

Audited Financial Statements of

**School District No. 70 (Pacific Rim)**

And Independent Auditors' Report thereon

June 30, 2022

# School District No. 70 (Pacific Rim)

June 30, 2022

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# School District No. 70 (Pacific Rim)

## MANAGEMENT REPORT

Version: 5481-4735-2753

### Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 70 (Pacific Rim) 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.

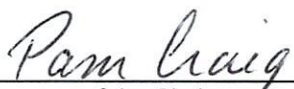
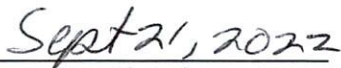
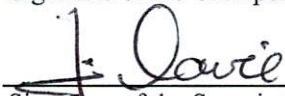
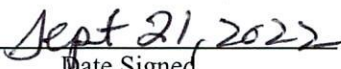

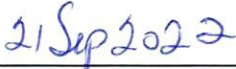
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 70 (Pacific Rim) (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 quarterly basis and externally audited financial statements yearly.

The external auditors, KPMG, 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. 70 (Pacific Rim) 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. 70 (Pacific Rim)

	
Signature of the Chairperson of the Board of Education	Date Signed
	
Signature of the Superintendent	Date Signed
	
Signature of the Secretary Treasurer	Date Signed



KPMG LLP  
St. Andrew's Square II  
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Victoria BC V8W 3Y7  
Canada  
Telephone 250-480-3500  
Fax 250-480-3539

## INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 70 (Pacific Rim), and  
To the Minister of Education and Child Care, Province of British Columbia

### **Opinion**

We have audited the financial statements of School District No. 70 (Pacific Rim) (the "Entity"), which comprise:

- the statement of financial position as at June 30, 2022
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended June 30, 2022 of the Entity are prepared, in all material respects, in accordance with the financial reporting provisions 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 auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter – Financial Reporting Framework**

We draw attention to note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



### ***Emphasis of Matter – Comparative Information***

We draw attention to Note 19 to the financial statements which explains that certain comparative information presented for the year ended June 30, 2021 has been restated. Note 19 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

### ***Other Matter – Comparative Information***

As part of our audit of the financial statements for the year ended June 30, 2022, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended June 30, 2021. In our opinion, such adjustments are appropriate and have been properly applied.

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- Information included in Unaudited Schedules 1-4 attached to the audited financial statements.

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

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

We obtained the Information included in the unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's 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 the 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- 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.

*KPMG LLP*

Chartered Professional Accountants

Victoria, Canada  
September 13, 2022

# School District No. 70 (Pacific Rim)

Statement 1

Statement of Financial Position  
As at June 30, 2022

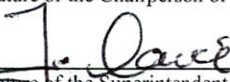
	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	10,295,337	8,470,670
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	1,260,931	2,207,069
Due from First Nations	1,345,993	1,445,872
Other (Note 3)	566,992	360,244
<b>Total Financial Assets</b>	<u>13,469,253</u>	<u>12,483,855</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	5,792,534	6,061,093
Unearned Revenue (Note 5)	298,205	318,460
Deferred Revenue (Note 6)	2,511,978	2,125,582
Deferred Capital Revenue (Note 7)	102,022,613	81,742,828
Employee Future Benefits (Note 8)	562,537	570,118
Debt (Note 9)	315,748	362,309
Other Liabilities		108,764
<b>Total Liabilities</b>	<u>111,503,615</u>	<u>91,289,154</u>
<b>Net Debt</b>	<u>(98,034,362)</u>	<u>(78,805,299)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	112,529,011	93,593,805
Restricted Assets (Endowments) (Note 11)	30,000	30,000
Prepaid Expenses	278,191	284,789
<b>Total Non-Financial Assets</b>	<u>112,837,202</u>	<u>93,908,594</u>
<b>Accumulated Surplus (Deficit)</b>	<u>14,802,840</u>	<u>15,103,295</u>

Contractual Obligations (Note 15)


