



**CAMPBELL RIVER**  
School District 72

MEMO

**Date:** September 23, 2022  
**To:** The Board of Education  
**From:** Kevin Patrick, Secretary-Treasurer  
**Subject:** **PUBLIC BOARD MEETING – September 27, 2022**

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**A Meeting of the Board of Education will be held:**

**Date:** Tuesday, September 27, 2022  
**Time:** 7:30 pm  
**Place:** School Board Office Board Room, 425 Pinecrest Rd

The public is invited to attend the public board meeting in person or join the meeting livestream. The following link will allow you to observe the board meeting and to electronically participate in the question period on agenda items.

Attend the September 27 meeting online <https://bit.ly/3Dt8ES8>

SD72 event calendar <https://www.sd72.bc.ca/page/109/calendar>

Kevin W. Patrick, CPA, CGA  
Secretary-Treasurer

KWP:nc

Enc.

c: Schools  
Partner Groups



# SCHOOL DISTRICT NO. 72 (CAMPBELL RIVER)

## BOARD OF EDUCATION PUBLIC BOARD MEETING

7:30 pm, Tuesday, September 27, 2022

Held at the School Board Office Board Room

### DRAFT AGENDA

1. Call to Order/ Chairperson's Remarks
2. Superintendent's Remarks
3. Approval of the minutes of the meeting of September 6, 2022 *Exhibit*
4. Business arising from the minutes
5. Additions or alterations to the agenda
6. Approval of the agenda
7. Report of Board decisions from the Sept 27, 2022 Confidential Board Meeting
8. Correspondence
9. Public Submissions:
10. Agenda Submissions:
11. Educational Submissions:
12. Electorate and Board Matters
  - A. Presentation of Audited Financial Statements for the year ending June 30, 2022 (Cory Vanderhorst –MNP LLP) *Presentation*
  - B. Financial Statement Discussion and Analysis as at June 30, 2022 (K Patrick) *Exhibit*
  - C. Recommendation from Audit Committee (Audit Committee)  
*(motion required)*
  - D. Recommendation for extension of Auditors' contract (Audit Committee)  
*(motion required)*
  - E. British Columbia School Trustee Association Certificates of Recognition *Presentation*

Public Board Meeting Sept 27, 2022

13. Educational Issues:
14. Business Administration:
15. Committee Reports:
16. Any Other Business:
17. Questions from Anyone Present on Agenda Items for This Meeting:
18. Adjournment:

Kevin W. Patrick, CPA, CGA  
Secretary-Treasurer

KWP:nc

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The following link will allow you to observe the board meeting and to electronically participate in the question period on agenda items. <https://www.sd72.bc.ca/Board/boardmeetingschedule>

**MINUTES OF A MEETING OF THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 72 (CAMPBELL RIVER), HELD IN PERSON AND ELECTRONICALLY AT 7:30 PM, ON TUESDAY, SEPTEMBER 6, 2022**

**Present:** J. Kerr, Chair; K. Eddy, Vice-Chair; S. Briggs, R. Franklin, D. Hagen, J. McMann and S. Wilson, Trustees; J. Morrow, Superintendent; P. Cizmic, Associate Superintendent; M. Kyle, Associate Superintendent; K. Patrick, Secretary-Treasurer.

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**22-111 Call to Order/ Chair's Remarks**

Board Chair Kerr called the meeting to order at 7:30 pm and welcomed everyone back to school. In his opening remarks Kerr commented on the announcement of the Student and Family Affordability Fund by the Ministry of Education and Child Care and spoke about the upcoming October 15<sup>th</sup> general local elections.

**22-112 Superintendent's Remarks**

Superintendent Morrow noted that the District is starting the school year with approximately 5500 students. He acknowledged the work of staff throughout the summer to prepare for September.

**22-113 Approval of the Minutes of June 21, 2022**

It was proposed by K. Eddy, seconded by D. Hagen and **CARRIED:**

*THAT the minutes of the meeting of June 21, 2022 are hereby approved as circulated.*

**22-114 Approval of the Agenda**

It was proposed by S. Wilson, seconded by J. McMann and **CARRIED:**

*THAT the agenda is hereby approved as circulated.*

**22-115 Report from the September 6, 2022 Confidential Board Meeting**

Vice-Chair Eddy reported general statements of matters discussed in the Board's Confidential Meeting, and in accordance with Section 72(3) of the School Act, reports the following:

1. Various teaching, administrative and support staff changes;
2. Property, legal and financial issues;

**22-116 Greenways school programming report 21/22**

Greenways submitted a report to the Board highlighting school programming over the past year.

**22-117 Summer School 2022**

Summer School 2022 Principal Kelly Gage and Vice Principal Shannon Hagen gave a presentation on the successful operation of Summer School 2022. Over 750 students in K-12 participated in a variety of programming for school credit offered by 31 teachers at 5 school sites.

**22-118 October 15, 2022 Trustee Election**

Chair Kerr reflected on the role of the Trustee. He emphasized that school boards are governed by policy and have a legislated mandate to support improvement in student achievement. Several Trustees seconded his thoughts noting that boards set priorities for the District through the Strategic Plan.

**22-119 Student and Family Affordability Fund**

Secretary-Treasurer Kevin Patrick confirmed that the Ministry of Education and Child Care informed the District that one-time funding of \$607,000 would be made in the form of the Student and Family Affordability Fund. Application of the funds will be confirmed following consultation and review of ongoing programs including school meal programs and school supply purchases which would benefit from this supplemental funding.

**22-120 Child Care Update**

Associate Superintendent Cizmic reported that McDonald Hagerty were the successful architectural bidders on the child care facility project. Draft floor plans and building formats for seven sites are being worked on. A pilot child care program is planned for two sites in January 2023. The new child care sites will be at schools which do not already have programs.

**22-121 Finance Warrant No. 12 June 30, 2022**

It was proposed by K. Eddy, seconded by D. Hagen and **CARRIED:**

*THAT the Finance Warrant No. 12, dated  
June 30, 2022 be accepted as presented.*

**22-122 Approval of 2021/22 schedule of reserves**

Secretary-Treasurer Patrick noted that amendments to Board policy as required by the Ministry to enhance transparency have been incorporated into this year's financial reporting.

