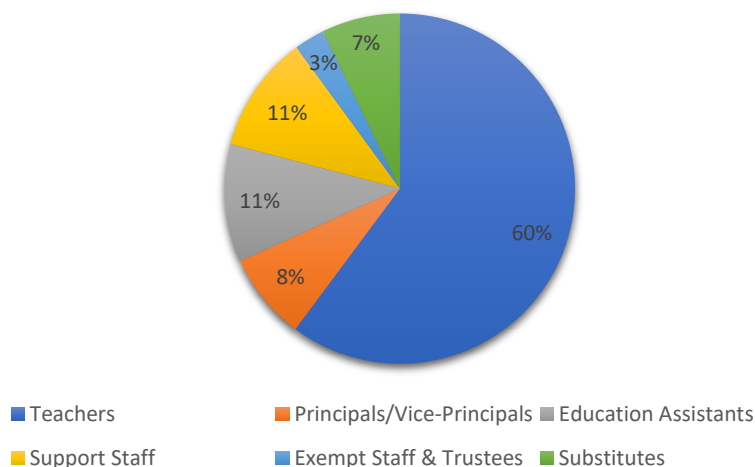
83% of the District's expenditures are associated with salaries and benefits with 60% of salaries for teachers. The balance of expenditures is related to amortization of capital assets and supplies and services including utilities, professional development and maintenance.

Overall expenditures are up by 4.9% versus last year. This is mainly due to increases in staffing and services and supplies to cover enrolment increases, collective agreement wage settlements, benefit premiums and costs for replacement staff.

Expenditure Type



Salaries



Looking at expenditures by Program, 81% of expenditures are on instruction, 3% administration and 16% on operations, maintenance and transportation.

5.4 Reserves

Operating

Unrestricted Reserves (formerly called Operating Reserve and International Education Reserve in the June 30, 2021 financial statement notes) decreased in 2021/22 from \$2,167,641 to \$1,501,254.

In June 2022 the Board updated its Operating Surplus policy to hold between 2% and 4% unrestricted operating surplus (contingency) as a percentage of operating revenue. It is anticipated the Board will need 2-3 years to reach a 2% unrestricted operating reserve as it recovers from the pandemic and enrolment trends continue upward.

Elementary and Middle schools are permitted to carry over \$40,000 budget surpluses to the next year. Secondary schools are permitted to carry over \$80,000. The total school surpluses (which are included in restricted reserves) decreased by \$245,358 this year to \$1,407,776, due to improved spending patterns and schools' anticipation of the new year's allocation reduction based on historical carry forwards to balance the 2022/23 budget.

Surplus projections during the next year's budget process continue to show good trending with variance in projected operating surplus of \$7.1 million versus actual surplus of \$8.2 million. This trending indicates the projected surplus numbers at budget development are reliable plus or minus.

As shown below the 2021/22 surplus is \$4,974,117 less than 2020/21. The District has worked to improve spending patterns (this year's money on this year's students) in the fiscal year and is striving for less reliance on large surpluses to balance annual budgets.

Description	Actual 2021-2022	Actual 2020-2021	Variance	Actual 2021-2022	Est. 2021-2022	Variance
School Funded Balances	1,407,776.00	1,653,133.79	-245,357.79	1,347,625.00	1,545,000.00	-197,375.00
School Funded Balance Exceeding Reserve	-60,151.00	-42,257.00	-17,894.00	0.00	0.00	0.00
The Link	76,694.00	80,000.00	-3,306.00	76,694.00	80,000.00	-3,306.00
International Education	0.00	280,000.00	-280,000.00	0.00	250,000.00	-250,000.00
Continuing Education	0.00	1,812.97	-1,812.97	0.00	0.00	0.00
PO Commitments	1,273,565.00	618,487.00	655,078.00	1,273,565.00	630,000.00	643,565.00
Department Carryforwards (Restricted)	1,719,483.00	2,840,184.00	-1,120,701.00	1,719,483.00	1,804,431.00	-84,948.00
Year 1 of 5 Network Infrastructure Replacement	0.00	406,350.00	-406,350.00	0.00	0.00	0.00
Year 2 of 2 Shops Upgrade	0.00	350,000.00	-350,000.00	0.00	0.00	0.00
Classroom Portable	0.00	200,000.00	-200,000.00	0.00	0.00	0.00
Carry Forward—Dept CF (Unrestricted)	0.00	0.00	0.00	0.00	555,833.00	-555,833.00
Carry Forward—International (Unrestricted)	0.00	0.00	0.00	0.00	233,311.00	-233,311.00
Carry Forward—Surplus to Balance Budget	2,300,000.00	4,837,387.00	-2,537,387.00	2,300,000.00	0.00	2,300,000.00
Carry Forward—Reserve	1,172,813.41	1,542,640.79	-369,827.38	1,172,813.41	1,542,641.00	-369,827.59
Carry Forward—Reserve International	328,441.00	425,000.00	-96,559.00	328,441.00	425,000.00	-96,559.00
TOTAL	8,218,621.41	13,192,738.55	-4,974,117.14	8,218,621.41	7,066,216.00	1,152,405.41

