

Audited Financial Statements of

School District No. 72 (Campbell River)

And Independent Auditors' Report thereon

June 30, 2023

School District No. 72 (Campbell River)

June 30, 2023

Table of Contents

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

School District No. 72 (Campbell River)

MANAGEMENT REPORT

Version: 4056-3310-1327

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)

[Redacted Signature]

Signature of the Chairperson of the Board of Education

SEPT. 26.23 .
Date Signed

[Redacted Signature]

Signature of the Superintendent

SEPT. 27, 2023
Date Signed

[Redacted Signature]

Signature of the Secretary Treasurer

SEPT. 27, 2023
Date Signed

Independent Auditor's Report

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

Opinion

We have audited the financial statements of School District No. 72 (Campbell River) (the "School District"), which comprise the statement of financial position as at June 30, 2023, and the statements of operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present the financial position of the School District as at June 30, 2023, and the results of its operations, changes in net debt and its cash flows for the year then ended in compliance with, in all material respects, the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011.

Basis for Opinion

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

Emphasis of Matter - Financial Reporting Framework

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

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the School District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the School District or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Campbell River, British Columbia

September 26, 2023

MNP LLP

Chartered Professional Accountants

MNP
LLP

School District No. 72 (Campbell River)

Statement 1

Statement of Financial Position

As at June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	19,650,334	20,410,345
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	107,139	480,843
Due from First Nations	626,818	69,064
Other (Note 3)	473,657	212,605
Total Financial Assets	20,857,948	21,172,857
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	9,068,685	9,065,778
Unearned Revenue (Note 5)	783,698	881,473
Deferred Revenue (Note 6)	1,603,413	1,233,329
Deferred Capital Revenue (Note 7)	64,605,922	65,388,954
Employee Future Benefits (Note 8)	1,497,007	1,534,867
Asset Retirement Obligation (Note 17)	14,157,307	14,157,307
Total Liabilities	91,716,032	92,261,708
Net Debt	(70,858,084)	(71,088,851)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	78,976,739	80,054,136
Prepaid Expenses	474,540	256,152
Total Non-Financial Assets	79,451,279	80,310,288
Accumulated Surplus (Deficit)	8,593,195	9,221,437
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	8,593,195	9,221,437
Accumulated Remeasurement Gains (Losses)	8,593,195	9,221,437
Contingent Liabilities (Note 15)		
Approved by the Board		
Signature of the Chairperson of the Board of Education		SEPT. 26. 23
Signature of the Superintendent		SEPT. 27, 2023
Signature of the Secretary Treasurer		SEPT 27, 2023

School District No. 72 (Campbell River)

Statement 2

Statement of Operations

Year Ended June 30, 2023

	2023 Budget (Note 16) \$	2023 Actual \$	2022 Actual (Restated - Note 21) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	69,894,618	69,979,683	65,664,694
Other	63,000		48,982
Tuition	972,000	945,849	925,399
Other Revenue	5,113,483	4,906,519	4,422,004
Rentals and Leases	138,000	154,352	128,877
Investment Income	365,800	609,469	168,203
Amortization of Deferred Capital Revenue	3,215,199	3,211,775	3,168,190
Total Revenue	<u>79,762,100</u>	<u>79,807,647</u>	<u>74,526,349</u>
Expenses			
Instruction	61,398,842	61,311,677	57,874,986
District Administration	3,022,989	3,187,835	3,248,438
Operations and Maintenance	14,333,723	13,914,264	13,999,110
Transportation and Housing	1,963,820	2,022,113	1,861,677
Debt Services			1,253
Total Expense	<u>80,719,374</u>	<u>80,435,889</u>	<u>76,985,464</u>
Surplus (Deficit) for the year	<u>(957,274)</u>	<u>(628,242)</u>	<u>(2,459,115)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		9,221,437	11,680,552
Accumulated Surplus (Deficit) from Operations, end of year		<u>8,593,195</u>	<u>9,221,437</u>

School District No. 72 (Campbell River)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2023

	2023 Budget (Note 16) \$	2023 Actual \$	2022 Actual (Restated - Note 21) \$
Surplus (Deficit) for the year	<u>(957,274)</u>	<u>(628,242)</u>	<u>(2,459,115)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(3,046,973)	(3,319,346)	(2,426,121)
Amortization of Tangible Capital Assets	4,390,902	4,396,743	4,400,459
Total Effect of change in Tangible Capital Assets	<u>1,343,929</u>	<u>1,077,397</u>	<u>1,974,338</u>
Acquisition of Prepaid Expenses		(474,540)	(256,152)
Use of Prepaid Expenses		256,152	309,863
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(218,388)</u>	<u>53,711</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>386,655</u>	<u>230,767</u>	<u>(431,066)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>230,767</u>	<u>(431,066)</u>
Net Debt, beginning of year		<u>(71,088,851)</u>	<u>(70,657,785)</u>
Net Debt, end of year		<u><u>(70,858,084)</u></u>	<u><u>(71,088,851)</u></u>

School District No. 72 (Campbell River)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2023