Approved by the Board

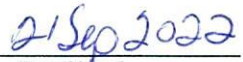
  
\_\_\_\_\_  
Signature of the Chairperson of the Board of Education

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

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

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

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

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

# School District No. 70 (Pacific Rim)

Statement 2

Statement of Operations  
Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	44,656,181	44,678,979	44,017,640
Other		235,898	44,800
Tuition	250,000	557,245	91,175
Other Revenue	4,692,357	4,721,846	4,721,410
Rentals and Leases	58,400	79,405	110,040
Investment Income	20,000	40,631	22,700
Gain (Loss) on Disposal of Tangible Capital Assets			103,557
Amortization of Deferred Capital Revenue	2,445,124	2,600,789	2,425,245
<b>Total Revenue</b>	<u>52,122,062</u>	<u>52,914,793</u>	<u>51,536,567</u>
<b>Expenses (Note 17)</b>			
Instruction	40,768,584	39,740,089	38,094,808
District Administration	2,610,394	2,784,409	2,478,332
Operations and Maintenance	7,687,245	8,071,068	7,457,282
Transportation and Housing	2,109,394	2,609,712	2,210,014
Debt Services	9,905	9,970	6,630
<b>Total Expense</b>	<u>53,185,522</u>	<u>53,215,248</u>	<u>50,247,066</u>
<b>Surplus (Deficit) for the year</b>	<u>(1,063,460)</u>	<u>(300,455)</u>	1,289,501
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		15,103,295	13,813,794
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u>14,802,840</u>	<u>15,103,295</u>



# School District No. 70 (Pacific Rim)

Statement 4

Statement of Changes in Net Debt  
Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	(1,063,460)	(300,455)	1,289,501
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(18,639,948)	(22,317,120)	(17,224,383)
Amortization of Tangible Capital Assets	3,271,608	3,381,914	3,214,008
<b>Total Effect of change in Tangible Capital Assets</b>	(15,368,340)	(18,935,206)	(14,010,375)
Acquisition of Prepaid Expenses		(207,498)	(214,096)
Use of Prepaid Expenses		214,096	
<b>Total Effect of change in Other Non-Financial Assets</b>	-	6,598	(214,096)
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	(16,431,800)	(19,229,063)	(12,934,970)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		(19,229,063)	(12,934,970)
<b>Net Debt, beginning of year</b>		(78,805,299)	(65,870,329)
<b>Net Debt, end of year</b>		(98,034,362)	(78,805,299)

# School District No. 70 (Pacific Rim)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2022

	2022 Actual	2021 Actual
		(Restated - Note 19)
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(300,455)	1,289,501
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	839,269	(3,383,595)
Prepaid Expenses	6,598	(214,096)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(268,559)	1,377,338
Unearned Revenue	(20,255)	293,210
Deferred Revenue	386,396	(277,689)
Employee Future Benefits	(7,581)	(5,391)
Other Liabilities	(108,764)	107,054
Loss (Gain) on Disposal of Tangible Capital Assets		(103,557)
Amortization of Tangible Capital Assets	3,381,914	3,214,008
Amortization of Deferred Capital Revenue	(2,600,789)	(2,425,245)
<b>Total Operating Transactions</b>	<u>1,307,774</u>	<u>(128,462)</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(7,763,069)	(2,060,046)
Tangible Capital Assets -WIP Purchased	(14,531,097)	(15,000,727)
District Portion of Proceeds on Disposal		103,557
Vehicles Purchased from Loan Proceeds	(22,954)	(163,610)
<b>Total Capital Transactions</b>	<u>(22,317,120)</u>	<u>(17,120,826)</u>
<b>Financing Transactions</b>		
Loan Proceeds	22,954	163,610
Loan Payments	(69,515)	(33,493)
Capital Revenue Received	22,880,574	17,848,280
<b>Total Financing Transactions</b>	<u>22,834,013</u>	<u>17,978,397</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>1,824,667</u>	<u>729,109</u>
<b>Cash and Cash Equivalents, beginning of year</b>	<u>8,470,670</u>	<u>7,741,561</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>10,295,337</u>	<u>8,470,670</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>10,295,337</u>	<u>8,470,670</u>
	<u>10,295,337</u>	<u>8,470,670</u>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

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**NOTE 1 AUTHORITY AND PURPOSE**

The School District, established in 1887, 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. 70 (Pacific Rim)", and operates as "School District No. 70 (Pacific Rim)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. The School District is exempt from federal and provincial corporate income taxes.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

**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 supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The *Budget Transparency and Accountability Act* requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

**a) Basis of Accounting** *(Continued)*

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires 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.

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian public sector accounting standards.

**b) Basis of Consolidation**

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

The School District does not administer any trust activities on behalf of external parties.