Local Capital Reserve

Restricted Reserve in local capital increased by \$1,604,343 to \$3,477,091 in 2021/22 due to the Caledonia net proceeds being received. It is noted that while the increases to local capital increased, so did the uses of local capital and in particular the acquisition of a city parcel as part of the Caledonia project as well as the Board's use of \$1,000,000 for the purchase of capital assets normally purchased from Operating, in order to decrease the reduction in services and supplies to the annual budget in the first year of deficit.

Balance, Beginning of the Year	1,872,747
Increases:	
Caledonia Development License	4,300,000
Caledonia Lease	1
Caledonia Interest Income	2,087
Fund Investment Income	11,572
Decreases:	
Caledonia Purchase of North Park Lot	(1,089,000)
Caledonia Land Exchange GST	(55,523)
Sundance Elem K Cohort Start-up Costs	(52,665)
Local Capital Purchases - Budget 21-22	(1,000,000)
Shoreline Classroom Addition	(5,918)
Inclusion for Learning Strategy	(93,747)
Student Device Replacement	(412,463)
Balance, End of Year	3,477,091

Ministry Restricted Capital Reserve

The Ministry Restricted Capital reserve remains fairly constant with a \$5,319 increase from the previous year as a result of interest revenue. The 2021/22 year-end balance is \$2,980,325.

6.0 Financial Analysis of the District

6.1 Analysis of Operating Results to Budget and Last Year

The following is a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2022. This section of the 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, as well as in comparison with the current year's budget. These sections are broken down into three areas: Revenues, Salaries and Benefits, and Supplies and Services.

Revenues

Operating Fund	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) vs PRIOR YEAR		2021/22 ACTUAL AS A % of TOTAL REVENUE
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%	%
Provincial Grants, Ministry of Ed & Child Care	190,981,576	197,056,412	191,638,791	6,074,836	3.08%	5,417,621	2.83%	90.5%
Funding from First Nations	966,444	829,034	1,031,724	(137,410)	-16.57%	(202,690)	-19.65%	0.4%
Provincial Grants, Other	112,750	166,975	100,802	54,225	32.47%	66,173	65.65%	0.1%
Tuition	12,242,537	15,070,357	9,496,466	2,827,820	18.76%	5,573,891	58.69%	6.9%
Other Revenue	1,062,708	1,649,914	1,294,109	587,206	35.59%	355,805	27.49%	0.8%
Rentals and Leases	1,779,874	2,519,825	1,587,882	739,951	29.37%	931,943	58.69%	1.2%
Investment Income	352,652	475,034	568,013	122,382	25.76%	(92,979)	-16.37%	0.2%
Total Operating Revenue	207,498,541	217,767,551	205,717,787	10,269,010	4.72%	12,049,764	5.86%	

Both local and international enrolments were higher than projected in February 2021 for local enrolment and Spring 2021 budget projections for the International Program as reflected in increased revenues in Provincial Grants and Tuition revenues.

Provincial Grants, Other are comprised of After School Sport and Arts Initiative (ASSAI) grants from the Ministry of Tourism, Arts, Culture and Sport, the ERASE School District Mentorship Grant from the Ministry of Public Safety and Solicitor General, and from the sale of surplus assets through public auction by the Province of BC Asset Investment Recovery Service.

Rentals and Leases revenue has increased from the prior year as a result of opening up school facilities to external rental clients post-pandemic, as well as clarification of rental policies resulting in improved availability of space to rental clients.

The budget and actual income are lower in the current year as a result of lower interest rates due to the Pandemic. Interest rates started at 1.45% in July 2020 and dropped to 0.95% in July 2021.

Other Revenue includes other grants, fees, commissions, rebates and general donations. The amount and timing of this revenue varies each year. The budget in the current year was increased in anticipation of higher administrative fees in International Education and to incorporate budgets for Industry Training Authority (ITA) grants and vendor rebates. Revenue in the current year is higher than the prior year mostly due to an increase in homestay and activity fees collected by International Education.

