

**Audited Financial Statements of**

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

**And Independent Auditors' Report thereon**

**June 30, 2021**

# School District No. 79 (Cowichan Valley)

June 30, 2021

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# School District No. 79 (Cowichan Valley)

## MANAGEMENT REPORT

Version: 1341-9596-7613

### 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)

Original signed by Candace Spilsbury

Signature of the Chairperson of the Board of Education

September 29, 2021  
Date Signed

Original signed by Robyn Gray

Signature of the Superintendent

Sept 30, 2021  
Date Signed

Original signed by Jason Sandquist

Signature of the Secretary Treasurer

September 29, 2021  
Date Signed



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## 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, 2021, the statements of operations, changes in net financial debt, and cash flows for the year ended June 30, 2021, 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.

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*



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## INDEPENDENT AUDITORS' REPORT

### *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 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.



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## INDEPENDENT AUDITORS' REPORT

- 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 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.

*To be signed when approved by the board*

Chartered Professional Accountants

Victoria, Canada  
September 28, 2021

# School District No. 79 (Cowichan Valley)

## Statement of Financial Position

As at June 30, 2021

Statement 1

	2021 Actual \$	2020 Actual \$
<b>Financial Assets</b>		
Cash and Cash Equivalents	31,014,490	26,744,328
Accounts Receivable		
Due from Province - Ministry of Education	708,833	316,098
Due from Province - Other	146,987	392,158
Due from First Nations	1,990,521	1,929,211
Other (Note 3)	362,379	498,387
Inventories for Resale	19,107	28,604
<b>Total Financial Assets</b>	<b>34,242,317</b>	<b>29,908,786</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	324,790	25,300
Other (Note 4)	9,474,896	9,369,005
Unearned Revenue (Note 5)	1,473,888	966,562
Deferred Revenue (Note 6)	3,550,825	2,928,848
Deferred Capital Revenue (Note 7)	86,328,122	84,414,749
Employee Future Benefits (Note 8)	4,111,559	3,927,003
Other Liabilities (Note 4)	1,202,580	1,001,603
LEA Liability	70,836	43,836
<b>Total Liabilities</b>	<b>106,537,496</b>	<b>102,676,906</b>
<b>Net Debt</b>	<b>(72,295,179)</b>	<b>(72,768,120)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 9)	126,148,685	124,026,194
Restricted Assets (Endowments) (Note 12)	92,893	92,893
Prepaid Expenses	593,736	346,446
<b>Total Non-Financial Assets</b>	<b>126,835,314</b>	<b>124,465,533</b>
<b>Accumulated Surplus (Deficit)</b>	<b>54,540,135</b>	<b>51,697,413</b>

Approved by the Board

Original signed by Candace Spilsbury

Signature of the Chairperson of the Board of Education

September 29, 2021  
Date Signed

Original signed by Robyn Gray

Signature of the Superintendent

Sept. 30, 2021  
Date Signed

Original signed by Jason Sandquist

Signature of the Secretary Treasurer

September 29, 2021  
Date Signed

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

Statement 2

## Statement of Operations

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	89,344,743	95,202,955	89,726,802
Other	75,000	283,100	320,775
Tuition	1,620,000	1,284,335	2,208,982
Other Revenue	7,138,432	8,249,065	7,650,449
Rentals and Leases	85,000	69,862	95,809
Investment Income	178,000	295,229	419,590
Gain (Loss) on Disposal of Tangible Capital Assets (Note 10)		22,348	
Amortization of Deferred Capital Revenue	3,777,316	3,783,436	3,416,312
<b>Total Revenue</b>	<u>102,218,511</u>	<u>109,190,330</u>	<u>103,838,719</u>
<b>Expenses (Note 19)</b>			
Instruction	82,952,231	85,693,619	82,612,040
District Administration	3,265,264	3,026,292	2,709,239
Operations and Maintenance	14,799,557	14,490,086	13,731,106
Transportation and Housing	3,017,991	3,137,611	2,905,479
Debt Services			21
<b>Total Expense</b>	<u>104,035,043</u>	<u>106,347,608</u>	<u>101,957,885</u>
<b>Surplus (Deficit) for the year</b>	<u>(1,816,532)</u>	<u>2,842,722</u>	<u>1,880,834</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>51,697,413</b>	<b>49,816,579</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><b>54,540,135</b></u>	<u><b>51,697,413</b></u>

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

Statement 4

## Statement of Changes in Net Debt

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<u>(1,816,532)</u>	<u>2,842,722</u>	<u>1,880,834</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(15,680,626)	(6,886,787)	(4,966,878)
Amortization of Tangible Capital Assets	4,541,312	4,550,737	4,499,708
Net carrying value of Tangible Capital Assets disposed of		213,561	
<b>Total Effect of change in Tangible Capital Assets</b>	<u>(11,139,314)</u>	<u>(2,122,489)</u>	<u>(467,170)</u>
Acquisition of Prepaid Expenses	(250,000)	(593,738)	(346,446)
Use of Prepaid Expenses	250,000	346,446	246,039
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(247,292)</u>	<u>(100,407)</u>
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>(12,955,846)</u>	<u>472,941</u>	<u>1,313,257</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<u>472,941</u>	<u>1,313,257</u>
<b>Net Debt, beginning of year</b>		<u>(72,768,120)</u>	<u>(74,081,377)</u>
<b>Net Debt, end of year</b>		<u>(72,295,179)</u>	<u>(72,768,120)</u>

