

Audited Financial Statements of

School District No. 72 (Campbell River)

And Independent Auditors' Report thereon

June 30, 2022

School District No. 72 (Campbell River)

June 30, 2022

Table of Contents

Management Report	1
Independent Auditors' Report	2-4
Statement of Financial Position - Statement 1	5
Statement of Operations - Statement 2	6
Statement of Changes in Net Debt - Statement 4	7
Statement of Cash Flows - Statement 5	8
Notes to the Financial Statements	9-31
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	32
Schedule of Operating Operations - Schedule 2 (Unaudited)	33
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	34
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	35
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	36
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	38
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	39
Schedule of Capital Operations - Schedule 4 (Unaudited)	42
Schedule 4A - Tangible Capital Assets (Unaudited)	43
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited)	44
Schedule 4C - Deferred Capital Revenue (Unaudited)	45
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	46

School District No. 72 (Campbell River)

MANAGEMENT REPORT

Version: 3830-3084-1102

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 72 (Campbell River) 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. 72 (Campbell River) (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 on a monthly basis and externally audited financial statements yearly.

The external auditors, MNP LLP, 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. 72 (Campbell River) 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. 72 (Campbell River)

Originally signed by the Board Chair	<u>Oct 5, 2022</u>
Signature of the Chairperson of the Board of Education	Date Signed
Originally signed by the Superintendent	<u>Oct 5, 2022</u>
Signature of the Superintendent	Date Signed
Originally signed by the Secretary-Treasurer	<u>Oct 5, 2022</u>
Signature of the Secretary Treasurer	Date Signed

To the Board of Education of School District No. 72 (Campbell River) and the Minister of Education:

Opinion

We have audited the financial statements of School District No. 72 (Campbell River) (the "School District"), which comprise the statement of financial position as at June 30, 2022, and the statements of operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present the financial position of the School District as at June 30, 2022, and the results of its operations, changes in net debt and its cash flows for the year then ended in compliance with, in all material respects, the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the School District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Financial Reporting Framework

We draw attention to Note 2 which describes the financial reporting framework being followed by School District No. 72 (Campbell River).

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises of Unaudited Schedules 1-4 attached to the audited financial statements and Financial Statement Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011, and for such internal control as management determines is necessary to enable the preparation of 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 School District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the School District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the School District's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 our 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 School District'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 School District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School District 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.

We 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 we identify during our audit.

Campbell River, British Columbia

September 27, 2022

MNP LLP
Chartered Professional Accountants

School District No. 72 (Campbell River)

Statement of Financial Position
As at June 30, 2022

	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	20,410,345	17,784,796
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	480,843	367,352
Due from First Nations	69,064	505,997
Other (Note 3)	212,605	227,844
Total Financial Assets	<u>21,172,857</u>	<u>18,885,989</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	-	38,554
Other (Note 4)	9,065,778	8,514,202
Unearned Revenue (Note 5)	881,473	588,806
Deferred Revenue (Note 6)	1,233,329	1,251,595
Deferred Capital Revenue (Note 7)	65,388,954	63,517,613
Employee Future Benefits (Note 8)	1,534,867	1,457,201
Capital Lease Obligations (Note 10)	-	18,496
Total Liabilities	<u>78,104,401</u>	<u>75,386,467</u>
Net Debt	<u>(56,931,544)</u>	<u>(56,500,478)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	80,054,136	82,001,459
Prepaid Expenses	256,152	309,863
Total Non-Financial Assets	<u>80,310,288</u>	<u>82,311,322</u>
Accumulated Surplus (Deficit) (Note 9)	<u>23,378,744</u>	<u>25,810,844</u>

Contingent Liabilities (Note 15)

Approved by the Board

Originally signed by the Board Chair

Oct 5, 2022

Date Signed

Signature of the Chairperson of the Board of Education

Originally signed by the Superintendent

Oct 5, 2022

Date Signed

Originally signed by the Secretary-Treasurer

Oct 5, 2022

Date Signed

Signature of the Secretary Treasurer

School District No. 72 (Campbell River)

Statement of Operations
Year Ended June 30, 2022

	2022 Budget (Note 16) \$	2022 Actual \$	2021 Actual (Restated - Note 21) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	66,232,384	65,664,694	65,903,266
Other		48,982	53,977
Tuition	742,500	925,399	436,514
Other Revenue	4,644,571	4,422,004	3,863,213
Rentals and Leases	124,000	128,877	118,627
Investment Income	101,630	168,203	141,539
Amortization of Deferred Capital Revenue	3,216,636	3,168,190	3,118,990
Total Revenue	<u>75,061,721</u>	<u>74,526,349</u>	<u>73,636,126</u>
Expenses			
Instruction	59,694,560	57,874,986	56,933,342
District Administration	2,851,474	3,248,438	2,978,137
Operations and Maintenance	14,115,113	13,972,095	13,774,032
Transportation and Housing	1,974,434	1,861,677	1,566,220
Debt Services	531	1,253	1,800
Total Expense	<u>78,636,112</u>	<u>76,958,449</u>	<u>75,253,531</u>
Surplus (Deficit) for the year	<u>(3,574,391)</u>	<u>(2,432,100)</u>	<u>(1,617,405)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		25,810,844	27,428,249
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>23,378,744</u></u>	<u>25,810,844</u>

School District No. 72 (Campbell River)

Statement of Changes in Net Debt

Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
Surplus (Deficit) for the year	(3,574,391)	(2,432,100)	(1,617,405)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,261,739)	(2,426,121)	(2,858,440)
Amortization of Tangible Capital Assets	4,379,269	4,373,444	4,279,219
Total Effect of change in Tangible Capital Assets	2,117,530	1,947,323	1,420,779
Acquisition of Prepaid Expenses		(256,152)	(309,863)
Use of Prepaid Expenses		309,863	64,063
Total Effect of change in Other Non-Financial Assets	-	53,711	(245,800)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(1,456,861)</u>	(431,066)	(442,426)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(431,066)	(442,426)
Net Debt, beginning of year		(56,500,478)	(56,058,052)
Net Debt, end of year		<u>(56,931,544)</u>	<u>(56,500,478)</u>

School District No. 72 (Campbell River)