Salaries & Benefits

Operating Fund	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) vs PRIOR YEAR		2021/22 ACTUAL AS A % of TOTAL SALARIES
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%	%
Teachers	92,198,153	94,940,648	90,349,744	2,742,495	2.89%	4,590,904	5.08%	58.2%
Principals & Vice-Principals	14,385,816	14,297,258	14,066,958	(88,558)	-0.62%	230,300	1.64%	8.8%
Education Assistants (CUPE 947)	18,641,764	18,601,555	17,265,674	(40,209)	-0.22%	1,335,881	7.74%	11.4%
Support Staff (CUPE 947 & 382)	19,273,071	19,092,704	18,669,864	(180,367)	-0.94%	422,840	2.26%	11.7%
Exempt Staff and Trustees	4,957,013	5,093,299	4,916,468	136,286	2.68%	176,831	3.60%	3.1%
Substitutes	8,570,336	11,140,179	8,663,963	2,569,843	23.07%	2,476,216	28.58%	6.8%
Total Salaries	158,026,153	163,165,643	153,932,671	5,139,490	3.15%	9,232,972	6.00%	
Employee Benefits	36,054,086	36,977,340	34,422,220	923,254	2.50%	2,555,120	7.42%	
Total Salaries and Benefits	194,080,239	200,142,983	188,354,891	6,062,744	3.03%	11,788,092	6.26%	

Teacher and Educational Assistant salaries were lower in the prior year due to lower enrolment and a shortage of Educational Assistants. Substitute salaries are higher in the current year due to an increase in leaves of absence.

Salary budgets and expenses for all employee groups saw an increase in the current year due to bargained or approved wage increases and step increments. In addition increased enrolment resulted in higher Teacher and Education Assistant staffing levels.

Employee benefits are higher in the current year as they are tied to the higher salaries and increased enrolment.

Fully Funded Collective Agreement Increases

Districts are funded primarily on a per student FTE basis. The per pupil amount funded is intended to cover the costs of labour, geographic and climate factors, student composition, population density and socioeconomic measures (FUNDING).

Boards of Education are responsible for allocating their funds to address local needs including staffing levels over and above those required by collective agreements (SPENDING).

If a Board has more staff per student than a Board with comparable student numbers then they will receive a similar amount of labour settlement funding while having increased costs. In some cases, a board has decided to have higher staffing levels rather than fund other programs or maintain higher staffing levels funded from revenues from other sources like international tuition.

Government fully funds the amount of money the collective agreement will cost for teachers and support staff at a provincial level and puts this money into the Ministry of Education and Child Care block. In this way government has met its mandate to fully fund labour costs resulting from collective agreements.

However:

1. When MOE allocates funding out, and a District is in declining enrollment, the District will receive a lesser share (FUNDING MODEL: Ministry), especially if the District is not reducing staff enough to match the enrolment decline (SPENDING MODEL: Board).
2. MOE does not fund statutory benefits increases like CPP and EI which increased.
3. MOE does not fund Principal/Vice-Principal and Exempt salary increases.

SD61 added staffing in years of growing enrolment and maintained staffing levels in years of declining enrolment in 2020-2021. SD61 has higher Operating salary costs per student in various categories than similar districts. Therefore, it can be concluded that SD61 has had the ability to make choices about how it SPENDS its FUNDING and that in the funding allocation from the MOE, SD61 received its proportionate share of the labour settlement funding. Given that SD61 makes decisions to maintain higher staffing levels in its spending model, the labour cost increase is not fully funded.

Supplies and Services

Services and Supplies categories represent approximately 10% of the operating budget expenditures. Overall, services and supplies are 15% higher than budget due to the nature of 2020/21 year end carry forwards and surplus appropriations, as well as the fact that budget figures in the financial statements are preliminary budget amounts, not amended budget amounts.