	2023 Actual	2022 Actual
	(Restated - Note 21)	
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(628,242)	(2,459,115)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(445,102)	338,681
Prepaid Expenses	(218,388)	53,711
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,908	513,024
Unearned Revenue	(97,775)	292,667
Deferred Revenue	370,084	(18,266)
Employee Future Benefits	(37,860)	77,666
Amortization of Tangible Capital Assets	4,396,743	4,400,459
Amortization of Deferred Capital Revenue	(3,211,775)	(3,168,190)
Deferred Capital Transferred to Operations and Maintenance	(1,055,256)	(1,163,567)
Total Operating Transactions	(924,663)	(1,132,930)
Capital Transactions		
Tangible Capital Assets Purchased	(2,835,857)	(2,080,394)
Tangible Capital Assets -WIP Purchased	(483,489)	(347,646)
Capital Approved Project Expense		1,919
Total Capital Transactions	(3,319,346)	(2,426,121)
Financing Transactions		
Capital Revenue Received	3,483,998	6,203,097
Capital Lease Principal Payments		(18,497)
Total Financing Transactions	3,483,998	6,184,600
Net Increase (Decrease) in Cash and Cash Equivalents	(760,011)	2,625,549
Cash and Cash Equivalents, beginning of year	20,410,345	17,784,796
Cash and Cash Equivalents, end of year	19,650,334	20,410,345
Cash and Cash Equivalents, end of year, is made up of:		
Cash	19,650,334	20,410,345
	19,650,334	20,410,345

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

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 federal and provincial corporate 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. 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, 2023

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, 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.
- Year-ended June 30, 2023 – increase in annual surplus by \$2,700,283.
- June 30, 2023 – increase in accumulated surplus (deficit) and decrease in deferred contributions by \$58,884,470.

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, 2023

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 transfer or 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, 2023

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

g) Asset Retirement Obligations

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

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

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

h) 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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

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

i) Tangible Capital Assets

The following criteria apply:

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

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

j) 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.

k) 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.

l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 13 – Interfund Transfers and Note 9 – Accumulated Surplus). *Funds and reserves are disclosed on Schedules 2, 3 and 4.*

m) 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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

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

m) Revenue Recognition (*continued*)

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, 2023

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

n) 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.

o) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these 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, 2023

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

o) 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.

p) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 2(a) requires management to make estimates and assumptions that impact reported amounts 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 potential impairment of assets, liabilities for contaminated sites, asset retirement obligations, rates for amortization, allowance for doubtful accounts, employee incentive bonuses and estimated employee future benefits. Actual results could differ from those estimates.

q) Future Changes in Accounting Policies

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

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

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

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

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

q) Future Changes in Accounting Policies *(continued)*

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

r) 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

	2023	2022
Due from Federal Government	\$82,013	\$78,890
Due from North Island College	-	10,000
Due from Royal Bank	44,044	13,162
Due from other	347,600	110,553
	<u>\$473,657</u>	<u>\$212,605</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2023	2022
Trade Payables	\$ 840,241	\$ 1,183,957
Salaries and Benefits Payable	6,526,605	6,101,298
Accrued Vacation Pay	846,851	782,707
Capital Trade Payables	120,950	146,444
Other Payables	734,038	851,372
	<u>\$9,068,685</u>	<u>\$9,065,778</u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

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:

	2023	2022
Balance, beginning of year	\$881,473	\$588,806
Changes for the year:		
Increase:		
Tuition fees	756,198	1,044,300
Decrease:		
Tuition fees	(853,973)	(588,806)
Net changes for the year	(97,775)	292,667
Balance, end of year	\$783,698	\$881,473

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.

	2023	2022
Balance, beginning of year	\$252,059	\$159,904
Increases:		
Provincial grants – MEd	6,463,409	5,695,925
Investment income	16,634	1,940
	6,480,043	5,697,865
Decreases:		
Transfers to Revenue	(6,176,326)	(5,605,710)
Recovery	-	-
	(6,176,326)	(5,605,710)
Net Changes for the year	303,717	92,155
Balance, end of the year	\$555,776	\$252,059

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

NOTE 6 DEFERRED REVENUE *(continued)*

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>2023</u>	<u>2022</u>
Balance, beginning of year	\$981,270	\$1,091,691
Increases:		
School Generated Funds	2,185,297	1,653,085
Investment income	7,464	501
Other	67,306	70,034
	<u>2,260,067</u>	<u>1,723,620</u>
Decreases:		
Transfers to Revenue	<u>(2,193,700)</u>	<u>(1,834,041)</u>
Net Changes for the year	<u>66,367</u>	<u>(110,421)</u>
Balance, end of the year	<u>\$1,047,637</u>	<u>\$981,270</u>
Total Deferred Revenue	<u><u>\$1,603,413</u></u>	<u><u>\$1,233,329</u></u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

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	2023 Total	2022 Total
Balance, beginning of year	\$59,401,339	\$5,987,615	\$65,388,954	\$63,517,613
Increases:				
Transfers from DC - capital additions	2,216,794	-	2,216,794	1,109,003
Transfers from DC – work in progress	483,489	-	483,489	243,648
Provincial Grants – Med	-	3,483,998	3,483,998	2,943,249
Provincial Grants – Other	-	-	-	3,249,848
Other Revenue	-	-	-	10,000
	<u>2,700,283</u>	<u>3,483,998</u>	<u>6,184,281</u>	<u>7,555,748</u>
Decreases:				
Amortization	3,211,775	-	3,211,775	3,168,190
Transfers to revenue - capital additions	-	2,216,794	2,216,794	1,109,003
Transfers to revenue – capital additions	-	483,489	483,489	243,648
Transfers to revenue – site purchases	-	-	-	-
Transfers to capital expense	-	380,316	380,316	312,836
Transfers to capital - approved project expense	-	674,939	674,939	850,730
	<u>3,211,775</u>	<u>3,755,538</u>	<u>6,972,690</u>	<u>56,684,407</u>
Balance, end of the year	<u>\$58,889,847</u>	<u>\$5,716,075</u>	<u>\$64,605,922</u>	<u>\$65,388,954</u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

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.