Statement of Cash Flows
Year Ended June 30, 2022

	2022 Actual	2021 Actual
		(Restated - Note 21)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(2,432,100)	(1,617,405)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	338,681	350,441
Prepaid Expenses	53,711	(245,801)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	513,024	844,989
Unearned Revenue	292,667	272,045
Deferred Revenue	(18,266)	38,182
Employee Future Benefits	77,666	107,250
Amortization of Tangible Capital Assets	4,373,444	4,279,219
Amortization of Deferred Capital Revenue	(3,168,190)	(3,118,990)
Deferred Capital Transferred to Operations and Maintenance	(1,163,567)	(1,058,199)
Total Operating Transactions	<u>(1,132,930)</u>	<u>(148,269)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(2,080,394)	(2,730,432)
Tangible Capital Assets -WIP Purchased	(347,646)	(128,008)
Capital Approved Project Expense	1,919	
Total Capital Transactions	<u>(2,426,121)</u>	<u>(2,858,440)</u>
Financing Transactions		
Capital Revenue Received	6,203,097	3,242,477
Capital Lease Principal Payments	(18,497)	(21,034)
Total Financing Transactions	<u>6,184,600</u>	<u>3,221,443</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,625,549	214,734
Cash and Cash Equivalents, beginning of year	<u>17,784,796</u>	<u>17,570,062</u>
Cash and Cash Equivalents, end of year	<u>20,410,345</u>	<u>17,784,796</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	20,410,345	17,784,796
	<u>20,410,345</u>	<u>17,784,796</u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 1946 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. 72 (Campbell River)", and operates as "School District No. 72 (Campbell River)". A board of education (Board) elected for a four-year term 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. The School District is exempt from income tax.

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 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 Sept 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 District is not practicable at this time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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(e) and 2(l).

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(e) and 2(l), 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 tangible capital assets into revenue on the same basis as the related amortization expense.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

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

a) Basis of Accounting (*continued*)

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.

The impact of this difference on the financial statements of the School District is as follows:

- Year-ended June 30, 2021 – increase in annual surplus by \$2,082,537.
- June 30, 2021 – increase in accumulated surplus (deficit) and decrease in deferred contributions by \$61,218,797.
- Year-ended June 30, 2022 – increase in annual surplus by \$1,352,651.
- June 30, 2022 – increase in accumulated surplus (deficit) and decrease in deferred contributions by \$59,401,339.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased 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) 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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

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

e) 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(l).

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. 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. See note 2 (a) for the impact of this policy on these financial statements.

f) 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 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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

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

g) 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 of 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 post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

h) 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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

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

h) Tangible Capital Assets *(continued)*

- 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 and commences the year of acquisition. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a 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

i) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

j) Prepaid Expenses

Software licensing and support, memberships, dues and tuition are included as a prepaid expense, stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

k) 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 Notes 13 – Interfund Transfers and Note 9 – Accumulated Surplus). *Funds and reserves are disclosed on Schedules 2, 3 and 4.*

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

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

1) Revenue Recognition

Revenues are recorded 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 must 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 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 meets the criteria for liability recognition, in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2(a) for the impact of this policy on these financial statements.

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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

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

m) Expenses

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, Vice Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, 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 aboriginal education, are allocated to these programs. All other costs are allocated to regular 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 identification of program.

n) 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, accounts payable and accrued liabilities and capital lease obligations.

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 investments upon initial recognition.

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

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

n) Financial Instruments *(continued)*

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets except derivatives 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.

o) 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 for 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 impairment of assets, rates for amortization, allowance for doubtful accounts, employee incentive bonuses and estimated employee future benefits. Actual results could differ from those estimates.

p) Future Changes in Accounting Policies

PS 3280 Asset Retirement Obligations issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2022. A liability will be 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.

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods,

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Future Changes in Accounting Policies (continued)

the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

A modified retroactive application has been recommended by Government. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

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.

q) Statement of Re-measurement Gains and Losses

A statement of re-measurement gains and losses has not been presented as the District does not hold any financial assets or liabilities that would give rise to re-measurement gains or losses.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER

	2022	2021
Due from Federal Government	\$78,890	\$73,983
Due from North Island College	10,000	11,317
Due from Royal Bank	13,162	5,223
Due from other	110,553	137,321
	\$212,605	\$227,844

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2022	2021
Trade Payables	\$ 1,183,957	\$ 924,033
Salaries and Benefits Payable	6,101,298	5,968,498
Accrued Vacation Pay	782,707	772,973
Capital Trade Payables	146,444	309,898
Other Payables	851,372	538,799
	\$9,065,778	\$8,514,202

NOTE 5 UNEARNED REVENUE

Unearned revenue consists of contributions received for services to be delivered in a future period. Changes in unearned revenue are as follows:

	2022	2021
Balance, beginning of year	\$588,806	\$316,761
Changes for the year:		
Increase:		
Tuition fees	1,044,300	478,186
Decrease:		
Tuition fees	(588,806)	(206,141)
Net changes for the year	292,667	272,045
Balance, end of year	\$881,473	\$588,806

NOTE 6 DEFERRED REVENUE

a) Deferred Revenue – Ministry of Education

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.

The special purpose fund represents government grants for aboriginal improvement and early learning, repairs and minor capital improvements to facilities, special education equipment, labor equity, and social equity programs; recorded on the capital funds represents government grants for seismic, building envelope and asset disposal proceeds in use by the Ministry of Education.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 6 DEFERRED REVENUE (continued)

a) Deferred Revenue – Ministry of Education (continued)

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$159,904	\$175,172
Increases:		
Provincial grants – MEd	5,695,925	8,042,222
Investment income	1,940	2,190
	<u>5,697,865</u>	<u>8,044,412</u>
Decreases:		
Transfers to Revenue	(5,605,710)	(8,029,565)
Recovery	-	(28,357)
	<u>(5,605,710)</u>	<u>(8,059,680)</u>
Net Changes for the year	<u>92,155</u>	<u>(15,268)</u>
Balance, end of the year	<u>\$252,059</u>	<u>\$159,904</u>

b) Deferred Revenue – Other

Deferred Revenue – Other recorded in the operating fund represents an aboriginal early learning grant; recorded in the special purpose fund represents school generated funds, community supported social programs and scholarship trust funds; recorded in the capital fund represents community grants to support capital projects.