**c) 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. 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.

**d) Accounts Receivable**

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

**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.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

**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 (l).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished.

**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 (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025 for use at June 30, 2025. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The School District and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

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

**h) Liability for Contaminated Sites**

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

- An environmental standard exists;
- Contamination exceeds the environmental standard;
- The School District is directly responsible or accepts responsibility;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

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

**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 from non-related parties 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. Amortization is not recorded until assets are available for use.
- 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 and Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

**j) Prepaid Expenses**

Payments for insurance, subscriptions, membership and maintenance contracts for use within the School District in a future period are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

**k) Funds and Reserves**

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved.

**l) Revenue Recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Contributions received or where eligibility criteria have been met, are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

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

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

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

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.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service performed.

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

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

**m) Expenditures**

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

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.

**n) Financial Instruments**

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and debt. 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 measured at fair value 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. There are no measurement gains or losses during the periods presented, therefore no statement of remeasurement gains or losses is included in these financial statements.

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.



**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

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

**o) Measurement Uncertainty**

Preparation of financial statements in accordance with the basis of accounting described in note 2 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. Areas requiring the use of management estimates relate to the potential impairment of assets, estimates for contingent liabilities, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	<b>2022</b>	<b>2021</b>
Due from Federal Government	\$ 439,531	\$ 248,765
Other	127,461	111,479
	<b>\$ 566,992</b>	<b>\$ 360,244</b>

**NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2022</b>	<b>2021</b>
Trade payables	\$2,162,824	\$ 2,199,848
Salaries and benefits payable	2,949,329	3,180,864
Accrued vacation pay	680,381	680,381
	<b>\$ 5,792,534</b>	<b>\$ 6,061,093</b>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

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**NOTE 5 UNEARNED REVENUE**

Unearned revenue consists of contributions received for services to be delivered in a future period. Changes in unearned revenue are as follows:

	<b>2022</b>	<b>2021</b>
Balance, beginning of year		
Tuition fees	318,460	25,250
Rental revenue	-	-
	318,460	25,250
Changes for the year:		
Increase:		
Tuition fees collected	533,810	384,385
Rental revenue collected	82,585	-
	616,395	384,385
Decrease:		
Tuition fees recognized	557,245	91,175
Rental revenue recognized	79,405	-
	636,650	91,175
Net changes for the year		
Tuition fees	(23,435)	293,210
Rental revenue	3,180	-
	(20,255)	293,210
Balance, end of year		
Tuition fees	295,025	318,460
Rental revenue	3,180	-
	<b>\$ 298,205</b>	<b>\$ 318,460</b>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

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**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.

	<b>2022</b>	<b>2021</b>
Balance, beginning of year	\$ 2,125,582	\$ 2,403,271
Changes for the year:		
Increase:		
Provincial grants	5,827,467	6,024,133
Other revenue	1,334,446	908,325
	7,161,913	6,932,458
Decrease:		
Allocated to revenue	6,759,779	7,129,649
Recovered	15,738	80,498
	6,775,517	7,210,147
Net changes for the year	386,396	(277,689)
<b>Balance, end of year</b>	<b>\$ 2,511,978</b>	<b>\$ 2,125,582</b>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 7 DEFERRED CAPITAL REVENUE**

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the *Restricted Contributions Regulation 198/2011* issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	<b>2022</b>	<b>2021 (Restated – Note 19)</b>
<b>Deferred capital revenue subject to amortization</b>		
Balance, beginning of year	\$ 63,555,904	\$ 65,276,295
Prior period adjustment	-	(1,202,675)
Balance, beginning of year	63,555,904	64,073,620
Increases:		
Capital additions	7,414,222	1,907,529
Transfer from WIP	4,970,566	-
Decreases:		
Amortization	(2,600,789)	(2,425,245)
Net change for the year	9,783,999	(517,716)
Balance, end of year	73,339,903	63,555,904
<b>Work in progress</b>		
Balance, beginning of year	17,162,571	2,161,844
Increases:		
Transfer from unspent deferred capital revenue	14,531,097	15,000,727
Decreases:		
Transfer to TCA	(4,970,566)	-
Net change for the year	9,560,531	15,000,727
Balance, end of year	26,723,102	17,162,571
<b>Unspent deferred capital revenue</b>		
Balance, beginning of year	1,024,353	84,329
Increases:		
Provincial Grants - Ministry of Education	20,691,176	16,939,431
Provincial Grants - Other	2,189,398	842,678
Other	-	66,171
Decreases:		
Transfer to deferred capital revenue subject to amortization:		
Capital additions	(7,414,222)	(1,907,529)
Transfer to work in progress	(14,531,097)	(15,000,727)
Net change for the year	935,255	940,024
Balance, end of year	1,959,608	1,024,353
<b>Total deferred capital revenue balance, end of year</b>	<b>\$ 102,022,613</b>	<b>\$ 81,742,828</b>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

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**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.

