



AGENDA
Special Open Board Meeting

Thursday, September 21, 2023

4:00 p.m.

Via Zoom

Pages

1. CALL TO ORDER
'Uy' skweyul, sii'em' nu siiye'yu. 'Uy nu shqwaluwun kwunus 'i lumnalu.
We respectfully acknowledge that we are meeting on the traditional and ancestral lands of the Hul'q'umi'num' speaking people where we live, learn and play.
2. ADOPTION OF AGENDA
 - 2.1 Motion to Adopt Agenda
"That the Board of Education of School District No. 79 (Cowichan Valley) adopts the agenda of the September 21, 2023 Special Open Board Meeting."
3. SECRETARY - TREASURER
 - 3.1 For Information
 - 3.1.1 Financial Statement Discussion and Analysis 2 - 29
 - 3.2 For Action
 - 3.2.1 Audited Financial Statements 2022-2023 30 - 78
"That the Board of Education of School District No. 79 (Cowichan Valley) adopts the 2022-2023 Financial Statements."
4. ADJOURNMENT
 - 4.1 Motion to Adjourn
"That there being no further business, the meeting be adjourned."



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

School District No. 79 (Cowichan Valley)

2557 Beverly Street

Duncan, BC V9L 2X3

www.sd79.bc.ca



COWICHAN VALLEY
School District



About the Financial Statement Discussion and Analysis

A Financial Statement Discussion and Analysis paper is designed to provide the reader with an analysis of the financial performance of School District No. 79 (Cowichan Valley) (SD79) for the fiscal year ended June 30, 2023. The report summarizes the financial connection between Board decisions and actual performance.

The results of the current year are discussed in comparison with the prior year actuals and the annual budget. This report supplements and should be read along with the School District's audited financial statements.



Contents

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Acknowledgement of Territory

Xe' xe' smun'eem (Sacred children)

The Cowichan Valley School District recognizes and gives thanks that we work, live and play on the traditional lands of the Coast Salish peoples, specifically the lands of the Ts'uubaa-asatx, Penelakut, Halalt, Lyackson, Stz'uminus, Malahat, and Quw'utsun peoples. We dedicate this work to our First Nations, Inuit and Métis, and all children in the Cowichan Valley School District.





Information About our School District

Situated in the beautiful Cowichan Valley on southern Vancouver Island, the Cowichan Valley School District is located between Victoria and Nanaimo. The Cowichan Valley School District extends north to Saltair, south to Spectacle Lake on the Malahat and west to the Lake Cowichan region. We are honoured to be learning on the ancestral and unceded territories of the Qw’utsun, Malahat, Stz’uminus, Penelakut, Halalt, Ts’uubaa-asatx and Lyackson peoples. The District serves a student population of approximately 8,500 students, of which 1,700 identify as Indigenous. The School District has 22 school sites and an annual budget of over \$111 million. Further information regarding the School District can be obtained at www.sd79.bc.ca.

Student Enrolment by Grade Level 2022/23



- Kindergarten
- Primary (Grades 1-3)
- Intermediate (Grades 4-7)
- Secondary (Grades 8-12)

FUNDED FULL TIME EQUIVALENT (FTE) ENROLMENT BY GRADE

	Kindergarten	Primary (Grades 1-3)	Intermediate (Grades 4-7)	Secondary (Grades 8-12)	Total
All Students	626	1,875	2,611	3,322	8,434
Indigenous Students	116	342	544	734	1,736
Students with Special Needs	28	129	381	633	1,171

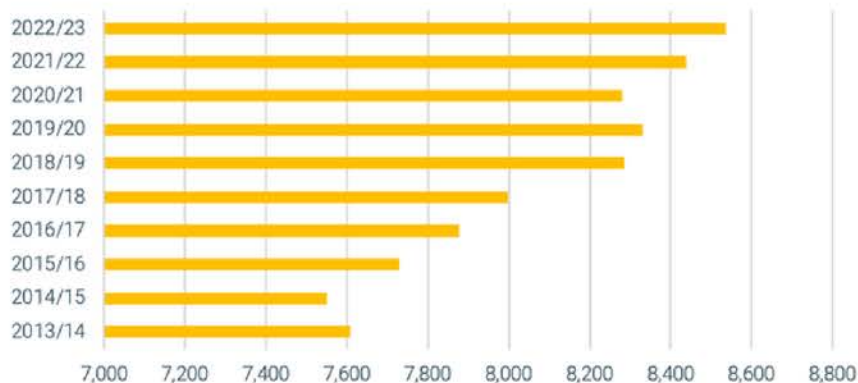


Information About our School District

FUNDED FTE ENROLMENT AND OPERATING FUNDING

Year	September Enrolment	Full Year Enrolment	Operating Funding	Per Pupil
2013/14	7,417	7,609	\$ 69,082,288	\$ 9,079
2014/15	7,274	7,549	\$ 68,577,663	\$ 9,085
2015/16	7,406	7,729	\$ 69,148,280	\$ 8,946
2016/17	7,594	7,877	\$ 71,593,287	\$ 9,089
2017/18	7,798	7,998	\$ 74,006,937	\$ 9,254
2018/19	8,069	8,285	\$ 78,681,964	\$ 9,497
2019/20	8,153	8,331	\$ 81,190,435	\$ 9,746
2020/21	8,112	8,279	\$ 82,867,043	\$ 10,009
2021/22	8,331	8,438	\$ 88,008,382	\$ 10,430
2022/23	8,434	8,536	\$ 90,386,199	\$ 10,589

Funded FTE Enrolments





Beyond Education

Preparing our learners for a world they will create

Strategic Plan 2020-24

'Beyond Education,' our 2020-24 Strategic Plan, was developed through the most comprehensive, future-focused, engagement exercise the District had ever undertaken. Our learners, staff, parents, and community shared their vision for the future and then told us what skills and attitudes would be needed to get there. Finally, they shared how, as a community, we could help make that future become a reality. The 2023/24 school year will see us embark on an ambitious strategic plan regeneration, honouring the work of 'Beyond Education' while focusing on the future. The three-year Financial Plan continues to support this work and is the sole document that guides the funding of this plan. Learn more about our visionary strategic plan at www.ourstorycowichan.ca.

Our Mission

Our students are agile and prepared to transition to a future of their choosing.

We Believe

- All students can learn
- In supporting the whole child
- In holding high and achievable expectations for all
- Learning experiences should be engaging, purposeful and reflective of voice and choice
- In the importance of Indigenous ways of knowing
- We all play a role in supporting student learning
- In using strength-based approaches
- Strength is found in diversity



Beyond Education

Preparing our learners for a world they will create

We Value

EQUITY

Each learner receives what they need to develop to their full potential

RELATIONSHIPS

Interactions that are grounded in integrity and compassion

ENVIRONMENT

Respect and care for the natural world that honours our historical place

HARMONY

Building peaceful communities that support well-being

INCLUSIVENESS

Creating conditions that allow for a strong sense of belonging for all

Understanding School District No.79 (Cowichan Valley) Financial Statements

The School District uses fund accounting and follows accounting standards as set out in the Budget Transparency and Accountability Act of the Province of British Columbia. The Act ensures that the financial statements are prepared in accordance with Canadian public sector accounting standards. Fund accounting is a system for recording resources whose use has been limited or restricted by another party.

The School District's financial statements include the following audited statements:

- **Statement of Financial Position (Statement 1)**
- **Statement of Operations (Statement 2)**
- **Statement of Changes in Net Financial Assets (Debt) (Statement 4)**
- **Statement of Cash Flows (Statement 5)**

Notes to the financial statements are utilized to relay additional information regarding the District's accounting policies and further details as to what is included in the account balances in the financial statements.

Following the notes to the financial statements are supplementary unaudited schedules that provide information about balances within the individual funds.



Changes in Accumulated Surplus (Deficit) (Schedule 1)

- Summarizes the changes in surplus balances for each of the three funds (Operating, Special Purpose, and Capital Funds).

Operating Fund (Schedule 2)

- Includes revenues and expenses related to the operation of the School District, including instruction, administration, maintenance and transportation.
- Accumulated surpluses are monitored to align with the Board's Accumulated Operating Surplus Policy (1 to 3% of the operating budget).
- Accumulated deficits are not permitted.

Understanding School District No.79 (Cowichan Valley) Financial Statements

Special Purpose Fund (Schedule 3)

- Funding included this category has its use restricted by an external party.
- Included are school generated funds and specific purpose funds.
- Special purpose funds do not generate any surplus. Revenues are matched to actual expenditures. Any remaining revenue is deferred.
- Deferred revenues remaining at the end of the year remain restricted in their purpose and are carried over to the following year or returned to the contributor (if specified).
- If expenditures at the end of the year exceed available revenues, the excess is transferred to the Operating fund. Deficits are not permitted.

Capital Fund (Schedule 4)

- Activities related to Tangible Capital Assets (land, buildings, furniture and equipment, software, and vehicles).
- Capital funding received from the Province is recorded using deferral accounting. Capital revenue is recorded in the financial statements over the life of the related asset in order to match the amortization expense (depreciation). Capital fund revenues are not equal to the funding received during the year.
- Capital fund revenues, expenses and the resulting surplus (deficit) are not meaningful measures of financial performance.

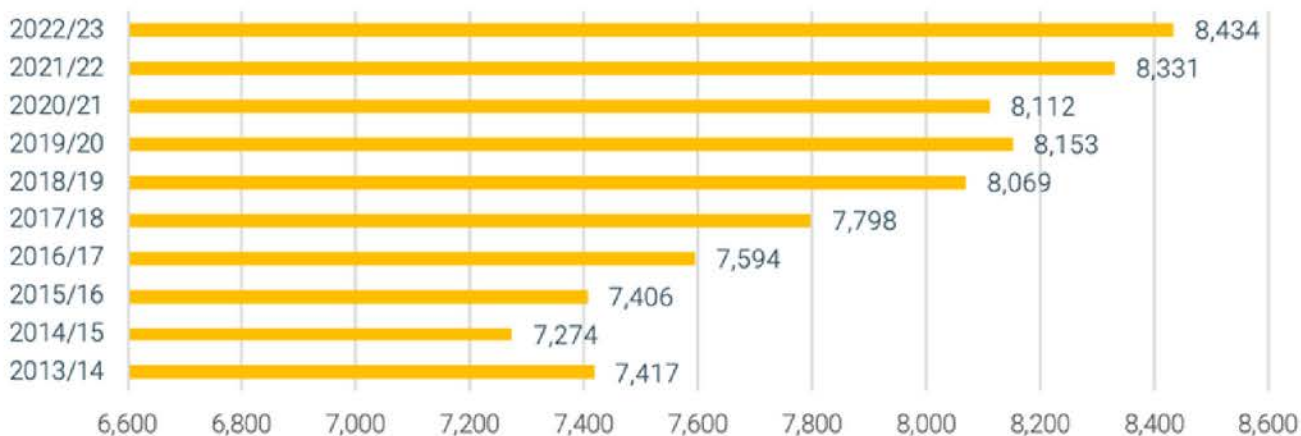




Financial Highlights

The School District grew by 103 FTE for the year ended June 30, 2023. The School District projects that it will continue with modest growth in the coming years resulting in the need for additional classrooms and schools in the future.