It was proposed by K. Eddy, seconded by D. Hagen and **CARRIED:**

*THAT the 2021-2022 Schedule of Internally  
Restricted Reserves be accepted as presented*

**22-123 Minor Capital Plan submission**

Secretary-Treasurer Patrick shared the Minor Capital Plan submission to the Ministry of Education and Child Care for 2023-2024. Minor Capital includes items such as school buses, HVAC and mechanical upgrades, playgrounds and roofing replacement.

It was proposed by Joyce McMann, seconded by S. Wilson and **CARRIED:**

*THAT the Board approve the 2023-2024 Minor Capital Plan submission as outlined in the summary provided by Secretary-Treasurer Patrick.*

**22-124 Maintenance and Operations summer project update**

Associate Superintendent Cizmic acknowledged the extensive work completed by maintenance, operations and custodial staff over the summer to ready the schools for September. An increase in vandalism being observed throughout the community is impacting the cost and time that can be spent on preventative maintenance.

**22-125 Adjournment**

The meeting adjourned at 9:05 pm.

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**John Kerr, Board Chair.**  
KWP:nc

**Kevin Patrick, Secretary-Treasurer.**

September 6, 2022





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

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# School District No. 72 (Campbell River)

## MANAGEMENT REPORT

Version: 9189-8443-6461

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)

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Signature of the Chairperson of the Board of Education

Date Signed

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Signature of the Superintendent

Date Signed

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Signature of the Secretary Treasurer

Date Signed

# School District No. 72 (Campbell River)

Statement 1

Statement of Financial Position

As at June 30, 2022

	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$
<b>Financial Assets</b>		
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
<b>Total Financial Assets</b>	<b>21,172,857</b>	<b>18,885,989</b>
<b>Liabilities</b>		
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
<b>Total Liabilities</b>	<b>78,104,401</b>	<b>75,386,467</b>
<b>Net Debt</b>	<b>(56,931,544)</b>	<b>(56,500,478)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11)	80,054,136	82,001,459
Prepaid Expenses	256,152	309,863
<b>Total Non-Financial Assets</b>	<b>80,310,288</b>	<b>82,311,322</b>
<b>Accumulated Surplus (Deficit) (Note 9)</b>	<b>23,378,744</b>	<b>25,810,844</b>

Contingent Liabilities (Note 15)

Approved by the Board

\_\_\_\_\_  
Signature of the Chairperson of the Board of Education

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Signature of the Superintendent

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Signature of the Secretary Treasurer

\_\_\_\_\_  
Date Signed

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

# School District No. 72 (Campbell River)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2022

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

# School District No. 72 (Campbell River)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2022

	2022 Actual	2021 Actual
		(Restated - Note 21)
	\$	\$
<b>Operating Transactions</b>		
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)
<b>Total Operating Transactions</b>	<u>(1,132,930)</u>	<u>(148,269)</u>
<b>Capital Transactions</b>		
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	
<b>Total Capital Transactions</b>	<u>(2,426,121)</u>	<u>(2,858,440)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	6,203,097	3,242,477
Capital Lease Principal Payments	(18,497)	(21,034)
<b>Total Financing Transactions</b>	<u>6,184,600</u>	<u>3,221,443</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,625,549</b>	<b>214,734</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<u><b>17,784,796</b></u>	<u>17,570,062</u>
<b>Cash and Cash Equivalents, end of year</b>	<u><u><b>20,410,345</b></u></u>	<u><u>17,784,796</u></u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>20,410,345</u>	<u>17,784,796</u>
	<u><u><b>20,410,345</b></u></u>	<u><u>17,784,796</u></u>

# 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)
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	4,572,656		21,238,188	<b>25,810,844</b>	27,954,204
Prior Period Adjustments					(525,955)
<b>Accumulated Surplus (Deficit), beginning of year, as restated</b>	<b>4,572,656</b>	-	<b>21,238,188</b>	<b>25,810,844</b>	27,428,249
<b>Changes for the year</b>					
Surplus (Deficit) for the year	(1,256,337)	26,250	(1,202,013)	<b>(2,432,100)</b>	(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	-	
<b>Net Changes for the year</b>	<b>(2,386,899)</b>	-	<b>(45,201)</b>	<b>(2,432,100)</b>	<b>(1,617,405)</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>2,185,757</b>	-	<b>21,192,987</b>	<b>23,378,744</b>	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)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	58,981,645	<b>58,911,570</b>	56,815,502
Tuition	742,500	<b>925,399</b>	436,514
Other Revenue	2,567,825	<b>2,659,313</b>	2,488,561
Rentals and Leases	124,000	<b>128,877</b>	118,627
Investment Income	95,000	<b>125,188</b>	132,864
<b>Total Revenue</b>	<b>62,510,970</b>	<b>62,750,347</b>	<b>59,992,068</b>
<b>Expenses</b>			
Instruction	52,316,911	<b>50,887,162</b>	47,790,565
District Administration	2,851,474	<b>3,248,438</b>	2,978,137
Operations and Maintenance	8,150,453	<b>8,351,332</b>	8,283,280
Transportation and Housing	1,608,359	<b>1,519,752</b>	1,401,059
<b>Total Expense</b>	<b>64,927,197</b>	<b>64,006,684</b>	<b>60,453,041</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(2,416,227)</b>	<b>(1,256,337)</b>	<b>(460,973)</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>3,191,004</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(555,750)	<b>(790,033)</b>	(276,154)
Local Capital	(200,000)	<b>(320,779)</b>	(500,063)
Other	(19,027)	<b>(19,750)</b>	(22,833)
<b>Total Net Transfers</b>	<b>(774,777)</b>	<b>(1,130,562)</b>	<b>(799,050)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(2,386,899)</b>	<b>(1,260,023)</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>4,572,656</b>	5,832,679
<b>Operating Surplus (Deficit), end of year</b>		<b>2,185,757</b>	<b>4,572,656</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 9)		<b>858,131</b>	2,030,264
Unrestricted		<b>1,327,626</b>	2,542,392
<b>Total Operating Surplus (Deficit), end of year</b>		<b>2,185,757</b>	<b>4,572,656</b>