	2022	2021
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation - April 1	\$ 662,931	\$ 720,247
Service Cost	40,370	40,469
Interest Cost	16,311	15,955
Benefit Payments	(76,725)	(89,806)
Actuarial Loss	(16,817)	(23,934)
<b>Accrued Benefit Obligation - March 31</b>	<b>\$ 659,704</b>	<b>\$ 662,931</b>
 <b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	\$ 659,704	\$ 662,931
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	659,704	662,931
Employer Contributions After Measurement Date	(27,760)	(22,712)
Benefits Expense After Measurement Date	13,642	14,170
Unamortized Net Actuarial Loss	(83,049)	(84,271)
<b>Accrued Benefit Liability - June 30</b>	<b>\$ 562,537</b>	<b>\$ 570,118</b>
 <b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability - July 1	\$ 570,118	\$ 575,509
Net Expense for Fiscal Year	74,191	77,587
Employer Contributions	(81,772)	(82,978)
<b>Accrued Benefit Liability - June 30</b>	<b>\$ 562,537</b>	<b>\$ 570,118</b>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

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

	2022	2021
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 38,829	\$ 40,444
Interest Cost	17,324	16,044
Amortization of Net Actuarial Loss	18,038	21,099
Net Benefit Expense	<b>\$ 74,191</b>	<b>\$ 77,587</b>
 <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	10 years	8.9 years

**NOTE 9 DEBT**

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

	Approval Date	Year Borrowed	Interest Rate	Maturity	Amount Borrowed	Amount Paid	2022 Balance	2021 Balance
Demand	1998	1998	Prime rate	Demand	144,605	128,040	16,565	34,641
Term	2010	2010	3.25%	2025	124,259	50,187	74,072	82,029
Term	2010	2010	3.25%	2025	124,259	50,187	74,072	82,029
Demand	2015	2021	2.85%	Demand	151,039	-	151,039	163,610
					<b>544,162</b>	<b>228,414</b>	<b>315,748</b>	<b>362,309</b>

Future principal payments on debt as currently scheduled are as follows:

2023	\$ 23,755
2024	16,064
2025	16,621
2026	17,198
2027	17,795
Thereafter	224,315
	<b>\$ 315,748</b>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 10 TANGIBLE CAPITAL ASSETS**

<b>Cost:</b>	<b>Balance at July 1, 2021</b>	<b>Additions</b>	<b>Disposals / Transfers</b>	<b>Balance at June 30, 2022</b>
Sites	\$ 2,558,638	\$ -	\$ -	\$ 2,558,638
Buildings	120,330,936	12,189,810	-	132,520,746
Buildings – work in progress	17,096,400	14,531,097	(4,970,566)	26,656,931
Furniture and Equipment	2,319,498	228,755	(49,313)	2,498,940
Furniture and Equipment – work in progress	66,171	-	-	66,171
Vehicles	1,087,244	53,969	(179,889)	961,324
Computer Software	-	-	-	-
Computer Hardware	1,002,029	284,055	(282,364)	1,003,720
<b>Total</b>	<b>\$144,460,916</b>	<b>\$ 27,287,686</b>	<b>\$ (5,482,132)</b>	<b>\$ 166,266,470</b>

<b>Accumulated Amortization:</b>	<b>Balance at July 1, 2021 (Restated – Note 19)</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2022</b>
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	48,234,264	2,837,989	-	51,072,253
Furniture and Equipment	1,507,853	240,922	(49,313)	1,699,462
Vehicles	528,906	102,428	(179,889)	451,445
Computer Software	-	-	-	-
Computer Hardware	596,088	200,575	(282,364)	514,299
<b>Total</b>	<b>\$ 50,867,111</b>	<b>\$ 3,381,914</b>	<b>\$ (511,566)</b>	<b>\$ 53,737,459</b>

<b>Net Book Value:</b>	<b>2022</b>	<b>2021 (Restated – Note 19)</b>
Sites	\$ 2,558,638	\$ 2,558,638
Buildings	81,448,493	72,096,672
Buildings - work in progress	26,656,931	17,096,400
Furniture and Equipment	799,478	811,645
Furniture and Equipment – work in progress	66,171	66,171
Vehicles	509,879	558,338
Computer Software	-	-
Computer Hardware	489,421	405,941
<b>Total</b>	<b>\$ 112,529,011</b>	<b>\$ 93,593,805</b>

Works of art and historic assets - the School District manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

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**NOTE 11 RESTRICTED ASSETS (ENDOWMENTS)**

Restricted assets are comprised of the Garner endowment of \$30,000. There were no contributions, additions to or transfers from the endowment during the years presented.

