

Audited Financial Statements of

# **School District No. 79 (Cowichan Valley)**

And Independent Auditors' Report thereon

June 30, 2022

# School District No. 79 (Cowichan Valley)

June 30, 2022

## Table of Contents

Management Report .....	1
Independent Auditors' Report .....	2-4
Statement of Financial Position - Statement 1 .....	5
Statement of Operations - Statement 2 .....	6
Statement of Changes in Net Debt - Statement 4 .....	7
Statement of Cash Flows - Statement 5 .....	8
Notes to the Financial Statements .....	9-30
Auditors' Comments on Supplementary Financial Information .....	31
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited) .....	32
Schedule of Operating Operations - Schedule 2 (Unaudited) .....	33
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited) .....	34
Schedule 2B - Schedule of Operating Expense by Object (Unaudited) .....	35
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited) .....	36
Schedule of Special Purpose Operations - Schedule 3 (Unaudited) .....	38
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited) .....	39
Schedule of Capital Operations - Schedule 4 (Unaudited) .....	42
Schedule 4A - Tangible Capital Assets (Unaudited) .....	43
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited) .....	44
Schedule 4C - Deferred Capital Revenue (Unaudited) .....	45
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited) .....	46

# School District No. 79 (Cowichan Valley)

## MANAGEMENT REPORT

Version: 9045-8299-6317

### 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, 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)

**Original signed by Candace Spilsbury**

Signature of the Chairperson of the Board of Education

*September 27, 2022*

Date Signed

**Original signed by Robyn Gray**

Signature of the Superintendent

*Sept. 27, 2022*

Date Signed

**Original signed by Jason Sandquist**

Signature of the Secretary Treasurer

*September 27, 2022*

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, 2022, the statements of operations, changes in net financial debt, and cash flows for the year ended June 30, 2022, 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 27, 2022

# School District No. 79 (Cowichan Valley)

Statement 1

## Statement of Financial Position

As at June 30, 2022

	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	27,097,636	31,014,490
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	3,877,307	708,833
Due from Province - Other	77,144	146,987
Due from First Nations	1,573,840	1,990,521
Other (Note 3)	914,773	362,379
Inventories for Resale	20,649	19,107
<b>Total Financial Assets</b>	<b>33,561,349</b>	<b>34,242,317</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care		324,790
Other (Note 4)	11,811,154	9,474,896
Unearned Revenue (Note 5)	1,295,548	1,473,888
Deferred Revenue (Note 6)	3,359,800	3,550,825
Deferred Capital Revenue (Note 7)	91,217,325	83,995,700
Employee Future Benefits (Note 8)	4,219,570	4,111,559
Other Liabilities (Note 4)	1,396,952	1,273,416
<b>Total Liabilities</b>	<b>113,300,349</b>	<b>104,205,074</b>
<b>Net Debt</b>	<b>(79,739,000)</b>	<b>(69,962,757)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 9)	139,223,957	123,810,187
Restricted Assets (Endowments) (Note 12)	92,893	92,893
Prepaid Expenses	460,363	593,736
<b>Total Non-Financial Assets</b>	<b>139,777,213</b>	<b>124,496,816</b>
<b>Accumulated Surplus (Deficit)</b>	<b>60,038,213</b>	<b>54,534,059</b>

Approved by the Board

Original signed by Candace Spilsbury

Signature of the Chairperson of the Board of Education

September 27, 2022

Date Signed

Original signed by Robyn Gray

Signature of the Superintendent

Sept 27, 2022

Date Signed

Original signed by Jason Sandquist

Signature of the Secretary Treasurer

September 27, 2022

Date Signed

**School District No. 79 (Cowichan Valley)**

Statement 2

Statement of Operations  
Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	89,360,198	98,436,545	95,202,955
Other	75,000	1,574,624	283,100
Tuition	1,500,000	2,232,783	1,284,335
Other Revenue	7,506,788	8,701,494	8,249,065
Rentals and Leases	85,000	259,116	69,862
Investment Income	180,058	231,324	295,229
Gain (Loss) on Disposal of Tangible Capital Assets (Note 10)		1,298,035	22,348
Amortization of Deferred Capital Revenue	3,874,162	3,462,645	3,810,497
<b>Total Revenue</b>	<b>102,581,206</b>	<b>116,196,566</b>	<b>109,217,391</b>
<b>Expenses (Note 19)</b>			
Instruction	83,051,795	88,693,028	85,693,619
District Administration	3,457,203	3,314,430	3,026,292
Operations and Maintenance	14,831,534	15,162,833	14,540,537
Transportation and Housing	3,845,558	3,522,121	3,142,445
<b>Total Expense</b>	<b>105,186,090</b>	<b>110,692,412</b>	<b>106,402,893</b>
<b>Surplus (Deficit) for the year</b>	<b>(2,604,884)</b>	<b>5,504,154</b>	<b>2,814,498</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>54,534,059</b>	<b>51,719,561</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>60,038,213</b>	<b>54,534,059</b>



**School District No. 79 (Cowichan Valley)**

Statement 4

## Statement of Changes in Net Debt

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	(2,604,884)	<b>5,504,154</b>	2,814,498
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(3,726,089)	<b>(20,655,278)</b>	(6,886,787)
Amortization of Tangible Capital Assets	4,646,674	<b>4,806,964</b>	4,606,022
Net carrying value of Tangible Capital Assets disposed of		<b>434,544</b>	213,561
<b>Total Effect of change in Tangible Capital Assets</b>	920,585	<b>(15,413,770)</b>	(2,067,204)
Acquisition of Prepaid Expenses	(300,000)	<b>(218,178)</b>	(593,738)
Use of Prepaid Expenses	300,000	<b>351,551</b>	346,446
<b>Total Effect of change in Other Non-Financial Assets</b>	-	<b>133,373</b>	(247,292)
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>(1,684,299)</u>	<b><u>(9,776,243)</u></b>	500,002
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>(9,776,243)</b>	500,002
<b>Net Debt, beginning of year</b>		<b>(69,962,757)</b>	(70,462,759)
<b>Net Debt, end of year</b>		<b><u>(79,739,000)</u></b>	<u>(69,962,757)</u>