# School District No. 79 (Cowichan Valley)

## Statement of Cash Flows

Year Ended June 30, 2021

Statement 5

	2021 Actual	2020 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	2,842,722	1,880,834
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(72,868)	(493,793)
Inventories for Resale	9,497	(3,011)
Prepaid Expenses	(247,290)	(100,407)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	405,381	134,758
Unearned Revenue	507,326	(443,737)
Deferred Revenue	621,977	311,160
Employee Future Benefits	184,556	283,179
Other Liabilities	227,977	(294,849)
Loss (Gain) on Disposal of Tangible Capital Assets (Note 10)	(22,347)	
Amortization of Tangible Capital Assets (Note 9)	4,550,737	4,499,708
Amortization of Deferred Capital Revenue	(3,783,436)	(3,416,312)
Recognition of Deferred Capital Revenue Spent on Sites	(1,039,339)	(646,479)
<b>Total Operating Transactions</b>	<b>4,184,893</b>	<b>1,711,051</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(5,136,079)	(4,694,603)
Tangible Capital Assets - WIP Purchased	(1,750,708)	(272,275)
District Portion of Proceeds on Disposal	177,792	
Write Down Other Provincial Capital	(93,293)	(839,630)
<b>Total Capital Transactions</b>	<b>(6,802,288)</b>	<b>(5,806,508)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	6,887,557	6,595,970
Capital Lease	-	(3,273)
<b>Total Financing Transactions</b>	<b>6,887,557</b>	<b>6,592,697</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>4,270,162</b>	<b>2,497,240</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>26,744,328</b>	<b>24,247,088</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>31,014,490</b>	<b>26,744,328</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	31,014,490	26,744,328
	<b>31,014,490</b>	<b>26,744,328</b>



## Notes to Financial Statements For the year ended June 30, 2021

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### 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. 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.

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:



## **Notes to Financial Statements**

### **For the year ended June 30, 2021**

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- 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, 2020 – increase in annual surplus by \$3,142,916.
- June 30, 2020 – increase in accumulated surplus and decrease in deferred contributions by \$6,559,228.
- Year-ended June 30, 2021 - increase in annual surplus by \$3,031,782.
- June 30, 2021 – increase in accumulated surplus and decrease in deferred contributions by \$6,873,337.

#### **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, 2021

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**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.

**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,



**Notes to Financial Statements**  
**For the year ended June 30, 2021**

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

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, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. 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 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.



**Notes to Financial Statements**  
For the year ended June 30, 2021

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

**i) Tangible Capital Assets**

The following criteria apply:

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

**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



**Notes to Financial Statements**  
**For the year ended June 30, 2021**

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

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 13 – Interfund Transfers and Note 20 – 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 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:



**Notes to Financial Statements**  
**For the year ended June 30, 2021**

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

- 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.

**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.



**Notes to Financial Statements**  
**For the year ended June 30, 2021**

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

- 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.

**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



**Notes to Financial Statements**  
For the year ended June 30, 2021

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

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 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.



**Notes to Financial Statements**  
**For the year ended June 30, 2021**

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

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.

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



**Notes to Financial Statements**  
For the year ended June 30, 2021

**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Due from Federal Government	\$ 175,232	\$ 219,400
Other	202,147	1,133,617
Allowance for Doubtful Accounts	(15,000)	(854,630)
	<u>\$362,379</u>	<u>\$498,387</u>

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Trades payable	\$1,121,480	\$1,690,935
Salaries and benefits payable	6,173,555	5,699,908
Accrued vacation and banked pay	2,091,836	1,914,630
Other	88,025	63,532
	<u>\$9,474,896</u>	<u>\$9,369,005</u>

**OTHER LIABILITIES**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
International Homestay payable	\$ 853,418	\$ 582,042
International Medical payable	235,659	312,112
Other	1,202,580	107,449
	<u>\$1,202,580</u>	<u>\$1,001,603</u>



**Notes to Financial Statements**  
For the year ended June 30, 2021

**NOTE 5 UNEARNED REVENUE**

	June 30, 2021	June 30, 2020
Balance, beginning of year	\$ 966,562	\$ 1,410,299
Changes for the year:		
Increase:		
Tuition Fees	1,772,981	1,765,159
Busing Fees	49,484	33,040
	<u>\$1,822,465</u>	<u>\$ 1,798,199</u>
Decrease:		
Tuition fees	1,284,335	2,207,696
Busing Fees	30,804	34,240
	<u>\$1,315,139</u>	<u>\$ 2,241,936</u>
Net changes for the year	507,326	(443,737)
Balance, end of year	<u>\$1,473,888</u>	<u>\$ 966,562</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, 2021

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

	June 30, 2021	June 30, 2020
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 4,309,405	\$ 4,455,483
Service Cost	375,998	357,714
Interest Cost	100,003	111,775
Benefit Payments	(432,473)	(484,103)
Actuarial (Gain) Loss	(118,251)	(131,464)
Accrued Benefit Obligation – March 31	<u>\$ 4,234,682</u>	<u>\$ 4,309,405</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$ 4,234,682	\$ 4,309,405
Market Value of Plan Assets – March 31	0	0
Funded Status – Surplus (Deficit)	(4,234,682)	(4,309,405)
Employer Contributions after Measurement Date	15,393	20,910
Benefit Expense after Measurement Date	(121,331)	(119,000)
Unamortized Net Actuarial (Gain) Loss	229,061	480,492
Accrued Benefit Asset (Liability) – June 30	<u>\$ (4,111,559)</u>	<u>\$ (3,927,003)</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) – July 1	\$ 3,927,002	\$ 3,643,824
Net expense for Fiscal Year	611,511	643,997
Employer Contributions	(426,954)	(360,818)
Accrued Benefit Liability (Asset) – June 30	<u>\$ 4,111,559</u>	<u>\$ 3,927,003</u>
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 378,348	\$ 362,285
Interest Cost	100,082	108,832
Amortization of Net Actuarial (Gain)/Loss	133,080	172,880
Net Benefit Expense (Income)	<u>\$ 611,511</u>	<u>\$ 643,997</u>