**NOTE 12 EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2021, the Teachers' Pension Plan has about 50,000 active members and approximately 40,000 retired members. As of December 31, 2021, the Municipal Pension Plan has about 227,000 active members, including approximately 29,000 from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 20120, indicated a \$1,584 million surplus for basic pension benefits on a going concern basis.

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

The School District paid \$3,639,434 (2021: \$3,513,717) for employer contributions to the plans in the year ended June 30, 2022.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2023, with results available in 2024. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available later in 2022.

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



**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

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**NOTE 13 ACCUMULATED SURPLUS**

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	<b>2022</b>	<b>2021</b>
Invested in tangible capital assets	\$ 12,181,258	\$ 12,544,021
Operating surplus	2,591,582	2,492,040
Special purpose surplus	30,000	30,000
Local capital surplus	-	37,234
	<b>\$ 14,802,840</b>	<b>\$ 15,103,295</b>

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

- Transfer from operating fund to capital fund: \$348,847 for the acquisition of tangible capital assets.
- Transfer from operating fund to capital fund: \$42,051 for principal and interest payments on debt.

The operating surplus has been internally restricted (appropriated) by the Board for:

Internally restricted for future budget deficiencies	\$ 2,591,582
Unrestricted Operating Surplus	-
	<b>\$ 2,591,582</b>

**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 AND CONTINGENCIES**

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. The School District has capital projects in progress of approximately \$48,466,801 of which approximately \$36,461,532 has been spent to June 30, 2022 and \$12,005,269 that will become payable in future periods. Estimated costs related to contractual transportation services are \$500,000 in 2022.

Certain schools in the School District may contain asbestos. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of the future removal costs cannot be reasonably estimated due to unknown timelines.

The nature of the School District's activities are such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2022, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event that any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position or operations.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 16 BUDGET FIGURES**

The budget figures data presented in these financial statements is based upon the 2022 amended annual budget adopted by the Board on February 8, 2022. The chart following reconciles the originally approved annual budget bylaw approved June 8, 2021 to the amended annual budget bylaw reported in these financial statements.

	2022 Amended Annual Budget	2022 Annual Budget
<b>Revenues</b>		
Provincial Grants		
Ministry of Education	\$ 44,656,181	\$ 42,713,862
Other	-	-
Other Revenue	4,692,357	4,692,356
Tuition	250,000	250,000
Rentals and Leases	58,400	58,400
Investment Income	20,000	20,000
Amortization of Deferred Capital Revenue	2,445,124	2,439,690
<b>Total Revenue</b>	<b>52,122,062</b>	<b>50,174,308</b>
<b>Expenses</b>		
Instruction	40,768,584	39,031,427
District Administration	2,610,394	2,334,948
Operations and Maintenance	7,687,245	8,095,051
Transportation and Housing	2,109,394	1,912,786
Debt Services	9,905	5,676
<b>Total Expense</b>	<b>53,185,522</b>	<b>51,379,888</b>
<b>Net Expense</b>	<b>(1,063,460)</b>	<b>(1,205,580)</b>
Budgeted Allocation of Surplus	306,482	493,608
<b>Budgeted Deficit for the year</b>	<b>\$ (756,978)</b>	<b>\$ (711,972)</b>

**NOTE 17 EXPENSE BY OBJECT**

	2022	2021 (Restated - Note 19)
Salaries and benefits	\$ 42,223,279	\$ 40,576,702
Services and supplies	7,600,085	6,449,726
Interest expense	9,970	6,630
Amortization	3,381,914	3,214,008
	<b>\$ 53,215,248</b>	<b>\$ 50,247,066</b>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 18 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 19 PRIOR PERIOD ADJUSTMENT**