Operating Fund	2021/22		2020/21	Increase (Decrease) vs. BUDGET		Increase (Decrease) vs PRIOR YEAR		2021/22 ACTUAL AS A % of TOTAL SERVICES & SUPPLIES
	BUDGET	ACTUAL	ACTUAL	\$	%	\$	%	%
Services	6,314,984	9,158,014	7,007,812	2,843,030	45.02%	2,150,202	30.68%	41.7%
Student Transportation	1,076,545	877,741	915,608	(198,804)	-18.47%	(37,867)	-4.14%	4.0%
Professional Development & Travel	727,897	682,992	1,038,194	(44,905)	-6.17%	(355,202)	-34.21%	3.1%
Rentals and Leases	109,851	109,850	126,428	(1)	0.00%	(16,578)	-13.11%	0.5%
Dues and Fees	105,199	121,279	110,536	16,080	15.29%	10,743	9.72%	0.6%
Insurance	420,003	474,094	424,325	54,091	12.88%	49,769	11.73%	2.2%
Supplies	6,493,917	6,376,005	6,188,153	(117,912)	-1.82%	187,852	3.04%	29.0%
Utilities	3,828,312	4,163,454	3,799,926	335,142	8.75%	363,528	9.57%	19.0%
Services & Supplies	19,076,708	21,963,429	19,610,982	2,886,721	15.13%	2,352,447	12.00%	

The annual operating budget for Services was adjusted in the current year for anticipated increases in marketing and recruitment activity in International Education, the movement of the Next Generation Network (NGN) services recovery from Utilities into Services, as well as other service-based expenses such as software maintenance, legal fees and service contracts. The amended annual operating budget in the current year was further increased due to higher than anticipated enrolment in International Education.

Student Transportation expenses were higher in the prior year due to additional bussing costs for Willows students to attend before- and after-school care at Victor as a result of delaying the opening of Sundance-Bank Elementary.

Professional Development and Travel expenses are lower than the prior year due to reduced services from the District/ Learning Team. In 2020/2021 the Equity of Opportunity grant was allocated to the District team for capacity building initiatives. In 2021/2022 the Equity of Opportunity grant was reallocated to general revenue as the Board balanced its deficit for the 2021/22 fiscal year.

The budget for Rentals and Leases expenditures was reduced slightly in the current year to reflect the expected cost of the operating leases on fleet vehicles for Facilities Services. Actual expenditures in the current year are comparable to the prior year.

Supplies' current year expenditures are lower than the prior year mainly due to one-time purchases in the prior year for the opening of Lansdowne Middle School South campus.

Utilities costs, particularly natural gas, have increased compared to the prior year. The District employs an Energy Manager, partially funded by BC Hydro. The efforts of the Energy Manager are making a difference to the District's energy consumption however increasing energy unit costs do not financially reflect the reduced consumption.

6.2 Special Purpose Funds

Special Purpose Funds consist of restricted grants and other funding subject to a legislative or contractual restriction on its use. These revenues are deferred until the relevant expenditures are incurred.

Grant	Source	Amount Received	Amount Expended	Amount Recovered	Discussion
Annual Facility Grant Operating Portion	Ministry of Education & Child Care	\$ 796,185	\$ 796,185		Projects required to maintain facility assets through their anticipated economic life and to prevent premature deterioration of these assets
Changing Results for Young Readers	Ministry of Education & Child Care	\$ 25,000	\$ 9,780		Collaborative professional learning to increase the number of BC children who are engaged, successful readers
Classroom Enhancement—Overhead, Staffing & Remedies	Ministry of Education & Child Care	\$ 20,417,766	\$ 19,191,686	1,220,436	Teacher staffing and overhead costs of restoration of class size and composition teacher collective agreement language in 2017
CommunityLINK	Ministry of Education & Child Care	\$ 3,998,998	\$ 4,162,324		Learning Involves Nutrition and Knowledge; improve learning conditions for priority student academic and social success

Grant	Source	Amount Received	Amount Expended	Amount Recovered	Discussion
Early Childhood Education Dual Credit Program	Ministry of Education & Child Care	\$ 260,000	\$ 210,000		Students in grades 11 and 12 will be able to earn both high school and postsecondary credits toward careers in early childhood education
Federal Safe Return to Class/Ventilation	Ministry of Education & Child Care	\$ 441,192	\$ -		Federal funding in response to COVID-19
First National Student Transportation	Ministry of Education & Child Care	\$ 22,219	\$ 29,985		Support transportation needs of on-reserve First Nation students to/from school and extra-curricular activities
Learning improvement Fund	Ministry of Education & Child Care	\$ 657,183	\$ 657,183		Augment Education Assistants' hours to provide additional supports to priority students
Ledger School	Ministry of Education & Child Care	\$ 366,840	\$ 340,433	20,868	Vancouver Island children and youth attending this in-patient hospital-based psychiatric service
Mental Health in Schools	Ministry of Education & Child Care	\$ 113,395	\$ 82,775		Mental health literacy activities aimed to build safe, caring and inclusive learning environments in schools
Official Languages in Education French Programs (OLEP)	Ministry of Education & Child Care	\$ 468,090	\$ 450,217		Core French and French immersion language programs and curriculum and resources
Provincial Inclusion Outreach	Ministry of Education & Child Care	\$ 824,473	\$ 825,239		Outreach services to educators, students and families for students with severe cognitive and multiple physical disabilities
Ready, Set, Learn	Ministry of Education & Child Care	\$ 68,600	\$ 80,056		Events for 3- to 5-year-olds and parents/guardians to support and facilitate smooth transition to Kindergarten