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

Assumptions	June 30, 2021	June 30, 2020
Discount Rate - April 1	2.25%	2.50%
Discount Rate - March 31	2.50%	2.25%
Long Term Salary Growth - April 1	2.5% + seniority	2.5% + seniority
Long Term Salary Growth - March 31	2.5% + seniority	2.5% + seniority
EARSL - March 31	8.6	8.6



**Notes to Financial Statements**  
For the year ended June 30, 2021

**NOTE 9 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value June 30, 2021	Net Book Value June 30, 2020
Sites	\$29,277,310	\$ 28,152,204
Buildings	91,155,656	92,489,247
Buildings- Work in Progress	2,298,396	547,687
Furniture & Equipment	981,724	909,031
Vehicles	2,389,039	1,898,305
Computer Software	35,544	7,689
Computer Hardware	11,015	22,031
<b>Total</b>	<b>\$126,148,684</b>	<b>\$ 124,026,194</b>

**June 30, 2021**

Cost:	Opening Cost	Additions	Disposals	Total 2021
Sites	\$ 28,152,204	1,129,947	4,842	\$29,277,309
Buildings	180,392,085	2,907,970	888,776	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>\$ 214,201,729</b>	<b>\$6,886,786</b>	<b>\$1,172,481</b>	<b>\$219,916,036</b>

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2021
Sites	\$ -	-	-	-
Buildings	87,902,838	4,032,842	680,057	91,255,623
Buildings- Work in Progress	-	-	-	-
Furniture & Equipment	860,503	176,953	270,826	766,630
Vehicles	1,372,715	327,102	-	1,699,817
Computer Software	6,430	2,824	8,037	1,217
Computer Hardware	33,049	11,016	-	44,065
<b>Total</b>	<b>\$ 90,175,535</b>	<b>\$4,550,737</b>	<b>\$958,920</b>	<b>\$93,767,352</b>



**Notes to Financial Statements**  
For the year ended June 30, 2021

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

**June 30, 2020**

Cost:	Opening Cost	Additions	Disposals/Write Down	Total 2020
Sites	\$ 27,395,987	\$ 756,217	\$ -	\$ 28,152,204
Buildings	176,857,376	3,534,709		180,392,085
Buildings- Work in Progress	275,412	272,275		547,687
Furniture & Equipment	1,847,355	139,079	216,900	1,769,534
Vehicles	3,418,935	258,517	406,432	3,271,020
Computer Software	8,038	6,081		14,119
Computer Hardware	55,080	0		55,080
<b>Total</b>	<b>\$ 209,858,183</b>	<b>\$ 4,966,878</b>	<b>\$ 623,332</b>	<b>\$ 214,201,729</b>

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals/Write Down	Total 2020
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	83,942,386	3,960,452	-	87,902,838
Buildings- Work in Progress	-	-	-	-
Furniture & Equipment	892,667	184,736	216,900	860,503
Vehicles	1,437,251	341,896	406,432	1,375,715
Computer Software	4,822	1,608	-	6,430
Computer Hardware	22,033	11,016	-	33,049
<b>Total</b>	<b>\$ 86,299,159</b>	<b>4,499,708</b>	<b>\$ 623,332</b>	<b>\$ 90,175,535</b>

**NOTE 10 DISPOSAL OF SITES AND BUILDINGS**

On June 21, 2021, The School District sold Yount Elementary for gross proceeds of \$750,000.

Yount Elementary was acquired by the School District in 1935 for \$18,789. The original site cost, construction, plus renovations and improvements over the years cost an estimated \$893,618 of which \$213,561 remained unamortized at the time of the sale.

As the acquisition of the site, and construction and renovations of the buildings were not funded with School District Local Capital funds, 75% of the proceeds are required to be held as Ministry of Education Restricted Capital for use towards future site and building purchases in the District. Therefore \$533,376 (75%) was allocated to the Ministry of Education Restricted Capital Revenues and \$177,791 (25%) was allocated to the School District's Local Capital fund. These transactions are shown on Schedules 4D and 4 respectively.



## **Notes to Financial Statements**

### **For the year ended June 30, 2021**

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The School District recognized a gain on sale of Yount Elementary of \$22,348.

#### **NOTE 11 EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusted 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, 2020, the Teachers' Pension Plan has about 49,000 active members and approximately 40,000 retired members. As of December 31, 2020, the Municipal Pension Plan has about 220,000 active members, including approximately 28,000 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, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going-concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going-concern basis.