**School District No. 79 (Cowichan Valley)**

Statement 5

## Statement of Cash Flows

Year Ended June 30, 2022

	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	5,504,154	2,814,498
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(3,234,344)	(72,868)
Inventories for Resale	(1,542)	9,497
Prepaid Expenses	133,373	(247,290)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,011,472	405,381
Unearned Revenue	(178,340)	507,326
Deferred Revenue	(191,025)	621,977
Employee Future Benefits	108,011	184,556
Other Liabilities	123,536	227,977
Loss (Gain) on Disposal of Tangible Capital Assets (Note 10)	(1,298,035)	(22,347)
Amortization of Tangible Capital Assets (Note 9)	4,806,964	4,606,022
Amortization of Deferred Capital Revenue	(3,462,645)	(3,810,497)
Recognition of Deferred Capital Revenue Spent on Sites	(4,184,110)	(1,039,339)
<b>Total Operating Transactions</b>	<b>137,469</b>	<b>4,184,893</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(11,623,923)	(5,136,079)
Tangible Capital Assets - WIP Purchased	(8,832,936)	(1,750,708)
District Portion of Proceeds on Disposal	1,732,575	177,792
Write Down Other Provincial Capital		(93,293)
Tangible Capital Assets - Canadian Infrastructure Bank	(198,419)	
<b>Total Capital Transactions</b>	<b>(18,922,703)</b>	<b>(6,802,288)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	14,868,380	6,887,557
<b>Total Financing Transactions</b>	<b>14,868,380</b>	<b>6,887,557</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(3,916,854)</b>	<b>4,270,162</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>31,014,490</b>	<b>26,744,328</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>27,097,636</b>	<b>31,014,490</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	27,097,636	31,014,490
	<b>27,097,636</b>	<b>31,014,490</b>

## **Notes to Financial Statements**

For the year ended June 30, 2022

---

### **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 (Cowichan Valley)", and operates as "School District No. 79 (Cowichan Valley)." 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. School District No. 79 (Cowichan Valley) 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. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1, 2020 and full-time beginning September 1, 2020 with new health and safety guidelines. Adherence to provincial public health orders related to COVID 19 and the Omicron variant remained in place through the current school year. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the District is not practicable at this time.

### **NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Basis of Accounting**

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

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.

## Notes to Financial Statements

For the year ended June 30, 2022

---

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

As noted in Notes 2(f) and 2(n), 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. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally-restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

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

- Year-ended June 30, 2021 – increase in annual surplus by \$3,062,840.
- June 30, 2021 – increase in accumulated surplus and decrease in deferred contributions by \$6,873,337.
- 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.

#### 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, 2022

---

### **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(n).

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.

## **Notes to Financial Statements**

For the year ended June 30, 2022

---

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

#### **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 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. 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.

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

## Notes to Financial Statements

For the year ended June 30, 2022

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

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

#### i) Tangible Capital Assets

The following criteria apply:

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



**Notes to Financial Statements**  
For the year ended June 30, 2022

---

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

**j) Capital Leases**

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

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

**k) Prepaid Expenses**

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.

**l) 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.

**m) 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 12 – Interfund Transfers and Note 19 – Internally Restricted Surplus).

**n) 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



## **Notes to Financial Statements**

For the year ended June 30, 2022

---

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

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

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.

## **Notes to Financial Statements**

For the year ended June 30, 2022

---

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

#### **o) Expenditures**

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

##### **Categories of Salaries**

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

##### **Allocation of Costs**

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to 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.
- 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.

#### **p) 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.

## **Notes to Financial Statements**

For the year ended June 30, 2022

---

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

#### **q) 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.

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.

#### **r) 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

## Notes to Financial Statements

For the year ended June 30, 2022

---

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

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.

#### s) Future Changes in Accounting Policies

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

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

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

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

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

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



**Notes to Financial Statements**  
For the year ended June 30, 2022

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

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

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

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

**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	June 30, 2022	June 30, 2021
Due from Federal Government	\$529,963	\$ 175,232
Other	399,810	202,147
Allowance for Doubtful Accounts	(15,000)	(15,000)
	<u>\$914,773</u>	<u>\$362,379</u>

**NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER**

	June 30, 2022	June 30, 2021
Trades payable	\$3,998,371	\$1,121,480
Salaries and benefits payable	5,941,863	6,173,555
Accrued vacation and banked pay	1,807,171	2,091,836
Other	63,749	88,025
	<u>\$11,811,154</u>	<u>\$9,474,896</u>

**OTHER LIABILITIES**

	June 30, 2022	June 30, 2021
International Homestay payable	\$862,363	\$ 853,418
International Medical payable	270,528	235,659
Other	264,061	184,339
	<u>\$1,396,952</u>	<u>\$1,273,416</u>



## Notes to Financial Statements

For the year ended June 30, 2022

### NOTE 5 UNEARNED REVENUE

	June 30, 2022	June 30, 2021
Balance, beginning of year	\$1,473,888	\$ 966,562
Changes for the year:		
Increase:		
Tuition Fees	2,058,823	1,772,981
Busing Fees	63,090	49,484
	<u>\$2,121,913</u>	<u>\$ 1,822,465</u>
Decrease:		
Tuition fees	2,232,783	1,284,335
Busing Fees	67,470	30,804
	<u>\$2,300,253</u>	<u>\$ 1,315,139</u>
Net changes for the year	<u>(178,340)</u>	<u>507,326</u>
Balance, end of year	<u>\$1,295,548</u>	<u>1,473,888</u>