	2023	2022
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$1,302,264	\$1,542,825
Service Cost	111,162	133,891
Interest Cost	42,492	39,616
Benefit Payments	(185,813)	(109,053)
Actuarial (Gain)/Loss	(32,981)	(305,015)
Accrued Benefit Obligation – March 31	<u>\$1,237,124</u>	<u>\$1,302,264</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$1,237,124	\$1,302,264
Funded Status - Surplus/(Deficit)	(1,237,124)	(1,302,264)
Employer Contributions After Measurement Date	32,318	47,960
Benefit Expense After Measurement Date	(39,971)	(38,414)
Unamortized Net Actuarial (Gain)/Loss	(252,230)	(242,149)
Accrued Benefit Asset/(Liability) – June 30	<u>\$(1,497,007)</u>	<u>\$(1,534,867)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) – July 1	\$1,534,867	\$1,457,201
Net Expense for Fiscal Year	132,312	227,071
Employer Contributions	(170,172)	(149,405)
Accrued Benefit Liability (Asset) – June 30	<u>\$1,497,007</u>	<u>\$1,534,867</u>
Components of Net Benefit Expense		
Service Cost	\$110,588	\$128,209
Interest Cost	44,623	40,335
Amortization of Net Actuarial Loss	(22,899)	58,527
Net Benefit Expense	<u>\$132,312</u>	<u>\$227,071</u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

NOTE 8 EMPLOYEE FUTURE BENEFITS – (continued)

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

	2023	2022
Discount Rate – April 1	3.25%	2.50%
Discount Rate – March 31	4.00%	3.25%
Long Term Salary Growth – April 1	2.50% + Seniority	2.50% + Seniority
Long Term Salary Growth – March 31	2.50% + Seniority	2.50% + Seniority
EARSL – March 31	10.6	10.6

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

NOTE 9 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	2023	2022
Internally Restricted (Appropriated) By Board For:		
Constraints On Funds		
Indigenous Education Program	\$91,000	\$128,804
Operations Spanning Multiple Years		
Reserve Required to Balance Next Year Budget	\$ -	\$150,000
School Based Supply Accounts	94,619	357,306
International Program	26,728	100,000
International Program – to Balance Next Year Budget	100,000	-
Health and Safety	30,000	-
Strategic Priorities	100,000	-
Robron Conference Room	50,000	-
ERP Replacement	50,000	-
Subtotal Operations Spanning Multiple Years	451,347	607,306
Subtotal Internally Restricted	542,347	736,110
Unrestricted Operating Surplus (Deficit)		
Operational Needs and Emergency Contingency	694,065	449,647
Unrestricted	1,000,000	1,000,000
Subtotal Unrestricted	1,694,065	1,449,647
Total Available for Future Operations	<u>\$2,236,412</u>	<u>\$2,185,757</u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

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, 2023.

Total interest on capital leases for the year was \$0 (2022: \$1,253).

NOTE 11 TANGIBLE CAPITAL ASSETS

June 30, 2023

Cost:	Opening Cost July 1, 2022	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2023
Sites	\$8,448,233	\$ -	\$ -	\$ -	\$8,448,233
Buildings	166,641,639	1,562,342	-	347,646	168,551,627
Buildings – work in progress	347,646	483,489	-	(347,646)	483,489
Furniture & Equipment	2,467,628	200,775	(191,701)	-	2,467,702
Vehicles	3,059,373	793,658	(7,510)	-	3,845,521
Computer Hardware	3,086,101	279,082	(902,207)	-	2,462,976
Total	\$184,050,620	\$3,319,346	\$(1,101,418)	\$ -	\$186,268,548

Accumulated Amortization:	Opening Accumulated Amortization July 1, 2022	Additions	Disposals	Balance at June 30, 2023
Buildings	\$100,217,202	\$3,249,373	\$ -	\$103,466,575
Furniture & Equipment	1,012,022	247,217	(191,701)	1,067,538
Vehicles	1,193,518	345,245	(7,510)	1,531,253
Computer Hardware	1,573,742	554,908	(902,207)	1,226,443
Total	\$103,996,484	\$4,396,743	\$(1,101,418)	\$107,291,809

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

NOTE 11 TANGIBLE CAPITAL ASSETS (continued)

June 30, 2022

Cost:	Opening Cost July 1, 2021	Prior Period Adjustment (Note 21)	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2022 (Restated – Note 21)
Sites	\$8,448,233	\$ -	\$ -	\$ -	\$ -	\$8,448,233
Buildings	151,503,422	14,157,307	854,821	-	126,089	166,641,639
Buildings – work in progress	128,008	-	347,646	-	(128,008)	347,646
Furniture & Equipment	2,431,121	-	208,616	(172,109)	-	2,467,628
Vehicles	2,734,932	-	352,327	(27,886)	-	3,059,373
Computer Hardware	2,990,068	-	664,630	(568,597)	-	3,086,101
Total	\$168,235,784	\$14,157,307	\$2,428,040	\$(768,592)	\$(1,919)	\$184,050,620