Grant	Source	Amount Received	Amount Expended	Amount Recovered	Discussion
Safe Return to School/Restart Health & Safety	Ministry of Education & Child Care	\$ 456,742	\$ 456,742		Provincial funding in response to COVID-19
Special Education Technology	Ministry of Education & Child Care	\$ 190,549	\$ 123,334	4,497	Outreach services to educators, students and families for students who require specialized technology
StrongStart	Ministry of Education & Child Care	\$ 192,000	\$ 180,413		Early learning centres to provide school-based, drop-in programs for children aged birth to age 5 and their parents/guardians/caregivers
Ministry Restricted Total		\$ 29,299,232	\$ 27,596,352	\$ 1,245,801	
Estate Trust	Other and investment income	\$ 13,518	\$ 6,594		Estate donations where interest earned is used to provide scholarships and materials related to social students to two schools
Scholarships & Bursaries	Other and investment income	\$ 76,449	\$ 35,715		Collected from donors and then awarded to graduating students
School Generated Funds	Other and investment income	\$ 5,443,642	\$ 4,956,541		Collected by schools for field trips, school sports and clubs, and fundraising for school priorities
Internally Restricted Total		\$ 5,533,609	\$ 4,998,850	\$ -	
Total Ministry Restricted and Internally Restricted		\$ 34,832,841	\$ 32,595,202	\$ 1,245,801	

The District has the following carry forwards in 2021/2022 as related to significant Special Purpose grants where expenditures were less than the deferred revenue received.

Special Purpose Funds	2021/22	2020/21	Increase (Decrease) vs PRIOR YEAR		2021/22 ACTUAL AS A % OF TOTAL SPECIAL PURPOSE
	ACTUAL	ACTUAL	\$	%	%
OLEP Federal French	17,873	-	17,873		0.2%
CommunityLINK	358,325	521,651	(163,326)	-31.31%	4.8%
Special Education Technology	68,215	5,497	62,718	1140.95%	0.9%
StrongStart	13,961	2,374	11,587	488.08%	0.2%
Ready Set Learn	38,267	49,723	(11,456)	-23.04%	0.5%
Change Results for Young Children	43,399	28,179	15,220	54.01%	0.6%
Federal Safe Return to Class/Ventilation	1,055,502	614,310	441,192	71.82%	14.0%
Ledger School	27,407	21,868	5,539	25.33%	0.4%
Provincial Inclusion Outreach	749	1,515	(766)	-50.56%	0.0%
Classroom Enhancement—Staffing	465,436	515,437	(50,001)	-9.70%	6.2%
Classroom Enhancement—Remedy	307,570	251,925	55,645	22.09%	4.1%
First Nation Student Transportation	27,187	34,953	(7,766)	-22.22%	0.4%
Mental Health in Schools	30,620	-	30,620		0.4%
Early Childhood Education Dual Credit Program	50,000	-	50,000		0.7%
Ministry Restricted	2,504,511	2,047,432	457,079	22.32%	33.2%
School Generated Funds	4,198,380	3,711,279	487,101	13.12%	55.7%
Estate Trust	120,064	113,140	6,924	6.12%	1.6%
Scholarships & Bursaries	709,510	668,776	40,734	6.09%	9.4%
Internally Restricted	5,027,954	4,493,195	534,759	11.90%	66.8%
Total Special Purpose Funds	7,532,465	6,540,627	991,838	15.16%	

Overall the Ministry Restricted special purpose carry forwards have increased 22.32% over the prior year mainly due to unspent Classroom Enhancement Funds resulting from labour and replacements shortages, and unspent Federal Safe Return to Class/Ventilation funding in district and school accounts. As the District looks to improve ventilation in schools, the Safe Return to Class carry forward will be added to current year funding for ventilation.