### 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, 2022

**NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)**

	June 30, 2022	June 30, 2021
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	4,234,682	4,309,405
Service Cost	375,821	375,998
Interest Cost	109,501	100,003
Benefit Payments	(401,366)	(432,473)
Actuarial (Gain) Loss	103,229	(118,251)
Accrued Benefit Obligation – March 31	4,421,867	4,234,682
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	4,421,867	\$ 4,234,682
Market Value of Plan Assets – March 31	0	0
Funded Status – Surplus (Deficit)	(4,421,867)	(4,234,682)
Employer Contributions after Measurement Date	45,418	15,393
Benefit Expense after Measurement Date	(126,827)	(121,331)
Unamortized Net Actuarial (Gain) Loss	283,706	229,061
Accrued Benefit Asset (Liability) – June 30	(4,219,570)	\$ (4,111,559)
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) – July 1	4,111,559	\$ 3,927,002
Net expense for Fiscal Year	539,404	611,511
Employer Contributions	(431,393)	(426,954)
Accrued Benefit Liability (Asset) – June 30	4,219,570	\$ 4,111,559
<b>Components of Net Benefit Expense</b>		
Service Cost	372,752	\$ 378,348
Interest Cost	118,067	100,082
Amortization of Net Actuarial (Gain)/Loss	48,585	133,080
Net Benefit Expense (Income)	539,404	\$ 611,511

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

	June 30, 2022	June 30, 2021
<b>Assumptions</b>		
Discount Rate - April 1	2.50%	2.25%
Discount Rate - March 31	3.25%	2.50%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.0	8.6



**Notes to Financial Statements**  
For the year ended June 30, 2022

**NOTE 9 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value June 30, 2022	Net Book Value June 30, 2021
Sites	\$33,202,876	\$ 29,277,310
Buildings	90,759,543	89,118,206
Buildings- Work in Progress	11,043,412	2,298,395
Furniture & Equipment	1,295,194	894,304
Vehicles	2,848,976	2,184,598
Computer Software	73,956	31,867
Computer Hardware	0	5,505
<b>Total</b>	<b>\$139,223,957</b>	<b>\$ 123,810,187</b>

**June 30, 2022**

Cost:	Opening Cost	Additions	Disposals	Total 2022
Sites	29,277,310	4,360,110	(434,544)	\$33,202,876
Buildings	182,411,279	5,780,872		188,192,151
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	36,761	54,934	-	91,695
Computer Hardware	55,080	-	(55,080)	-
<b>Total</b>	<b>\$219,916,035</b>	<b>\$20,655,279</b>	<b>(\$896,830)</b>	<b>\$239,674,513</b>

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2022
Sites	-	-	-	-
Buildings	93,293,073	4,139,534	-	97,432,607
Buildings- Work in Progress	-	-	-	-
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)	-
<b>Total</b>	<b>\$96,105,850</b>	<b>\$4,806,964</b>	<b>(\$462,286)</b>	<b>\$100,450,528</b>





**Notes to Financial Statements**  
For the year ended June 30, 2022

**NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)**

**June 30, 2021 (Restated)**

Cost:	Opening Cost	Additions	Disposals/ Write Down	Total 2021
Sites	\$ 28,152,204	\$ 1,129,948	(\$ 4,842)	\$ 29,277,310
Buildings	179,503,309	2,907,970		182,411,279
Buildings– Work in Progress	547,687	1,750,708	-	2,298,395
Furniture & Equipment	1,769,534	249,646	(270,826)	1,748,354
Vehicles	3,271,020	817,836	-	4,088,856
Computer Software	14,119	30,679	(8,037)	36,761
Computer Hardware	55,080	-		55,080
<b>Total</b>	<b>\$ 213,312,953</b>	<b>\$ 6,886,787</b>	<b>\$ (283,705)</b>	<b>\$ 219,916,035</b>

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals/ Write Down	Total 2021
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	89,247,043	4,046,030	-	93,293,073
Buildings- Work in Progress	-	-	-	-
Furniture & Equipment	948,982	175,894	(270,826)	854,050
Vehicles	1,536,264	367,994	-	1,904,258
Computer Software	7,843	5,088	(8,037)	4,894
Computer Hardware	38,559	11,016	-	49,575
<b>Total</b>	<b>\$ 91,778,691</b>	<b>4,606,022</b>	<b>\$ (278,863)</b>	<b>\$ 96,105,850</b>

**NOTE 10 DISPOSAL OF SITES AND BUILDINGS**

On January 18, 2022, The Board of School Trustees of School District No. 79 Cowichan Valley sold the old Crofton Elementary school site, land only.

Crofton Elementary was acquired by the school district in 1948. The original, construction, plus renovations and improvements over the years of ownership cost had a book value of \$760,854 when it was written down in the 2018/2019 School Year. Subsequent to the construction of the new Crofton Elementary school in 2009, the original school building was demolished in March 2020. At the time of the sale the land improvements totaled \$434,544 and represented the demolition costs capitalized in the 2019/2020 School Year.



## **Notes to Financial Statements**

For the year ended June 30, 2022

---

The acquisition of the site was funded with Local funding sources thereby allowing the School District to retain 100% of the net sale proceeds. This transaction is shown on Schedule 4.

The School District recognized a gain on disposal of \$1,298,035 resulting from the sale of the old Crofton elementary site.

### **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, 2021, the Teachers' Pension Plan has about 50,000 active members and approximately 40,000 retired members. As of December 31, 2021, the Municipal Pension Plan has about 227,000 active members, including approximately 29,000 from school districts.

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

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$2,866 million funding surplus for basic pension benefits on a going-concern basis.

The school district paid \$7,635,642 for employer contributions to the plans for the year ended June 30, 2022 (2021: \$7,362,167)

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

**Notes to Financial Statements**  
For the year ended June 30, 2022

**NOTE 11 EMPLOYEE PENSION PLANS (Continued)**

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 funds that is required to offset the eroding effect of inflation or preserve the original value of the endowment should also not be spent.