Accumulated Amortization:	Opening Accumulated Amortization July 1, 2021	Prior Period Adjustment (Note 21)	Additions	Disposals	Balance at June 30, 2022 (Restated – Note 21)
Buildings	\$82,828,722	\$14,157,307	\$3,231,173	\$ -	\$86,059,895
Furniture & Equipment	939,193	-	244,938	(172,109)	1,012,022
Vehicles	931,688	-	289,716	(27,886)	1,193,518
Computer Hardware	1,534,722	-	607,617	(568,597)	1,573,742
Total	\$86,234,325	\$14,157,307	\$4,373,444	\$(768,592)	\$103,996,484

Net Book Value:

	Net Book Value June 30, 2023	Net Book Value June 30, 2022 (Restated – Note 21)
Sites	\$8,448,233	\$8,448,233
Buildings	65,085,052	66,424,437
Buildings – work in progress	483,489	347,646
Furniture & Equipment	1,409,164	1,455,606
Vehicles	2,314,268	1,865,855
Computer Hardware	1,236,533	1,512,359
Total	\$78,976,739	\$80,054,136

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

NOTE 11 TANGIBLE CAPITAL ASSETS *(continued)*

Buildings – work in progress having a value of \$483,489 (2022: \$347,646) have not been amortized. Amortization of these assets will commence the year the asset is put into service.

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, 2022, the Teachers' Pension Plan has about 51,000 active members and approximately 41,000 retired members. As of December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2020, indicated a \$1,584 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The School District paid \$5,375,428 for employer contributions to these plans for the year ended June 30, 2023 and \$5,172,624 for the year ended June 30, 2022.

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, 2024, with results available in 2025.

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

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, 2023 transfers were as follows:

- A transfer in the amount of \$191,801 was made from the operating fund to the capital fund for the purchase of local capital assets.
- A transfer in the amount of \$279,783 was made from the operating fund to the capital fund for the purchase of capital assets.
- A transfer in the amount of \$17,594 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, 2023

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 28, 2023. The Board adopted a preliminary annual budget on May 30, 2022. 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:

	2023 Amended	2023 Preliminary	Difference
Revenues			
Provincial Grants			
Ministry of Education	\$69,894,618	\$65,426,256	\$4,468,362
Other	63,000	70,791	(7,791)
Tuition	972,000	877,500	94,500
Other Revenue	5,113,483	4,872,176	241,307
Rentals and Leases	138,000	134,000	4,000
Investment Income	365,800	100,800	265,000
Amortization of Deferred Capital Revenue	3,215,199	3,211,964	3,235
Total Revenue	\$79,762,100	\$74,693,487	\$5,068,613
Expenses			
Instruction	61,398,842	57,207,120	4,191,722
District Administration	3,022,989	2,774,114	248,875
Operations and Maintenance	10,283,964	9,630,982	652,982
Transportation and Housing	1,622,677	1,544,307	78,370
Debt Services	-	-	-
Amortization	4,390,902	4,306,889	84,013
Total Expenses	80,719,374	75,463,412	5,255,962
Deficit for the year	(957,274)	(769,925)	(187,349)
Effects of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(3,046,973)	(2,540,683)	(506,290)
Amortization of Tangible Capital Assets	4,390,902	4,306,889	84,013
Total Effect of change, Tangible Capital Assets	1,343,929	1,766,206	(422,277)
(Increase) Decrease in Net Financial Assets (Debt)	386,655	996,281	(609,626)

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

NOTE 17 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022 (see Note 21 – Prior Period Adjustment – Change in Accounting Policy). The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

Asset Retirement Obligation, July 1, 2022 (see Note 21)	\$ 14,157,307
Settlements during the year	-
Asset Retirement Obligation, closing balance	<u>\$ 14,157,307</u>

NOTE 18 EXPENSE BY OBJECT

	Budget 2023	Actual 2023	Actual 2022
Salaries	\$52,807,723	\$52,454,342	\$50,736,487
Benefits	11,270,630	12,234,969	11,069,186
Service and supplies	12,250,119	11,349,835	10,778,079
Interest	-	-	1,253
Amortization	4,390,902	4,396,743	4,373,444
	<u>\$ 80,719,374</u>	<u>\$80,435,889</u>	<u>\$76,958,449</u>

NOTE 19 TRUST FUNDS

Funds in the amount of \$2,061,168 (2022 - \$1,999,473) 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, 2023 and are to be paid to teachers who participate in the plan through August 31, 2023. The amount payable is included in Salaries and Benefits Payable as stated in Note 4.

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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2023

NOTE 21 PRIOR PERIOD ADJUSTMENT

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future (see Note 17). This standard was adopted using the modified retroactive approach.

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

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

	<u>Increase (Decrease)</u>
Asset Retirement Obligation (liability)	\$ 14,157,307
Tangible Capital Assets – cost	14,157,307
Tangible Capital Assets – accumulated amortization	14,157,307
Operations & Maintenance Expense – Asset amortization (2022)	27,015
Accumulated Surplus – Invested in Capital Assets	(14,157,307)

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 \$473,657 (2022 - \$212,605).

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, 2023

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, 2023, 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, 2023. No provision for impairment was recorded in the current year, as the fair value of all financial assets tested exceeded their carrying value.