# 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)
	\$	\$	\$
<b>Provincial Grants - Ministry of Education and Child Care</b>			
Operating Grant, Ministry of Education and Child Care	60,560,766	<b>60,486,017</b>	56,812,468
ISC/LEA Recovery	(2,046,112)	<b>(2,046,856)</b>	(2,035,983)
Other Ministry of Education and Child Care Grants			
Pay Equity	75,322	<b>75,322</b>	75,322
Funding for Graduated Adults	2,442	<b>7,860</b>	16,280
Student Transportation Fund	316,860	<b>316,860</b>	316,860
Support Staff Benefits Grant	61,931	<b>61,931</b>	60,668
Teachers' Labour Settlement Funding			1,440,451
Early Career Mentorship Funding			115,000
FSA Scorer Grant	8,187	<b>8,187</b>	8,187
Early Learning Framework	2,249	<b>2,249</b>	2,249
Equity Scan Implementation			4,000
<b>Total Provincial Grants - Ministry of Education and Child Care</b>	<b>58,981,645</b>	<b>58,911,570</b>	56,815,502
<b>Tuition</b>			
International and Out of Province Students	742,500	<b>925,399</b>	436,514
<b>Total Tuition</b>	<b>742,500</b>	<b>925,399</b>	436,514
<b>Other Revenues</b>			
Other School District/Education Authorities	380,587	<b>463,658</b>	379,835
Funding from First Nations	2,046,112	<b>2,031,321</b>	2,019,109
Miscellaneous			
Contract Services - Learning Support Services	71,626	<b>71,626</b>	71,626
Miscellaneous Revenue/Transcripts	69,500	<b>92,708</b>	17,991
<b>Total Other Revenue</b>	<b>2,567,825</b>	<b>2,659,313</b>	2,488,561
<b>Rentals and Leases</b>	<b>124,000</b>	<b>128,877</b>	118,627
<b>Investment Income</b>	<b>95,000</b>	<b>125,188</b>	132,864
<b>Total Operating Revenue</b>	<b>62,510,970</b>	<b>62,750,347</b>	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)
	\$	\$	\$
<b>Salaries</b>			
Teachers	27,211,034	<b>27,151,366</b>	25,485,046
Principals and Vice Principals	4,265,702	<b>4,189,563</b>	4,266,073
Educational Assistants	5,253,084	<b>5,223,374</b>	4,822,665
Support Staff	6,707,216	<b>6,608,164</b>	6,364,974
Other Professionals	1,720,569	<b>1,939,414</b>	1,969,896
Substitutes	1,968,907	<b>1,559,201</b>	805,872
<b>Total Salaries</b>	<b>47,126,512</b>	<b>46,671,082</b>	<b>43,714,526</b>
<b>Employee Benefits</b>	10,495,827	<b>10,205,989</b>	9,939,752
<b>Total Salaries and Benefits</b>	<b>57,622,339</b>	<b>56,877,071</b>	<b>53,654,278</b>
<b>Services and Supplies</b>			
Services	1,556,787	<b>1,667,767</b>	1,344,485
Student Transportation	105,791	<b>17,428</b>	15,464
Professional Development and Travel	751,444	<b>459,832</b>	662,964
Rentals and Leases	79,435	<b>60,598</b>	74,547
Dues and Fees	53,635	<b>113,827</b>	82,249
Insurance	148,187	<b>114,951</b>	136,814
Supplies	3,183,205	<b>3,047,111</b>	2,970,515
Utilities	1,426,374	<b>1,648,099</b>	1,511,725
<b>Total Services and Supplies</b>	<b>7,304,858</b>	<b>7,129,613</b>	<b>6,798,763</b>
<b>Total Operating Expense</b>	<b>64,927,197</b>	<b>64,006,684</b>	<b>60,453,041</b>

# 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
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
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
<b>Total Function 1</b>	<b>27,151,366</b>	<b>4,171,678</b>	<b>5,223,374</b>	<b>1,465,782</b>	<b>116,363</b>	<b>1,533,016</b>	<b>39,661,579</b>
<b>4 District Administration</b>							
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
<b>Total Function 4</b>	<b>-</b>	<b>17,885</b>	<b>-</b>	<b>464,054</b>	<b>1,533,496</b>	<b>26,185</b>	<b>2,041,620</b>
<b>5 Operations and Maintenance</b>							
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							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,971,347</b>	<b>247,314</b>	<b>-</b>	<b>4,218,661</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation				706,981	42,241		749,222
7.73 Housing							-
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>706,981</b>	<b>42,241</b>	<b>-</b>	<b>749,222</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>27,151,366</b>	<b>4,189,563</b>	<b>5,223,374</b>	<b>6,608,164</b>	<b>1,939,414</b>	<b>1,559,201</b>	<b>46,671,082</b>

# 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)
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
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
<b>Total Function 1</b>	<b>39,661,579</b>	<b>8,707,372</b>	<b>48,368,951</b>	<b>2,518,211</b>	<b>50,887,162</b>	<b>52,316,911</b>	<b>47,790,565</b>
<b>4 District Administration</b>							
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
<b>Total Function 4</b>	<b>2,041,620</b>	<b>364,096</b>	<b>2,405,716</b>	<b>842,722</b>	<b>3,248,438</b>	<b>2,851,474</b>	<b>2,978,137</b>
<b>5 Operations and Maintenance</b>							
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
<b>Total Function 5</b>	<b>4,218,661</b>	<b>963,760</b>	<b>5,182,421</b>	<b>3,168,911</b>	<b>8,351,332</b>	<b>8,150,453</b>	<b>8,283,280</b>
<b>7 Transportation and Housing</b>							
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
<b>Total Function 7</b>	<b>749,222</b>	<b>170,761</b>	<b>919,983</b>	<b>599,769</b>	<b>1,519,752</b>	<b>1,608,359</b>	<b>1,401,059</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>46,671,082</b>	<b>10,205,989</b>	<b>56,877,071</b>	<b>7,129,613</b>	<b>64,006,684</b>	<b>64,927,197</b>	<b>60,453,041</b>