FUNDED FTE ENROLMENT BY FISCAL YEAR





Financial Highlights

ENROLMENT (FTE) PER MINISTRY OF EDUCATION

September	2022/23	2021/22
Standard (Regular Schools)	7,968.25	7,785.54
Continuing Education	-	6.13
Alternate Schools	322.00	311.00
Distributed Learning	144.00	227.69
Adult Education	-	0.25
Total Enrolment	8,434.25	8,330.61

Students Receiving Additional Funding (Included in Total Enrolment)

Designated Students	633	589
English Language Learning	388	356
Indigenous Education	1,736	1,673

A new one-time Special Purpose fund was created to track financial support received from the Province intended to assist students and families who were struggling with rising costs of living due to global inflation.

The Student and Family Affordability Fund of \$880,984 was expended on:

- Food programs in schools (Nourish Cowichan);
- Food and gas cards for families in need;
- School supplies;
- Student medical expenses such as eye glasses and dental.



Financial Highlights

2022/23 also included a number of significant capital asset transactions. A summary of projects is listed below:

- Construction entered it's second year on the new \$86M Quw'utsun Secondary School. The estimated date for substantial completion is June, 2024;
- The demolition of AB Greenwell Elementary School;
- Five Child Care Center modulars were completed with four opening during the school year;
- Various building upgrades including plumbing, roofing, flooring and exterior paint;
- Wood Shop dust extraction upgrades at Frances Kelsey and Chemainus Secondary Schools;
- Heating and ventilation system upgrade at Quamichan School.



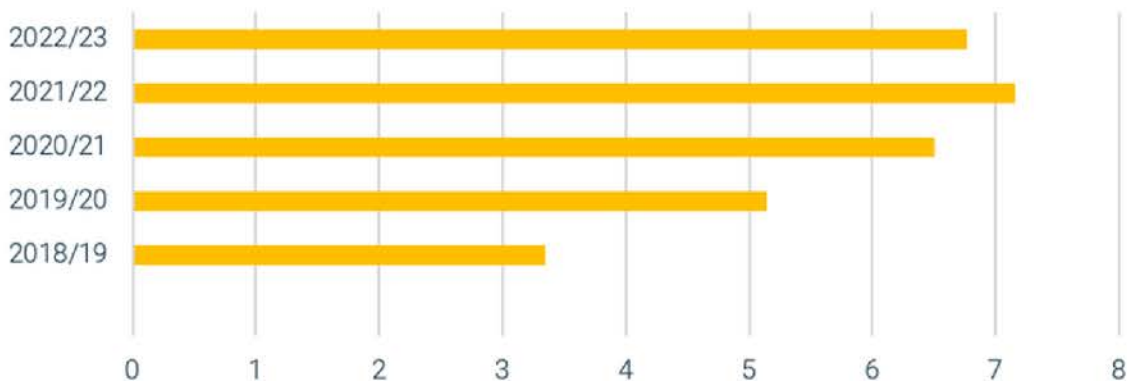


Financial Highlights

The Accumulated Operating Surplus at the end of 2022/23 is illustrated in the chart below. The balance includes both unrestricted surplus and restricted surplus.

- Unrestricted surplus has not been committed for future operations and is available to assist with any unforeseen financial pressures and to assist with balancing the budget in future years.
- Restricted surplus has been committed for future operations. These commitments include:
 - Balancing of the 2023/2024 Operating Budget;
 - Unexpended Indigenous Education targeted funding;
 - Supplies and resources;
 - Other contractual commitments.

**Accumulated Operating Surplus
Balance by Fiscal Year (\$ Millions)**





Financial Analysis Statement of Financial Position

Financial Assets include cash and investments, accounts receivable and inventory available for resale. A financial asset can be utilized to pay down liabilities and provide working capital funds to support the operation.

The increase in financial assets from 2021/22 to 2022/23 resulted from the following changes:

- An increase in investment balances due to improved interest rates;
- An increase in funds due from the Province for reimbursement of expenditures related to the new Quw’utsun Secondary School project;
- An increased in school-based bank balances due to increased activities.



- Total Financial Assets (2023: 9.8%; 2022: 9.7%)
- Total Non-Financial Assets (2023: 40.2%; 2022: 40.3%)
- Total Non-Financial Liabilities (2023: 35.8%; 2022: 33.9%)
- Accumulated Surplus (2023: 14.2%; 2022: 16.1%)

Tangible Capital Assets (TCA) are non-financial assets used to support the School District’s service delivery. They include land, buildings, equipment and furniture, computers, software, and vehicles. Also included is work-in-progress such as costs related to the planning for the new Quw’utsun Secondary School Construction. The balance on the financial statements is the historical cost of acquisition less accumulated amortization to June



Financial Analysis Statement of Financial Position

FINANCIAL POSITION ALLOCATION

	2022/23	2021/22	\$ Change	% Change
		Restated		
Financial Assets	40,290,546	33,561,349	6,729,197	20.1%
Tangible Capital Assets (TCA)	165,431,442	139,223,957	26,207,485	18.8%
Restricted Assets (Endowments)	92,893	92,893	-	0.0%
Prepaid Expenses	561,466	460,363	101,103	22.0%
Total Assets	206,376,347	173,338,562	33,037,785	19.1%
Liabilities	147,783,579	117,694,503	30,089,076	25.6%
Accumulated Surplus	58,592,768	55,644,059	2,948,709	5.3%

On July 1, 2022 school districts adopted Canadian Public Sector Accounting Standard PS 3280 Asset Retirement Obligations (ARO). 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 and lead removal in buildings that will undergo major renovation or demolition in the future. The 2021/22 Tangible Capital Asset balance has been restated to recognize this liability.

The balance in TCA increased by \$26.2M during 2022/23. In total the School District acquired \$20.7M in new TCA, wrote off \$0.6M and amortized \$4.9M.



Financial Analysis Statement of Financial Position

TANGIBLE CAPITAL ASSETS

	Investment	Funding Source
Buildings and Site Improvements		
Building upgrades (significant projects include roofing, flooring, paving, exterior painting, HVAC and accessibility upgrades)	2,241,719	Province - Annual Facilities Grant
AB Greenwell Demolition	411,221	Province - Rural Districts Program (Demo)
Quamichan School HVAC	754,040	Province - Carbon Neutral Climate Action Program
Bench Elementary HVAC	121,804	Province - Carbon Neutral Climate Action Program
Frances Kelsey Secondary HVAC	454,781	Province - School Enhancement Project
Chemainus Secondary HVAC	568,103	Province - School Enhancement Project
Lake Cowichan HVAC	31,010	Province - School Enhancement Project
Qw'utsun Secondary Construction	2,467,772	Province - Seismic Replacement Project
Qw'utsun Secondary School Construction - Building - Work-in-Progress	24,156,212	Province - Seismic Replacement Project
New Childcare Space Creation	190,102	Province - Other Ministry Funding
New Childcare Space Creation - Work-in-Progress	34,204	Province - Other Ministry Funding
Charging Station Electrical	1,581	Canadian Infrastructure Bank Loan
Frances Kelsey Portables	49,538	Local Capital
Palsson Portable Move	114,772	Operating Funding
Building and Site Improvements Additions	31,596,859	
Furniture and Equipment		
Child Care Center Furniture	7,525	Province - Other Ministry Funding
Security Cameras	6,804	Local Capital
Qw'utsun Secondary School Construction - Furniture - Work-in-Progress	20,498	Province - Seismic Replacement Project
Furniture and Equipment Additions	34,827	
Software		
SDS Software Update	29,189	Operating Fund
Software Additions	29,189	
Vehicles		
No Vehicle Additions	-	
Total Capital Additions	31,660,875	



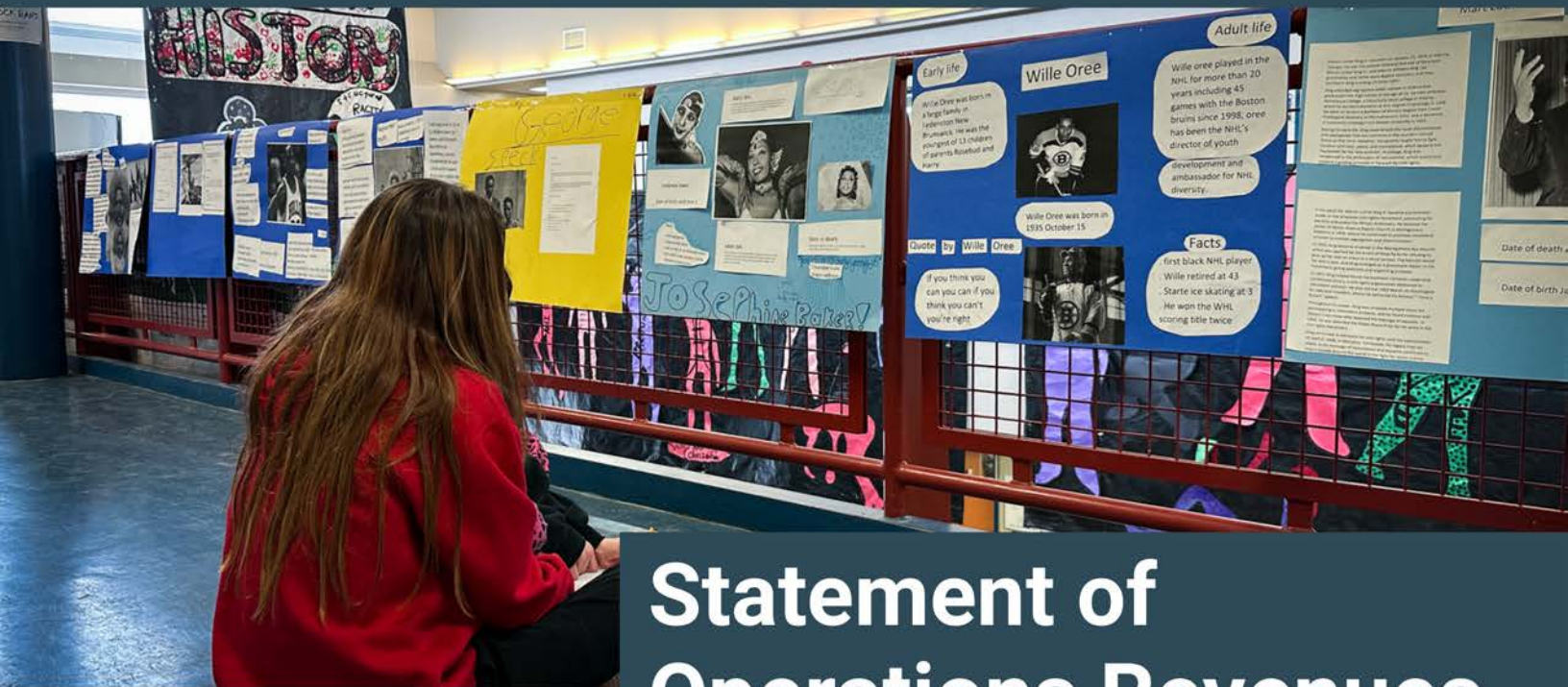
Financial Analysis Statement of Financial Position