- **Fair Values of Financial Instruments**

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

- **Risk Management Policy**

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

School District No. 72 (Campbell River)

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

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year					
Prior Period Adjustments	2,185,757		7,035,680	9,221,437	25,810,844 (14,130,292)
Accumulated Surplus (Deficit), beginning of year, as restated	2,185,757	-	7,035,680	9,221,437	11,680,552
Changes for the year					
Surplus (Deficit) for the year	522,239	17,594	(1,168,075)	(628,242)	(2,459,115)
Interfund Transfers	(279,783)	(17,594)	297,377	-	-
Tangible Capital Assets Purchased	(191,801)		191,801	-	-
Local Capital	50,655	-	(678,897)	(628,242)	(2,459,115)
Net Changes for the year					
Accumulated Surplus (Deficit), end of year - Statement 2	2,236,412	-	6,356,783	8,593,195	9,221,437

School District No. 72 (Campbell River)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget (Note 16)	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	61,863,375	62,764,735	58,911,570
Tuition	972,000	945,849	925,399
Other Revenue	2,707,093	2,711,940	2,659,313
Rentals and Leases	138,000	154,352	128,877
Investment Income	360,000	576,820	125,188
Total Revenue	66,040,468	67,153,696	62,750,347
Expenses			
Instruction	52,773,203	53,297,121	50,887,162
District Administration	3,022,989	3,187,835	3,248,438
Operations and Maintenance	8,545,677	8,544,333	8,351,332
Transportation and Housing	1,548,170	1,602,168	1,519,752
Total Expense	65,890,039	66,631,457	64,006,684
Operating Surplus (Deficit) for the year	150,429	522,239	(1,256,337)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	319,571		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(270,000)	(279,783)	(790,033)
Local Capital	(200,000)	(191,801)	(320,779)
Other			(19,750)
Total Net Transfers	(470,000)	(471,584)	(1,130,562)
Total Operating Surplus (Deficit), for the year	-	50,655	(2,386,899)
Operating Surplus (Deficit), beginning of year		2,185,757	4,572,656
Operating Surplus (Deficit), end of year		2,236,412	2,185,757
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 9)		542,347	736,110
Unrestricted		1,694,065	1,449,647
Total Operating Surplus (Deficit), end of year		2,236,412	2,185,757

School District No. 72 (Campbell River)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget (Note 16)	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	61,786,658	61,902,248	60,486,017
ISC/LEA Recovery	(2,078,449)	(2,042,951)	(2,046,856)
Other Ministry of Education and Child Care Grants			
Pay Equity	75,322	75,322	75,322
Funding for Graduated Adults	629	629	7,860
Student Transportation Fund	316,860	316,860	316,860
Support Staff Benefits Grant	61,931	63,499	61,931
FSA Scorer Grant	8,187	8,187	8,187
Early Learning Framework (ELF) Implementation	792	792	2,249
Labour Settlement Funding	1,684,064	2,432,768	
Equity Scan	7,381	7,381	
Total Provincial Grants - Ministry of Education and Child Care	61,863,375	62,764,735	58,911,570
Tuition			
International and Out of Province Students	972,000	945,849	925,399
Total Tuition	972,000	945,849	925,399
Other Revenues			
Other School District/Education Authorities	487,518	477,862	463,658
Funding from First Nations	2,078,449	2,031,623	2,031,321
Miscellaneous			
Contract Services - Learning Support Services	71,626	71,626	71,626
Miscellaneous Revenue/Transcripts	69,500	130,829	92,708
Total Other Revenue	2,707,093	2,711,940	2,659,313
Rentals and Leases	138,000	154,352	128,877
Investment Income	360,000	576,820	125,188
Total Operating Revenue	66,040,468	67,153,696	62,750,347

School District No. 72 (Campbell River)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2023

	2023 Budget (Note 16)	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Salaries			
Teachers	28,134,838	28,292,460	27,151,366
Principals and Vice Principals	4,162,424	4,074,678	4,189,563
Educational Assistants	5,775,095	5,530,706	5,223,374
Support Staff	6,907,089	6,791,635	6,608,164
Other Professionals	1,746,959	1,904,623	1,939,414
Substitutes	1,596,944	1,545,019	1,559,201
Total Salaries	48,323,349	48,139,121	46,671,082
Employee Benefits	10,357,583	11,228,027	10,205,989
Total Salaries and Benefits	58,680,932	59,367,148	56,877,071
Services and Supplies			
Services	1,896,573	1,965,455	1,667,767
Student Transportation	25,153	63,740	17,428
Professional Development and Travel	925,990	706,421	459,832
Rentals and Leases	72,700	56,463	60,598
Dues and Fees	60,900	62,659	113,827
Insurance	164,488	181,645	114,951
Supplies	2,570,348	2,443,227	3,047,111
Utilities	1,492,955	1,784,699	1,648,099
Total Services and Supplies	7,209,107	7,264,309	7,129,613
Total Operating Expense	65,890,039	66,631,457	64,006,684