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$1,091,691	\$1,038,239
Increases:		
School Generated Funds	1,653,085	1,400,801
Investment income	501	2,449
Other	70,034	80,150
	<u>1,723,620</u>	<u>1,483,400</u>
Decreases:		
Transfers to Revenue	(1,834,041)	(1,429,949)
Net Changes for the year	<u>(110,421)</u>	<u>53,451</u>
Balance, end of the year	<u>\$981,270</u>	<u>\$1,091,691</u>
Total Deferred Revenue	<u>\$1,233,329</u>	<u>\$1,251,595</u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 7 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. Changes to deferred capital revenue are as follows:

	Deferred Cap Revenue	Unspent Def. Cap Revenue	2022 Total	2021 Total (Restated – Note 21)
Balance, beginning of year	\$62,800,804	\$2,298,816	\$65,099,620	\$66,034,332
Prior Period Adjustments:				
Half Year Amortization	(1,582,007)	-	(1,582,007)	-
Balance, beginning of year, restated	\$61,218,797	\$2,298,816	\$63,517,613	\$66,034,332
Increases:				
Transfers from DC - capital additions	1,109,003	-	1,109,003	1,954,529
Transfers from DC – work in progress	243,648	-	243,648	128,008
Provincial Grants – Med	-	2,943,249	2,943,249	3,216,325
Provincial Grants – Other	-	3,249,848	3,249,848	-
Other Revenue	-	10,000	10,000	26,152
	<u>1,352,651</u>	<u>6,203,097</u>	<u>7,555,748</u>	<u>5,325,014</u>
Decreases:				
Amortization	3,168,190	-	3,168,190	4,700,997
Transfers to revenue - capital additions	-	1,109,003	1,109,003	1,954,529
Transfers to revenue – capital additions	-	243,648	243,648	128,008
Transfers to capital expense	1,919	310,917	312,836	314,428
Transfers to capital - approved project expense	-	850,730	850,730	743,771
	<u>3,170,109</u>	<u>2,514,298</u>	<u>56,684,407</u>	<u>7,841,733</u>
Balance, end of the year	<u>\$59,401,339</u>	<u>\$5,987,615</u>	<u>\$65,388,954</u>	<u>\$63,517,613</u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, 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.

The period of amortization is equal to the expected average remaining service lifetime (EARSL) of active employees.

	2022	2021
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$1,542,825	\$1,586,531
Service Cost	133,891	133,714
Interest Cost	39,616	36,556
Benefit Payments	(109,053)	(152,883)
Actuarial (Gain)/Loss	(305,015)	(61,093)
Accrued Benefit Obligation – March 31	<u>\$1,302,264</u>	<u>\$1,542,825</u>

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$1,302,264	\$1,542,825
Funded Status - Surplus/(Deficit)	(1,302,264)	(1,542,825)
Employer Contributions After Measurement Date	47,960	7,608
Benefit Expense After Measurement Date	(38,414)	(43,377)
Unamortized Net Actuarial (Gain)/Loss	(242,149)	121,393
Accrued Benefit Asset/(Liability) – June 30	<u><u>\$(1,534,867)</u></u>	<u><u>\$(1,457,201)</u></u>

Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) – July 1	\$1,457,201	\$1,349,953
Net Expense for Fiscal Year	227,071	236,106
Employer Contributions	(149,405)	(128,857)
Accrued Benefit Liability (Asset) – June 30	<u><u>\$1,534,867</u></u>	<u><u>\$1,457,201</u></u>

Components of Net Benefit Expense		
Service Cost	\$128,209	\$133,758
Interest Cost	40,335	37,321
Amortization of Net Actuarial Loss	58,527	65,026
Net Benefit Expense	<u><u>\$227,071</u></u>	<u><u>\$236,106</u></u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 8 EMPLOYEE FUTURE BENEFITS – (continued)

The significant actuarial assumptions adopted for measuring the School District’s accrued benefit obligations are:

	2022	2021
Discount Rate – April 1	2.50%	2.25%
Discount Rate – March 31	3.25%	2.50%
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	10.6	9.4

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 9 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	2022	2021
Internally Restricted (Appropriated) By Board For:		
Constraints On Funds		
Indigenous Education Program	\$128,804	\$151,503
Anticipated Unusual Expenses		
COVID Unfunded Expenses	-	170,000
Operations Spanning Multiple Years		
Reserve Required to Balance Next Year	\$150,000	\$680,000
Budget		
School Based Supply Accounts	357,306	395,208
International Program	100,000	207,553
IT Evergreen Replacement Budget	-	200,000
School Growth	-	100,000
Robron Conference Room Renovation	-	50,000
Cedar Fencing	-	36,000
Mower Replacement	-	30,000
Phoenix Totem Rebuild Contribution	-	10,000
Subtotal Operations Spanning Multiple Years	607,306	1,708,761
Subtotal Internally Restricted	736,110	2,030,264
Unrestricted Operating Surplus (Deficit)		
Operational Needs and Emergency Contingency		
Unrestricted	449,647	1,197,484
Unrestricted	1,000,000	1,344,908
Subtotal Unrestricted	1,449,647	2,542,392
Total Available for Future Operations	\$2,185,757	\$4,572,656

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 10 CAPITAL LEASE OBLIGATIONS

The School District's two capital leases for the purchase of equipment matured in 2022. The leases were financed through Stride Capital at a rate of 6% interest. There are no outstanding capital lease obligations at June 30, 2022.

Total interest on capital leases for the year was \$1,253 (2021: \$1,800).

NOTE 11 TANGIBLE CAPITAL ASSETS

June 30, 2022

Cost:	Opening Cost July 1, 2021 (Restated – Note 21)	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2022
Sites	\$8,448,233	\$ -	\$ -	\$ -	\$8,448,233
Buildings	151,503,422	854,821	-	126,089	152,484,332
Buildings – work in progress	128,008	347,646	-	(128,008)	347,646
Furniture & Equipment	2,431,121	208,616	(172,109)	-	2,467,628
Vehicles	2,734,932	352,327	(27,886)	-	3,059,373
Computer Hardware	2,990,068	664,630	(568,597)	-	3,086,101
Total	\$168,235,784	\$2,428,040	\$(768,592)	\$(1,919)	\$169,893,313

Accumulated Amortization:	Opening Accumulated Amortization July 1, 2021 (Restated – Note 21)	Additions	Disposals		Balance at June 30, 2022
Buildings	\$82,828,722	\$3,231,173	\$ -		\$86,059,895
Furniture & Equipment	939,193	244,938	(172,109)		1,012,022
Vehicles	931,688	289,716	(27,886)		1,193,518
Computer Hardware	1,534,722	607,617	(568,597)		1,573,742
Total	\$86,234,325	\$4,373,444	\$(768,592)		\$89,839,177