Accumulated surplus is made up of the following components:

ACCUMULATED SURPLUS BALANCE BY FISCAL YEAR

	2021/22	2021/22	\$ Change	% Change
Operating Fund:				
Internally Restricted	3,529,092	3,302,223	226,869	6.9%
Unrestricted	3,243,895	3,853,155	(609,260)	-15.8%
Total Operating Fund Surplus	6,772,987	7,155,378	(382,391)	-5.3%
Unrestricted as a % of Operating Budget Expenditure	3.45%	4.31%		
Special Purpose Fund:				
Endowments (Scholarships)	92,893	92,893	-	0.0%
Capital Fund:				
		Restated		
Investment in Tangible Capital Assets (TCA)	49,161,624	45,882,889	3,278,735	7.1%
Local Capital	2,565,264	2,512,899	52,365	2.1%
Total Capital Fund Surplus	51,726,888	48,395,788	3,331,100	6.9%
Total Accumulated Surplus	58,592,768	55,644,059	2,948,709	5.3%

The Board has adopted an accumulated surplus policy that recommends maintaining between 1 to 3% of the Operating Budget Expenditures in unrestricted surplus (3.45% for 2022/23, 4.31% for 2021/22)



Statement of Operations Revenues



- Province of BC
(2023: 89.2%; 2022: 88.7%)
- Tuition
(2023: 1.7%; 2022: 2.0%)
- Other Revenue
(2023: 8.1%; 2022: 7.7%)
- Rentals and Leases
(2023: 0.1%; 2022: 0.2%)
- Investment Income
(2023: 0.8%; 2022: 0.2%)
- Gain (Loss) on Disposal of Tangible Capital Assets
(2023: 0%; 2022: 1.2%)

COMPARISON OF 2022/23 ACTUAL REVENUES TO THE 2021/22 ACTUAL AND 2022/23 BUDGET

	Fiscal 2022/23		Fiscal 2021/22	Difference from Budget		Difference from Prior Year	
	Budget	Actual	Actual	\$	%	\$	%
Provincial	97,021,463	105,822,283	100,011,169	8,800,820	9.1%	5,811,114	5.8%
Tuition	2,100,000	2,064,220	2,232,783	(35,780)	-1.7%	(168,563)	-7.5%
Other Revenue	7,747,381	9,632,076	8,701,494	1,884,695	24.3%	930,582	10.7%
Rentals and Leases	150,000	166,980	259,116	16,980	11.3%	(92,136)	-35.6%
Investment Income	303,700	967,280	231,324	663,580	218.5%	735,956	318.1%
Gain (Loss) on Disposal of Tangible Capital Assets	-	-	1,298,035	-	0.0%	(1,298,035)	0.0%
Amortization of Deferred Capital Revenue	3,805,554	4,067,903	3,462,645	262,349	6.9%	605,258	17.5%
Total Revenue	111,128,098	122,720,742	116,196,566	6,971,819	6.3%	6,524,176	5.6%



Statement of Operations Revenues

Provincial Grants

Provincial grants increased from the prior year due to a number of factors:

- An increase in the Operating Grant resulting from an additional 103 FTE over the prior year and funding for wage settlements (\$5.6M);
- An overall increase in Special Purpose Fund funding of (\$0.7M) due to the introduction of the one-time Student and Family Affordability Fund;
- An increase in the amount of site preparation work for the new Quw'utsun Secondary School project and demolition of AB Greenwell Elementary. This site work is recognized into revenue in the year it is completed and not amortized like other assets over the life of the asset (\$0.7M).

Tuition

Tuition revenue has decreased slightly from the prior year due to a small reduction in International Students. This program has been affected by the impacts of global inflation.

Other Revenues

Other revenues have increased from the prior year due to the following:

- An increase in funding from First Nations \$0.3M;
- Miscellaneous changes to School Based Funds, International Registration Fees and Out of School Care Fees \$0.2M.

Rentals and Leases

Rental and lease revenue decreased from the previous year. Prior to beginning construction on the new Quw'utsun Secondary School, the school site was rented twice a year to a midway generating approximately \$60K per year.



Statement of Operations Revenues

Investment Income

Interest rates were increased as the Bank of Canada set new benchmarks to target inflation.

Write-Off / Down of Buildings and Sites

The Board received project approval to proceed with the demolition of Stanley Gordon Middle School in Lake Cowichan. The unamortized building value of \$350K has been removed from Tangible Capital Assets.

Amortization of Deferred Capital Revenue

Amortization of deferred capital revenue increased over the prior year due to the capital additions funded by the Province in 2022/23 and the second year of the ½ year rule for amortization.





Statement of Operations Expenses by Function



- Instruction
(2023: 79.9%; 2022: 80.1%)
- District Administration
(2023: 3.2%; 2022: 3.0%)
- Operations and Maintenance
(2023: 13.4%; 2022: 13.7%)
- Transportation and Housing
(2023: 3.1%; 2022: 3.2%)
- Write-off/down of Buildings and Sites
(2023: 0.3%; 2022: 0%)

COMPARISON OF 2022/23 ACTUAL EXPENDITURES TO THE 2021/22 ACTUAL AND 2022/23 BUDGET

	Fiscal 2022/23		Fiscal 2021/22	Difference from Budget		Difference from Prior Year	
	Budget	Actual	Actual	\$	%	\$	%
Instruction	89,361,943	95,722,045	88,693,028	6,360,102	7.1%	7,029,017	7.9%
District Administration	3,497,574	3,829,211	3,314,430	331,637	9.5%	514,781	15.5%
Operations and Maintenance	14,994,145	16,104,743	15,162,833	1,110,598	7.4%	941,910	6.2%
Transportation and Housing	3,545,472	3,767,251	3,522,121	221,779	6.3%	245,130	7.0%
Write-off/down of Buildings and Sites	-	348,783	-	348,783	0.0%	348,783	0.0%
Total Expenditures	111,399,134	119,772,033	110,692,412	8,372,899	7.5%	9,079,621	8.2%



Statement of Operations Expenses by Function

Instruction

Expenditures related to Instruction increased in 2022/23 due to:

- Wage increases of approximately 4% for CUPE and Teachers;
- Wage increases of approximately 4% for Principals, Vice-Principals and Exempt Staff.

District Administration

District Administration costs increased in 2022/23 due to:

- Wage increases of approximately 4% for CUPE;
- Wage increases of approximately 4% for Principals, Vice-Principals and Exempt Staff;
- The creation of a Human Resources position;
- Costs associated with the October 2022 Trustee Election.

Operations and Maintenance

Operations and Maintenance costs increased over 2020/21. This was due to the following:

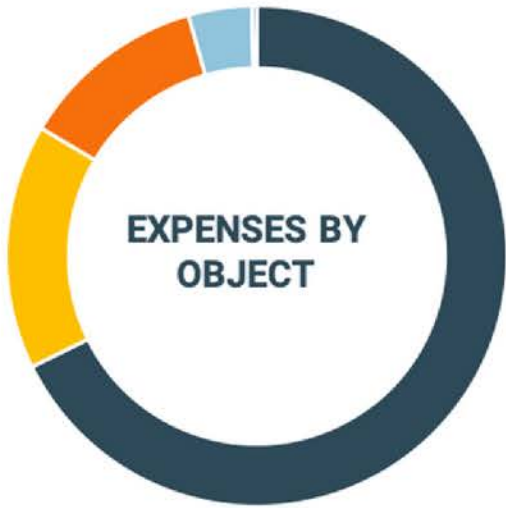
- Wage increases of approximately 4% for USW and CUPE;
- Wage increases of approximately 4% for Exempt Staff;
- Inflationary pressures in maintenance and custodial supplies;
- High utility usage related to colder Spring and Winter months..

Transportation and Housing

Transportation costs are fairly consistent with 2021/22 adjusted for the approximate 4% wage increase received by the USW bus drivers.