The school district paid \$7,362,167 for employer contributions to the plans for the year ended June 30, 2021 (2020: \$7,073,217)

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in the last quarter of 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

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



**Notes to Financial Statements**  
For the year ended June 30, 2021

**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.

Name of Endowment	2020	2021
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

**NOTE 13 INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2021, were as follows:

	Operating Fund	Special Purpose Fund	Capital Fund
Tangible Capital Assets purchased from Operating funds	\$ (178,614)		\$ 178,614
Tangible Capital Assets purchased from Special Purpose funds		\$ (998,181)	\$ 998,181
Total	\$ (178,614)	\$ (998,181)	\$1,176,795

**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.



**Notes to Financial Statements**  
For the year ended June 30, 2021

**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 expected to begin in September 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	2022	2023	2024	2025	2026	Thereafter
Facility Lease	\$ 69,824	\$ 21,000	\$ 21,000	\$ 21,000	\$21,000	\$ 21,000
Equipment Contracts	829,740	412,669	292,300	210,263	205,149	73,204
Busing Contract	236,985	244,434	251,843	257,043	262,244	267,444
Building Construction	836,243	46,110,001	25,950,202	-	-	-
Commitments						
Other Supplier	818,942	30,565	7,641	-	-	-
Commitments						
	<u>\$2,791,734</u>	<u>\$46,818,669</u>	<u>\$26,522,986</u>	<u>\$488,306</u>	<u>\$488,393</u>	<u>\$ 361,648</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, 2020.

**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.

**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**

	2021	2020
Salaries and benefits	\$ 90,462,218	\$ 86,818,301
Services and supplies	11,334,653	10,639,876
Amortization	4,550,737	4,499,708
	<u>\$ 106,347,608</u>	<u>\$101,957,885</u>



**Notes to Financial Statements**  
For the year ended June 30, 2021

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

Internally Restricted (appropriated) by Board for:		
2021/2022 Operating Budget	\$ 2,341,544	
BC Education Plan	91,517	
Careers	16,520	
Cowichan Tribes Partnership	136,869	
CUPE Professional Development Funds	10,415	
Curriculum Grants and K-12 Innovation	1,528	
Distributed Learning	20,000	
Early Career Mentorship	180,000	
Indigenous Education Target	548,175	
Learning Resources	113,588	
Local Education Agreement Early Leaver Funds	100,000	
Ministry of Education – Holdback funding	270,660	
School Rollovers 10%	109,873	
Service Improvement Allocation	68,208	
Support for Trauma Informed Practice	14,939	
Technology Resources committed	81,595	\$ 4,105,431
Unrestricted Operating Surplus (Deficit)		<u>2,402,211</u>
Total Available for Future Operations		<u>\$ 6,507,642</u>

**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 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, 2021**

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**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 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.

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 2020 related to credit, market or liquidity risks.



**Notes to Financial Statements**  
**For the year ended June 30, 2021**

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**NOTE 23      COMPARATIVE NOTE**

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



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

### **Additional Comments of Auditors**

For the Year Ended June 30, 2021

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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 28, 2021.

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 of Changes in Accumulated Surplus (Deficit) by Fund**  
**Year Ended June 30, 2021**

**Schedule 1 (Unaudited)**

	<b>Operating Fund</b>	<b>Special Purpose Fund</b>	<b>Capital Fund</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Accumulated Surplus (Deficit), beginning of year</b>	5,140,366	92,893	46,464,154	51,697,413	49,816,579
<b>Changes for the year</b>					
Surplus (Deficit) for the year	1,545,890	998,181	298,651	2,842,722	1,880,834
Interfund Transfers					
Tangible Capital Assets Purchased	(178,614)	(998,181)	1,176,795	-	
<b>Net Changes for the year</b>	<b>1,367,276</b>	<b>-</b>	<b>1,475,446</b>	<b>2,842,722</b>	<b>1,880,834</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>6,507,642</b>	<b>92,893</b>	<b>47,939,600</b>	<b>54,540,135</b>	<b>51,697,413</b>

# School District No. 79 (Cowichan Valley)

## Schedule of Operating Operations

Year Ended June 30, 2021

Schedule 2 (Unaudited)

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	79,274,452	79,669,145	77,705,125
Other	75,000	283,100	320,775
Tuition	1,620,000	1,284,335	2,208,982
Other Revenue	6,236,142	7,172,761	6,454,448
Rentals and Leases	85,000	69,862	95,809
Investment Income	172,000	278,562	390,570
<b>Total Revenue</b>	<b>87,462,594</b>	<b>88,757,765</b>	<b>87,175,709</b>
<b>Expenses</b>			
Instruction	72,596,180	71,753,015	70,412,068
District Administration	3,265,264	3,026,292	2,709,239
Operations and Maintenance	10,506,924	9,598,049	9,507,591
Transportation and Housing	2,657,226	2,834,519	2,604,766
<b>Total Expense</b>	<b>89,025,594</b>	<b>87,211,875</b>	<b>85,233,664</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(1,563,000)</b>	<b>1,545,890</b>	<b>1,942,045</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>1,625,000</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(62,000)	(178,614)	(143,564)
Other			(3,294)
<b>Total Net Transfers</b>	<b>(62,000)</b>	<b>(178,614)</b>	<b>(146,858)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>1,367,276</b>	<b>1,795,187</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>5,140,366</b>	<b>3,345,179</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>6,507,642</b>	<b>5,140,366</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		4,105,431	2,833,308
Unrestricted		2,402,211	2,307,058
<b>Total Operating Surplus (Deficit), end of year</b>		<b>6,507,642</b>	<b>5,140,366</b>

# School District No. 79 (Cowichan Valley)

Schedule of Operating Revenue by Source  
Year Ended June 30, 2021

Schedule 2A (Unaudited)