# 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)
	\$	\$	\$
<b>Revenues</b>			
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
<b>Total Revenue</b>	<u>7,702,435</u>	<u>7,439,751</u>	<u>9,461,272</u>
<b>Expenses</b>			
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
<b>Total Expense</b>	<u>7,702,435</u>	<u>7,413,501</u>	<u>9,461,272</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>26,250</u>	<u>-</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(26,250)	
<b>Total Net Transfers</b>	<u>-</u>	<u>(26,250)</u>	<u>-</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<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
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>			18,073	158,330	723,464		4,176	7,446	72,332
<b>Add:</b> 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
<b>Less:</b> Allocated to Revenue	257,578	195,580	18,073	23,600	1,617,553	128,000	24,506	158,621	534,320
<b>Deferred Revenue, end of year</b>	-	<b>10,296</b>	-	<b>140,715</b>	<b>758,996</b>	-	<b>9,128</b>	-	<b>89,631</b>
<b>Revenues</b>									
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
<b>Expenses</b>									
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
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	26,250	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased								(26,250)	
	-	-	-	-	-	-	-	(26,250)	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

# 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>				28,906		26,430			1,273
<b>Add:</b> 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
<b>Less:</b> Allocated to Revenue	291,660	3,251,249	126,098	52,209	63,883	4,915	143,038	115,890	121,506
<b>Deferred Revenue, end of year</b>	-	-	-	<b>62,005</b>	<b>59,340</b>	<b>21,653</b>	-	-	-
<b>Revenues</b>									
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
<b>Expenses</b>									
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
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-



# 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
	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	1,266	52,320	65,228	70,126	16,620	5,605	1,251,595
<b>Add:</b> 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
<b>Less:</b> Allocated to Revenue	118,587	52,320	118,340	-	16,620	5,605	7,439,751
<b>Deferred Revenue, end of year</b>	-	-	<b>10,989</b>	<b>70,576</b>	-	-	<b>1,233,329</b>
<b>Revenues</b>							
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
<b>Expenses</b>							
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
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	26,250
<b>Interfund Transfers</b>							
Tangible Capital Assets Purchased							(26,250)
	-	-	-	-	-	-	(26,250)
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-

# 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)
	\$	\$	\$	\$	\$
<b>Revenues</b>					
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
<b>Total Revenue</b>	<b>4,848,316</b>	<b>4,331,757</b>	<b>4,494</b>	<b>4,336,251</b>	<b>4,182,786</b>
<b>Expenses</b>					
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
<b>Total Expense</b>	<b>6,006,480</b>	<b>5,537,011</b>	<b>1,253</b>	<b>5,538,264</b>	<b>5,339,218</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(1,158,164)</b>	<b>(1,205,254)</b>	<b>3,241</b>	<b>(1,202,013)</b>	<b>(1,156,432)</b>
<b>Net Transfers (to) from other funds</b>					
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
<b>Total Net Transfers</b>	<b>774,777</b>	<b>816,283</b>	<b>340,529</b>	<b>1,156,812</b>	<b>799,050</b>
<b>Other Adjustments to Fund Balances</b>					
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)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>277,603</b>	<b>(277,603)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(383,387)</b>	<b>(111,368)</b>	<b>66,167</b>	<b>(45,201)</b>	<b>(357,382)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>20,627,006</b>	<b>611,182</b>	<b>21,238,188</b>	<b>22,121,525</b>
Prior Period Adjustments					
Half Year Rule Amortization					(525,955)
<b>Capital Surplus (Deficit), beginning of year, as restated</b>		<b>20,627,006</b>	<b>611,182</b>	<b>21,238,188</b>	<b>21,595,570</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>20,515,638</b>	<b>677,349</b>	<b>21,192,987</b>	<b>21,238,188</b>

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

# School District No. 72 (Campbell River)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2022

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

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

# School District No. 72 (Campbell River)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
<b>Balance, beginning of year</b>	\$ 513,082	\$ 1,771,749	\$ 13,985	\$ -	\$ -	\$ 2,298,816
<b>Changes for the Year</b>						
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>
<b>Net Changes for the Year</b>	<u>239,438</u>	<u>199,513</u>	<u>3,249,848</u>	<u>-</u>	<u>-</u>	<u>3,688,799</u>
<b>Balance, end of year</b>	<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>

**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>
<b>Total Deferred Revenue</b>	<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
<b>Reconciliation of Accrued Benefit Obligation</b>		
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	\$1,302,264	\$1,542,825

**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	\$(1,534,867)	\$(1,457,201)

**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	\$1,534,867	\$1,457,201

**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	\$227,071	\$236,106

**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	\$250,825	\$151,503
Anticipated Unusual Expenses		
COVID Unfunded Expenses	-	170,000
Operations Spanning Multiple Years		
Reserve Required to Balance Next Year Budget	\$150,000	\$680,000
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	858,131	2,030,264
Unrestricted Operating Surplus (Deficit)		
Operational Needs and Emergency Contingency	327,626	1,197,484
Unrestricted	1,000,000	1,344,908
Subtotal Unrestricted	1,327,626	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
<b>Total</b>	<b>\$168,235,784</b>	<b>\$2,428,040</b>	<b>\$(768,592)</b>	<b>\$(1,919)</b>	<b>\$169,893,313</b>

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
<b>Total</b>	<b>\$86,234,325</b>	<b>\$4,373,444</b>	<b>\$(768,592)</b>		<b>\$89,839,177</b>

**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
<b>Total</b>	<b>\$166,035,896</b>	<b>\$2,858,440</b>	<b>\$(658,552)</b>	<b>\$ -</b>	<b>\$168,235,784</b>