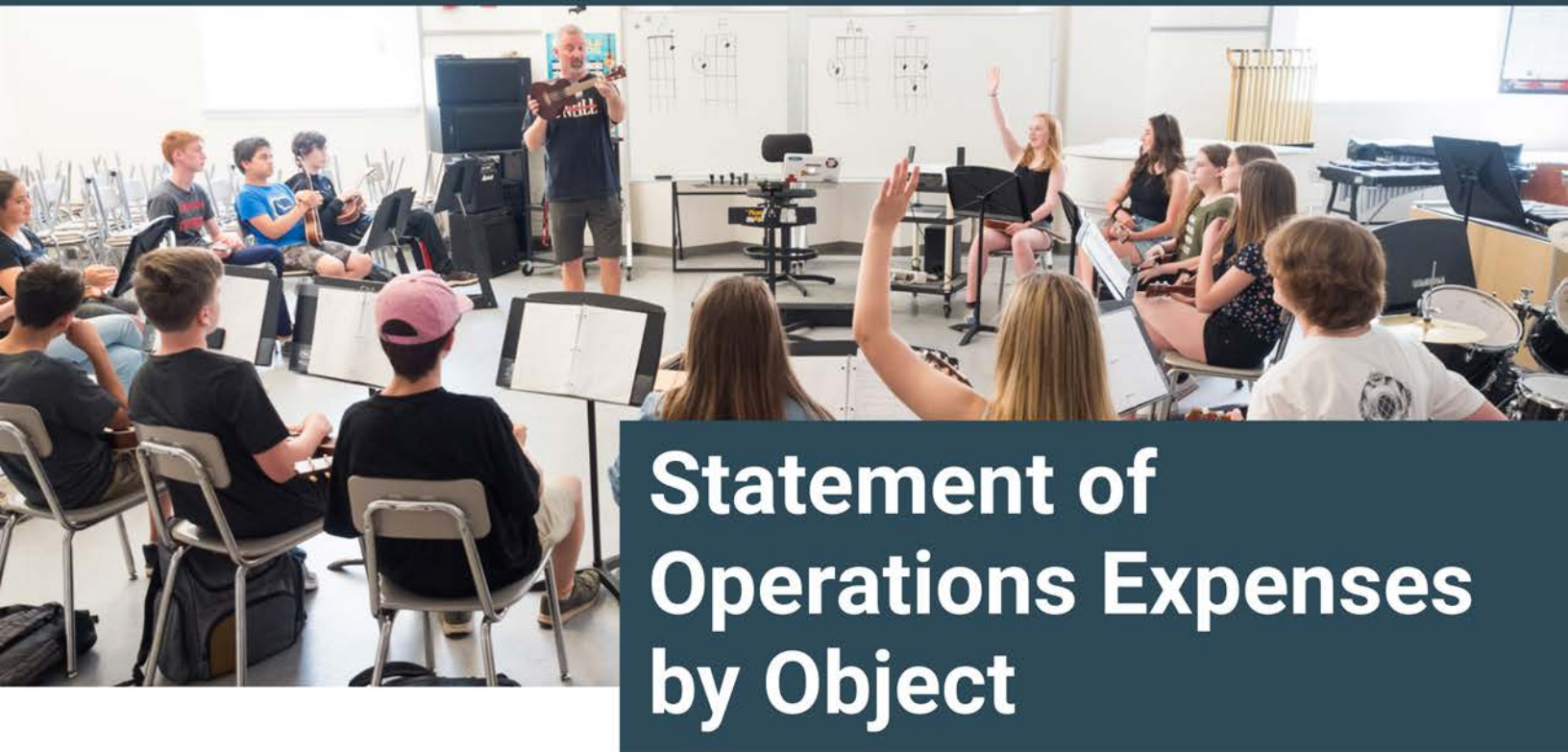
Statement of Operations Expenses by Object



- Salaries
(2023: 67.7%; 2022: 68.6%)
- Benefits
(2023: 15.8%; 2022: 15.6%)
- Services and Supplies
(2023: 12.1%; 2022: 11.4%)
- Amortization
(2023: 4.1%; 2022: 4.3%)
- Write-off/down of Buildings and Sites
(2023: 0.3%; 2022: 0%)

COMPARISON OF 2022/23 ACTUAL EXPENDITURES TO THE 2021/22 ACTUAL AND 2022/23 BUDGET

	Fiscal 2022/23		Fiscal 2021/22	Difference from Budget		Difference from Prior Year	
	Budget	Actual	Actual	\$	%	\$	%
Salaries	76,850,778	81,097,201	75,940,757	4,246,423	6%	5,156,444	7%
Benefits	18,401,943	18,950,170	17,302,789	548,227	3%	1,647,381	10%
Services and Supplies	11,502,472	14,461,565	12,641,902	2,959,093	26%	1,819,663	14%
Amortization	4,643,941	4,914,314	4,806,964	270,373	6%	107,350	2%
Write-off/down of Buildings and Sites	-	348,783	-	-	0%	348,783	0%
Total Expenditures	111,399,134	119,772,033	110,692,412	8,024,116	7%	8,730,838	8%



Statement of Operations Expenses by Object

Salaries and Benefits

Salaries and Benefits increased over the prior year due to wage increases for most staff and additional staff hired to provide education services to 103 FTE additional students.

The difference between the amounts budgeted for salaries and benefits and actuals is due to the staff added in September when enrolment projections were exceeded.

Services and Supplies

Service and Supplies increased over the prior year for a couple of reasons:

- Inflationary cost pressures significantly affecting the cost of goods and services;
- The distribution of the one time Student and Family Affordability Fund.

Amortization

Amortization expense has only slightly increased over the prior year. This expenditure fluctuates based on the purchase of capital assets in the previous years and the number of years that the asset classes are amortized over.

Risk Factors

Enrolment

Student enrolment is the most critical input in the formula that provides the School District's Operating Funding from the Ministry of Education. The accuracy of the enrolment estimates is critical in Budget planning. The number of students determines how many staff to allocate and what resources need to be provided. The District offsets this risk by monitoring housing development and using a Demographer to project future enrolment.

Space Requirements

The Cowichan Valley School District is nearing capacity in its elementary schools. As divisions are required to accommodate future growth, there is the risk that an elementary school will not have the available classroom space requiring the purchase of portables or a change in catchment area to redirect students to a neighbouring school. As the cost of an installed portable is approximately \$300K, this future growth will come with a cost that must be funded by the School District.

Inflation

The 2022/2023 school year saw inflation reach its highest level in decades. This is a result of supply chain issues and an overly active real estate market. Inflation affects the cost of diesel fuel and repair parts for the bus fleet, maintenance materials such as plumbing fixtures and lumber, school supplies, and school meal programs. The Federal Government has taken steps to curb inflation by introducing multiple increases to the base lending rate of the Bank of Canada. For each increase of .25% to the base lending rate, the School District realizes an additional \$50K per year in interest revenue on its investments.

Collective Agreement Bargaining

The School District jointly holds collective agreements with the Cowichan Valley Teachers' Federation, Canadian Union of Public Employees and the United Steel Workers. These agreements have all been renegotiated for a three year period ending June 30, 2025. There is a fiscal framework that is bargained at the Provincial level that determines wage and job condition improvements. The risk exists that this framework will not be adequately funded by the Provincial Government when integrated into the funding formula. For the 2022/2023 and 2023/2024 fiscal years the Provincial Government has funded Principals, Vice-Principals and Exempt staff increases. Previously the School District was required to fund these salary improvements from existing funding.

Upcoming Projects

School Site Acquisition Charges

The School Sites Acquisition Charge (SSAC) is a charge per dwelling unit to be paid by residential developers. The charge collected by local government is transferred to school boards to help them to fund for new school sites needed as a result of new residential development. The School District has paused this process pending enrolment pressures. When renewed the School District will be consulting with local government and assessing areas of community growth where future school sites will be required.

Cowichan Secondary Closure and Disposal Consultation

The School District is anxiously anticipating the opening of the new Quw'utsun Secondary School in September of 2024. Students will move from the aging Cowichan Secondary School to the new school at that time. What to do with the old Cowichan Secondary will be determined through consultation with the community and local Governments. A decision by the Board of Education is expected by the Spring of 2024.

New Child Care Space Funding

The School District has delivered, entered into lease agreements with non-profits, and now has operating child care centers at Cowichan Valley Open Learning Co-op, Chemainus Elementary, Khowhemun Elementary and Palsson Elementary. The facility intended for the new Quw'utsun Secondary was unable to be installed at that location and the School District is investigating an alternate location.

New applications are expected to be submitted for additional locations that will serve the families of the Cowichan Valley.



The Financial Management Team

The Financial Statement Discussion and Analysis report has been created to provide the stakeholders of the Cowichan Valley School District with a more detailed overview of the financial information provided within the 2022/23 Financial Statements. This report provides additional accountability to the School District for disclosing how the funding it has received has been allocated. If you have any questions about this report or need additional financial information, please contact the Secretary Treasurer's office.

Jason Sandquist, Secretary-Treasurer

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Phone: 250-748-0321 Ext. 208

Claudia McMahon, Associate Secretary-Treasurer

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School District No. 79 (Cowichan Valley)

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Audited Financial Statements of

School District No. 79 (Cowichan Valley)

And Independent Auditors' Report thereon

June 30, 2023

School District No. 79 (Cowichan Valley)

June 30, 2023

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School District No. 79 (Cowichan Valley)

MANAGEMENT REPORT

Version: 9755-9009-7027

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 79 (Cowichan Valley) 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. 79 (Cowichan Valley) (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, Baker Tilly Victoria Ltd, 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. 79 (Cowichan Valley) 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. 79 (Cowichan Valley)

Signature of the Chairperson of the Board of Education Date Signed

Signature of the Superintendent Date Signed

Signature of the Secretary Treasurer Date Signed

INDEPENDENT AUDITORS' REPORT

**To the Board of Education of
School District No. 79 (Cowichan Valley)**

Report on the Audit of the Financial Statements***Opinion***

We have audited the accompanying financial statements of School District No. 79 (Cowichan Valley) (the "District"), which comprise the statements of financial position as at June 30, 2023, the statements of operations, changes in net financial debt, and cash flows for the year ended June 30, 2023, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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

Without modifying our opinion, we draw attention to Note 2a to the financial statements, which discloses that the accounting requirements of section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers. Note 2a to the financial statements discloses the impact of these differences.

Other Matters

The attached supplementary information included in schedule 1 through 4 is presented for the purposes of additional analysis and has not been audited.

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 accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act

ACCOUNTING • TAX • ADVISORY

Baker Tilly Victoria Ltd. is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities

INDEPENDENT AUDITORS' REPORT

of the Province of British Columbia, 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 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 District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.

Auditors' 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 auditors' 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 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 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify

INDEPENDENT AUDITORS' REPORT

our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.

Baker Tilly Victoria Ltd.