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	82,490,551	82,867,043	81,190,435
ISC/LEA Recovery	(6,145,142)	(6,585,766)	(6,180,976)
Other Ministry of Education Grants			
Pay Equity	363,682	363,682	363,682
Funding for Graduated Adults		8,443	11,039
Student Transportation Fund	283,524	283,524	283,524
Carbon Tax Grant			64,116
Employer Health Tax Grant			672,434
Support Staff Benefits Grant		174,536	132,836
Support Staff Wage Increase Funding			366,389
Teachers' Labour Settlement Funding	2,281,837	2,281,837	785,800
Early Career Mentorship Funding		180,000	
FSA Scorer Grant		12,964	12,964
Miscellaneous Grants		2,882	2,882
<b>Total Provincial Grants - Ministry of Education</b>	<b>79,274,452</b>	<b>79,669,145</b>	<b>77,705,125</b>
<b>Provincial Grants - Other</b>	<b>75,000</b>	<b>283,100</b>	<b>320,775</b>
<b>Tuition</b>			
Continuing Education		-	1,285
International and Out of Province Students	1,620,000	1,284,335	2,207,697
<b>Total Tuition</b>	<b>1,620,000</b>	<b>1,284,335</b>	<b>2,208,982</b>
<b>Other Revenues</b>			
Funding from First Nations	6,145,142	6,760,966	6,180,976
Miscellaneous			
International Program Registration and Activity Fees	67,000	232,956	106,063
International Program Transportation Fees	24,000	30,804	34,240
Homestay Placement Fees		40,625	61,985
Miscellaneous		107,410	71,184
<b>Total Other Revenue</b>	<b>6,236,142</b>	<b>7,172,761</b>	<b>6,454,448</b>
<b>Rentals and Leases</b>	<b>85,000</b>	<b>69,862</b>	<b>95,809</b>
<b>Investment Income</b>	<b>172,000</b>	<b>278,562</b>	<b>390,570</b>
<b>Total Operating Revenue</b>	<b>87,462,594</b>	<b>88,757,765</b>	<b>87,175,709</b>

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

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object  
Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	35,704,204	35,943,632	35,527,776
Principals and Vice Principals	5,720,726	5,776,794	5,609,920
Educational Assistants	7,653,501	7,482,047	7,017,050
Support Staff	9,625,718	9,184,397	9,004,218
Other Professionals	2,275,730	2,282,895	2,237,528
Substitutes	4,219,660	3,450,550	3,119,894
<b>Total Salaries</b>	<b>65,199,539</b>	<b>64,120,315</b>	<b>62,516,386</b>
<b>Employee Benefits</b>	<b>15,202,293</b>	<b>14,966,970</b>	<b>14,530,028</b>
<b>Total Salaries and Benefits</b>	<b>80,401,832</b>	<b>79,087,285</b>	<b>77,046,414</b>
<b>Services and Supplies</b>			
Services	2,887,809	2,703,513	2,817,026
Student Transportation	232,625	289,974	196,422
Professional Development and Travel	608,550	311,893	569,120
Rentals and Leases	62,100	41,960	37,600
Dues and Fees	114,310	119,614	82,122
Insurance	250,134	245,936	257,365
Supplies	3,123,104	3,076,499	2,981,303
Utilities	1,345,130	1,335,201	1,246,292
<b>Total Services and Supplies</b>	<b>8,623,762</b>	<b>8,124,590</b>	<b>8,187,250</b>
<b>Total Operating Expense</b>	<b>89,025,594</b>	<b>87,211,875</b>	<b>85,233,664</b>

# School District No. 79 (Cowichan Valley)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

Schedule 2C (Unaudited)

	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	27,866,614	943,650	166,279	304,837	69,638	1,918,079	31,269,097
1.03 Career Programs	427,463	20,643		125,027		38,228	611,361
1.07 Library Services	1,279,150			155,959		78,419	1,513,528
1.08 Counselling	1,195,189			442,972		20,842	1,659,003
1.10 Special Education	4,077,546	361,352	6,273,193	12,643	158,653	548,699	11,432,086
1.30 English Language Learning	470,417						470,417
1.31 Indigenous Education	356,647	145,649	1,042,575	50,213		60,476	1,655,560
1.41 School Administration		3,875,866		1,625,435		377,098	5,878,399
1.61 Continuing Education							-
1.62 International and Out of Province Students	270,606	298,890		62,666	113,460	19,819	765,441
1.64 Other							-
<b>Total Function 1</b>	<b>35,943,632</b>	<b>5,646,050</b>	<b>7,482,047</b>	<b>2,779,752</b>	<b>341,751</b>	<b>3,061,660</b>	<b>55,254,892</b>
<b>4 District Administration</b>							
4.11 Educational Administration		130,744		23,107	457,410	2,653	613,914
4.40 School District Governance					280,832		280,832
4.41 Business Administration				566,042	705,750	31,832	1,303,624
<b>Total Function 4</b>	<b>-</b>	<b>130,744</b>	<b>-</b>	<b>589,149</b>	<b>1,443,992</b>	<b>34,485</b>	<b>2,198,370</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				124,927	404,060	45,800	574,787
5.50 Maintenance Operations				3,921,511		222,678	4,144,189
5.52 Maintenance of Grounds				356,932			356,932
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,403,370</b>	<b>404,060</b>	<b>268,478</b>	<b>5,075,908</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				123,120	93,092	5,306	221,518
7.70 Student Transportation				1,289,006		80,621	1,369,627
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,412,126</b>	<b>93,092</b>	<b>85,927</b>	<b>1,591,145</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>35,943,632</b>	<b>5,776,794</b>	<b>7,482,047</b>	<b>9,184,397</b>	<b>2,282,895</b>	<b>3,450,550</b>	<b>64,120,315</b>