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 11 TANGIBLE CAPITAL ASSETS (continued)

June 30, 2021 (Restated – Note 21)

Cost:	Opening Cost July 1, 2020	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2021
Sites	\$8,448,233	\$ -	\$ -	\$ -	\$8,448,233
Buildings	150,378,245	960,877	-	164,300	151,503,422
Buildings – work in progress	164,300	128,008	-	(164,300)	128,008
Furniture & Equipment	2,418,813	62,596	(50,288)	-	2,431,121
Vehicles	1,688,941	1,155,785	(109,794)	-	2,734,932
Computer Hardware	2,937,364	551,174	(498,470)	-	2,990,068
Total	\$166,035,896	\$2,858,440	\$(658,552)	\$ -	\$168,235,784

Accumulated Amortization:	Opening Accumulated Amortization July 1, 2020	Additions	Disposals	Prior Period Adjustment Half Year Rule	Balance at June 30, 2021
Buildings	\$77,997,097	\$3,217,687	\$ -	\$1,613,938	\$82,828,722
Furniture & Equipment	626,044	241,881	(50,288)	121,556	939,193
Vehicles	735,845	168,895	(109,794)	136,742	931,688
Computer Hardware	1,146,710	587,473	(498,470)	299,009	1,534,722
Total	\$80,505,696	\$4,215,936	\$(658,522)	\$2,171,245	\$86,234,325

Net Book Value:

	Net Book Value June 30, 2022	Net Book Value June 30, 2021 (Restated – Note 21)
Sites	\$8,448,233	\$8,448,233
Buildings	66,424,437	68,674,700
Buildings – work in progress	347,646	128,008
Furniture & Equipment	1,455,606	1,491,928
Vehicles	1,865,855	1,803,244
Computer Hardware	1,512,359	1,455,346
Total	\$80,054,136	\$82,001,459

Buildings – work in progress having a value of \$347,646 (2021: \$128,008) have not been amortized. Amortization of these assets will commence the year the asset is put into service.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 12 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, 2021, the Teachers' Pension Plan has about 50,000 active members and approximately 40,000 retired members. As of December 31, 2021, the Municipal Pension Plan has about 227,000 active members, including approximately 29,000 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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The School District paid \$5,172,624 for employer contributions to these plans for the year ended June 30, 2022 and \$5,018,232 for the year ended June 30, 2021.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2023. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

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.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 13 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Schedule 1 (Statement of Changes in Accumulated Surplus (Deficit) by Fund). For the year ended June 30, 2022 transfers were as follows:

- A transfer in the amount of \$320,779 was made from the operating fund to the capital fund for the purchase of local capital assets.
- A transfer in the amount of \$790,033 was made from the operating fund to the capital fund for the purchase of capital assets.
- A transfer in the amount of \$19,750 was made from the operating fund to the capital fund for capital lease commitments made during the year.
- A transfer in the amount of \$26,250 was made from the special purpose fund to the capital fund for the purchase of capital assets.

NOTE 14 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. Transactions with these entities, unless disclosed separately, are generally considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 15 CONTINGENT LIABILITIES

In the ordinary course of operations, the School District has legal proceedings brought against it and provision has been included in liabilities where appropriate. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 16 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 22, 2022. The Board adopted a preliminary annual budget on May 25, 2021. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the two budgets is as follows:

	2022 Amended	2022 Preliminary	Difference
Revenues			
Provincial Grants			
Ministry of Education	\$66,232,384	\$62,871,887	\$3,360,497
	742,500	337,500	405,000
Tuition			
Other Revenue	4,644,571	4,613,237	31,334
Rentals and Leases	124,000	124,000	0
Investment Income	101,630	131,018	(29,388)
Amortization of Deferred Capital Revenue	3,216,636	3,042,038	174,598
Total Revenue	\$75,061,721	\$71,119,680	\$3,942,041
Expenses			
Instruction	59,694,560	54,898,010	4,796,550
District Administration	2,851,474	2,902,214	(50,740)
Operations and Maintenance	10,034,710	8,780,356	1,254,354
Transportation and Housing	1,675,568	1,552,284	123,284
Debt Services	531	531	0
Amortization	4,379,269	4,282,298	96,971
Total Expenses	78,636,112	72,415,693	6,220,419
Deficit for the year	(3,574,391)	(1,296,013)	(2,278,378)
Effects of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,261,739)	(1,619,514)	(642,225)
Amortization of Tangible Capital Assets	4,379,269	4,282,298	96,971
Total Effect of change, Tangible Capital Assets	2,117,530	2,662,784	545,254
(Increase) Decrease in Net Financial Assets (Debt)	(1,456,861)	(1,366,771)	(2,823,632)

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 17 ASSET RETIREMENT OBLIGATION

The District is subject to environmental laws and regulations enacted by the Province and local authorities.

The District currently provides educational programs in 16 schools. It also operates a number of administrative support buildings. Many of these schools and buildings were constructed prior to the implementation of current asbestos removal regulations and asbestos containing materials were utilized in their construction. The nature and extent of asbestos construction material varies from building to building.

Upon retirement of these District buildings, either through demolition or sale, the District may incur removal costs or realize reduced sale proceeds because of the presence of asbestos. The District has made no provision for the financial impact of removal costs or reduced sale proceeds as they cannot be reasonably estimated due to the indeterminate nature and date of potential future retirements.

The District presently is unable to estimate future obligations related to the removal and disposal of asbestos which is believed to be prevalent throughout District owned buildings built prior to the mid 1980s. At present such estimates can only be provided for buildings that are in the process of being decommissioned. Over the period to the required implementation in 2022 of a new PSAS standard PS3280 Asset Retirement Obligations the District will be working towards establishing reliable estimates in respect of asbestos removal and disposal throughout all relevant District buildings.