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
<b>Total</b>	<b>\$80,505,696</b>	<b>\$4,215,936</b>	<b>\$(658,522)</b>	<b>\$2,171,245</b>	<b>\$86,234,325</b>

**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
<b>Total</b>	<b>\$80,054,136</b>	<b>\$82,001,459</b>

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
<b>Revenues</b>			
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
<b>Total Revenue</b>	<b>\$75,061,721</b>	<b>\$71,119,680</b>	<b>\$3,942,041</b>
<b>Expenses</b>			
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
<b>Total Expenses</b>	<b>78,636,112</b>	<b>72,415,693</b>	<b>6,220,419</b>
<b>Deficit for the year</b>	<b>(3,574,391)</b>	<b>(1,296,013)</b>	<b>(2,278,378)</b>
<b>Effects of change in Tangible Capital Assets</b>			
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
<b>Total Effect of change, Tangible Capital Assets</b>	<b>2,117,530</b>	<b>2,662,784</b>	<b>545,254</b>
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>	<b>(1,456,861)</b>	<b>(1,366,771)</b>	<b>(2,823,632)</b>

**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)**  
**Financial Statement Discussion and Analysis**

For the year ended June 30, 2022

## Overview of the School District

School District 72 serves 5,500 students in a large geographic area on Mid-Vancouver Island. It provides services to students through 12 elementary schools, 2 middle schools, 2 high schools, 1 alternate program, a distance learning program and an international program.

Over 400 teachers, 300 Support staff and 50 administrative staff work to provide services to our students.

The board began their strategic plan in June 2019. The strategic plan has three goals:

1. Improve student achievement.
2. Build a culture of learning and wellness.
3. Honour Indigenous world views and perspectives.

Our goals are a high-level guide to schools, departments and leaders in creating objectives and focusing resources that align with our vision.

## Financial Highlights

90% of the School District's revenue comes from the Ministry of Education. The level of funding is based on enrollment and unique needs for our geographic region. 5% of our revenue comes from Other Revenue which consists of our local education agreements with our local indigenous bands and an agreement with the Conseil Scolaire francophone de la Colombie-Britannique and School Generated Funds. The remaining revenue comes from the recognition of deferred capital grants, international program, leases, investment income and miscellaneous revenue.

81% of our expenses are salary and benefit related. The balance of expenses are related to supplies, contracted services, utilities and amortization.

A significant accounting change occurred for the 2021/22 financial year requiring the district to implement a half-year amortization rule for capital purchases. Previously, the district capitalized the asset and started amortizing the capital asset the following year. This rule affects both the capital asset as well as the deferred revenue (funding) for each asset. A prior period adjustment has been made to the capital asset (\$2,171,245), deferred liability (\$1,582,007) and the accumulated surplus (\$589,238).

Financially, we finished the year with a decrease of our accumulated surplus (savings) by \$2,432,100. The variance of the budgeted deficit of \$3,574,391 to the \$2,432,100 actual deficit is due to underspending of the internally restricted reserve that were budgeted but not spent.

Description	Budget	Actual	Difference
Revenue	75,061,721	74,526,349	(535,372)
Expenses	78,636,112	76,958,449	(1,677,663)
Surplus (Deficit)	(3,574,391)	(2,432,100)	(1,142,291)



The overall accumulated surplus decrease was impacted by the \$2,386,899 deficit in operating surplus plus the capital surplus decrease of \$45,201.

Description	21/22	20/21	Difference
Accumulated Surplus - Capital	21,192,987	21,238,188	(45,201)
Accumulated Surplus - Operations	2,185,757	4,572,656	(2,386,899)
Total Accumulated Surplus	23,378,744	25,810,844	(2,432,100)

Our combined operating surplus was down from \$4,572,656 to conclude the year at \$2,185,757. \$1,185,757 of which was internally restricted for specific purposes and \$1,000,000 is unrestricted. This year SD 72’s operating surplus declined significantly by \$2,386,899. The internal restrictions decreased by \$2,041,991 and unrestricted surplus declined by \$344,908. The District continues an emphasis on following the board’s governance Accumulated Surplus policy limiting the use of restrictions for ongoing programs and referring new spending requests based on feedback from the budget process. Based on the cost pressures and the quickly declining reserves, no new internal restrictions were recommended from the budget feedback for the 2021/22 year.

Below is the historical use of our reserves over the last four years.

<b>Draw on Reserves 18/19 to 21/22</b>				
	18/19	19/20	20/21	21/22
(Thousands (\$'000))	ACTUAL	ACTUAL	ACTUAL	ACTUAL
Accumulated Surplus (Deficit), Beginning of Year	\$6,952	\$6,423	\$5,833	\$4,573
Use of Prior Year Appropriated Surplus	(\$528)	(\$591)	(\$1,260)	(\$2,387)
Accumulated Surplus (Deficit), End of Year	\$6,424	\$5,832	\$4,573	\$2,186

### Operating Accounts

When we look at our operating budget and separate the spending of restricted reserve purchases from the annual operating accounts, we fully spent our operating budget. The budgeted operating deficit was \$1,089,033 plus \$1,000,000 used for operations that was drawn from the emergency contingency reserve.

The COVID-19 pandemic continued to have a significant impact on SD 72 in 21/22. The district experienced increases with sick coverage costs (TTOC), utility cost due to MERV 13 and continued custodial labour and cleaning supplies and expenses. \$143,038 of the COVID cleaning costs was covered by the Provincial Safe Return to School grant and \$115,890 of the COVID costs was covered by the Federal Safe Return to Class fund for ventilation related cost increases. Travel and supply and services accounts also saw a lower than normal annual expense due to COVID.

Operating revenue increased by \$2,758,279 from 2020/21. The increase consisted of:

- MOE funding to cover teacher and support staff wage increases of \$2,096,068.
- increase in international tuition \$488,885
- other revenue increases from leases and CSF tuition \$173,326.

Operating expenses (on schedule 2) increased \$3,553,643 from 2021. This was due to an annual increase in wages. There was also an unexpected significant increase of \$1,000,000 in sick coverage costs, related to COVID prevention, general inflationary pressures and increased discretionary spending of \$600,000.