School District No. 72 (Campbell River)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	21,372,903	662,133	337,980	639,663	34,281	1,492,285	24,539,245
1.07 Library Services	849,700			117,376			967,076
1.08 Counselling	1,051,120			23,701		8,097	1,082,918
1.10 Special Education	3,681,112	339,809	4,373,891	90,663		13,914	8,499,389
1.30 English Language Learning	348,780		76			7,860	356,716
1.31 Indigenous Education	552,188	150,561	807,499	51,311		4,612	1,566,171
1.41 School Administration		2,900,172		531,545			3,431,717
1.60 Summer School	105,669	12,003	11,260	7,569		701	137,202
1.62 International and Out of Province Students	330,988			55,213	101,823		488,024
Total Function 1	28,292,460	4,064,678	5,530,706	1,517,041	136,104	1,527,469	41,068,458
4 District Administration							
4.11 Educational Administration		10,000		51,070	575,481	1,234	637,785
4.40 School District Governance					102,213		102,213
4.41 Business Administration				411,726	810,005	16,316	1,238,047
Total Function 4	-	10,000	-	462,796	1,487,699	17,550	1,978,045
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				110,905	52,761		163,666
5.50 Maintenance Operations				3,743,970	207,421		3,951,391
5.52 Maintenance of Grounds				189,928			189,928
5.56 Utilities							-
Total Function 5	-	-	-	4,044,803	260,182	-	4,304,985
7 Transportation and Housing							
7.70 Student Transportation				766,995	20,638		787,633
7.73 Housing							-
Total Function 7	-	-	-	766,995	20,638	-	787,633
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	28,292,460	4,074,678	5,530,706	6,791,635	1,904,623	1,545,019	48,139,121

School District No. 72 (Campbell River)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$	\$	(Note 16)	(Restated - Note 21)	
1 Instruction							
1.02 Regular Instruction	24,539,245	5,885,875	30,425,120	1,582,119	32,007,239	30,756,889	30,854,377
1.07 Library Services	967,076	234,841	1,201,917	178,225	1,380,142	1,439,380	1,447,537
1.08 Counselling	1,082,918	247,353	1,330,271		1,330,271	1,287,597	1,324,170
1.10 Special Education	8,499,389	1,995,803	10,495,192	168,407	10,663,599	11,006,584	9,936,661
1.30 English Language Learning	356,716	83,425	440,141	34,505	474,646	437,297	403,690
1.31 Indigenous Education	1,566,171	381,756	1,947,927	108,885	2,056,812	2,066,665	1,931,999
1.41 School Administration	3,431,717	723,871	4,155,588	148,682	4,304,270	4,576,687	4,193,872
1.60 Summer School	137,202	27,798	165,000	2,736	167,736	230,104	128,356
1.62 International and Out of Province Students	488,024	100,657	588,681	323,725	912,406	972,000	666,500
Total Function 1	41,068,458	9,681,379	50,749,837	2,547,284	53,297,121	52,773,203	50,887,162
4 District Administration							
4.11 Educational Administration	637,785	112,393	750,178	124,606	874,784	893,146	1,059,439
4.40 School District Governance	102,213	6,606	108,819	130,983	239,802	251,962	185,479
4.41 Business Administration	1,238,047	264,574	1,502,621	570,628	2,073,249	1,877,881	2,003,520
Total Function 4	1,978,045	383,573	2,361,618	826,217	3,187,835	3,022,989	3,248,438
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	163,666	38,185	201,851	121,499	323,350	273,205	327,678
5.50 Maintenance Operations	3,951,391	893,043	4,844,434	1,202,841	6,047,275	6,207,213	5,762,306
5.52 Maintenance of Grounds	189,928	45,995	235,923	178,832	414,755	565,854	571,699
5.56 Utilities	-	716	716	1,758,237	1,758,953	1,499,405	1,689,649
Total Function 5	4,304,985	977,939	5,282,924	3,261,409	8,544,333	8,545,677	8,351,332
7 Transportation and Housing							
7.70 Student Transportation	787,633	185,136	972,769	591,249	1,564,018	1,498,170	1,481,415
7.73 Housing	-	-	-	38,150	38,150	50,000	38,337
Total Function 7	787,633	185,136	972,769	629,399	1,602,168	1,548,170	1,519,752
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	48,139,121	11,228,027	59,367,148	7,264,309	66,631,457	65,890,039	64,006,684

School District No. 72 (Campbell River)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

	2023 Budget (Note 16)	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	6,556,129	6,159,692	5,589,557
Other			48,982
Other Revenue	2,406,390	2,194,579	1,762,691
Investment Income	800	15,756	38,521
Total Revenue	<u>8,963,319</u>	<u>8,370,027</u>	<u>7,439,751</u>
Expenses			
Instruction	8,625,639	8,014,556	6,987,824
Operations and Maintenance	263,173	263,177	373,468
Transportation and Housing	74,507	74,700	52,209
Total Expense	<u>8,963,319</u>	<u>8,352,433</u>	<u>7,413,501</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>17,594</u>	<u>26,250</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(17,594)	(26,250)
Total Net Transfers	<u>-</u>	<u>(17,594)</u>	<u>(26,250)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 72 (Campbell River)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2023