NOTE 18 EXPENSE BY OBJECT

	Budget 2022	Actual 2022	Actual 2021
Salaries	\$51,126,211	\$50,736,487	\$49,470,492
Benefits	11,461,240	11,069,186	11,262,132
Service and supplies	11,668,861	10,778,079	10,239,888
Interest	531	1,253	1,800
Amortization	4,379,269	4,373,444	4,279,219
Write-off of Building	-	-	-
	<u>\$ 78,636,112</u>	<u>\$76,958,449</u>	<u>\$75,253,531</u>

NOTE 19 TRUST FUNDS

Funds in the amount of \$1,999,473 (2021 - \$1,916,129) are held in trust for teachers who participate in the payroll savings plan. These funds are included in Cash and Cash Equivalents in Statement 1 for the year ended June 30, 2022 and are to be paid to teachers who participate in the plan through August 31, 2022. The amount payable is included in Salaries and Benefits Payable as stated in Note 4.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 20 ECONOMIC DEPENDENCE

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 21 PRIOR PERIOD ADJUSTMENT

On May 28, 2021, the Office of the Comptroller General directed all school districts to apply the half-year rule method of amortization beginning in the fiscal year an asset is placed into service. This directive applies to both past and future purchases. Prior to this directive, the district did not recognize amortization in the first partial service year. The School District has made a retroactive adjustment to recognize amortization of all assets and deferred capital contributions beginning in the first service year. The impact of the prior period adjustment on the June 30, 2021 comparative amounts is as follows:

	<u>Increase (Decrease)</u>
Tangible Capital Assets	\$ (2,171,245)
Deferred Capital Revenue	(1,582,007)
Accumulated Surplus (Deficit)	(589,238)
Operations & Maintenance Expense – Asset amortization	63,283
Accumulated Surplus – beginning of the year July 1, 2020	(525,955)

NOTE 22 RISK MANAGEMENT

All significant financial assets, financial liabilities and equity instruments of the School District are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

- **Credit Risk**

Financial instruments that potentially subject the School District to concentrations of credit risk consist primarily of other receivables. The maximum credit risk exposure is \$212,605 (2021 - \$227,844).

However, the School District believes that there is minimal risk associated with the collection of these amounts as they consist primarily of receivables from the Federal and Provincial Government organizations. The School District manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2022

NOTE 22 RISK MANAGEMENT – (continued)

- **Liquidity Risk**

Liquidity risk is the risk that the School District will encounter difficulty in meeting obligations associated with financial liabilities.

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, to 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.

- **Foreign Currency Risk**

The School District maintains a U.S. bank account and enters into transactions with vendors for supplies denominated in U.S. currency for which the related expenses and accounts payable balances are subject to exchange rate fluctuations. As at June 30, 2022, there was an insignificant balance maintained in the U.S. dollar bank account.

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In seeking to manage the risks from foreign exchange rate fluctuations, the School District does not hold significant funds in U.S. dollars in order to reduce their risk against adverse movements in the foreign exchange rates

- **Financial Asset Impairment**

At each year-end date, the School District is required to evaluate and record any other-than-temporary impairment of its financial assets, other than those classified as held for trading. Accordingly, the School District has compared the carrying value of each of these financial assets to its fair value as at June 30, 2022. No provision for impairment was recorded in the current year, as the fair value of all financial assets tested exceeded their carrying value.

- **Fair Values of Financial Instruments**

The carrying amount of cash, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

- **Risk Management Policy**

The School District, as part of its operations, has established objectives (i.e. hedging of risk exposures and avoidance of undue concentrations of risk) to mitigate credit risk as risk management objectives. In seeking to meet these objectives, the School District follows a risk management policy approved by its Board of Trustees.

School District No. 72 (Campbell River)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2022

	Operating Fund	Special Purpose Fund	Capital Fund	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,572,656		21,238,188	25,810,844	27,954,204
Prior Period Adjustments					(525,955)
Accumulated Surplus (Deficit), beginning of year, as restated	4,572,656	-	21,238,188	25,810,844	27,428,249
Changes for the year					
Surplus (Deficit) for the year	(1,256,337)	26,250	(1,202,013)	(2,432,100)	(1,617,405)
Interfund Transfers					
Tangible Capital Assets Purchased	(790,033)	(26,250)	816,283	-	
Local Capital	(320,779)		320,779	-	
Other	(19,750)		19,750	-	
Net Changes for the year	(2,386,899)	-	(45,201)	(2,432,100)	(1,617,405)
Accumulated Surplus (Deficit), end of year - Statement 2	2,185,757	-	21,192,987	23,378,744	25,810,844

School District No. 72 (Campbell River)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	58,981,645	58,911,570	56,815,502
Tuition	742,500	925,399	436,514
Other Revenue	2,567,825	2,659,313	2,488,561
Rentals and Leases	124,000	128,877	118,627
Investment Income	95,000	125,188	132,864
Total Revenue	62,510,970	62,750,347	59,992,068
Expenses			
Instruction	52,316,911	50,887,162	47,790,565
District Administration	2,851,474	3,248,438	2,978,137
Operations and Maintenance	8,150,453	8,351,332	8,283,280
Transportation and Housing	1,608,359	1,519,752	1,401,059
Total Expense	64,927,197	64,006,684	60,453,041
Operating Surplus (Deficit) for the year	(2,416,227)	(1,256,337)	(460,973)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	3,191,004		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(555,750)	(790,033)	(276,154)
Local Capital	(200,000)	(320,779)	(500,063)
Other	(19,027)	(19,750)	(22,833)
Total Net Transfers	(774,777)	(1,130,562)	(799,050)
Total Operating Surplus (Deficit), for the year	-	(2,386,899)	(1,260,023)
Operating Surplus (Deficit), beginning of year		4,572,656	5,832,679
Operating Surplus (Deficit), end of year		2,185,757	4,572,656
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 9)		736,110	2,030,264
Unrestricted		1,449,647	2,542,392
Total Operating Surplus (Deficit), end of year		2,185,757	4,572,656

School District No. 72 (Campbell River)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	60,560,766	60,486,017	56,812,468
ISC/LEA Recovery	(2,046,112)	(2,046,856)	(2,035,983)
Other Ministry of Education and Child Care Grants			
Pay Equity	75,322	75,322	75,322
Funding for Graduated Adults	2,442	7,860	16,280
Student Transportation Fund	316,860	316,860	316,860
Support Staff Benefits Grant	61,931	61,931	60,668
Teachers' Labour Settlement Funding			1,440,451
Early Career Mentorship Funding			115,000
FSA Scorer Grant	8,187	8,187	8,187
Early Learning Framework	2,249	2,249	2,249
Equity Scan Implementation			4,000
Total Provincial Grants - Ministry of Education and Child Care	58,981,645	58,911,570	56,815,502
Tuition			
International and Out of Province Students	742,500	925,399	436,514
Total Tuition	742,500	925,399	436,514
Other Revenues			
Other School District/Education Authorities	380,587	463,658	379,835
Funding from First Nations	2,046,112	2,031,321	2,019,109
Miscellaneous			
Contract Services - Learning Support Services	71,626	71,626	71,626
Miscellaneous Revenue/Transcripts	69,500	92,708	17,991
Total Other Revenue	2,567,825	2,659,313	2,488,561
Rentals and Leases	124,000	128,877	118,627
Investment Income	95,000	125,188	132,864
Total Operating Revenue	62,510,970	62,750,347	59,992,068