# School District No. 79 (Cowichan Valley)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	31,269,097	7,817,958	39,087,055	1,872,753	40,999,808	41,228,588	38,687,155
1.03 Career Programs	611,361	131,904	743,265	718,426	1,461,691	1,553,575	1,541,390
1.07 Library Services	1,513,528	319,563	1,833,091	65,506	1,898,997	1,920,873	1,840,449
1.08 Counselling	1,659,003	353,334	2,012,337	637	2,012,974	1,756,649	1,819,516
1.10 Special Education	11,432,086	2,675,662	14,107,748	72,120	14,179,868	15,443,281	15,050,564
1.30 English Language Learning	470,417	105,139	575,556	2,844	578,400	590,084	529,214
1.31 Indigenous Education	1,655,560	320,092	1,975,652	160,255	2,135,907	2,350,500	2,110,233
1.41 School Administration	5,878,399	1,157,916	7,036,315	93,765	7,130,080	6,334,721	6,462,963
1.61 Continuing Education	-	-	-	-	-	-	19,104
1.62 International and Out of Province Students	765,441	160,501	925,942	455,175	1,381,117	1,404,709	2,343,747
1.64 Other	-	-	-	14,573	14,573	13,200	7,733
<b>Total Function 1</b>	<b>55,254,892</b>	<b>13,042,069</b>	<b>68,296,961</b>	<b>3,456,054</b>	<b>71,753,015</b>	<b>72,596,180</b>	<b>70,412,068</b>
<b>4 District Administration</b>							
4.11 Educational Administration	613,914	113,977	727,891	21,459	749,350	774,827	651,191
4.40 School District Governance	280,832	28,964	309,796	73,715	383,511	469,489	407,019
4.41 Business Administration	1,303,624	269,796	1,573,420	320,011	1,893,431	2,020,948	1,651,029
<b>Total Function 4</b>	<b>2,198,370</b>	<b>412,737</b>	<b>2,611,107</b>	<b>415,185</b>	<b>3,026,292</b>	<b>3,265,264</b>	<b>2,709,239</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	574,787	106,374	681,161	213,941	895,102	958,250	956,826
5.50 Maintenance Operations	4,144,189	949,862	5,094,051	1,568,951	6,663,002	7,288,001	6,463,667
5.52 Maintenance of Grounds	356,932	85,570	442,502	64,717	507,219	634,596	590,577
5.56 Utilities	-	-	-	1,532,726	1,532,726	1,626,077	1,496,521
<b>Total Function 5</b>	<b>5,075,908</b>	<b>1,141,806</b>	<b>6,217,714</b>	<b>3,380,335</b>	<b>9,598,049</b>	<b>10,506,924</b>	<b>9,507,591</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	221,518	46,952	268,470	8,941	277,411	288,193	264,598
7.70 Student Transportation	1,349,627	323,406	1,673,033	864,075	2,557,108	2,369,033	2,340,168
<b>Total Function 7</b>	<b>1,591,145</b>	<b>370,358</b>	<b>1,961,503</b>	<b>873,016</b>	<b>2,834,519</b>	<b>2,657,226</b>	<b>2,604,766</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>64,120,315</b>	<b>14,966,970</b>	<b>79,087,285</b>	<b>8,124,990</b>	<b>87,211,875</b>	<b>89,025,594</b>	<b>85,233,664</b>

**School District No. 79 (Cowichan Valley)****Schedule 3 (Unaudited)****Schedule of Special Purpose Operations****Year Ended June 30, 2021**

	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	9,920,291	14,494,471	11,375,198
Other Revenue	902,310	1,076,304	1,196,001
Investment Income	1,000	12,402	21,441
<b>Total Revenue</b>	<b>10,823,601</b>	<b>15,583,177</b>	<b>12,592,640</b>
<b>Expenses</b>			
Instruction	10,356,051	13,940,604	12,199,972
Operations and Maintenance	28,606	618,600	24,520
Transportation and Housing	83,480	25,792	
<b>Total Expense</b>	<b>10,468,137</b>	<b>14,584,996</b>	<b>12,224,492</b>
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>355,464</b>	<b>998,181</b>	<b>368,148</b>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(355,464)	(998,181)	(368,148)
<b>Total Net Transfers</b>	<b>(355,464)</b>	<b>(998,181)</b>	<b>(368,148)</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, 2021

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	980,162	68,376	15,925	17,642	-	1,309,426	41,051	53,952	64,849
Add: Restricted Grants									
Provincial Grants - Ministry of Education	384,070	298,553					192,000	36,750	145,088
Other				1,540		990,172			
Investment Income	7,552			1,544					
	391,622	298,553		3,084	-	990,172	192,000	36,750	145,088
Less: Allocated to Revenue	402,092	227,544	6,379	6,886	-	991,552	166,413	24,136	161,030
Deferred Revenue, end of year	969,692	139,385	9,546	13,840	-	1,308,846	66,638	66,546	48,907
Revenues									
Provincial Grants - Ministry of Education	394,540	227,544	6,379				166,413	24,136	160,630
Other Revenue				2,036		991,552			400
Investment Income	7,552			4,850					
	402,092	227,544	6,379	6,886	-	991,552	166,413	24,136	161,030
Expenses									
Salaries									
Teachers									14,507
Principals and Vice Principals									26,803
Educational Assistants		190,482							
Support Staff							2,814		
Other Professionals									
Substitutes		1,133						7,421	4,813
	-	191,615				-	2,814	7,421	46,123
Employee Benefits		35,929					686		9,100
Services and Supplies	28,606		6,379	6,886		952,725	162,913	16,715	105,807
District Entered	28,606	227,544	6,379	6,886	-	952,725	166,413	24,136	161,030
Net Revenue (Expense) before Interfund Transfers	373,486	-	-	-	-	38,827	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(373,486)					(38,827)			
	(373,486)				-	(38,827)			
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