<b>Name of Endowment</b>	<b>2021</b>	<b>2022</b>
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
<b>Total</b>	<b>\$ 92,893</b>	<b>\$ 92,893</b>

**NOTE 13 INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2022, were as follows:

	<b>Operating Fund</b>	<b>Special Purpose Fund</b>	<b>Capital Fund</b>
Tangible Capital Assets purchased from Operating funds	\$ (198,272)		\$ 198,272
Tangible Capital Assets purchased from Special Purpose funds		\$ (505,495)	\$ 505,495
<b>Total</b>	<b>\$ (198,272)</b>	<b>\$ (505,495)</b>	<b>\$ 703,767</b>

**Notes to Financial Statements**  
For the year ended June 30, 2022

**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 Obligations	2023	2024	2025	2026	2027	Thereafter
Facility Lease	\$ 39,336	\$ 21,000	\$ 21,000	\$ 21,000	\$21,000	\$ 21,000
Equipment	768,591	397,274	303,049	205,149	73,204	30,400
Contracts						
Busing Contract	244,414	251,843	257,043	262,244	267,444	
Building	38,205,850	26,842,556	-	-		-
Construction						
Commitments						
Other Supplier	59,424	7,641	-	-		-
Commitments						
	<u>\$ 39,317,615</u>	<u>\$ 27,520,314</u>	<u>\$ 581,092</u>	<u>\$ 488,393</u>	<u>361,648</u>	<u>\$ 51,400</u>

**NOTE 16 BUDGET FIGURES**

Budget figures included in the financial statements are not audited. They were approved by the Board through adoption of an annual budget on June 22, 2021.

**NOTE 17 CONTINGENCIES**

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



**Notes to Financial Statements**  
For the year ended June 30, 2022

**NOTE 18 ASSET RETIREMENT OBLIGATION**

Future legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo renovations or demolition. The amount cannot be reasonably determined.

**NOTE 19 EXPENSE BY OBJECT**

	2022	2021
Salaries and benefits	\$93,243,546	\$ 90,462,218
Services and supplies	12,641,902	11,334,653
Amortization	4,806,964	4,606,022
	<u>\$110,692,412</u>	<u>\$106,402,893</u>

**NOTE 20 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND**

**Internally Restricted by the Board for Operations  
Spanning Multiple Years:**

2022/2023 Operating Budget	2,231,795	
Careers	35,577	
Learning Resources	138,677	
School Rollovers 10%	97,208	
<b>Subtotal Internally Restricted by the Board for Operations Spanning Multiple Years</b>		<b>2,503,257</b>

**Internally Restricted by the Board with External  
Constraints:**

BC Education Plan	121,966	
Cowichan Tribes Partnership	136,869	
CUPE Professional Development Funds	10,252	
ERASE	10,500	
Indigenous Education Target	374,084	
Service Improvement Allocation	130,356	
Support for Trauma Informed Practice	14,939	
<b>Subtotal Internally Restricted by the Board with External Constraints:</b>		<b>798,966</b>
<b>Unrestricted Operating Surplus (Deficit)</b>		<b>3,853,155</b>

<b>Total Available for Future Operations</b>	<b><u>\$7,155,378</u></b>
--	---------------------------



## **Notes to Financial Statements**

For the year ended June 30, 2022

---

### **NOTE 21 ECONOMIC DEPENDENCE**

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

### **NOTE 22 PRIOR PERIOD ADJUSTMENT** PS 2120

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

	<u>Increase (Decrease)</u>
Tangible Capital Assets	\$(2,338,498)
Deferred Capital Revenue	(2,332,422)
Accumulated Surplus (Deficit)	(6,076)
Amortization of Deferred Capital Revenue	27,061
Operations & Maintenance Expense – Asset amortization	50,451
Transportation & Housing Expense – Asset amortization	4,834
Accumulated Surplus – beginning of the year July 1, 2020	28,224

### **NOTE 23 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.



## **Notes to Financial Statements**

For the year ended June 30, 2022

---

### **NOTE 23 RISK MANAGEMENT (Continued)**

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.

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 its 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.

## **Notes to Financial Statements**

For the year ended June 30, 2022

---

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 2021 related to credit, market or liquidity risks.

### **NOTE 24    COMPARATIVE NOTE**

Certain prior year comparative figures have been restated to conform to the current year financial statement presentation.





**Baker Tilly Victoria Ltd.**

**Downtown:**

645 Fort Street, Suite 540  
Victoria, BC V8W 1G2

**Westshore:**

967 Langford Pkwy, Suite 218  
Victoria, BC V9B 0A5

**Sidney:**

9764 Fifth Street, Unit 7  
Sidney, BC V8L 2X2

T: +1 250.386.0500

F: +1 250.386.6151

## School District No. 79 (Cowichan Valley)

### Additional Comments of Auditors

For the Year Ended June 30, 2022

---

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 27, 2022.

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, 2022

	Operating Fund	Special Purpose Fund	Capital Fund	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	6,507,642	92,893	47,933,524	<b>54,534,059</b>	51,697,413
Prior Period Adjustments					22,148
<b>Accumulated Surplus (Deficit), beginning of year, as restated</b>	<b>6,507,642</b>	<b>92,893</b>	<b>47,933,524</b>	<b>54,534,059</b>	<b>51,719,561</b>
<b>Changes for the year</b>					
Surplus (Deficit) for the year	846,008	505,495	4,152,651	<b>5,504,154</b>	2,814,498
Interfund Transfers					
Tangible Capital Assets Purchased	(198,272)	(505,495)	703,767	-	
<b>Net Changes for the year</b>	<b>647,736</b>	<b>-</b>	<b>4,856,418</b>	<b>5,504,154</b>	<b>2,814,498</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>7,155,378</b>	<b>92,893</b>	<b>52,789,942</b>	<b>60,038,213</b>	<b>54,534,059</b>

**School District No. 79 (Cowichan Valley)**

Schedule 2 (Unaudited)