School District No. 72 (Campbell River)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
Salaries			
Teachers	27,211,034	27,151,366	25,485,046
Principals and Vice Principals	4,265,702	4,189,563	4,266,073
Educational Assistants	5,253,084	5,223,374	4,822,665
Support Staff	6,707,216	6,608,164	6,364,974
Other Professionals	1,720,569	1,939,414	1,969,896
Substitutes	1,968,907	1,559,201	805,872
Total Salaries	47,126,512	46,671,082	43,714,526
Employee Benefits	10,495,827	10,205,989	9,939,752
Total Salaries and Benefits	57,622,339	56,877,071	53,654,278
Services and Supplies			
Services	1,556,787	1,667,767	1,344,485
Student Transportation	105,791	17,428	15,464
Professional Development and Travel	751,444	459,832	662,964
Rentals and Leases	79,435	60,598	74,547
Dues and Fees	53,635	113,827	82,249
Insurance	148,187	114,951	136,814
Supplies	3,183,205	3,047,111	2,970,515
Utilities	1,426,374	1,648,099	1,511,725
Total Services and Supplies	7,304,858	7,129,613	6,798,763
Total Operating Expense	64,927,197	64,006,684	60,453,041

School District No. 72 (Campbell River)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	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	20,672,262	793,073	300,376	629,405	21,447	1,495,454	23,912,017
1.03 Career Programs							-
1.07 Library Services	874,915			152,621			1,027,536
1.08 Counselling	1,075,256			20,467			1,095,723
1.10 Special Education	3,325,740	346,271	4,224,658	75,588		19,668	7,991,925
1.30 English Language Learning	303,819		3,324			8,383	315,526
1.31 Indigenous Education	570,395	143,839	692,084	40,017		8,233	1,454,568
1.41 School Administration		2,870,615		490,919			3,361,534
1.60 Summer School	87,450	10,006	2,462	2,462		1,278	103,658
1.62 International and Out of Province Students	241,529	7,874	470	54,303	94,916		399,092
Total Function 1	27,151,366	4,171,678	5,223,374	1,465,782	116,363	1,533,016	39,661,579
4 District Administration							
4.11 Educational Administration		17,885		85,320	647,930	1,171	752,306
4.40 School District Governance					99,140		99,140
4.41 Business Administration				378,734	786,426	25,014	1,190,174
Total Function 4	-	17,885	-	464,054	1,533,496	26,185	2,041,620
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				110,568	83,952		194,520
5.50 Maintenance Operations				3,660,001	163,362		3,823,363
5.52 Maintenance of Grounds				200,778			200,778
5.56 Utilities							-
Total Function 5	-	-	-	3,971,347	247,314	-	4,218,661
7 Transportation and Housing							
7.70 Student Transportation				706,981	42,241		749,222
7.73 Housing							-
Total Function 7	-	-	-	706,981	42,241	-	749,222
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	27,151,366	4,189,563	5,223,374	6,608,164	1,939,414	1,559,201	46,671,082

School District No. 72 (Campbell River)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2022 Actual	2022 Budget (Note 16)	2021 Actual (Restated - Note 21)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	23,912,017	5,254,133	29,166,150	1,688,227	30,854,377	31,355,895	28,167,945
1.03 Career Programs	-	-	-	-	-	-	88
1.07 Library Services	1,027,536	226,676	1,254,212	193,325	1,447,537	1,626,755	1,450,525
1.08 Counselling	1,095,723	228,447	1,324,170	-	1,324,170	1,201,232	1,341,494
1.10 Special Education	7,991,925	1,819,432	9,811,357	125,304	9,936,661	10,229,689	9,506,128
1.30 English Language Learning	315,526	68,106	383,632	20,058	403,690	403,546	359,046
1.31 Indigenous Education	1,454,568	323,553	1,778,121	153,878	1,931,999	2,171,980	1,924,702
1.41 School Administration	3,361,534	682,186	4,043,720	150,152	4,193,872	4,454,071	4,291,908
1.60 Summer School	103,658	21,137	124,795	3,561	128,356	131,244	122,104
1.62 International and Out of Province Students	399,092	83,702	482,794	183,706	666,500	742,499	626,625
Total Function 1	39,661,579	8,707,372	48,368,951	2,518,211	50,887,162	52,316,911	47,790,565
4 District Administration							
4.11 Educational Administration	752,306	135,833	888,139	171,300	1,059,439	929,425	1,158,342
4.40 School District Governance	99,140	5,818	104,958	80,521	185,479	213,461	168,308
4.41 Business Administration	1,190,174	222,445	1,412,619	590,901	2,003,520	1,708,588	1,651,487
Total Function 4	2,041,620	364,096	2,405,716	842,722	3,248,438	2,851,474	2,978,137
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	194,520	41,379	235,899	91,779	327,678	358,972	332,039
5.50 Maintenance Operations	3,823,363	865,545	4,688,908	1,073,398	5,762,306	5,683,203	5,925,231
5.52 Maintenance of Grounds	200,778	56,237	257,015	314,684	571,699	727,467	460,123
5.56 Utilities	-	599	599	1,689,050	1,689,649	1,380,811	1,565,887
Total Function 5	4,218,661	963,760	5,182,421	3,168,911	8,351,332	8,150,453	8,283,280
7 Transportation and Housing							
7.70 Student Transportation	749,222	170,761	919,983	561,432	1,481,415	1,548,359	1,351,009
7.73 Housing	-	-	-	38,337	38,337	60,000	50,050
Total Function 7	749,222	170,761	919,983	599,769	1,519,752	1,608,359	1,401,059
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	46,671,082	10,205,989	56,877,071	7,129,613	64,006,684	64,927,197	60,453,041

School District No. 72 (Campbell River)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2022