Overall the special purpose carry forwards have increased by 11.9% due to School Generated Funds, or non-public funds held in schools, increasing 13%. During the 2022/23 budget process a one time supplies reduction is being implemented for Operating school allocations to help balance the budget. Schools may have spent less in 2021/22 in their non-public funds in anticipation of the operating allocation reduction in 2022/2023.

6.3 Capital Fund Accounts

Capital fund schedules provide information on the District's tangible capital acquisitions and the net book value of these acquisitions. The Capital Fund includes capital expenditures related to land, buildings, computer hardware and software, vehicles and equipment that are funded from Ministry of Education and Child Care capital grants, land capital, local capital, the operating fund and special purpose funds.

During the year ended June 30, 2022, the District invested \$33.9 million in capital additions including \$23.5 million in Work in Progress for Victoria High School and Cedar Hill Middle School seismic projects.

Capital Asset Additions	2021/22	2020/21	Increase (Decrease) vs PRIOR YEAR		2021/22 ACTUAL AS A % OF TOTAL CAPITAL ASSET ADDITIONS
	ACTUAL	ACTUAL	\$	%	%
Sites (Land)	1,144,523	-	1,144,523		3.4%
Buildings	4,699,270	13,260,631	(8,561,361)	-64.56%	13.9%
Furniture & Equipment	1,653,709	2,390,895	(737,186)	-30.83%	4.9%
Vehicles	15,476	94,320	(78,844)	-83.59%	0.0%
Computer Hardware	1,527,855	2,005,137	(477,282)	-23.80%	4.5%
Increases to Capital Assets	9,040,833	17,750,983	(8,710,150)	-49.07%	26.7%
Work in Progress	24,872,546	13,889,467	10,983,079	79.07%	73.3%
Total Increases & Work in Progress	33,913,379	31,640,450	2,272,929	7.18%	

The 2021/22 funding to provide these additions came from the following sources: \$30.1 million from the Ministry of Education and Child Care, \$0.6 million from District Operating Funds, \$0.5 million from Special Purpose and \$2.7 million from Local Capital.

6.4 Major Capital Projects

Victoria High School Seismic & Expansion is currently under construction and expected to be occupied in September 2023. The project includes a major renovation of our oldest school, added capacity of 200 seats, and a Neighbourhood Learning Centre (NLC) that co-locates the International Community Association, as well as providing enhancements to the new Multi-purpose Room to make it more flexible for school and community use, and the astronomy deck/outdoor classroom. Site works will include additional parking and landscaping and a new artificial turf field as a part of the NLC funding package. The budget of \$79 million is made up of \$76.4 million from the Ministry of Education and Child care, \$3.3 million from the District, and over \$800,000 from community partners for the artificial all weather turf field.



The Cedar Hill Middle School Seismic project is a replacement school for 575 students and a design that will allow for future expansion if mid-long term enrolment growth dictates capacity pressures. The budget for the project is \$46.5 million with \$42.9 million from the Ministry of Education and Child Care and \$3.6 million from the District. In addition to the replacement project District contribution of \$3.6 million, the Board, through its commitment to climate action, is contributing over \$500,000 additional funds for a net zero ready build. The school is scheduled to open in September 2025.

The Ministry of Education and Child Care has also given support for one additional major capital project: a seismic upgrade to Sundance Elementary School. The District is currently developing detailed business cases for presentation to the Ministry.



6.5 Capital Fund Balances

Unspent Deferred Capital Revenue and Local Capital balances in the Capital Fund are as follows:

Capital Fund Balances	2021/22 ACTUAL	2020/21 ACTUAL	Increase (Decrease) vs	
			\$	%
Bylaw Capital	684,169	-	684,169	
Ministry of Education & Child Care Restricted	2,980,325	2,975,006	5,319	0.18%
Other Provincial Capital	3,881,844	4,256,745	(374,901)	-8.81%
Other Capital	602,327	467,082	135,245	28.96%
Local Capital	3,477,091	1,872,748	1,604,343	85.67%
Total Capital Funds	11,625,756	9,571,581	2,054,175	21.46%

Bylaw Capital

Bylaw Capital represents Ministry of Education and Child Care capital grants drawn on Certificates of Approval (COA) for capital projects and includes amounts for specific capital projects funded by the Ministry of Education and Child Care, capital portion of the Annual Facility Grant, carbon neutral capital project funding, playground equipment funding and other project funding paid through a COA.