### **Special Purpose Fund**

Our special purpose funds are funds held by the district for a specific purpose. They are provided by third parties with a directive on the use of funds. Due to this restriction they are held in a special fund where they can be reported on a supporting schedule separately from the operating accounts.

In 21/22 our Special Purpose Fund balance decreased overall by \$26,250:

- Federal Safe Return to Class fund received an additional \$115, 890 for ventilation improvements to assist with COVID safety. The funding was spent on MERV 13 filters, individual room air purifiers and the related increase in energy costs. The \$2,033,406 in total funding for 2020/21 was a one time grant.
- The Classroom Enhancement Fund continued for the 2021/22 school year. Created by the Ministry of Education as part of the settlement from the Supreme Court Ruling on Class Size and Composition with the BCTF, the fund provided an additional 33.2035 FTE of teachers in the amount of \$3,251,249. In recognition of the additional administrative work required to support the CEF the Ministry has provided \$291,660 in overhead funding.
- School Generated funds returned to regular levels in 21/22. There was a decline in activity during 20/21 due to COVID.

### **Capital**

We had a fairly quiet capital spending program in 2022 with approved Carbon Neutral Capital Plan (CNCP) and School Enhancement Program (SEP) funded capital projects.

Our AFG program spending increased from \$943,000 in 20/21 to \$1,171,000 due to an underspend of the normal annual allocation in the prior year (20/21) of \$300,000.

- 2021/22 saw Carihi Secondary continue their mechanical upgrades at a cost of \$248,000. This was completed at the approved budget of \$248,000 from the Carbon Neutral Capital Plan plus a \$22,728 Fortis grant.
- 2021/22 also saw the Penfield roofing project nearing completion at a budget of \$975,000 from the School Enhancement Program. The Penfield roofing project will be completed in the summer of 2022.
- The 2021/22 approve playground for Georgia Park has not begun construction. We have drawn \$165,000 in preparation for expected installation .

- 2022/23 has a much more active capital program with 5 projects that began in the spring of 2022.

The 22/23 approved projects include:

- Robron HVAC                \$289,290 CNCP
- Ripple Rock HVAC        \$133,000 CNCP
- Quadra HVAC              \$349,204 SEP
- Southgate HVAC          \$415,863 SEP
- Southgate Roof            \$615,000 SEP

Inflationary costs continue to be a concern as the project go to tender. SD 72's approach is to scale back the project to meet the funding. Parts of the project scope that are removed are added to our next year's capital program application.

## Financial Analysis of the School District

<b>Financial Assets</b>	<b>2022 Actual</b>	<b>2021 Actual</b>	<b>Variance</b>	<b>Change</b>
Cash and Cash Equivalents	<b>20,410,345</b>	<b>17,784,796</b>	2,625,549	14.76%
Accounts Receivable – MOE	<b>480,843</b>	367,352	113,491	30.89%
Accounts Receivable – FN	<b>69,064</b>	<b>505,997</b>	(536,933)	(86.35%)
Accounts Receivable	<b>212,605</b>	227,844	(15,239)	(6.69%)
<b>Total Financial Assets</b>	<b>21,172,857</b>	<b>18,885,989</b>	(2,286,868)	(0.71%)
<b>Liabilities</b>				
Accounts Payable	<b>9,065,778</b>	8,552,756	(513,022)	(6.00%)
Unearned Revenue	<b>881,473</b>	588,806	292,667	49.71%
Deferred Revenue	<b>1,233,329</b>	<b>1,251,595</b>	(18,266)	(1.46%)
Deferred Capital Revenue	<b>65,388,954</b>	<b>65,099,620</b>	289,334	0.44%
Employee Future Benefits	<b>1,534,867</b>	<b>1,457,201</b>	77,666	5.33%
Capital Lease Obligations	-	18,496	(18,496)	(100%)
<b>Total Liabilities</b>	<b>78,104,401</b>	<b>76,968,474</b>	1,135,927	1.48%
<b>Net Financial Assets (Debt)</b>	<b>(56,931,544)</b>	<b>(58,082,485)</b>	1,150,941	(1.97%)
<b>Non-Financial Assets</b>				
Tangible Capital Assets	<b>80,054,136</b>	82,001,459	(1,975,692)	(2.41%)
Prepaid Expenses	<b>256,152</b>	309,863	(53,711)	(17.33%)
<b>Total Non-Financial Assets</b>	<b>80,310,288</b>	<b>82,311,322</b>	(2,029,403)	(2.47%)
<b>Accumulated Surplus (Deficit)</b>	<b>23,378,744</b>	<b>25,810,844</b>	(2,485,679)	(9.63%)

## Reference Notes for the Financial Assets:

The decrease in Accounts Receivable – First Nations was due to the invoices being delivered earlier in the fiscal year which enabled the Nations to pay before year-end. In 2021, the invoices were delivered at the fiscal year-end.

The Accounts Receivable – MOE increased due to a larger draw on our capital funds for projects that are in progress at the end of June.

Unearned Revenue – international student enrollment increased for 2021/22 after a COVID impacted 2021 year. Student’s families will pre-pay tuition for the year to secure a spot.

The capital leases for the shuttle busses have expired with SD 72 taking possession of the vehicles with out further liabilities.

Prepaid invoices increased due to high cost licensing for our telephone system and renewed licensing for our servers entering year two of a three year pre-payment.