Chartered Professional Accountants

Victoria, Canada
September 21, 2023

Draft

School District No. 79 (Cowichan Valley)

Statement of Financial Position

As at June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	31,635,027	27,097,636
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	5,473,134	3,877,307
Due from Province - Other	12,456	77,144
Due from First Nations	2,155,079	1,573,840
Other (Note 3)	999,177	914,773
Inventories for Resale	15,673	20,649
Total Financial Assets	40,290,546	33,561,349
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	18,600,391	11,811,154
Unearned Revenue (Note 5)	1,134,526	1,295,548
Deferred Revenue (Note 6)	3,670,794	3,359,800
Deferred Capital Revenue (Note 7)	114,435,948	91,217,325
Employee Future Benefits (Note 8)	4,365,652	4,219,570
Asset Retirement Obligation (Note 17)	4,209,993	4,394,154
Debt (Note 9)	200,000	
Other Liabilities (Note 4)	1,166,275	1,396,952
Total Liabilities	147,783,579	117,694,503
Net Debt	(107,493,033)	(84,133,154)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	165,431,442	139,223,957
Restricted Assets (Endowments) (Note 12)	92,893	92,893
Prepaid Expenses	561,466	460,363
Total Non-Financial Assets	166,085,801	139,777,213
Accumulated Surplus (Deficit)	58,592,768	55,644,059
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	58,592,768	55,644,059
Accumulated Remeasurement Gains (Losses)	58,592,768	55,644,059

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. 79 (Cowichan Valley)

Statement of Operations
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	96,805,463	105,464,075	98,436,545
Other	216,000	358,208	1,574,624
Tuition	2,100,000	2,064,220	2,232,783
Other Revenue	7,747,381	9,632,076	8,701,494
Rentals and Leases	150,000	166,980	259,116
Investment Income	303,700	967,280	231,324
Gain (Loss) on Disposal of Tangible Capital Assets			1,298,035
Amortization of Deferred Capital Revenue	3,805,554	4,067,903	3,462,645
Total Revenue	<u>111,128,098</u>	<u>122,720,742</u>	<u>116,196,566</u>
Expenses (Note 18)			
Instruction	89,361,943	95,722,045	88,693,028
District Administration	3,497,574	3,829,211	3,314,430
Operations and Maintenance	14,994,145	16,104,743	15,162,833
Transportation and Housing	3,545,472	3,767,251	3,522,121
Write-off/down of Buildings and Sites		348,783	
Total Expense	<u>111,399,134</u>	<u>119,772,033</u>	<u>110,692,412</u>
Surplus (Deficit) for the year	<u>(271,036)</u>	<u>2,948,709</u>	<u>5,504,154</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		55,644,059	50,139,905
Accumulated Surplus (Deficit) from Operations, end of year		<u>58,592,768</u>	<u>55,644,059</u>

School District No. 79 (Cowichan Valley)

Statement of Changes in Net Debt
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(271,036)</u>	<u>2,948,709</u>	<u>5,504,154</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(3,746,942)	(31,660,864)	(20,655,278)
Amortization of Tangible Capital Assets	4,643,941	4,914,314	4,806,964
Net carrying value of Tangible Capital Assets disposed of			434,544
Write-down carrying value of Tangible Capital Assets		539,068	
Total Effect of change in Tangible Capital Assets	<u>896,999</u>	<u>(26,207,482)</u>	<u>(15,413,770)</u>
Acquisition of Prepaid Expenses	(350,000)	(387,745)	(218,178)
Use of Prepaid Expenses	350,000	286,639	351,551
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(101,106)</u>	<u>133,373</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>625,963</u>	<u>(23,359,879)</u>	<u>(9,776,243)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(23,359,879)</u>	<u>(9,776,243)</u>
Net Debt, beginning of year		<u>(84,133,154)</u>	<u>(74,356,911)</u>
Net Debt, end of year		<u><u>(107,493,033)</u></u>	<u><u>(84,133,154)</u></u>

School District No. 79 (Cowichan Valley)

Statement of Cash Flows
Year Ended June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	2,948,709	5,504,154
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(2,196,782)	(3,234,344)
Inventories for Resale	4,976	(1,542)
Prepaid Expenses	(101,106)	133,373
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	6,789,237	2,011,472
Unearned Revenue (Note 5)	(161,022)	(178,340)
Deferred Revenue	310,994	(191,025)
Employee Future Benefits	146,082	108,011
Other Liabilities	(414,838)	123,536
Loss (Gain) on Disposal of Tangible Capital Assets		(1,298,035)
Amortization of Tangible Capital Assets (Note 10)	4,914,314	4,806,964
Amortization of Deferred Capital Revenue	(4,067,903)	(3,462,645)
Recognition of Deferred Capital Revenue Spent on Sites	(3,469,708)	(4,184,110)
Write-Off/down of Buildings and Sites	348,783	
Recognition of Deferred Capital Revenue Spent on ARO	(184,161)	
Total Operating Transactions	<u>4,867,575</u>	<u>137,469</u>
Capital Transactions		
Tangible Capital Assets Purchased	(7,448,369)	(11,623,923)
Tangible Capital Assets -WIP Purchased	(24,210,914)	(8,832,936)
District Portion of Proceeds on Disposal		1,732,575
Tangible Capital Assets - Canadian Infrastructure Bank	(1,581)	(198,419)
Total Capital Transactions	<u>(31,660,864)</u>	<u>(18,922,703)</u>
Financing Transactions		
Loan Proceeds (Note 9)	200,000	
Capital Revenue Received	31,130,680	14,868,380
Total Financing Transactions	<u>31,330,680</u>	<u>14,868,380</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>4,537,391</u>	<u>(3,916,854)</u>
Cash and Cash Equivalents, beginning of year	<u>27,097,636</u>	<u>31,014,490</u>
Cash and Cash Equivalents, end of year	<u>31,635,027</u>	<u>27,097,636</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>31,635,027</u>	<u>27,097,636</u>



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on December 2, 1996, 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. 79 and operates as Cowichan Valley School District. 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 and Child Care. Cowichan Valley School District (School District) is exempt from federal and provincial corporate income taxes.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the School District is not practicable at this time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

a) Basis of Accounting (cont'd)

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 \$11,376,857
- June 30, 2022 – increase in accumulated surplus and decrease in deferred contributions by \$14,839,502
- Year-ended June 30, 2023 – increase in annual surplus by \$26,955,481
- June 30, 2023 – increase in accumulated surplus and decrease in deferred contributions by \$31,023,384

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

d) Inventories for Resale

Inventories for resale including school supplies are measured at lower of cost and net realizable value. Cost includes all costs incurred to get ready for sale including taxes. Net realizable value is the expected selling price in the ordinary course of business.

e) Unearned Revenue

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

f) Deferred Revenue and Deferred Capital Revenue

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

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.

g) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements. The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

g) Employee Future Benefits (cont'd)

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.

h) Asset Retirement Obligations

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

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

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District has been initially recognized using the modified retroactive method (see Notes 17 and 21). The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see Note 2 (j)). Assumptions used in the calculations are reviewed annually.



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

i) Liability for Contaminated Sites

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

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

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

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

their net book value. The write-downs are accounted for as expenses in the Statement of Operations.

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

j) Tangible Capital Assets (cont'd)

- 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. 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

k) 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.

l) Prepaid Expenses

Prepaid utilities, prepaid insurance, and prepaid services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

m) Supplies Inventory

Supplies inventory held for consumption or use include materials and supplies and are recorded at the lower of historical cost and replacement cost.

n) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 13 – Interfund Transfers and Note 19 – Internally Restricted Surplus).

o) 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 has to meet in order to receive the contributions including authorization by the transferring government.

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

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

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



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

o) Revenue Recognition (cont'd)

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.

p) Expenditures

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

Categories of Salaries

- Principals, Vice Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice Principals.
- Superintendents, Associate 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 Indigenous education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals' and Vice Principals' salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

p) Expenditures (cont'd)

- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

q) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

r) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, bank overdraft, accounts payable and accrued liabilities, long term debt and other liabilities.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, 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 and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

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.



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

r) Financial Instruments (cont'd)

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.

s) Measurement Uncertainty

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

t) 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.



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) Future Changes in Accounting Policies (cont'd)

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.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2023	2022
Due from Federal Government	\$ 411,843	\$ 529,963
Other	604,334	399,810
Allowance for Doubtful Accounts	(15,000)	(15,000)
	<u>\$ 999,177</u>	<u>\$ 914,773</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2023	2022
Trade payables	\$ 8,165,659	\$ 3,998,371
Salaries and benefits payable	8,221,189	5,941,863
Accrued vacation and banked pay	2,151,960	1,807,171
Other	61,583	63,749
	<u>\$18,600,391</u>	<u>\$11,811,154</u>

OTHER LIABILITIES

	2023	2022
International Homestay payable	\$644,327	\$862,363
International Medical payable	296,220	270,528
Other	225,728	264,061
	<u>\$1,166,275</u>	<u>\$1,396,952</u>



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

NOTE 5 UNEARNED REVENUE

	2023	2022
Balance, beginning of year	\$1,295,548	\$1,473,888
Changes for the year:		
Increase:		
Tuition fees	1,859,058	2,058,823
Busing Fees	56,335	63,090
	\$1,915,393	\$2,121,913
Decrease:		
Tuition fees	2,020,820	2,232,783
Busing Fees	55,595	67,470
	\$2,076,415	\$2,300,253
Net changes for the year	(161,022)	(178,340)
Balance, end of year	\$1,134,526	\$1,295,548

NOTE 6 DEFERRED REVENUE

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

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. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

NOTE 8 EMPLOYEE FUTURE BENEFITS

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



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

	2023	2022
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$4,421,867	\$4,234,682
Service Cost	363,543	375,821
Interest Cost	143,765	109,501
Benefit Payments	(374,581)	(401,366)
Actuarial (Gain) Loss	(374,162)	103,229
Accrued Benefit Obligation – March 31	<u>\$4,180,432</u>	<u>\$4,421,867</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$4,180,432	\$4,421,867
Market Value of Plan Assets – March 31	0	0
Funded Status – Surplus (Deficit)	(4,180,432)	(4,421,867)
Employer Contributions After Measurement Date	101,293	45,418
Benefits Expense After Measurement Date	(132,085)	(126,827)
Unamortized Net Actuarial (Gain) Loss	(154,429)	283,706
Accrued Benefit Asset (Liability) – June 30	<u>\$(4,365,652)</u>	<u>\$(4,219,570)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$4,219,570	\$4,111,559
Net expense for Fiscal Year	576,538	539,404
Employer Contributions	(430,456)	(431,393)
Accrued Benefit Liability – June 30	<u>\$4,365,652</u>	<u>\$4,219,570</u>
Components of Net Benefit Expense		
Service Cost	\$361,862	\$372,752
Interest Cost	150,704	118,067
Amortization of Net Actuarial (Gain)/Loss	63,973	48,585
Net Benefit Expense (Income)	<u>\$576,538</u>	<u>\$539,404</u>

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



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

	2023	2022
Assumptions		
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		9.0

NOTE 9 DEBT

The following loans approved under *Section 144* of the *School Act* are outstanding:

	2023	2022
Loan of \$200,000 for two electric buses, approved on June 15, 2021, borrowed in June, 2023, from the Canadian Infrastructure Bank, with first quarterly payment due November 30, 2023, for a term of 10 years, bearing interest at 1.00%, repayable in quarterly principle and interest payments, maturing November 30, 2033.	\$200,000	\$0
Loan payments are based on total forecast operating savings as compared to a diesel bus, and could be lower if actual savings differ from forecast.		
	\$200,000	\$0

Anticipated annual principle repayments over the next five years and thereafter are as follows:

2024	\$ 13,387
2025	11,898
2026	14,461
2027	17,073
2028	19,841
Thereafter	123,340
	\$200,000



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

NOTE 10 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2023	Net Book Value 2022 (restated see Note 21)
Sites	\$ 36,668,133	\$ 33,202,876
Buildings	89,952,099	90,759,543
Buildings – work in progress	35,233,828	11,043,412
Furniture – work in progress	20,498	
Furniture & Equipment	1,092,722	1,295,194
Vehicles	2,382,284	2,848,976
Computer Software	81,878	73,956
Total	\$165,431,442	\$139,223,957

June 30, 2023

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2023
Sites	\$ 33,202,879	\$ 3,465,254	\$	\$	\$ 36,668,133
Buildings	191,854,651	3,941,188	(1,964,564)		193,831,275
Buildings – work in progress	11,043,412	24,190,416			35,233,828
Furniture-Work in progress		20,498			20,498
Furniture & Equipment	2,197,949	14,329	(74,221)		2,138,057
Vehicles	4,946,401		(558,933)		4,387,468
Computer Software	91,696	29,179			120,875
Total	\$243,336,988	\$31,660,864	\$(2,597,718)	\$	\$272,400,134



NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)

	Opening Accumulated Amortization	Annual Amortization	Disposals	Total 2023
Sites	\$	\$	\$	\$
Buildings	101,095,107	4,209,565	(1,425,496)	103,879,176
Furniture & Equipment	902,756	216,800	(74,221)	1,045,335
Vehicles	2,097,425	466,692	(558,933)	2,005,184
Computer Software	17,740	21,257	-	38,997
Total	\$104,113,028	\$4,914,314	\$(2,058,650)	\$106,968,692

June 30, 2022

	Opening Cost	ARO (see Note 21)	Additions	Disposals	Transfers (WIP)	Total 2022 (restated see Note 21)
Sites	\$29,277,313	\$	\$ 4,360,110	\$(434,544)	\$	\$ 33,202,879
Buildings	182,411,279	3,662,500	5,780,872			191,854,651
Buildings – work in progress	2,298,395		8,745,017			11,043,412
Furniture & Equipment	1,748,354		598,204	(148,609)		2,197,949
Vehicles	4,088,856		1,116,142	(258,597)		4,946,401
Computer Software	36,762		54,934			91,696
Computer Hardware	55,080			(55,080)		
Total	\$219,916,039	\$3,662,500	\$20,655,279	\$(896,830)	\$	\$243,336,988



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)

	Opening Accumulated Amortization	ARO (see Note 21)	Annual Amortization	Disposals	Total 2022 (restated see Note 21)
Sites	\$	\$	\$	\$	\$
Buildings	93,293,073	3,662,500	4,139,534		101,095,107
Furniture & Equipment	854,050		197,315	(148,609)	902,756
Vehicles	1,904,258		451,764	(258,597)	2,097,425
Computer Software	4,894		12,846	-	17,740
Computer Hardware	49,575		5,505	(55,080)	
Total	\$96,105,850	\$3,662,500	\$4,806,964	\$(462,286)	\$104,113,028

- Buildings – work in progress having a value of \$35,233,828 (2022: \$11,043,412) have not been amortized. Amortization of these assets will commence when the asset is put into service.
- Interest capitalized for capital projects during 2023 was \$0 (2022: \$0).

NOTE 11 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.



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

NOTE 11 EMPLOYEE PENSION PLANS (Continued)

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 \$8,055,648 for employer contributions to the plans for the year ended June 30, 2023 (2022: \$7,635,642).

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.

NOTE 12 RESTRICTED ASSETS - ENDOWMENT FUNDS

Donors have placed restrictions on their contributions to the endowment funds of the school district. One restriction is that the original contribution should not be spent. Another potential restriction is that any investment income of the endowment fund that is required to offset the eroding effect of inflation or preserve the original value of the endowment should also not be spent.

Name of Endowment	2022	2023
W.F. Marshall Scholarship	\$ 2,592	\$ 2,592
Xerox Canada Scholarship	12,500	12,500
George Alistair MacKay Scholarship	37,766	37,766
Wunderlich Safety Scholarship	2,216	2,216
V.L. Stanley-Jones Memorial Scholarship	20,000	20,000
Raoula Pedersen Memorial Fine Arts	9,426	9,426
Christina McLeod Memorial Scholarship	8,393	8,393
Total	\$ 92,893	\$ 92,893



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

NOTE 13 INTERFUND TRANSFERS

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

	Operating Fund	Special Purpose Fund	Capital Fund
Tangible Capital Assets purchased from Operating funds	\$(143,952)		
Tangible Capital Assets purchased from Special Purpose funds		\$(619,766)	
Total	\$(143,952)	\$(619,766)	\$763,718

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 considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 15 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. Most notable is the three-year construction of the new Cowichan Secondary School that began in the Fall 2021. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Contractual Obligation	2023	2024	2025	2026	2027	Thereafter
Facility Lease	\$ 48,867	\$ 22,990	\$ 21,000	\$ 21,000	\$21,000	\$21,000
Computers	416,825	333,672	239,449	56,606	27,516	-
Equipment Contracts	166,144	166,771	150,802	145,264	12,105	-
Busing Contract	251,843	257,043	262,244	267,444	-	-
Building Construction	42,714,470	3,461,654	-	-	-	-
Commitments						
Other Supplier	30,045	50,646	31,259	-	-	-
Commitments						
Totals	\$ 43,628,194	\$4,292,776	\$ 704,754	\$ 490,314	\$60,621	\$21,000



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

NOTE 16 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an annual budget on May 3, 2022.

NOTE 17 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials such as lead paint, 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)	\$4,394,154
Settlements during the year	<u>(184,161)</u>
Asset Retirement Obligation, closing balance	<u>\$4,209,993</u>

NOTE 18 EXPENSE BY OBJECT

	2023	2022
Salaries and benefits	\$100,047,371	\$ 93,243,546
Services and supplies	14,461,565	12,641,902
Amortization	4,914,314	4,806,964
Other	348,783	0
	<u>\$119,772,033</u>	<u>\$110,692,412</u>



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

NOTE 19 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted by the Board for Operations

Spanning Multiple Years:

2023/2024 Operating Budget	\$2,322,931	
Careers	12,500	
Learning Resources	126,440	
School Rollovers 10%	32,676	
21 st Century Furniture	36,300	
Technology Equipment Sales	49,361	
Website Development	24,750	
Subtotal Internally Restricted by the Board for Operations Spanning Multiple Years		\$2,604,958

Internally Restricted by the Board with External Constraints:

BC Education Plan	\$113,724	
Cowichan Tribes Partnership	136,869	
CUPE Professional Development Funds	153,126	
ERASE	10,106	
Indigenous Education Target	387,685	
VIHA Resilience in Youth	50,000	
Support for Trauma Informed Practice	14,939	
USW Contracted Commitments	57,685	
Subtotal Internally Restricted by the Board with External Constraints:		924,134
Unrestricted Operating Surplus (Deficit)		3,243,895

Total Available for Future Operations		\$6,772,987
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NOTE 20 ECONOMIC DEPENDENCE

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



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

NOTE 21 PRIOR PERIOD ADJUSTMENT – CHANGE IN ACCOUNTING POLICY

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future. 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 and other hazardous materials. 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)	\$4,394,154
Tangible Capital Assets – cost	3,662,500
Tangible Capital Assets – accumulated amortization	3,662,500
Accumulated Surplus – Invested in Capital Assets	\$(4,394,154)

NOTE 22 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk:

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



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2023

NOTE 22 RISK MANAGEMENT *(Continued)*

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized Canadian institutions and the Ministry of Finance.

b) Market risk:

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as funds are deposited with a primary financial institution and the Ministry of Finance.

c) Liquidity risk

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

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

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



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School District No. 79 (Cowichan Valley)

Additional Comments of Auditors

For the Year Ended June 30, 2023

The accompanying schedules 1 to 4D are presented as supplementary information only. In this respect, they do not form part of the financial statements of School District No. 79 (Cowichan Valley). The information in these schedules has been subject to audit procedures only to the extent necessary to report on the financial statements, and hence they are excluded from our audit report dated September 21, 2023.

ACCOUNTING • TAX • ADVISORY

Baker Tilly Victoria Ltd. is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities

School District No. 79 (Cowichan Valley)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual
	\$	\$	\$	\$	(Restated - Note 21)
Accumulated Surplus (Deficit), beginning of year	7,155,378	92,893	48,395,788	55,644,059	54,534,059
Prior Period Adjustments					(4,394,154)
Accumulated Surplus (Deficit), beginning of year, as restated	7,155,378	92,893	48,395,788	55,644,059	50,139,905
Changes for the year					
Surplus (Deficit) for the year	(238,439)	619,766	2,567,382	2,948,709	5,504,154
Interfund Transfers	(143,952)	(619,766)	763,718	-	
Tangible Capital Assets Purchased	(382,391)	-	3,331,100	2,948,709	5,504,154
Net Changes for the year	6,772,987	92,893	51,726,888	58,592,768	55,644,059
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 79 (Cowichan Valley)

Schedule 2 (Unaudited)