## Schedule of Operating Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	78,940,883	82,144,693	79,669,145
Other	75,000	390,261	283,100
Tuition	1,500,000	2,232,783	1,284,335
Other Revenue	6,250,976	7,162,366	7,172,761
Rentals and Leases	85,000	259,116	69,862
Investment Income	172,000	214,915	278,562
<b>Total Revenue</b>	<b>87,023,859</b>	<b>92,404,134</b>	<b>88,757,765</b>
<b>Expenses</b>			
Instruction	72,493,388	74,884,308	71,753,015
District Administration	3,457,203	3,223,267	3,026,292
Operations and Maintenance	10,509,300	10,391,400	9,598,049
Transportation and Housing	2,905,512	3,059,151	2,834,519
<b>Total Expense</b>	<b>89,365,403</b>	<b>91,558,126</b>	<b>87,211,875</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(2,341,544)</b>	<b>846,008</b>	<b>1,545,890</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>2,341,544</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(198,272)	(178,614)
<b>Total Net Transfers</b>	<b>-</b>	<b>(198,272)</b>	<b>(178,614)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>647,736</b>	<b>1,367,276</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>6,507,642</b>	<b>5,140,366</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>7,155,378</b>	<b>6,507,642</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 20)		<b>3,302,223</b>	<b>4,105,431</b>
Unrestricted		<b>3,853,155</b>	<b>2,402,211</b>
<b>Total Operating Surplus (Deficit), end of year</b>		<b>7,155,378</b>	<b>6,507,642</b>

**School District No. 79 (Cowichan Valley)**

Schedule 2A (Unaudited)

## Schedule of Operating Revenue by Source

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$	\$
<b>Provincial Grants - Ministry of Education and Child Care</b>			
Operating Grant, Ministry of Education and Child Care	84,440,911	<b>87,982,942</b>	82,867,043
ISC/LEA Recovery	(6,180,976)	<b>(6,691,959)</b>	(6,505,766)
Other Ministry of Education and Child Care Grants			
Pay Equity	363,682	<b>363,682</b>	363,682
Funding for Graduated Adults		<b>3,144</b>	8,443
Student Transportation Fund	283,524	<b>283,524</b>	283,524
Support Staff Benefits Grant	186,242	<b>176,335</b>	174,536
Teachers' Labour Settlement Funding			2,281,837
Early Career Mentorship Funding			180,000
FSA Scorer Grant		<b>12,964</b>	12,964
Other Ministry of Education and Child Care Grants		<b>14,061</b>	2,882
Grant Adjustment	(152,500)		
<b>Total Provincial Grants - Ministry of Education and Child Care</b>	<b>78,940,883</b>	<b>82,144,693</b>	79,669,145
<b>Provincial Grants - Other</b>	<b>75,000</b>	<b>390,261</b>	283,100
<b>Tuition</b>			
International and Out of Province Students	1,500,000	<b>2,232,783</b>	1,284,335
<b>Total Tuition</b>	<b>1,500,000</b>	<b>2,232,783</b>	1,284,335
<b>Other Revenues</b>			
Funding from First Nations	6,180,976	<b>6,691,959</b>	6,760,966
Miscellaneous			
International Program Registration and Activity Fees	20,000	<b>194,622</b>	232,956
International Program Transportation Fees	30,000	<b>67,470</b>	30,804
Homestay Placement Fees	20,000	<b>99,402</b>	40,625
Miscellaneous		<b>51,695</b>	107,410
Out of School Care Fees		<b>57,218</b>	
<b>Total Other Revenue</b>	<b>6,250,976</b>	<b>7,162,366</b>	7,172,761
<b>Rentals and Leases</b>	<b>85,000</b>	<b>259,116</b>	69,862
<b>Investment Income</b>	<b>172,000</b>	<b>214,915</b>	278,562
<b>Total Operating Revenue</b>	<b>87,023,859</b>	<b>92,404,134</b>	88,757,765

**School District No. 79 (Cowichan Valley)****Schedule 2B (Unaudited)**

Schedule of Operating Expense by Object

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$	\$
<b>Salaries</b>			
Teachers	35,446,165	37,408,438	35,943,632
Principals and Vice Principals	6,208,107	6,196,222	5,776,794
Educational Assistants	7,975,726	7,510,802	7,482,047
Support Staff	9,716,612	9,255,728	9,184,397
Other Professionals	2,195,601	2,201,951	2,282,895
Substitutes	4,112,708	4,294,147	3,450,550
<b>Total Salaries</b>	<b>65,654,919</b>	<b>66,867,288</b>	<b>64,120,315</b>
<b>Employee Benefits</b>	<b>15,049,562</b>	<b>15,248,428</b>	<b>14,966,970</b>
<b>Total Salaries and Benefits</b>	<b>80,704,481</b>	<b>82,115,716</b>	<b>79,087,285</b>
<b>Services and Supplies</b>			
Services	3,130,810	2,957,438	2,703,513
Student Transportation	262,025	385,929	289,974
Professional Development and Travel	561,073	396,808	311,893
Rentals and Leases	62,100	71,805	41,960
Dues and Fees	114,310	111,886	119,614
Insurance	250,134	218,950	245,936
Supplies	2,918,470	3,802,195	3,076,499
Utilities	1,362,000	1,497,399	1,335,201
<b>Total Services and Supplies</b>	<b>8,660,922</b>	<b>9,442,410</b>	<b>8,124,590</b>
<b>Total Operating Expense</b>	<b>89,365,403</b>	<b>91,558,126</b>	<b>87,211,875</b>

# School District No. 79 (Cowichan Valley)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	28,473,288	1,017,679	146,164	319,451	42,371	2,597,576	32,596,529
1.03 Career Programs	429,311			113,756		45,090	588,157
1.07 Library Services	1,259,142	13,205		139,716		77,385	1,489,448
1.08 Counselling	1,206,354			427,896		25,163	1,659,413
1.10 Special Education	4,748,410	97,400	6,193,811	36,386	191,064	815,925	12,082,996
1.30 English Language Learning	447,453						447,453
1.31 Indigenous Education	646,325	128,484	1,170,827	50,911		81,438	2,077,985
1.41 School Administration		4,365,817		1,527,026		264,065	6,156,908
1.62 International and Out of Province Students	198,155	270,359		91,706	75,841	16,156	652,217
1.64 Other							-
<b>Total Function 1</b>	<b>37,408,438</b>	<b>5,892,944</b>	<b>7,510,802</b>	<b>2,706,848</b>	<b>309,276</b>	<b>3,922,798</b>	<b>57,751,106</b>
<b>4 District Administration</b>							
4.11 Educational Administration		160,034		23,374	459,240	3,090	645,738
4.40 School District Governance					290,962		290,962
4.41 Business Administration		143,244		543,772	652,979	39,945	1,379,940
<b>Total Function 4</b>	<b>-</b>	<b>303,278</b>	<b>-</b>	<b>567,146</b>	<b>1,403,181</b>	<b>43,035</b>	<b>2,316,640</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				74,657	393,237	30,195	498,089
5.50 Maintenance Operations				4,140,093		185,863	4,325,956
5.52 Maintenance of Grounds				418,483			418,483
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,633,233</b>	<b>393,237</b>	<b>216,058</b>	<b>5,242,528</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				113,575	96,257	6,182	216,014
7.70 Student Transportation				1,234,926		106,074	1,341,000
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,348,501</b>	<b>96,257</b>	<b>112,256</b>	<b>1,557,014</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>37,408,438</b>	<b>6,196,222</b>	<b>7,510,802</b>	<b>9,255,728</b>	<b>2,201,951</b>	<b>4,294,147</b>	<b>66,867,288</b>