**School District No. 79 (Cowichan Valley)**  
Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2021

Schedule 3A (Unaudited)

	CommunityLINK	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 Grant	Federal Safe Return to Class Fund
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	48,803	-	83,480	17,259	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	667,259	877,071	7,508,453	786,510	337,645	52,000	6,750	651,698	3,070,880
Other									
Investment Income									
	667,259	877,071	7,508,453	786,510	337,645	52,000	6,750	651,698	3,070,880
Less: Allocated to Revenue	590,550	877,071	7,504,427	782,958	13,687	37,670	4,370	641,485	3,053,880
Deferred Revenue, end of year	76,709	-	52,829	3,952	497,438	31,589	2,380	10,213	17,000
Revenues									
Provincial Grants - Ministry of Education	590,550	877,071	7,504,427	782,958	13,687	37,670	4,370	641,485	3,053,880
Other Revenue									
Investment Income									
	590,550	877,071	7,504,427	782,958	13,687	37,670	4,370	641,485	3,053,880
Expenses									
Salaries									
Teachers			6,144,815						1,194,355
Principals and Vice Principals									68,577
Educational Assistants	355,936	321,561							10,049
Support Staff	19,496							262,956	34,133
Other Professionals		58,029							
Substitutes	16,577	376,108		143,932		14,441	4,370	27,759	106,102
	392,009	755,698	6,144,815	143,932	-	14,441	4,370	290,715	1,413,216
Employee Benefits	90,424	95,327	1,359,612					56,090	313,838
Services and Supplies	108,117	26,046		639,026	13,687	23,229		294,680	740,958
District Entered									-
	590,550	877,071	7,504,427	782,958	13,687	37,670	4,370	641,485	2,468,012
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	585,868
Interfund Transfers									
Tangible Capital Assets Purchased									(585,868)
									(585,868)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

**School District No. 79 (Cowichan Valley)**  
**Changes in Special Purpose Funds and Expense by Object**  
**Year Ended June 30, 2021**

Schedule 3A (Unaudited)

	BC Hydro	Early Learning	Student Inspiration	Wendy's House	Cultural Trust	Performing Arts	Equine Assisted Learning	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	155,648	51,103	1,436	19,704	12	-	-	2,928,848
Add: Restricted Grants								
Provincial Grants - Ministry of Education		-						15,014,727
Other	27,688	10,000			331	24,400	127,200	1,181,331
Investment Income								9,096
	27,688	10,000		-	331	24,400	127,200	16,205,154
Less: Allocated to Revenue	-	17,653	543	574	331	14,625	57,321	15,583,177
Deferred Revenue, end of year	183,336	43,450	913	19,130	12	9,775	69,879	3,550,825
Revenues								
Provincial Grants - Ministry of Education		8,731						14,494,471
Other Revenue		8,922	543	574	331	14,625	57,321	1,076,304
Investment Income								12,402
		17,653	543	574	331	14,625	57,321	15,583,177
Expenses								
Salaries								
Teachers								7,353,677
Principals and Vice Principals								95,380
Educational Assistants								878,028
Support Staff								319,399
Other Professionals								58,029
Substitutes		3,811					2,947	709,414
	-	3,811		-		-	2,947	9,413,927
Employee Benefits								1,961,006
Services and Supplies		13,842	543	574	331	14,625	54,374	3,210,063
District Entered								-
	-	17,653	543	574	331	14,625	57,321	14,584,996
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	998,181
Interfund Transfers								
Tangible Capital Assets Purchased								(998,181)
	-	-	-	-	-	-	-	(998,181)
Net Revenue (Expense)	-	-	-	-	-	-	-	-

# School District No. 79 (Cowichan Valley)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2021

	2021	2021 Actual			2020
	Budget	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	150,000	1,039,339		1,039,339	646,479
Investment Income	5,000		4,265	4,265	7,579
Gain (Loss) on Disposal of Tangible Capital Assets		22,348		22,348	
Amortization of Deferred Capital Revenue	3,777,316	3,783,436		3,783,436	3,416,312
<b>Total Revenue</b>	<b>3,932,316</b>	<b>4,845,123</b>	<b>4,265</b>	<b>4,849,388</b>	<b>4,070,370</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,264,027	4,273,437		4,273,437	4,198,995
Transportation and Housing	277,285	277,300		277,300	300,713
Debt Services					
Capital Lease Interest				-	21
<b>Total Expense</b>	<b>4,541,312</b>	<b>4,550,737</b>	<b>-</b>	<b>4,550,737</b>	<b>4,499,729</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(608,996)</b>	<b>294,386</b>	<b>4,265</b>	<b>298,651</b>	<b>(429,359)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	417,464	1,176,795		1,176,795	511,712
Capital Lease Payment				-	3,294
<b>Total Net Transfers</b>	<b>417,464</b>	<b>1,176,795</b>	<b>-</b>	<b>1,176,795</b>	<b>515,006</b>
<b>Other Adjustments to Fund Balances</b>					
District Portion of Proceeds on Disposal		(177,791)	177,791	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>(177,791)</b>	<b>177,791</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(191,532)</b>	<b>1,293,390</b>	<b>182,056</b>	<b>1,475,446</b>	<b>85,647</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>45,855,414</b>	<b>608,740</b>	<b>46,464,154</b>	<b>46,378,507</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>47,148,804</b>	<b>790,796</b>	<b>47,939,600</b>	<b>46,464,154</b>