	2022 Budget (Note 16) \$	2022 Actual \$	2021 Actual (Restated - Note 21) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	5,624,059	5,589,557	8,029,565
Other		48,982	53,977
Other Revenue	2,076,746	1,762,691	1,374,652
Investment Income	1,630	38,521	3,078
Total Revenue	<u>7,702,435</u>	<u>7,439,751</u>	<u>9,461,272</u>
Expenses			
Instruction	7,377,649	6,987,824	9,142,777
Operations and Maintenance	257,577	373,468	263,128
Transportation and Housing	67,209	52,209	55,367
Total Expense	<u>7,702,435</u>	<u>7,413,501</u>	<u>9,461,272</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>26,250</u>	<u>-</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(26,250)	
Total Net Transfers	<u>-</u>	<u>(26,250)</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>

School District No. 72 (Campbell River)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2022

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			18,073	158,330	723,464		4,176	7,446	72,332
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	257,578	205,810				128,000	29,400	151,175	551,048
Other				5,059	1,653,085				
Investment Income		66		926			58		571
	257,578	205,876	-	5,985	1,653,085	128,000	29,458	151,175	551,619
Less: Allocated to Revenue	257,578	195,580	18,073	23,600	1,617,553	128,000	24,506	158,621	534,320
Deferred Revenue, end of year	-	10,296	-	140,715	758,996	-	9,128	-	89,631
Revenues									
Provincial Grants - Ministry of Education and Child Care	252,882	193,241	17,029			128,000	23,006	158,538	529,999
Provincial Grants - Other									
Other Revenue				19,377	1,617,553				
Investment Income	4,696	2,339	1,044	4,223			1,500	83	4,321
	257,578	195,580	18,073	23,600	1,617,553	128,000	24,506	158,621	534,320
Expenses									
Salaries									
Teachers								43,415	
Principals and Vice Principals								13,512	
Educational Assistants		157,518							342,545
Support Staff						100,000			
Other Professionals									
Substitutes								2,701	
	-	157,518	-	-	-	100,000	-	59,628	342,545
Employee Benefits		38,062				24,000		13,715	77,206
Services and Supplies	257,578		18,073	23,600	1,617,553	4,000	24,506	59,028	114,569
	257,578	195,580	18,073	23,600	1,617,553	128,000	24,506	132,371	534,320
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	26,250	-
Interfund Transfers									
Tangible Capital Assets Purchased								(26,250)	
	-	-	-	-	-	-	-	(26,250)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 72 (Campbell River)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2022

	Classroom Enhancement Fund - Overhead	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	Oasis PRP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year				28,906		26,430			1,273
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	291,660	3,251,249	126,098	84,580	122,845		143,038	115,890	120,233
Other									
Investment Income				728	378	138			
	291,660	3,251,249	126,098	85,308	123,223	138	143,038	115,890	120,233
Less: Allocated to Revenue	291,660	3,251,249	126,098	52,209	63,883	4,915	143,038	115,890	121,506
Deferred Revenue, end of year	-	-	-	62,005	59,340	21,653	-	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	291,660	3,251,249	126,098	51,256	63,505	4,336	143,038	115,890	121,428
Provincial Grants - Other									
Other Revenue									
Investment Income				953	378	579			78
	291,660	3,251,249	126,098	52,209	63,883	4,915	143,038	115,890	121,506
Expenses									
Salaries									
Teachers		2,693,939				284			78,913
Principals and Vice Principals									8,000
Educational Assistants									
Support Staff				31,325			125,058		10,354
Other Professionals	186,757								
Substitutes	36,000		111,082		16,777	880			
	222,757	2,693,939	111,082	31,325	16,777	1,164	125,058	-	97,267
Employee Benefits	62,253	557,310	15,016	10,442	2,383	701	17,980		19,739
Services and Supplies	6,650			10,442	44,723	3,050		115,890	4,500
	291,660	3,251,249	126,098	52,209	63,883	4,915	143,038	115,890	121,506
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 72 (Campbell River)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2022

	Headstart PRP	Provincial Literacy	District Trust Funds	Van Foundation KELP Grant	Skills for Jobs Blueprint	BCNN lassroom Assessme	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	1,266	52,320	65,228	70,126	16,620	5,605	1,251,595
Add: Restricted Grants							
Provincial Grants - Ministry of Education and Child Care	117,321						5,695,925
Other			64,050				1,722,194
Investment Income			51	450			3,366
	117,321	-	64,101	450	-	-	7,421,485
Less: Allocated to Revenue	118,587	52,320	118,340	-	16,620	5,605	7,439,751
Deferred Revenue, end of year	-	-	10,989	70,576	-	-	1,233,329
Revenues							
Provincial Grants - Ministry of Education and Child Care	118,402						5,589,557
Provincial Grants - Other		48,982					48,982
Other Revenue			104,641		15,757	5,363	1,762,691
Investment Income	185	3,338	13,699		863	242	38,521
	118,587	52,320	118,340	-	16,620	5,605	7,439,751
Expenses							
Salaries							
Teachers	74,376		13,773				2,904,700
Principals and Vice Principals	7,837						29,349
Educational Assistants							500,063
Support Staff	10,354						277,091
Other Professionals							186,757
Substitutes							167,440
	92,567	-	13,773	-	-	-	4,065,400
Employee Benefits	21,520		2,872				863,199
Services and Supplies	4,500	52,320	101,695		16,620	5,605	2,484,902
	118,587	52,320	118,340	-	16,620	5,605	7,413,501
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	26,250
Interfund Transfers							
Tangible Capital Assets Purchased							(26,250)
	-	-	-	-	-	-	(26,250)
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 72 (Campbell River)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2022