Restricted Capital

Ministry of Education and Child Care restricted capital represents the Ministry's portion (usually 75%) of the proceeds on disposal of land and buildings, and any bylaw project surpluses on completed projects. The Ministry's permission must be received to spend these funds.

Other Provincial Capital

These funds were provided by the Ministry of Child and Family Development under the Child Care New Spaces Funding.

Other Capital

Other capital is comprised of funds from other non-provincial government sources, such as District of Oak Bay for the Neighbourhood Learning Centre and Bays United capital replacement contributions to artificial turf replacement over time, among others.

Local Capital Reserve

The Board's Local Capital Reserve is designated for local capital expenditures. Most of the balance in the fund at June 30, 2022 is restricted towards the District's share of Victoria High School Seismic Upgrade and technology.

6.6 Reserves—Operating and Capital Balances

Reserves

Internally Restricted Surplus—Operating Grant		
Internally Restricted by the Board for:		
Constraints on funds	476,914	
Anticipated Unusual Expenses	71,000	
Operations Spanning Multiple Years	6,169,453	
Future Capital Cost Share	-	
Sub-Total Internally Restricted:	6,717,367	6,717,367
Unrestricted Operating Surplus—Contingency		1,501,254
Total Internally Restricted Surplus—Operating Fund		8,218,621
Invested in Tangible Capital Assets		44,716,211
Local Capital Surplus		3,477,091
Total Accumulated Surplus		56,411,923

1. Operating Fund Surplus

The Board of Education is responsible for ensuring the District is protected financially from forecasting risk and unforeseen circumstances. Therefore, they have established an Operating Surplus policy that allows the District to budget for an accumulated operating surplus to serve as a contingency reserve for the risks associated with unexpected increases in expenses and/or decreases in revenues related to major emergent operating issues, one-time costs and intermittent projects.

Details of Internally Restricted categories for Constraints on Funds, Anticipated Unusual Expenses and Operations Spanning Multiple Years are as follows:

Restricted due to the Nature of Constraints on the Funds		
Holdback Grant	93,256.00	
Early Learning Framework (ELF) Grant	5,847.00	
ERASE Grant	7,582.00	
Equity Scan Grant	1,792.00	
Indigenous Education Harvest4Knowledge Grant	1,653.00	
Indigenous Education LEA Capacity Building Grant	10,927.00	
Indigenous Education Graduation and Scholarship Fund	4,195.00	
Cooper Smith Music Library Collection	49,151.00	
Speech Language Pathologists (SLP) Professional Development Fund	6,425.00	
Psychologists Professional Development Fund	4,754.00	
Principals and Vice Principals Professional Development Fund	58,310.00	
Allied Specialists (ASA) Professional Development Fund	8,311.00	
CUPE 947 Professional Development Fund	96,768.00	
CUPE 382 Professional Development Fund	18.00	
CUPE 382 Service Improvement Allocation	127,925.00	476,914.00
Restricted for Anticipated Unusual Expenses Identified by the Board		
Shared Minor Capital—New Classrooms due to Enrolment Growth	25,000.00	
Reconciliation and Anti-Racism	41,000.00	
Police Liaison	5,000.00	71,000.00
Restricted for Operations Spanning Multiple School Years		
Schools Operating Surplus	1,347,625.00	
Schools Special Project Carry Forward	174,473.00	
The Link Surplus	76,694.00	
Healthy Schools Initiatives	11,039.00	
Continuing Education Surplus (Deficit)	0.00	
International Education Surplus (Deficit)	0.00	
Indigenous Education Targeted Grant	256,532.00	
Inclusion for Learning Strategy—Supplies	37,492.00	
Incomplete School/Department Funded Facilities Projects	131,859.00	
Sundance-Bank Start-Up Costs—Year 2 (Funding in 22-23)	-19,499.00	
Shop Upgrades	124,629.00	
Quadra Wall	50,000.00	
Vic West Portable	374,113.00	
Childcare Capital Reserve	15,433.00	
Technology Replacement Reserve—Network Infrastructure	15,498.00	
Purchase Order Commitments	1,273,565.00	
Future Years' Operations/Budget; 2022-2023	2,300,000.00	6,169,453.00

The District closed out the year with a \$8,218,621 operating surplus of which \$6,717,367 was internally restricted for specific purposes and \$1,501,254 was unrestricted.

2. Capital Fund Surplus

There are two categories of Capital Fund Surpluses:

The **Local Capital** reserve fund represents a portion of accumulated operating surpluses designated to fund the purchase of Tangible Capital Assets which are not funded directly from the Ministry of Education and Child Care. The Local Capital Reserve fund is increased if the Board of Education passes a motion to transfer operating surpluses to Local Capital.