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

	Increase (decrease)
Tangible capital assets	\$ (1,597,778)
Deferred capital revenue	(1,202,675)
Accumulated surplus, July 1, 2020	\$ (395,103)
Amortization of Deferred Capital Revenue	\$ 19,876
Operations and Maintenance Expense (amortization)	18,447
Surplus for the year ending June 30, 2021	\$ 1,429

**NOTE 20 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, cash equivalents and amounts receivable.

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash and cash equivalents as they are placed in recognized British Columbia institutions and the Province of BC Provincial Treasury Central Deposit Program.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

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**NOTE 20 RISK MANAGEMENT (Continued)**

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 cash equivalents. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in investments that are considered liquid that have a maturity date of no more than 3 years and the Province of BC Provincial Treasury Central Deposit Program. The School District is also exposed to interest rate risk on its debt, the majority of which pays interest at a variable rate.

c) Liquidity risk:

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

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

There has been no changes to risk exposures from 2021 related to credit, market or liquidity risks.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

# School District No. 70 (Pacific Rim)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2022

Schedule I (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2022 Actual	2021 Actual
	\$	\$	\$	\$	(Restated - Note 19)
<b>Accumulated Surplus (Deficit), beginning of year</b>	2,492,040	30,000	12,581,255	15,103,295	14,208,897
Prior Period Adjustments					(395,103)
<b>Accumulated Surplus (Deficit), beginning of year, as restated</b>	<b>2,492,040</b>	<b>30,000</b>	<b>12,581,255</b>	<b>15,103,295</b>	<b>13,813,794</b>
<b>Changes for the year</b>					
Surplus (Deficit) for the year	490,440		(790,895)	(300,455)	1,289,501
Interfund Transfers	(348,847)		348,847	-	-
Tangible Capital Assets Purchased	(42,051)		42,051	-	-
Local Capital	99,542		(399,997)	(300,455)	1,289,501
<b>Net Changes for the year</b>	<b>2,591,582</b>	<b>30,000</b>	<b>12,181,258</b>	<b>14,802,840</b>	<b>15,103,295</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>					

# School District No. 70 (Pacific Rim)

Schedule 2 (Unaudited)

Schedule of Operating Operations  
Year Ended June 30, 2022

	2022 Budget (Note 16) \$	2022 Actual \$	2021 Actual (Restated - Note 19) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	39,019,058	39,118,863	37,744,168
Other		63,750	44,800
Tuition	250,000	557,245	91,175
Other Revenue	3,422,357	3,694,131	3,864,983
Rentals and Leases	58,400	79,405	110,040
Investment Income	20,000	40,631	22,700
<b>Total Revenue</b>	<u>42,769,815</u>	<u>43,554,025</u>	<u>41,877,866</u>
<b>Expenses</b>			
Instruction	34,192,159	33,494,516	31,893,026
District Administration	2,610,394	2,704,251	2,358,332
Operations and Maintenance	5,026,234	5,234,564	4,623,948
Transportation and Housing	1,168,099	1,630,254	1,047,671
<b>Total Expense</b>	<u>42,996,886</u>	<u>43,063,585</u>	<u>39,922,977</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(227,071)</u>	<u>490,440</u>	<u>1,954,889</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>306,482</u>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(348,847)	(99,769)
Local Capital	(79,411)	(42,051)	
<b>Total Net Transfers</b>	<u>(79,411)</u>	<u>(390,898)</u>	<u>(99,769)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u>99,542</u>	<u>1,855,120</u>
<b>Operating Surplus (Deficit), beginning of year</b>		<u>2,492,040</u>	<u>636,920</u>
<b>Operating Surplus (Deficit), end of year</b>		<u>2,591,582</u>	<u>2,492,040</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<u>2,591,582</u>	<u>2,492,040</u>
<b>Total Operating Surplus (Deficit), end of year</b>		<u>2,591,582</u>	<u>2,492,040</u>