Schedule of Operating Operations
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	82,495,489	87,723,359	82,144,693
Other	216,000	358,208	390,261
Tuition	2,100,000	2,064,220	2,232,783
Other Revenue	6,640,766	7,579,157	7,162,366
Rentals and Leases	150,000	166,980	259,116
Investment Income	284,000	858,067	214,915
Total Revenue	91,886,255	98,749,991	92,404,134
Expenses			
Instruction	76,924,909	80,597,220	74,884,308
District Administration	3,497,574	3,731,549	3,223,267
Operations and Maintenance	10,690,758	11,571,221	10,391,400
Transportation and Housing	2,965,943	3,088,440	3,059,151
Total Expense	94,079,184	98,988,430	91,558,126
Operating Surplus (Deficit) for the year	(2,192,929)	(238,439)	846,008
Budgeted Appropriation (Retirement) of Surplus (Deficit)	2,231,795		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(38,866)	(143,952)	(198,272)
Total Net Transfers	(38,866)	(143,952)	(198,272)
Total Operating Surplus (Deficit), for the year	-	(382,391)	647,736
Operating Surplus (Deficit), beginning of year		7,155,378	6,507,642
Operating Surplus (Deficit), end of year		6,772,987	7,155,378
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 19)		3,529,092	3,302,223
Unrestricted		3,243,895	3,853,155
Total Operating Surplus (Deficit), end of year		6,772,987	7,155,378

School District No. 79 (Cowichan Valley)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	88,167,807	90,386,199	87,982,942
ISC/LEA Recovery	(6,505,766)	(7,062,740)	(6,691,959)
Other Ministry of Education and Child Care Grants			
Pay Equity	363,682	363,682	363,682
Funding for Graduated Adults			3,144
Student Transportation Fund	283,524	283,524	283,524
Support Staff Benefits Grant	186,242	178,569	176,335
FSA Scorer Grant		12,964	12,964
Early Learning Framework (ELF) Implementation		1,246	2,882
Labour Settlement Funding		3,552,486	
Anti Racism Funding		6,429	6,429
PAEE Bursaries		1,000	
Equity Scan			4,000
Extreme Weather			750
Total Provincial Grants - Ministry of Education and Child Care	82,495,489	87,723,359	82,144,693
Provincial Grants - Other	216,000	358,208	390,261
Tuition			
International and Out of Province Students	2,100,000	2,064,220	2,232,783
Total Tuition	2,100,000	2,064,220	2,232,783
Other Revenues			
Funding from First Nations	6,505,766	7,062,740	6,691,959
Miscellaneous			
International Program Registration and Activity Fees	80,000	54,503	194,622
International Program Transportation Fees	55,000	60,635	67,470
Homestay Placement Fees		78,200	99,402
Miscellaneous		101,122	51,695
Out of School Care Fees		172,596	57,218
Sale of Assets		49,361	
Total Other Revenue	6,640,766	7,579,157	7,162,366
Rentals and Leases	150,000	166,980	259,116
Investment Income	284,000	858,067	214,915
Total Operating Revenue	91,886,255	98,749,991	92,404,134

School District No. 79 (Cowichan Valley)

Schedule 2B (Unaudited)

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

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Salaries			
Teachers	37,806,568	39,293,372	37,408,438
Principals and Vice Principals	6,286,814	6,518,353	6,196,222
Educational Assistants	7,768,983	8,758,350	7,510,802
Support Staff	9,603,500	9,979,579	9,255,728
Other Professionals	2,120,074	2,349,517	2,201,951
Substitutes	4,580,281	4,958,948	4,294,147
Total Salaries	68,166,220	71,858,119	66,867,288
Employee Benefits	16,283,741	16,885,584	15,248,428
Total Salaries and Benefits	84,449,961	88,743,703	82,115,716
Services and Supplies			
Services	3,468,136	3,544,353	2,957,438
Student Transportation	276,525	354,396	385,929
Professional Development and Travel	584,148	615,286	396,808
Rentals and Leases	67,100	67,161	71,805
Dues and Fees	114,310	130,407	111,886
Insurance	250,134	243,141	218,950
Supplies	3,271,970	3,738,753	3,802,195
Utilities	1,596,900	1,551,230	1,497,399
Total Services and Supplies	9,629,223	10,244,727	9,442,410
Total Operating Expense	94,079,184	98,988,430	91,558,126

School District No. 79 (Cowichan Valley)

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	30,616,024	880,739	133,488	317,093	68,968	2,856,632	34,872,944
1.03 Career Programs	433,580			177,268		71,502	682,350
1.07 Library Services	1,240,330	19,866		123,096		106,789	1,490,081
1.08 Counselling	1,107,309			385,382		37,313	1,530,004
1.10 Special Education	4,731,329	291,995	7,233,840	23,958	5,325	1,186,341	13,472,788
1.20 Early Learning and Child Care			193,982	2,990			196,972
1.30 English Language Learning	486,091						486,091
1.31 Indigenous Education	493,775	131,730	1,197,040	55,007	113,379		1,990,931
1.41 School Administration		4,548,893		1,603,304		364,988	6,517,185
1.62 International and Out of Province Students	184,934	283,617		98,738	149,318	23,827	740,434
1.64 Other							-
Total Function 1	39,293,372	6,156,840	8,758,350	2,786,836	223,611	4,760,771	61,979,780
4 District Administration							
4.11 Educational Administration		185,437		19,215	508,440		713,092
4.40 School District Governance				294,209			294,209
4.41 Business Administration		176,076		548,534	739,421	20,819	1,484,850
Total Function 4	-	361,513	-	567,749	1,542,070	20,819	2,492,151
5 Operations and Maintenance							
5.20 Early Learning and Child Care							-
5.41 Operations and Maintenance Administration				97,844	481,032	34,608	613,484
5.50 Maintenance Operations				4,664,483		78,431	4,742,914
5.52 Maintenance of Grounds				402,982			402,982
5.56 Utilities							-
Total Function 5	-	-	-	5,165,309	481,032	113,039	5,759,380
7 Transportation and Housing							
7.41 Transportation and Housing Administration				119,083	102,804	10,410	232,297
7.70 Student Transportation				1,340,602		53,909	1,394,511
Total Function 7	-	-	-	1,459,685	102,804	64,319	1,626,808
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	39,293,372	6,518,353	8,758,350	9,979,579	2,349,517	4,958,948	71,858,119

School District No. 79 (Cowichan Valley)

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
	\$	\$	\$	\$	\$	\$	(Restated - Note 21)
1 Instruction							
1.02 Regular Instruction	34,872,944	8,487,958	43,360,902	2,159,620	45,520,522	44,254,028	42,445,195
1.03 Career Programs	682,350	143,883	826,233	580,963	1,407,196	1,433,727	1,310,672
1.07 Library Services	1,490,081	338,405	1,828,486	65,999	1,894,485	1,942,809	1,895,041
1.08 Counseling	1,530,004	336,011	1,866,015	2,497	1,868,512	2,017,990	2,031,825
1.10 Special Education	13,472,788	3,216,488	16,689,276	222,036	16,911,312	15,923,649	15,009,629
1.20 Early Learning and Child Care	196,972	43,137	240,109	10,895	251,004		
1.30 English Language Learning	486,091	114,290	600,381	4,802	605,183	560,440	556,538
1.31 Indigenous Education	1,990,931	442,288	2,433,219	270,020	2,703,239	2,613,550	2,792,337
1.41 School Administration	6,517,185	1,403,766	7,920,951	108,575	8,029,526	6,876,905	7,541,029
1.62 International and Out of Province Students	740,434	156,797	897,231	497,783	1,395,014	1,288,611	1,294,927
1.64 Other	-	-	-	11,227	11,227	13,200	7,115
Total Function 1	61,979,780	14,683,023	76,662,803	3,934,417	80,597,220	76,924,909	74,884,308
4 District Administration							
4.11 Educational Administration	713,092	131,839	844,931	79,558	924,489	821,368	805,046
4.40 School District Governance	294,209	34,072	328,281	282,077	610,358	582,068	434,438
4.41 Business Administration	1,484,850	308,842	1,793,692	403,010	2,196,702	2,094,138	1,983,783
Total Function 4	2,492,151	474,753	2,966,904	764,645	3,731,549	3,497,574	3,223,267
5 Operations and Maintenance							
5.20 Early Learning and Child Care	-	-	-	-	-	-	-
5.41 Operations and Maintenance Administration	613,484	122,478	735,962	251,085	987,047	924,499	807,569
5.50 Maintenance Operations	4,742,914	1,124,745	5,867,659	2,199,063	8,066,722	7,275,418	7,201,520
5.52 Maintenance of Grounds	402,982	96,837	499,819	167,446	667,265	644,310	629,045
5.56 Utilities	-	-	-	1,850,187	1,850,187	1,846,531	1,753,266
Total Function 5	5,759,380	1,344,060	7,103,440	4,467,781	11,571,221	10,690,758	10,391,400
7 Transportation and Housing							
7.41 Transportation and Housing Administration	232,297	54,827	287,124	17,513	304,637	305,454	274,235
7.70 Student Transportation	1,394,511	328,921	1,723,432	1,060,371	2,783,803	2,660,489	2,784,916
Total Function 7	1,626,808	383,748	2,010,556	1,077,884	3,088,440	2,965,943	3,059,151
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	71,858,119	16,885,584	88,743,703	10,244,727	98,988,430	94,079,184	91,558,126

School District No. 79 (Cowichan Valley)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	11,956,063	14,086,847	13,292,107
Other Revenue	1,106,615	2,052,919	1,539,128
Investment Income	5,800	506	1,582
Total Revenue	13,068,478	16,140,272	14,832,817
Expenses			
Instruction	12,437,034	15,124,825	13,808,720
District Administration		97,662	91,163
Operations and Maintenance	32,693	32,693	304,138
Transportation and Housing	206,282	265,326	123,301
Total Expense	12,676,009	15,520,506	14,327,322
Special Purpose Surplus (Deficit) for the year	392,469	619,766	505,495
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(392,469)	(619,766)	(505,495)
Total Net Transfers	(392,469)	(619,766)	(505,495)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year		92,893	92,893
Special Purpose Surplus (Deficit), end of year		92,893	92,893
Special Purpose Surplus (Deficit), end of year		92,893	92,893
Endowment Contributions		92,893	92,893
Total Special Purpose Surplus (Deficit), end of year		92,893	92,893