# School District No. 79 (Cowichan Valley)

Tangible Capital Assets  
Year Ended June 30, 2021

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	28,152,204	180,392,085	1,769,535	3,271,020	14,120	55,080	213,654,044
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	1,034,374	2,177,458		742,487			3,954,319
Deferred Capital Revenue - Other	4,965						4,965
Operating Fund			72,586	75,349	30,679		178,614
Special Purpose Funds	90,609	730,512	177,060				998,181
	<u>1,129,948</u>	<u>2,907,970</u>	<u>249,646</u>	<u>817,836</u>	<u>30,679</u>	<u>-</u>	<u>5,136,079</u>
Decrease:							
Disposed of	4,842	888,776					893,618
Deemed Disposals			270,826		8,037		278,863
	<u>4,842</u>	<u>888,776</u>	<u>270,826</u>	<u>-</u>	<u>8,037</u>	<u>-</u>	<u>1,172,481</u>
Cost, end of year	29,277,310	182,411,279	1,748,355	4,088,856	36,762	55,080	217,617,642
Work in Progress, end of year		2,298,395					2,298,395
Cost and Work in Progress, end of year	<u>29,277,310</u>	<u>184,709,674</u>	<u>1,748,355</u>	<u>4,088,856</u>	<u>36,762</u>	<u>55,080</u>	<u>219,916,037</u>
Accumulated Amortization, beginning of year		87,902,838	860,503	1,372,715	6,430	33,049	90,175,535
Changes for the Year							
Increase: Amortization for the Year		4,032,842	176,953	327,102	2,824	11,016	4,550,737
Decrease:							
Disposed of		680,057					680,057
Deemed Disposals			270,826		8,037		278,863
		<u>680,057</u>	<u>270,826</u>	<u>-</u>	<u>8,037</u>	<u>-</u>	<u>958,920</u>
Accumulated Amortization, end of year		<u>91,255,623</u>	<u>766,630</u>	<u>1,699,817</u>	<u>1,217</u>	<u>44,065</u>	<u>93,767,352</u>
Tangible Capital Assets - Net	<u>29,277,310</u>	<u>93,454,051</u>	<u>981,725</u>	<u>2,389,039</u>	<u>35,545</u>	<u>11,015</u>	<u>126,148,685</u>

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

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2021

	<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>	<b>547,687</b>				<b>547,687</b>
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	1,699,373				1,699,373
Deferred Capital Revenue - Other	51,335				51,335
	1,750,708	-	-	-	1,750,708
<b>Net Changes for the Year</b>	<b>1,750,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,750,708</b>
<b>Work in Progress, end of year</b>	<b>2,298,395</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,298,395</b>

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

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	74,847,120	2,941,353	382,306	78,170,779
Prior Period Adjustments				
Deferred Revenue Work in Progress		39,793	(39,793)	-
<b>Deferred Capital Revenue, beginning of year, as restated</b>	74,847,120	2,981,146	342,513	78,170,779
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,919,945			2,919,945
	2,919,945	-	-	2,919,945
Decrease:				
Amortization of Deferred Capital Revenue	3,614,672	138,300	30,464	3,783,436
Revenue Recognized on Disposal of Buildings	58,117			58,117
	3,672,789	138,300	30,464	3,841,553
<b>Net Changes for the Year</b>	(752,844)	(138,300)	(30,464)	(921,608)
<b>Deferred Capital Revenue, end of year</b>	74,094,276	2,842,846	312,049	77,249,171
<b>Work in Progress, beginning of year</b>				-
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Work in Progress	1,699,373	51,335		1,750,708
	1,699,373	51,335	-	1,750,708
<b>Net Changes for the Year</b>	1,699,373	51,335	-	1,750,708
<b>Work in Progress, end of year</b>	1,699,373	51,335	-	1,750,708
<b>Total Deferred Capital Revenue, end of year</b>	75,793,649	2,894,181	312,049	78,999,879

**School District No. 79 (Cowichan Valley)****Changes in Unspent Deferred Capital Revenue****Year Ended June 30, 2021**

	<b>Bylaw Capital \$</b>	<b>MEd Restricted Capital \$</b>	<b>Other Provincial Capital \$</b>	<b>Land Capital \$</b>	<b>Other Capital \$</b>	<b>Total \$</b>
<b>Balance, beginning of year</b>	-	1,892,356	4,351,614			6,243,970
<b>Changes for the Year</b>						
<b>Increase:</b>						
Provincial Grants - Ministry of Education	5,653,692					5,653,692
Provincial Grants - Other			686,269			686,269
Investment Income		14,220				14,220
MEd Restricted Portion of Proceeds on Disposal		533,376				533,376
	<u>5,653,692</u>	<u>547,596</u>	<u>686,269</u>	<u>-</u>	<u>-</u>	<u>6,887,557</u>
<b>Decrease:</b>						
Transferred to DCR - Capital Additions	2,919,945					2,919,945
Transferred to DCR - Work in Progress	1,699,373		51,335			1,750,708
Transferred to Revenue - Site Purchases	1,034,374		4,965			1,039,339
Allowance for Doubtful Accounts			93,292			93,292
	<u>5,653,692</u>	<u>-</u>	<u>149,592</u>	<u>-</u>	<u>-</u>	<u>5,803,284</u>
<b>Net Changes for the Year</b>	<u>-</u>	<u>547,596</u>	<u>536,677</u>	<u>-</u>	<u>-</u>	<u>1,084,273</u>
<b>Balance, end of year</b>	<u>-</u>	<u>2,439,952</u>	<u>4,888,291</u>	<u>-</u>	<u>-</u>	<u>7,328,243</u>