## Income Statement

<b>Revenues</b>	<b>2022 Actual</b>	<b>2021 Actual</b>	<b>Change</b>	<b>Variance</b>
Ministry of Education	65,664,694	65,903,266	(238,572)	(0.36%)
Other Provincial – VIHA	48,982	53,977	(4,995)	(9.25%)
Tuition	925,399	436,514	488,885	112.00%
Other Revenue	4,422,004	3,863,213	558,791	14.46%
Rentals and Leases	128,877	118,627	10,250	8.64%
Investment Income	168,203	141,539	(26,664)	18.84%
Amortization of Deferred Capital Revenue	3,168,189	3,118,990	49,199	1.58%
<b>Total Revenue</b>	<b>74,526,349</b>	<b>73,636,126</b>	<b>890,222</b>	<b>1.21%</b>
<b>Expenses</b>				
Instruction	57,874,986	56,933,342	941,644	1.65%
District Administration	3,248,438	2,978,137	270,301	9.08%
Operations and Maintenance	13,972,095	13,774,032	198,063	1.44%
Transportation and Housing	1,861,677	1,566,220	295,457	18.86%
Debt Services	1,253	1,800	(547)	(30.39%)
<b>Total Expense</b>	<b>76,958,449</b>	<b>75,253,531</b>	<b>1,704,918</b>	<b>2.27%</b>
<b>Surplus (Deficit) for the year</b>	<b>(2,432,100)</b>	<b>(1,617,405)</b>	<b>(814,696)</b>	<b>(50.37%)</b>

**Reference Notes for Income Statement:**

International program revenue has increased with the increase of international students returning to SD 72 for the full year. The FTE increased to 69 FTE in 2021/22

Gym rental revenue increased in 2021/22 due to a temporary fee implemented to offset labour increases from COVID.

Other revenue increased in 2021/22 from an increase in school activities that collected funds.

The decreasing interest rates are having a negative impact on SD 72’s investment income. The board saw a drop in interest rates from 0.95% to 0.5% mid-year before interest rates increased to estimates.

The District Administration expense overage was due to staffing. 21/22 saw two positions require a long-term sick leave that required backfill. The District also experienced turnover in a senior HR role that required a temporary contract to properly back-fill.

The increase in Transportation and Housing is due to increasing fuel costs and inflationary pressures on repairs and maintenance for an aging bus fleet. The district received 5 new busses in 21/22 that should reduce the need for repairs.

**Budget Highlights/Analysis of Operating Results to Budget**

**Schedule 2A - Operating Revenue**

	<b>2022 Budget</b>	<b>2022 Actual</b>	<b>Diff \$</b>	<b>Diff %</b>	<b>Reason</b>
Provincial Grants MOE	58,981,645	58,911,570	(70,075)	(0.12%)	On target to budget
Tuition	742,500	925,399	182,899	24.63%	Increase in students attending.
LEA/Direct Funding from First Nations	2,046,112	2,031,321	(14,791)	(0.72%)	On target to budget
Other School District/Education Authorities	380,587	463,658	83,071	21.83%	Enrollment increased
Contracted Services (Student Services)	71,626	71,626	-	0.00%	On target to budget
Miscellaneous revenue	69,500	92,708	23,208	33.39%	Contracted services to local organization was not budgeted.
Rentals and leases	124,000	128,877	4,877	3.93%	On target to budget
Investment Income	95,000	125,188	30,188	31.78%	Increase in prime rate
<b>TOTAL</b>	<b>\$62,510,970</b>	<b>\$62,750,347</b>	<b>\$239,377</b>	<b>0.38%</b>	

**Schedule 2B - Operating Expense by Object**

	<b>2022 Budget</b>	<b>2022 Actual</b>	<b>Diff \$</b>	<b>Diff %</b>	<b>Reason</b>
Teachers	27,211,034	27,151,366	(59,668)	(0.22%)	On target to budget
Principals & Vice Principals	4,265,702	4,189,563	(76,139)	(1.78%)	On target to budget
Other Professionals	1,720,569	1,939,414	218,845	12.72%	Long term sick coverage required
Educational Assistants	5,253,084	5,223,374	(29,710)	(0.57%)	On target to budget
Support Staff	6,707,216	6,608,164	(99,052)	(1.48%)	On target to budget
Teachers Teaching On Call	1,968,907	1,559,201	(409,706)	(0.57%)	On target to budget
Employee Benefits	10,495,827	10,205,989	(289,838)	(2.76%)	On target to budget
Services	1,556,787	1,667,767	110,980	7.13%	On target to budget
Student Transportation	105,791	17,428	(88,363)	(83.53%)	Another budget covered some expenses
Professional Dues and Travel	751,444	459,832	(291,612)	(38.81%)	Travel was still reduced due to COVID
Rentals and Leases	79,435	60,598	(18,837)	(23.71%)	Reducing underutilized equipment
Dues and Fees	56,635	113,827	60,192	112.23%	Website annual fee
Insurance	148,187	114,951	(33,236)	(22.43%)	Insurance premiums less than expected
Supplies	3,183,205	3,047,111	(136,094)	(3.48%)	On target to budget
Utilities	1,426,374	1,648,099	221,725	15.54%	Increase due to colder winter and MERV 13 filters
<b>TOTAL</b>	<b>\$64,927,197</b>	<b>\$64,006,684</b>	<b>(\$920,513)</b>	<b>(1.42%)</b>	

## Reserves – Operating, Special Purpose and Capital Balances

### Statement of Operations - Special Purpose Fund

Program	20/21 Spending	21/22 Spending	Difference	Deferred Revenue Balance	Comments
<b>Ministry of Education Funded</b>					
Annual Facilities Grant (AFG)	263,1284	257,578	(5,550)	-	
Oasis/Headstart PRP	324,832	240,093	(84,739)	-	Lower teacher cost in 21/22.
Special Education Equipment	14,045	18,073	4,028	-	
Strong Start	128,000	128,000	-	-	
Learning Improvement Fund	214,745	195,580	(18,571)	10,296	Carry forward of unspent funds.
Community LINK program	502,986	534,320	31,334	89,631	
French Language (OLEP)	151,072	158,621	7,549	-	
Ready Set Learn	26,699	24,506	(2,193)	9,128	
First Nations Student Transportation	55,367	52,209	(3,158)	62,005	
Mental Health in Schools	52,000	63,883	11,883	59,340	
Changing Results for Young Readers	-	4,915	4,915	21,653	
Classroom Enhancement Funding (Staffing)	3,258,045	3,251,249	(6,796)	-	
Classroom Enhancement Funding (Overhead)	291,660	291,660	-	-	
Classroom Enhancement Funding (Remedies)	253,325	126,098	(127,227)	-	The district qualified for less Remedy in 21/22.
Provincial Safe Return to School	462,607	143,038	(319,569)	-	Remaining portion for the grant was spent in 21/22.
Federal Safe Return to Class Fund	2,033,406	115,890	(1,917,516)	-	New ventilation funding for 21/22 was spent in the year.
Sub-Total	\$8,031,323	\$5,605,713	(\$2,435,440)	\$252,053	