# School District No. 79 (Cowichan Valley)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2022 Actual	2022 Budget	2021 Actual (Restated - Note 22)
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	32,596,529	7,599,479	40,196,008	2,249,187	42,445,195	41,071,461	40,959,808
1.03 Career Programs	588,157	131,594	719,751	590,921	1,310,672	1,543,246	1,461,691
1.07 Library Services	1,489,448	341,315	1,830,763	64,278	1,895,041	1,729,747	1,898,597
1.08 Counselling	1,659,413	370,443	2,029,856	1,969	2,031,825	1,965,893	2,012,974
1.10 Special Education	12,082,996	2,785,387	14,868,383	141,246	15,009,629	15,134,855	14,179,868
1.30 English Language Learning	447,453	102,889	550,342	6,196	556,538	597,283	578,400
1.31 Indigenous Education	2,077,985	454,772	2,532,757	259,580	2,792,337	2,457,050	2,135,907
1.41 School Administration	6,156,908	1,285,527	7,442,435	98,594	7,541,029	6,839,477	7,130,080
1.62 International and Out of Province Students	652,217	139,585	791,802	503,125	1,294,927	1,141,176	1,381,117
1.64 Other	-	-	-	7,115	7,115	13,200	14,573
<b>Total Function 1</b>	<b>57,751,106</b>	<b>13,210,991</b>	<b>70,962,097</b>	<b>3,922,211</b>	<b>74,884,308</b>	<b>72,493,388</b>	<b>71,753,015</b>
<b>4 District Administration</b>							
4.11 Educational Administration	645,738	124,824	770,562	34,484	805,046	812,191	749,350
4.40 School District Governance	290,962	29,719	320,681	113,757	434,438	445,845	383,511
4.41 Business Administration	1,379,940	300,907	1,680,847	302,936	1,983,783	2,199,167	1,893,431
<b>Total Function 4</b>	<b>2,316,640</b>	<b>455,450</b>	<b>2,772,090</b>	<b>451,177</b>	<b>3,223,267</b>	<b>3,457,203</b>	<b>3,026,292</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	498,089	99,793	597,882	209,687	807,569	974,355	895,102
5.50 Maintenance Operations	4,325,956	1,031,369	5,357,325	1,844,195	7,201,520	7,246,932	6,663,002
5.52 Maintenance of Grounds	418,483	89,736	508,219	120,826	629,045	612,150	507,219
5.56 Utilities	-	-	-	1,753,266	1,753,266	1,675,863	1,532,726
<b>Total Function 5</b>	<b>5,242,528</b>	<b>1,220,898</b>	<b>6,463,426</b>	<b>3,927,974</b>	<b>10,391,400</b>	<b>10,509,300</b>	<b>9,598,049</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	216,014	46,550	262,564	11,671	274,235	300,687	277,411
7.70 Student Transportation	1,341,000	314,539	1,655,539	1,129,377	2,784,916	2,604,825	2,557,108
<b>Total Function 7</b>	<b>1,557,014</b>	<b>361,089</b>	<b>1,918,103</b>	<b>1,141,048</b>	<b>3,059,151</b>	<b>2,905,512</b>	<b>2,834,519</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>66,867,288</b>	<b>15,248,428</b>	<b>82,115,716</b>	<b>9,442,410</b>	<b>91,558,126</b>	<b>89,365,403</b>	<b>87,211,875</b>

**School District No. 79 (Cowichan Valley)****Schedule 3 (Unaudited)**

## Schedule of Special Purpose Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	10,269,315	13,292,107	14,494,471
Other Revenue	1,255,812	1,539,128	1,076,304
Investment Income	4,350	1,582	12,402
<b>Total Revenue</b>	<b>11,529,477</b>	<b>14,832,817</b>	<b>15,583,177</b>
<b>Expenses</b>			
Instruction	10,558,407	13,808,720	13,940,604
District Administration		91,163	
Operations and Maintenance	28,606	304,138	618,600
Transportation and Housing	587,000	123,301	25,792
<b>Total Expense</b>	<b>11,174,013</b>	<b>14,327,322</b>	<b>14,584,996</b>
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>355,464</b>	<b>505,495</b>	<b>998,181</b>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(355,464)	(505,495)	(998,181)
<b>Total Net Transfers</b>	<b>(355,464)</b>	<b>(505,495)</b>	<b>(998,181)</b>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Purpose Surplus (Deficit), beginning of year</b>		<b>92,893</b>	<b>92,893</b>
<b>Special Purpose Surplus (Deficit), end of year</b>		<b>92,893</b>	<b>92,893</b>
<b>Special Purpose Surplus (Deficit), end of year</b>			
Endowment Contributions		92,893	92,893
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<b>92,893</b>	<b>92,893</b>