# School District No. 70 (Pacific Rim)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source  
Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$	\$
<b>Provincial Grants - Ministry of Education and Child Care</b>			
Operating Grant, Ministry of Education and Child Care	41,519,358	41,640,427	39,254,567
ISC/LEA Recovery	(3,402,357)	(3,313,364)	(3,402,357)
Other Ministry of Education and Child Care Grants			
Pay Equity	595,220	595,220	595,220
Funding for Graduated Adults	23,514	67,905	67,533
Student Transportation Fund	71,717	71,717	71,717
Support Staff Benefits Grant	46,119	46,741	46,119
Teachers' Labour Settlement Funding			1,021,152
Early Career Mentorship Funding			80,000
FSA Scorer Grant	8,187	8,187	8,187
ELF Funding	2,030	2,030	2,030
Additional CE and DL Feb/May funding	155,270		
<b>Total Provincial Grants - Ministry of Education and Child Care</b>	<b>39,019,058</b>	<b>39,118,863</b>	<b>37,744,168</b>
<b>Provincial Grants - Other</b>		<b>63,750</b>	<b>44,800</b>
<b>Tuition</b>			
International and Out of Province Students	250,000	557,245	91,175
<b>Total Tuition</b>	<b>250,000</b>	<b>557,245</b>	<b>91,175</b>
<b>Other Revenues</b>			
Funding from First Nations	3,402,357	3,678,392	3,848,566
Miscellaneous			
Other	20,000	15,739	16,417
<b>Total Other Revenue</b>	<b>3,422,357</b>	<b>3,694,131</b>	<b>3,864,983</b>
<b>Rentals and Leases</b>	<b>58,400</b>	<b>79,405</b>	<b>110,040</b>
<b>Investment Income</b>	<b>20,000</b>	<b>40,631</b>	<b>22,700</b>
<b>Total Operating Revenue</b>	<b>42,769,815</b>	<b>43,554,025</b>	<b>41,877,866</b>

**School District No. 70 (Pacific Rim)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object  
Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$	\$
<b>Salaries</b>			
Teachers	18,073,687	17,637,184	17,271,880
Principals and Vice Principals	3,336,244	3,190,650	3,137,836
Educational Assistants	2,867,072	2,577,048	2,219,729
Support Staff	4,327,841	4,244,700	4,141,328
Other Professionals	1,158,645	1,464,057	1,068,480
Substitutes	1,500,000	1,625,141	1,214,741
<b>Total Salaries</b>	<b>31,263,489</b>	<b>30,738,780</b>	<b>29,053,994</b>
<b>Employee Benefits</b>	6,866,043	6,816,293	6,710,035
<b>Total Salaries and Benefits</b>	<b>38,129,532</b>	<b>37,555,073</b>	<b>35,764,029</b>
<b>Services and Supplies</b>			
Services	1,546,397	1,776,330	1,341,136
Student Transportation	394,696	698,097	527,066
Professional Development and Travel	310,294	213,302	161,044
Rentals and Leases	167,017	135,850	102,567
Dues and Fees	107,946	90,724	68,497
Insurance	107,884	76,292	57,601
Supplies	1,401,242	1,608,737	1,214,603
Utilities	831,878	909,180	686,434
<b>Total Services and Supplies</b>	<b>4,867,354</b>	<b>5,508,512</b>	<b>4,158,948</b>
<b>Total Operating Expense</b>	<b>42,996,886</b>	<b>43,063,585</b>	<b>39,922,977</b>



# School District No. 70 (Pacific Rim)

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	15,282,636	877,119	29,964	399,134	52,888	1,044,783	17,686,524
1.03 Career Programs	174,235						174,235
1.07 Library Services	278,050			29,663			307,713
1.08 Counselling	246,201			147,304			393,505
1.10 Special Education	946,694	190,980	2,506,287		150,577	244,565	4,039,103
1.30 English Language Learning	143,483						143,483
1.31 Indigenous Education	565,885	153,714	40,797	71,681			832,077
1.41 School Administration		1,769,241		391,491	50,675	69,700	2,281,107
1.60 Summer School							-
1.61 Continuing Education							-
1.62 International and Out of Province Students		118,078					118,078
1.64 Other							-
<b>Total Function 1</b>	<b>17,637,184</b>	<b>3,109,132</b>	<b>2,577,048</b>	<b>1,039,273</b>	<b>254,140</b>	<b>1,359,048</b>	<b>25,975,825</b>
<b>4 District Administration</b>							
4.11 Educational Administration		81,518		14,875	369,632		466,025
4.40 School District Governance					98,958		98,958
4.41 Business Administration				281,115	618,426		899,541
<b>Total Function 4</b>	<b>-</b>	<b>81,518</b>	<b>-</b>	<b>295,990</b>	<b>1,087,016</b>	<b>-</b>	<b>1,464,524</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration					122,901		122,901
5.50 Maintenance Operations				2,375,904		188,729	2,564,633
5.52 Maintenance of Grounds				137,791			137,791
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,513,695</b>	<b>122,901</b>	<b>188,729</b>	<b>2,825,325</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation				395,742		77,364	473,106
7.73 Housing							-
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>395,742</b>	<b>-</b>	<b>77,364</b>	<b>473,106</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>17,637,184</b>	<b>3,190,650</b>	<b>2,577,048</b>	<b>4,244,700</b>	<b>1,464,057</b>	<b>1,625,141</b>	<b>30,738,780</b>