The **Invested in Tangible Capital Assets** reserve represents capital investments that are funded by operating revenues (recorded as transfers of accumulated operating surplus to the capital fund). Then, as assets are amortized, a deficit is incurred in the capital fund which is applied against the Invested in Tangible Capital Assets reserve. Therefore, the balance in this fund is to cover future amortization costs and is not available for other purposes.

7.0 Context, Assumptions and Other Considerations

Framework for Enhancing Student Learning (FESL)

As accountability and transparency for financial information grows, so does accountability for student success. The Framework for Enhancing Student Learning combines accountability with evidence based decision making to support a system wide program of continuous improvement. It brings a formalized approach to the planning and reporting expectations for all school districts with a focus on improving student learning and enhancing the intellectual, social and career development of all students in the K-12 public system.

As a learning community, we are deeply committed to each student having the opportunity to fulfill their potential and pursue their aspirations. We recognize that achieving this goal will require us to continue to:

- lean into Indigenous perspectives and considerations for systemic alignment through the use of the following guiding documents:
 - Local Education Agreements, Métis Education Agreement and Urban Peoples' House Indigenous Advisory Terms of Reference,
 - Truth and Reconciliation Commission of Canada: Call to Action,
 - Declaration on the Rights of Indigenous Peoples Act (DRIPA),
 - British Columbia Tripartite Agreement (BCTEA),
 - Standard 9—Professional Standards for BC Educators.
- engage with the communities in a culturally responsive way that is open, transparent and collaborative
- focus on aligning the human and financial resources of the system to meet the educational goals of the District
- increase our data literacy across the system

The Board, through its annual budget process, aligns human and financial resources to the Strategic Plan and the FESL.

2021/22 was the Board's first year of this new requirement from the Ministry of Education and Child Care. The 2022/23 FESL draft has been presented in Committee and will be forwarded for the Board to approve in September 2022.

Local, Provincial, Global Economic Context

Inflation, costs escalation for capital projects and supply chain issues continue to challenge districts around the province. The Board should take into consideration contingencies for larger purchases given the dramatic increase in capital project costs as the timing of support for a project from the Ministry to the time a project is designed, costed and tendered can vary. As well, the Board should be prepared for scheduling challenges as supply chain impacts project timelines.

Enrolment Growth

The District's mid-term student enrolment projections show ongoing, moderate growth across the District after which the enrolment will flatten. Some schools in the District are experiencing capacity pressures during a period of high capacity utilization in buildings as enrolment growth that the District has realized over the past few years, the Pandemic excluded, moves through the grade configurations. Once the enrolment levels out, pressure at elementary should lessen.

Funding Model Review

The majority of the District's operating funding is provided by the Ministry of Education and Child Care and is based on student enrolment and other factors. The current funding formula has been in place since 2002. In 2018, the MOE began a review of the formula and work is currently underway on the development, review and consultation on a potential new formula. While it was expected that the new formula would be announced and implemented for 2020/21, the Ministry has postponed the decision to implement any changes at this time. It is not known whether a new formula will have a positive or negative impact on the operating budget. In particular any movement from per course funding to per student funding (FTE versus Headcount) will result in a \$3 million+ decrease in funding and may reduce the courses offered to students. The District should continue to take this risk into account as it builds its unrestricted operating surplus to between 2% and 4% of operating revenue.

Pandemic

While the impacts of the Pandemic appear to have lessened, from a student and staff perspective, assessing learning growth points and mental health issues will be a major focus of staff and administration this next year.

It will take some time to rebuild operational areas back to pre-pandemic levels (e.g. International Program). The District has adjusted operating budgets accordingly, and in some cases, opportunities have been found to do things differently such as more on-line meetings which reduce travel costs.

Strategic Plan

At its June 22, 2020 Regular Board meeting, the Greater Victoria Board of Education approved Strategic Plan 2020-2025. This Strategic Plan set priorities and defines the path of the District. The Board is committed aligning resources to the Strategic Plan to reach the goals of the plan. Operational plans for Human Resources, Finance and Operations are in progress, and will support the education initiatives contained in the Strategic Plan.

8.0 Questions or More Information

This financial report is designed to provide a general but more detailed overview of the District's finances and to demonstrate increased accountability for the public funds received by the District.

If you have questions about this financial report or need additional financial information, please contact the Secretary Treasurer's office at 250-475-4108.