# School District No. 79 (Cowichan Valley)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2022

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	969,692	139,385	9,546	13,840	1,308,046	66,638	66,566	48,907	76,709
<b>Add: Restricted Grants</b>									
Provincial Grants - Ministry of Education and Child Care	375,969	293,998				192,000	36,750	166,621	681,913
Other				2,232	1,401,337				
Investment Income	8,198			1,268					
	384,167	293,998	-	3,500	1,401,337	192,000	36,750	166,621	681,913
<b>Less: Allocated to Revenue</b>	407,475	433,383	9,546	2,350	1,409,933	198,354	30,828	121,606	654,802
Recovered									
<b>Deferred Revenue, end of year</b>	<b>946,384</b>	<b>-</b>	<b>-</b>	<b>14,990</b>	<b>1,299,450</b>	<b>60,284</b>	<b>72,488</b>	<b>93,922</b>	<b>103,820</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	407,143	433,383	9,546			198,354	30,828	121,606	654,802
Other Revenue				1,100	1,409,933				
Investment Income	332			1,250					
	407,475	433,383	9,546	2,350	1,409,933	198,354	30,828	121,606	654,802
<b>Expenses</b>									
Salaries									
Teachers								13,473	
Principals and Vice Principals								27,340	
Educational Assistants		367,791							406,324
Support Staff						3,466			20,027
Other Professionals									
Substitutes						230	12,307	10,640	30,341
	-	367,791	-	-	-	3,696	12,307	51,453	456,692
Employee Benefits		65,592				850	2,533	9,792	101,456
Services and Supplies	32,693		9,546	2,350	1,409,933	193,808	15,988	60,361	96,654
	32,693	433,383	9,546	2,350	1,409,933	198,354	30,828	121,606	654,802
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>374,782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(374,782)								
	(374,782)	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 79 (Cowichan Valley)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2022

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School / Restart: Health & Safety Grant	Federal Safe Return to Class / Ventilation Fund	Early Childhood Education Dual Credit Program
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>		52,829	3,552	407,438	31,589	2,380	10,213	17,000	
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	877,071	8,889,361	1,023,308	82,607	122,845	6,750	204,329	170,616	65,000
Other									
Investment Income									
	877,071	8,889,361	1,023,308	82,607	122,845	6,750	204,329	170,616	65,000
<b>Less:</b> Allocated to Revenue	877,071	8,889,361	1,023,308	123,301	111,328	9,130	214,542	187,616	-
Recovered		52,829	3,552						
<b>Deferred Revenue, end of year</b>	-	-	-	366,744	43,106	-	-	-	65,000
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	877,071	8,889,361	1,023,308	123,301	111,328	9,130	214,542	187,616	
Other Revenue									
Investment Income									
	877,071	8,889,361	1,023,308	123,301	111,328	9,130	214,542	187,616	-
<b>Expenses</b>									
Salaries									
Teachers		7,139,986							
Principals and Vice Principals									
Educational Assistants	203,501								
Support Staff							111,510		
Other Professionals	74,155								
Substitutes	499,438		86,691		63,517				
	777,094	7,139,986	86,691	-	63,517	-	111,510	-	-
Employee Benefits	70,049	1,749,375	22,435		8,023		23,655		
Services and Supplies	29,928		914,182	123,301	39,788	9,130	79,377	56,903	
	877,071	8,889,361	1,023,308	123,301	111,328	9,130	214,542	56,903	-
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	130,713	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased								(130,713)	
	-	-	-	-	-	-	-	(130,713)	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

# School District No. 79 (Cowichan Valley)

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

Schedule 3A (Unaudited)

	BC Hydro	Early Learning	Student Inspiration	Wendy's House	Cultural Trust	Performing Arts	Equine Assisted Learning	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	183,336	43,450	913	19,130	12	9,775	69,879	3,550,825
<b>Add:</b> Restricted Grants								
Provincial Grants - Ministry of Education and Child Care								13,189,138
Other	19,000				20,000		57,000	1,499,569
Investment Income								9,466
	19,000	-	-	-	20,000	-	57,000	14,698,173
<b>Less:</b> Allocated to Revenue	-	788	913	503	19,958	4,639	102,082	14,832,817
Recovered								56,381
<b>Deferred Revenue, end of year</b>	<b>202,336</b>	<b>42,662</b>	<b>-</b>	<b>18,627</b>	<b>54</b>	<b>5,136</b>	<b>24,797</b>	<b>3,359,800</b>
<b>Revenues</b>								
Provincial Grants - Ministry of Education and Child Care		788						13,292,107
Other Revenue			913	503	19,958	4,639	102,082	1,539,128
Investment Income								1,582
	-	788	913	503	19,958	4,639	102,082	14,832,817
<b>Expenses</b>								
Salaries								
Teachers								7,153,459
Principals and Vice Principals								27,340
Educational Assistants								977,616
Support Staff								135,003
Other Professionals								74,155
Substitutes							2,732	705,896
	-	-	-	-	-	-	2,732	9,073,469
Employee Benefits							601	2,054,361
Services and Supplies		788	913	503	19,958	4,639	98,749	3,199,492
	-	788	913	503	19,958	4,639	102,082	14,327,322
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>505,495</b>
<b>Interfund Transfers</b>								
Tangible Capital Assets Purchased								(505,495)
	-	-	-	-	-	-	-	(505,495)
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 79 (Cowichan Valley)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual			2021 Actual (Restated - Note 22)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education and Child Care	150,000	2,999,745		2,999,745	1,039,339
Other		1,184,363		1,184,363	
Investment Income	3,708		14,827	14,827	4,265
Gain (Loss) on Disposal of Tangible Capital Assets		1,298,035		1,298,035	22,348
Amortization of Deferred Capital Revenue	3,874,162	3,462,645		3,462,645	3,810,497
<b>Total Revenue</b>	<b>4,027,870</b>	<b>8,944,788</b>	<b>14,827</b>	<b>8,959,615</b>	<b>4,876,449</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,293,628	4,467,295		4,467,295	4,323,888
Transportation and Housing	353,046	339,669		339,669	282,134
<b>Total Expense</b>	<b>4,646,674</b>	<b>4,806,964</b>	<b>-</b>	<b>4,806,964</b>	<b>4,606,022</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(618,804)</b>	<b>4,137,824</b>	<b>14,827</b>	<b>4,152,651</b>	<b>270,427</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	355,464	703,767		703,767	1,176,795
<b>Total Net Transfers</b>	<b>355,464</b>	<b>703,767</b>	<b>-</b>	<b>703,767</b>	<b>1,176,795</b>
<b>Other Adjustments to Fund Balances</b>					
District Portion of Proceeds on Disposal		(1,732,575)	1,732,575	-	
Tangible Capital Assets Purchased from Local Capital		25,299	(25,299)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>(1,707,276)</b>	<b>1,707,276</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(263,340)</b>	<b>3,134,315</b>	<b>1,722,103</b>	<b>4,856,418</b>	<b>1,447,222</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>47,142,728</b>	<b>790,796</b>	<b>47,933,524</b>	<b>46,464,154</b>
Prior Period Adjustments					22,148
Amortization 1/2 Year Adjustments					
<b>Capital Surplus (Deficit), beginning of year, as restated</b>		<b>47,142,728</b>	<b>790,796</b>	<b>47,933,524</b>	<b>46,486,302</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>50,277,043</b>	<b>2,512,899</b>	<b>52,789,942</b>	<b>47,933,524</b>