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OIEP	Community/Link Fund - Overhead	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		10,296	140,715	758,996		9,128		89,631	
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	263,177	214,149			128,000	31,850	293,943	564,822	302,568
Other		408	22,891	2,185,297		554	879	1,940	
Investment Income									
	263,177	214,557	28,158	2,185,297	128,000	32,404	294,822	566,762	302,568
Less: Allocated to Revenue	263,177	211,224	27,965	2,110,958	128,000	23,031	265,447	591,587	302,568
Deferred Revenue, end of year	-	13,629	140,908	833,335	-	18,501	29,375	64,806	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	263,177	210,816			128,000	22,477	264,568	589,647	302,568
Other Revenue			27,965	2,110,958		879			
Investment Income		408				554		1,940	
	263,177	211,224	27,965	2,110,958	128,000	23,031	265,447	591,587	302,568
Expenses									
Salaries									
Teachers									
Principals and Vice Principals							63,500	40,529	
Educational Assistants							47,651		
Support Staff		170,295			94,063			362,228	
Other Professionals					5,163		12,381		
Substitutes									220,682
						331	7,686	8,325	
Employee Benefits	-	170,295	-	-	99,226	331	131,218	402,757	229,007
Services and Supplies	263,177	40,929			24,976	1,531	30,482	101,068	73,561
	263,177	211,224	27,965	2,110,958	128,000	23,031	247,853	591,587	302,568
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	17,594	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	(17,594)	-	-
	-	-	-	-	-	-	(17,594)	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 72 (Campbell River)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2023

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Student & Family Affordability	ECL (Early Care & Learning)	District Trust Funds	Van Foundation KELP Grant
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year									
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	3,408,110	126,936	104,071	52,000	11,250	607,563	175,000		
Other								10,989	70,576
Investment Income									
			2,819	986	682	8,035	86	44,415	2,178
	3,408,110	126,936	106,890	52,986	11,932	615,598	175,086	19	2,178
Less: Allocated to Revenue	3,408,110	126,936	74,699	79,397	10,808	347,117	172,224	44,434	2,178
Deferred Revenue, end of year	-	-	94,196	32,929	22,777	268,481	2,862	54,777	-
								646	72,754
Revenues									
Provincial Grants - Ministry of Education and Child Care	3,408,110	126,936	71,880	78,411	10,126	339,082	172,138		
Other Revenue								54,777	
Investment Income									
	3,408,110	126,936	2,819	986	682	8,035	86		
			74,699	79,397	10,808	347,117	172,224	54,777	-
Expenses									
Salaries									
Teachers	2,722,263			56,441					
Principals and Vice Principals									
Educational Assistants						575	141,164		
Support Staff			44,704			315			
Other Professionals									
Substitutes									
	67,317	104,521		2,662	8,709				
	2,789,580	104,521	44,704	59,103	8,709	890	141,164		
Employee Benefits	618,530	22,415	14,901	13,464	1,841	930	31,060		
Services and Supplies			15,094	6,830	258	345,297		54,777	
	3,408,110	126,936	74,699	79,397	10,808	347,117	172,224	54,777	-
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 72 (Campbell River)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2023

Schedule 3A (Unaudited)

	Oasis PRP	Headstart PRP	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year			1,233,329
Add: Restricted Grants			
Provincial Grants - Ministry of Education and Child Care	89,985	89,985	6,463,409
Other			2,252,603
Investment Income	147	99	24,099
	90,132	90,084	8,740,111
Less: Allocated to Revenue	85,219	86,783	8,370,027
Deferred Revenue, end of year	4,913	3,301	1,603,413
Revenues			
Provincial Grants - Ministry of Education and Child Care	85,072	86,684	6,159,692
Other Revenue			2,194,579
Investment Income	147	99	15,756
	85,219	86,783	8,370,027
Expenses			
Salaries			
Teachers	58,157	58,002	2,998,892
Principals and Vice Principals	6,719	6,718	202,827
Educational Assistants			626,586
Support Staff	2,060	2,060	66,683
Other Professionals			220,682
Substitutes			199,551
	66,936	66,780	4,315,221
Employee Benefits	15,550	15,704	1,006,942
Services and Supplies	2,733	4,299	3,030,270
	85,219	86,783	8,352,433
Net Revenue (Expense) before Interfund Transfers	-	-	17,594
Interfund Transfers			
Tangible Capital Assets Purchased			(17,594)
	-	-	(17,594)
Net Revenue (Expense)	-	-	-

School District No. 72 (Campbell River)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2023

	2023 Budget (Note 16)	2023 Actual			2022 Actual (Restated - Note 21)
	\$	Invested in Tangible Capital Assets \$	Local Capital \$	Fund Balance \$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	1,475,114	1,055,256		1,055,256	1,163,567
Other	63,000			-	
Investment Income	5,000		16,893	16,893	4,494
Amortization of Deferred Capital Revenue	3,215,199	3,211,775		3,211,775	3,168,190
Total Revenue	4,758,313	4,267,031	16,893	4,283,924	4,336,251
Expenses					
Operations and Maintenance	1,475,114	1,055,256		1,055,256	1,163,567
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,049,759	4,051,498		4,051,498	4,110,743
Transportation and Housing	341,143	345,245		345,245	289,716
Debt Services					
Capital Lease Interest				-	1,253
Total Expense	5,866,016	5,451,999	-	5,451,999	5,565,279
Capital Surplus (Deficit) for the year	(1,107,703)	(1,184,968)	16,893	(1,168,075)	(1,229,028)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	270,000	297,377		297,377	816,283
Local Capital	200,000		191,801	191,801	320,779
Capital Lease Payment				-	19,750
Total Net Transfers	470,000	297,377	191,801	489,178	1,156,812
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		321,686	(321,686)	-	
Total Other Adjustments to Fund Balances		321,686	(321,686)	-	
Total Capital Surplus (Deficit) for the year	(637,703)	(565,905)	(112,992)	(678,897)	(72,216)
Capital Surplus (Deficit), beginning of year		6,358,331	677,349	7,035,680	21,238,188
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(14,130,292)
Capital Surplus (Deficit), beginning of year, as restated		6,358,331	677,349	7,035,680	7,107,896
Capital Surplus (Deficit), end of year		5,792,426	564,357	6,356,783	7,035,680