	2022	2022 Actual			2021
	Budget (Note 16)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 21)
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	1,626,680	1,163,567		1,163,567	1,058,199
Investment Income	5,000		4,494	4,494	5,597
Amortization of Deferred Capital Revenue	3,216,636	3,168,190		3,168,190	3,118,990
Total Revenue	4,848,316	4,331,757	4,494	4,336,251	4,182,786
Expenses					
Operations and Maintenance	1,626,680	1,163,567		1,163,567	1,058,199
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,080,403	4,083,728		4,083,728	4,169,425
Transportation and Housing	298,866	289,716		289,716	109,794
Debt Services					
Capital Lease Interest	531		1,253	1,253	1,800
Total Expense	6,006,480	5,537,011	1,253	5,538,264	5,339,218
Capital Surplus (Deficit) for the year	(1,158,164)	(1,205,254)	3,241	(1,202,013)	(1,156,432)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	555,750	816,283		816,283	276,154
Local Capital	200,000		320,779	320,779	500,063
Capital Lease Payment	19,027		19,750	19,750	22,833
Total Net Transfers	774,777	816,283	340,529	1,156,812	799,050
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		155,108	(155,108)	-	
Tangible Capital Assets WIP Purchased from Local Capital		103,998	(103,998)	-	
Principal Payment					
Capital Lease		18,497	(18,497)	-	
Total Other Adjustments to Fund Balances		277,603	(277,603)	-	
Total Capital Surplus (Deficit) for the year	(383,387)	(111,368)	66,167	(45,201)	(357,382)
Capital Surplus (Deficit), beginning of year		20,627,006	611,182	21,238,188	22,121,525
Prior Period Adjustments					
Half Year Rule Amortization					(525,955)
Capital Surplus (Deficit), beginning of year, as restated		20,627,006	611,182	21,238,188	21,595,570
Capital Surplus (Deficit), end of year		20,515,638	677,349	21,192,987	21,238,188

School District No. 72 (Campbell River)

Tangible Capital Assets
Year Ended June 30, 2022

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	8,448,233	151,503,422	2,431,121	2,734,932		2,990,068	168,107,776
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		746,676		352,327			1,099,003
Deferred Capital Revenue - Other		10,000					10,000
Operating Fund		28,728	173,299			588,006	790,033
Special Purpose Funds						26,250	26,250
Local Capital		69,417	35,317			50,374	155,108
Transferred from Work in Progress		126,089					126,089
	-	980,910	208,616	352,327	-	664,630	2,206,483
Decrease:							
Deemed Disposals			172,109	27,886		568,597	768,592
	-	-	172,109	27,886	-	568,597	768,592
Cost, end of year	8,448,233	152,484,332	2,467,628	3,059,373	-	3,086,101	169,545,667
Work in Progress, end of year		347,646					347,646
Cost and Work in Progress, end of year	8,448,233	152,831,978	2,467,628	3,059,373	-	3,086,101	169,893,313
Accumulated Amortization, beginning of year		81,214,784	817,637	794,946		1,235,713	84,063,080
Prior Period Adjustments							
Half Year Rule Amortization		1,613,938	121,556	136,742		299,009	2,171,245
Accumulated Amortization, beginning of year, as restated		82,828,722	939,193	931,688	-	1,534,722	86,234,325
Changes for the Year							
Increase: Amortization for the Year		3,231,173	244,938	289,716		607,617	4,373,444
Decrease:							
Deemed Disposals			172,109	27,886		568,597	768,592
			-	172,109	-	568,597	768,592
Accumulated Amortization, end of year		86,059,895	1,012,022	1,193,518	-	1,573,742	89,839,177
Tangible Capital Assets - Net	8,448,233	66,772,083	1,455,606	1,865,855	-	1,512,359	80,054,136

School District No. 72 (Campbell River)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2022

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	128,008				128,008
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	243,648				243,648
Local Capital	103,998				103,998
	<u>347,646</u>	-	-	-	347,646
Decrease:					
Transferred to Tangible Capital Assets	126,089				126,089
Capital Approved Project Expense	1,919				1,919
	<u>128,008</u>	-	-	-	128,008
Net Changes for the Year	<u>219,638</u>	-	-	-	219,638
Work in Progress, end of year	<u>347,646</u>	-	-	-	347,646

School District No. 72 (Campbell River)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	55,776,060	6,147,949	748,787	62,672,796
Prior Period Adjustments				
Half Year Rule Amortization	(1,454,844)	(110,841)	(16,322)	(1,582,007)
Deferred Capital Revenue, beginning of year, as restated	54,321,216	6,037,108	732,465	61,090,789
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,099,003		10,000	1,109,003
Transferred from Work in Progress	126,089			126,089
	<u>1,225,092</u>	<u>-</u>	<u>10,000</u>	<u>1,235,092</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,913,721	221,695	32,774	3,168,190
	<u>2,913,721</u>	<u>221,695</u>	<u>32,774</u>	<u>3,168,190</u>
Net Changes for the Year	<u>(1,688,629)</u>	<u>(221,695)</u>	<u>(22,774)</u>	<u>(1,933,098)</u>
Deferred Capital Revenue, end of year	<u>52,632,587</u>	<u>5,815,413</u>	<u>709,691</u>	<u>59,157,691</u>
Work in Progress, beginning of year	128,008			128,008
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	243,648			243,648
	<u>243,648</u>	<u>-</u>	<u>-</u>	<u>243,648</u>
Decrease				
Transferred to Deferred Capital Revenue	126,089			126,089
Capital Approved Project Expense	1,919			1,919
	<u>128,008</u>	<u>-</u>	<u>-</u>	<u>128,008</u>
Net Changes for the Year	<u>115,640</u>	<u>-</u>	<u>-</u>	<u>115,640</u>
Work in Progress, end of year	<u>243,648</u>	<u>-</u>	<u>-</u>	<u>243,648</u>
Total Deferred Capital Revenue, end of year	<u>52,876,235</u>	<u>5,815,413</u>	<u>709,691</u>	<u>59,401,339</u>

School District No. 72 (Campbell River)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2022

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 513,082	\$ 1,771,749	\$ 13,985	\$	\$	\$ 2,298,816
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	2,943,249					2,943,249
Provincial Grants - Other			3,249,848			3,249,848
Transfer project surplus to MECC Restricted (from) Bylaw	(199,513)	199,513				-
Donated Assets					10,000	10,000
	<u>2,743,736</u>	<u>199,513</u>	<u>3,249,848</u>	<u>-</u>	<u>10,000</u>	<u>6,203,097</u>
Decrease:						
Transferred to DCR - Capital Additions	1,099,003				10,000	1,109,003
Transferred to DCR - Work in Progress	243,648					243,648
AFG Spent on Non-Capital	310,917					310,917
Capital Approved Project Expense	850,730					850,730
	<u>2,504,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>2,514,298</u>
Net Changes for the Year	<u>239,438</u>	<u>199,513</u>	<u>3,249,848</u>	<u>-</u>	<u>-</u>	<u>3,688,799</u>
Balance, end of year	<u><u>752,520</u></u>	<u><u>1,971,262</u></u>	<u><u>3,263,833</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>5,987,615</u></u>