# School District No. 79 (Cowichan Valley)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2022

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	29,277,310	182,411,279	1,748,355	4,088,856	36,762	55,080	217,617,642
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	2,999,747	2,360,220	165,000	773,792			6,298,759
Deferred Capital Revenue - Other	1,184,363	3,003,237	176,208	232,290			4,596,098
Operating Fund			143,338		54,934		198,272
Special Purpose Funds	176,000	329,495					505,495
Local Capital			25,299				25,299
Canadian Infrastructure Bank Funded			88,359	110,060			198,419
Transferred from Work in Progress		87,919					87,919
	4,360,110	5,780,871	598,204	1,116,142	54,934	-	11,910,261
Decrease:							
Disposed of	434,544						434,544
Deemed Disposals			148,609	258,597		55,080	462,286
	434,544	-	148,609	258,597	-	55,080	896,830
<b>Cost, end of year</b>	33,202,876	188,192,150	2,197,950	4,946,401	91,696	-	228,631,073
<b>Work in Progress, end of year</b>		11,043,412					11,043,412
<b>Cost and Work in Progress, end of year</b>	33,202,876	199,235,562	2,197,950	4,946,401	91,696	-	239,674,485
<b>Accumulated Amortization, beginning of year</b>		91,255,623	766,630	1,699,817	1,217	44,065	93,767,352
Prior Period Adjustments							
1/2 Year Amortization Rule		2,037,450	87,420	204,441	3,677	5,510	2,338,498
<b>Accumulated Amortization, beginning of year, as restated</b>		93,293,073	854,050	1,904,258	4,894	49,575	96,105,850
<b>Changes for the Year</b>							
Increase: Amortization for the Year		4,139,534	197,315	451,764	12,846	5,505	4,806,964
Decrease:							
Deemed Disposals			148,609	258,597		55,080	462,286
		-	148,609	258,597	-	55,080	462,286
<b>Accumulated Amortization, end of year</b>		97,432,607	902,756	2,097,425	17,740	-	100,450,528
<b>Tangible Capital Assets - Net</b>	33,202,876	101,802,955	1,295,194	2,848,976	73,956	-	139,223,957

**School District No. 79 (Cowichan Valley)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2022

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	2,298,395				2,298,395
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	8,165,312				8,165,312
Deferred Capital Revenue - Other	667,624				667,624
	8,832,936	-	-	-	8,832,936
Decrease:					
Transferred to Tangible Capital Assets	87,919				87,919
	87,919	-	-	-	87,919
<b>Net Changes for the Year</b>	8,745,017	-	-	-	8,745,017
<b>Work in Progress, end of year</b>	11,043,412	-	-	-	11,043,412

**School District No. 79 (Cowichan Valley)**

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	74,094,276	2,842,846	312,049	77,249,171
Prior Period Adjustments				
1/2 Year Rule PPA / Reclassify WIP	(2,757,788)	(109,428)	(12,893)	(2,880,109)
<b>Deferred Capital Revenue, beginning of year, as restated</b>	71,336,488	2,733,418	299,156	74,369,062
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,299,012	3,411,735		6,710,747
Transferred from Work in Progress		87,919		87,919
	3,299,012	3,499,654	-	6,798,666
Decrease:				
Amortization of Deferred Capital Revenue	3,240,839	196,865	24,941	3,462,645
	3,240,839	196,865	24,941	3,462,645
<b>Net Changes for the Year</b>	58,173	3,302,789	(24,941)	3,336,021
<b>Deferred Capital Revenue, end of year</b>	71,394,661	6,036,207	274,215	77,705,083
<b>Work in Progress, beginning of year</b>	1,699,373	51,335		1,750,708
Prior Period Adjustments				
Deferred Revenue Work in Progress	507,894	39,793		547,687
<b>Work in Progress, beginning of year, as restated</b>	2,207,267	91,128	-	2,298,395
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	8,165,312	667,624		8,832,936
	8,165,312	667,624	-	8,832,936
Decrease				
Transferred to Deferred Capital Revenue		87,919		87,919
	-	87,919	-	87,919
<b>Net Changes for the Year</b>	8,165,312	579,705	-	8,745,017
<b>Work in Progress, end of year</b>	10,372,579	670,833	-	11,043,412
<b>Total Deferred Capital Revenue, end of year</b>	81,767,240	6,707,040	274,215	88,748,495

**School District No. 79 (Cowichan Valley)**

Schedule 4D (Unaudited)

## Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>		2,439,952	4,888,291			7,328,243
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education and Child Care	14,464,071					14,464,071
Provincial Grants - Other			375,431			375,431
Investment Income		28,878				28,878
	14,464,071	28,878	375,431	-	-	14,868,380
Decrease:						
Transferred to DCR - Capital Additions	3,299,012		3,411,735			6,710,747
Transferred to DCR - Work in Progress	8,165,312		667,624			8,832,936
Transferred to Revenue - Site Purchases	2,999,747		1,184,363			4,184,110
	14,464,071	-	5,263,722	-	-	19,727,793
<b>Net Changes for the Year</b>	-	28,878	(4,888,291)	-	-	(4,859,413)
<b>Balance, end of year</b>	-	2,468,830	-	-	-	2,468,830