Schedule 4A (Unaudited)

Tangible Capital Assets

Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
Cost, beginning of year	\$ 8,448,233	\$ 152,484,332	\$ 2,467,628	\$ 3,059,373	\$ -	\$ 3,086,101	\$ 169,545,667
Prior Period Adjustments							
To Recognize Asset Retirement Obligation							
Cost, beginning of year, as restated	8,448,233	166,641,639	2,467,628	3,059,373	-	3,086,101	183,702,974
Changes for the Year		14,157,307					14,157,307
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,311,514	159,623	745,657			2,216,794
Operating Fund		14,996	14,259			250,528	279,783
Special Purpose Funds						17,594	17,594
Local Capital		235,832	26,893	48,001		10,960	321,686
Transferred from Work in Progress		347,646					347,646
Decrease:	-	1,909,988	200,775	793,658	-	279,082	3,183,503
Deemed Disposals			191,701	7,510		902,207	1,101,418
Cost, end of year	-	-	191,701	7,510	-	902,207	1,101,418
Work in Progress, end of year	8,448,233	168,551,627	2,476,702	3,845,521	-	2,462,976	185,785,059
Cost and Work in Progress, end of year	8,448,233	169,035,116	2,476,702	3,845,521	-	2,462,976	186,268,548
Accumulated Amortization, beginning of year		86,059,895	1,012,022	1,193,518		1,573,742	89,839,177
Prior Period Adjustments							
To Recognize Asset Retirement Obligation							
Accumulated Amortization, beginning of year, as restated		14,157,307					14,157,307
Changes for the Year		100,217,202	1,012,022	1,193,518	-	1,573,742	103,996,484
Increase: Amortization for the Year							
Decrease:							
Deemed Disposals		3,249,373	247,217	345,245		554,908	4,396,743
Cost, end of year			191,701	7,510		902,207	1,101,418
Accumulated Amortization, end of year		-	191,701	7,510	-	902,207	1,101,418
Cost and Accumulated Amortization, end of year		103,466,575	1,067,538	1,551,253	-	1,226,443	107,291,809
Tangible Capital Assets - Net	8,448,233	65,568,541	1,409,164	2,314,268	-	1,236,533	78,976,739

School District No. 72 (Campbell River)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2023

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	347,646				347,646
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	53,309				53,309
Deferred Capital Revenue - Other	430,180				430,180
	483,489	-	-	-	483,489
Decrease:					
Transferred to Tangible Capital Assets	347,646				347,646
	347,646	-	-	-	347,646
Net Changes for the Year	135,843	-	-	-	135,843
Work in Progress, end of year	483,489	-	-	-	483,489

School District No. 72 (Campbell River)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	52,632,587	5,815,413	709,691	59,157,691
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,216,794			2,216,794
Transferred from Work in Progress	243,648			243,648
	<u>2,460,442</u>	<u>-</u>	<u>-</u>	<u>2,460,442</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,957,181	221,695	32,899	3,211,775
	<u>2,957,181</u>	<u>221,695</u>	<u>32,899</u>	<u>3,211,775</u>
Net Changes for the Year	<u>(496,739)</u>	<u>(221,695)</u>	<u>(32,899)</u>	<u>(751,333)</u>
Deferred Capital Revenue, end of year	<u>52,135,848</u>	<u>5,593,718</u>	<u>676,792</u>	<u>58,406,358</u>
 Work in Progress, beginning of year	 243,648			 243,648
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	53,309	430,180		483,489
	<u>53,309</u>	<u>430,180</u>	<u>-</u>	<u>483,489</u>
Decrease				
Transferred to Deferred Capital Revenue	243,648			243,648
	<u>243,648</u>	<u>-</u>	<u>-</u>	<u>243,648</u>
Net Changes for the Year	<u>(190,339)</u>	<u>430,180</u>	<u>-</u>	<u>239,841</u>
Work in Progress, end of year	<u>53,309</u>	<u>430,180</u>	<u>-</u>	<u>483,489</u>
Total Deferred Capital Revenue, end of year	<u>52,189,157</u>	<u>6,023,898</u>	<u>676,792</u>	<u>58,889,847</u>

School District No. 72 (Campbell River)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2023

Schedule 4D (Unaudited)

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	752,520	1,971,262	3,263,833	-	-	5,987,615
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	3,483,998					3,483,998
Transfer project surplus to MECC Restricted (from) Bylaw	(275,259)	275,259				-
	3,208,739	275,259	-	-	-	3,483,998
Decrease:						
Transferred to DCR - Capital Additions	2,216,794					2,216,794
Transferred to DCR - Work in Progress	53,309		430,180			483,489
AFG Spent on Non-Capital	380,316					380,316
Capital Approved Project Expense	674,939					674,939
	3,325,358	-	430,180	-	-	3,755,538
	(116,619)	275,259	(430,180)	-	-	(271,540)
Net Changes for the Year						
	635,901	2,246,521	2,833,653	-	-	5,716,075
Balance, end of year						