School District No. 79 (Cowichan Valley)
 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	OLEP	CommunityLINK Fund - Overhead	Classroom Enhancement
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	946,384		14,990	1,299,450	60,284	72,488	93,922	103,820	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	384,142	311,325			192,000	39,200	140,282	704,888	909,873
Other			521	2,086,470					
Investment Income	33,718		4,966						
Less: Allocated to Revenue	417,860	311,325	5,487	2,086,470	192,000	39,200	140,282	704,888	909,873
Deferred Revenue, end of year	652,459	237,459	1,300	1,994,395	226,695	50,665	179,199	571,744	909,873
	711,785	73,866	19,177	1,391,525	25,589	61,023	55,005	236,964	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	651,953	237,459			226,695	50,665	179,199	571,744	909,873
Other Revenue	506		1,300	1,994,395					
Investment Income	652,459	237,459	1,300	1,994,395	226,695	50,665	179,199	571,744	909,873
Expenses									
Salaries									
Teachers							17,451		
Principals and Vice Principals							46,386		
Educational Assistants		193,777						344,973	191,615
Support Staff					27,761			18,233	
Other Professionals									79,130
Substitutes								36,303	539,597
Employee Benefits		193,777			27,761	18,267	16,033	399,509	810,342
Services and Supplies	32,693	43,682	1,300	1,994,395	7,609	3,821	16,256	100,909	69,637
	32,693	237,459	1,300	1,994,395	191,325	28,577	83,073	71,326	29,894
					226,695	50,665	179,199	571,744	909,873
Net Revenue (Expense) before Interfund Transfers	619,766	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(619,766)								
	(619,766)								
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 79 (Cowichan Valley)

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

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Early Childhood Education Dual Credit Program	Student & Family Affordability	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)
	\$	\$	\$	\$	\$	\$	\$	\$	
Deferred Revenue, beginning of year	-	-	366,744	43,106	-	65,000	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	9,084,944	1,030,077	282,026	52,000	11,250	23,000	880,984	19,000	175,000
Other	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
Less: Allocated to Revenue	9,084,944	1,030,077	282,026	52,000	11,250	23,000	880,984	19,000	175,000
Deferred Revenue, end of year	-	25,773	383,444	11,982	10,394	71,005	163,497	17,411	90,904
Revenues	9,084,944	1,004,304	265,326	83,124	856	16,995	717,487	1,589	84,096
Provincial Grants - Ministry of Education and Child Care									
Other Revenue	9,084,944	1,004,304	265,326	83,124	856	16,995	717,487	1,589	84,096
Investment Income	-	-	-	-	-	-	-	-	-
Expenses	7,337,830								
Salaries									
Teachers									
Principals and Vice Principals									
Educational Assistants									
Support Staff			20,740						
Other Professionals									
Substitutes									68,092
Employee Benefits	7,337,830	257,009	20,740	24,128	-	-	-	1,313	68,092
Services and Supplies	1,747,114	50,684	2,981	5,519	856	16,995	717,487	276	16,004
	9,084,944	1,004,304	265,326	83,124	856	16,995	717,487	1,589	84,096
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 79 (Cowichan Valley)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2023

	BC Hydro	Early Learning	Wendy's House	Cultural Trust	Performing Arts	Equine Assisted Learning	TOTAL
Deferred Revenue, beginning of year	\$ 202,336	\$ 42,662	\$ 18,627	\$ 54	\$ 5,136	\$ 24,797	\$ 3,359,800
Add: Restricted Grants							
Provincial Grants - Ministry of Education and Child Care				10,000		75,600	14,239,991
Other Investment Income							2,172,591
Less: Allocated to Revenue							38,684
Deferred Revenue, end of year	202,336	42,124	17,992	20	5,136	53,842	3,670,794
Revenues							
Provincial Grants - Ministry of Education and Child Care	538			10,034		46,555	14,086,847
Other Revenue			635				2,052,919
Investment Income							506
Expenses							
Salaries							
Teachers							7,355,281
Principals and Vice Principals							46,386
Educational Assistants							730,365
Support Staff		444					67,178
Other Professionals							147,222
Substitutes							892,650
Employee Benefits	444						9,239,082
Services and Supplies	94						2,064,586
Net Revenue (Expense) before Interfund Transfers		538	635	10,034		46,555	4,216,838
Interfund Transfers							
Tangible Capital Assets Purchased							15,520,506
Net Revenue (Expense)							
							619,766
							(619,766)
							(619,766)

School District No. 79 (Cowichan Valley)

Schedule 4 (Unaudited)

Schedule of Capital Operations
Year Ended June 30, 2023

	2023 Budget	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	2,353,911	3,653,869		3,653,869	2,999,745
Other				-	1,184,363
Investment Income	13,900		108,707	108,707	14,827
Gain (Loss) on Disposal of Tangible Capital Assets				-	1,298,035
Amortization of Deferred Capital Revenue	3,805,554	4,067,903		4,067,903	3,462,645
Total Revenue	6,173,365	7,721,772	108,707	7,830,479	8,959,615
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,270,694	4,500,829		4,500,829	4,467,295
Transportation and Housing	373,247	413,485		413,485	339,669
Write-off/down of Buildings and Sites		348,783		348,783	
Total Expense	4,643,941	5,263,097	-	5,263,097	4,806,964
Capital Surplus (Deficit) for the year	1,529,424	2,458,675	108,707	2,567,382	4,152,651
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	431,335	763,718		763,718	703,767
Total Net Transfers	431,335	763,718	-	763,718	703,767
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		56,342	(56,342)	-	
Total Other Adjustments to Fund Balances		56,342	(56,342)	-	
Total Capital Surplus (Deficit) for the year	1,960,759	3,278,735	52,365	3,331,100	4,856,418
Capital Surplus (Deficit), beginning of year		45,882,889	2,512,899	48,395,788	47,933,524
Prior Period Adjustments					(4,394,154)
To Recognize Asset Retirement Obligation					(4,394,154)
Capital Surplus (Deficit), beginning of year, as restated		45,882,889	2,512,899	48,395,788	43,539,370
Capital Surplus (Deficit), end of year		49,161,624	2,565,264	51,726,888	48,395,788

School District No. 79 (Cowichan Valley)

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	33,202,879	188,192,151	2,197,949	4,946,401	91,696	-	228,631,076
Prior Period Adjustments							
To Recognize Asset Retirement Obligation							
Cost, beginning of year, as restated	33,202,879	191,854,651	2,197,949	4,946,401	91,696	-	3,662,500
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	3,469,708	2,965,428	33				6,435,169
Deferred Capital Revenue - Other	(4,454)	190,102	7,492				193,140
Operating Fund		114,773			29,179		143,952
Special Purpose Funds		619,766					619,766
Local Capital		49,538	6,804				56,342
Canadian Infrastructure Bank Funded		1,581					1,581
	3,465,254	3,941,188	14,329	-	29,179	-	7,449,950
Decrease:							
Deemed Disposals		1,964,564	74,221	558,933			633,154
Written-off/down During Year	-	1,964,564	74,221	558,933			1,964,564
	36,668,133	193,831,275	2,138,057	4,387,468	120,875	-	237,145,808
Work in Progress, end of year		35,233,828	20,498				35,254,326
Cost and Work in Progress, end of year	36,668,133	229,065,103	2,158,555	4,387,468	120,875	-	272,400,134
Accumulated Amortization, beginning of year							
Prior Period Adjustments							
To Recognize Asset Retirement Obligation							
Accumulated Amortization, beginning of year, as restated							
Changes for the Year							
Increase: Amortization for the Year							
Decrease:							
Deemed Disposals							
Written-off During Year							
	97,432,607		902,756	2,097,425	17,740		100,450,528
	3,662,500						3,662,500
Accumulated Amortization, end of year	101,095,107		902,756	2,097,425	17,740		104,113,028
Changes for the Year							
Increase: Amortization for the Year							
Decrease:							
Deemed Disposals							
Written-off During Year							
	4,209,565		216,800	466,692	21,257		4,914,314
	1,425,496		74,221	558,933			633,154
	1,425,496		74,221	558,933			1,425,496
	103,879,176		1,045,335	2,005,184	38,997		2,058,650
Accumulated Amortization, end of year	105,004,671		1,045,335	2,005,184	38,997		106,968,692
Tangible Capital Assets - Net	36,668,133	125,185,927	1,113,220	2,382,284	81,878	-	165,431,442

School District No. 79 (Cowichan Valley)

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	11,043,412				11,043,412
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	24,156,212	20,498			24,176,710
Deferred Capital Revenue - Other	34,204				34,204
	<u>24,190,416</u>	<u>20,498</u>	<u>-</u>	<u>-</u>	<u>24,210,914</u>
Net Changes for the Year	<u>24,190,416</u>	<u>20,498</u>	<u>-</u>	<u>-</u>	<u>24,210,914</u>
Work in Progress, end of year	<u>35,233,828</u>	<u>20,498</u>	<u>-</u>	<u>-</u>	<u>35,254,326</u>

School District No. 79 (Cowichan Valley)

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	71,394,661	6,036,207	274,215	77,705,083
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,965,461	193,140		3,158,601
	<u>2,965,461</u>	<u>193,140</u>	<u>-</u>	<u>3,158,601</u>
Decrease:				
Amortization of Deferred Capital Revenue	3,785,199	259,027	23,677	4,067,903
Revenue Recognized on Write-off/down of Buildings	190,285			190,285
	<u>3,975,484</u>	<u>259,027</u>	<u>23,677</u>	<u>4,258,188</u>
Net Changes for the Year	<u>(1,010,023)</u>	<u>(65,887)</u>	<u>(23,677)</u>	<u>(1,099,587)</u>
Deferred Capital Revenue, end of year	<u>70,384,638</u>	<u>5,970,320</u>	<u>250,538</u>	<u>76,605,496</u>
Work in Progress, beginning of year	10,372,579	670,833	-	11,043,412
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	24,176,710	34,204		24,210,914
	<u>24,176,710</u>	<u>34,204</u>	<u>-</u>	<u>24,210,914</u>
Net Changes for the Year	<u>24,176,710</u>	<u>34,204</u>	<u>-</u>	<u>24,210,914</u>
Work in Progress, end of year	<u>34,549,289</u>	<u>705,037</u>	<u>-</u>	<u>35,254,326</u>
Total Deferred Capital Revenue, end of year	<u>104,933,927</u>	<u>6,675,357</u>	<u>250,538</u>	<u>111,859,822</u>

School District No. 79 (Cowichan Valley)

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	-	2,468,830	-	-	-	2,468,830
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	30,796,040		227,344			31,023,384
Investment Income	30,796,040	107,296	227,344			107,296
Decrease:						
Transferred to DCR - Capital Additions	2,965,461		193,140			3,158,601
Transferred to DCR - Work in Progress	24,176,710		34,204			24,210,914
Transferred to Revenue - Site Purchases	3,469,708					3,469,708
Transferred to Revenue - Settlement of Asset Retirement Obligation	184,161					184,161
	30,796,040	-	227,344	-	-	31,023,384
Net Changes for the Year	-	107,296	-	-	-	107,296
Balance, end of year	-	2,576,126	-	-	-	2,576,126