Program	20/21 Spending	21/22 Spending	Difference	Deferred Revenue Balance	Comments
<b>Other</b>					
School Generated Funds	1,312,408	1,617,553	305,145	758,996	COVID-19 reduced use of school generated funds in 21/22.
Scholarships	20,955	23,600	2,645	140,715	
District Trusts	96,586	118,340	21,754	10,989	Resumed spending activity post COVID.
BC Skills for Jobs Blueprint	-	16,620	16,620	-	
Provincial Literacy	-	52,320	(52,320)	-	
BC Numeracy Network Classroom Assessments	-	5,605	(5,605)	-	
Van Kelp Foundation	-	-	-	70,576	
Sub-Total	1,429,949	1,834,038	404,089	981,276	
Schedule 3A Total	9,461,272	7,439,751	(2,031,351)	1,233,329	

## Capital Assets

### School Enhancement Funded Projects (SEP)

- Penfield Elementary received funding to replace a portion of their roof. As of June 30 we have spent \$848,632 of the \$975,000 project budget.
- Southgate has started it's D-wing mechanical upgrades, spending \$38,274. The funding for this phase is \$415,863. As inflation has escalated costs, part of this project was deferred and will be included in the next phase.
- A section of Southgate's roof is being replaced. Work began in June for a summer completion. \$26,611 was spent in June of the \$615,000 budget.

### Playground Equipment Program

- Georgia Park was funded for a playground replacement in 21/22 with installation set for July of 2022.

### Carbon Neutral Capital funded Projects (CNCP)

- Carihi (Phase 4) Mechanical Upgrade. \$248,000 approved. This is the last phase of this mechanical renewal. It was completed in 2021/22 on budget.
- Robron was approved for funding of \$289,290 to replace pneumatic controls. \$159,389 has been spent with the completion expected in July of 2022.
- Ripple Rock has started work on replacing its boilers with \$19,575 spent of it's \$133,000 budget.

### Bus Acquisition Program (BUS)

- SD 72 was funded for the replacement purchase of two school busses from the 2020 capital plan and three busses from the 2021. The busses were purchased in 2021 at a total cost of \$848,632.

## Budget Summary

Project	Approved Budget	Spent to June 30, 2022	Variance to Approved Budget	Estimated Final Expenditure
Carihi Mech HVAC Upgrade (CNCP)	\$248,000	\$248,000	-	\$248,000
Penfield Elementary Roof	\$975,000	\$846,714	\$128,286	\$975,000
Robron HVAC	\$289,290	\$159,389	\$129,901	\$289,290
Southgate HVAC	\$415,863	\$38,274	\$377,589	\$415,863
Southgate Roof	\$615,000	\$4,016	\$610,984	\$615,000
Quadra Mechanical HVAC	\$349,204	\$26,411	\$322,793	\$349,204
<b>Totals</b>	<b>\$2,892,357</b>	<b>\$1,322,804</b>	<b>\$1,569,553</b>	<b>\$2,892,357</b>

## Local Capital/Surplus

- A ride-on auto scrubber was purchased for the custodial department for \$11,559.
- The grounds department replaced a mower deck at a cost of \$23,012.34.
- Additional fencing was installed at Cedar for a cost of \$30,434
- In 2021/22 we moved the Indigenous Education department to the school board office and moved the IT department to the Robron Centre. Renovations cost \$69,416.
- The ordering and installation of the Ocean Grove portable began in June 2022. \$103,998 has been spent in 2022.

## Annual Facilities Grant (AFG)

The Annual Facility Grant is funding provided by the Ministry of Education for designated school capital or maintenance upgrades. The following budget summary is provided.

Draw from 2021/22	\$(20,828)
2021/22 Grant	1,327,085
2022/23 Draw from next year	\$250,000
Fortis Energy Rebates	28,728
Less 2021/22 Expended	<u>(1,170,864)</u>
Draw on 2021/22	<u>\$414,124</u>

## 2021/22 AFG Projects valued over \$20,000 include:

- Laichwiltach roof \$238,929. Prior year rent was saved to fund the roof replacement.
- Sayward roof section \$21,911
- Penfield Unit Heater replacement \$161,439
- Timberline Fume Hood room B245 \$34,601
- Robron shop painting \$22,800
- Timberline re-keying \$46,166
- Phoenix courtyard repair \$53,668
- Phoenix Elevator Modernization \$91,560

## **Factors Bearing on the School District's Future/Other Potentially Significant Matters**

### **COVID-19 Pandemic**

The COVID-19 pandemic will continue to have a material impact on SD 72. There is a risk of reduced enrollment due to home school, reduced International Student enrollment due to travel restrictions and a reduction in the investment income. The district is limited to a 1.5% funding protection reduction. The estimate for a potential loss of revenue to SD 72 is \$881,181. The potential increased costs are unknown.

Increased costs have been incurred with additional custodial staffing, and distance learning teachers. We have not budgeted for any COVID cost increases that may include additional cleaning personal protection equipment and excess cleaning supplies. There is no expectation that the \$2,033,406 Federal Safe Return of Class or the \$462,607 Provincial Safe Return to School grants will continue for 2021/22. Any increased COVID expenses will need to be provided from the unrestricted surplus of departmental budgets.

## **Contacting Management**

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

If you have questions about this financial report, please contact the Office of the Secretary-Treasurer at 250-830-2300.

You are encouraged to review the Board's strategic plan, financial statements and other documents at <http://www.sd72.bc.ca/Pages/Publications.aspx>.