# School District No. 70 (Pacific Rim)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2022 Actual	2022 Budget (Note 16)	2021 Actual (Restated - Note 19)
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	17,686,524	3,922,145	21,608,669	204,886	21,813,555	22,392,995	21,349,002
1.03 Career Programs	174,235	38,638	212,873	69,681	282,554	303,144	281,453
1.07 Library Services	307,713	68,238	375,951	12,387	388,338	398,714	381,528
1.08 Counselling	393,505	87,263	480,768	370	481,138	493,893	474,112
1.10 Special Education	4,039,103	895,707	4,934,810	112,643	5,047,453	5,152,182	4,393,862
1.30 English Language Learning	143,483	31,819	175,302	464	175,766	181,614	174,226
1.31 Indigenous Education	832,077	184,214	1,016,291	972,824	1,989,115	1,989,115	1,737,000
1.41 School Administration	2,281,107	505,856	2,786,963	3,042	2,790,005	2,895,623	2,735,966
1.60 Summer School	-	-	-	-	-	-	44
1.61 Continuing Education	-	-	-	-	-	24,267	-
1.62 International and Out of Province Students	118,078	26,185	144,263	340,912	485,175	197,612	202,833
1.64 Other	-	-	-	41,417	41,417	163,000	163,000
<b>Total Function 1</b>	<b>25,975,825</b>	<b>5,760,065</b>	<b>31,735,890</b>	<b>1,758,626</b>	<b>33,494,516</b>	<b>34,192,159</b>	<b>31,893,026</b>
<b>4 District Administration</b>							
4.11 Educational Administration	466,025	103,345	569,370	95,246	664,616	483,746	446,997
4.40 School District Governance	98,958	21,945	120,903	140,767	261,670	150,862	143,730
4.41 Business Administration	899,541	199,482	1,099,023	678,942	1,777,965	1,975,786	1,767,605
<b>Total Function 4</b>	<b>1,464,524</b>	<b>324,772</b>	<b>1,789,296</b>	<b>914,955</b>	<b>2,704,251</b>	<b>2,610,394</b>	<b>2,358,332</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	122,901	27,254	150,155	5,427	155,582	159,879	147,220
5.50 Maintenance Operations	2,564,633	568,730	3,133,363	824,228	3,957,591	3,593,585	3,379,586
5.52 Maintenance of Grounds	137,791	30,556	168,347	51,300	219,647	222,709	205,204
5.56 Utilities	-	-	-	901,744	901,744	1,050,061	891,938
<b>Total Function 5</b>	<b>2,825,325</b>	<b>626,540</b>	<b>3,451,865</b>	<b>1,782,699</b>	<b>5,234,564</b>	<b>5,026,234</b>	<b>4,623,948</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation	473,106	104,916	578,022	1,011,432	1,589,454	1,119,477	1,006,371
7.73 Housing	-	-	-	40,800	40,800	48,622	41,300
<b>Total Function 7</b>	<b>473,106</b>	<b>104,916</b>	<b>578,022</b>	<b>1,052,232</b>	<b>1,630,254</b>	<b>1,168,099</b>	<b>1,047,671</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>30,738,780</b>	<b>6,816,293</b>	<b>37,555,073</b>	<b>5,508,512</b>	<b>43,063,585</b>	<b>42,996,886</b>	<b>39,922,977</b>

# School District No. 70 (Pacific Rim)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations  
Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	5,637,123	5,560,116	6,273,472
Other		172,148	
Other Revenue	1,270,000	1,027,515	856,177
<b>Total Revenue</b>	<u>6,907,123</u>	<u>6,759,779</u>	<u>7,129,649</u>
<b>Expenses</b>			
Instruction	6,576,425	6,245,573	6,201,782
District Administration		80,158	120,000
Operations and Maintenance	207,305	310,655	432,889
Transportation and Housing	123,393	123,393	348,780
<b>Total Expense</b>	<u>6,907,123</u>	<u>6,759,779</u>	<u>7,103,451</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>26,198</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased			(26,198)
<b>Total Net Transfers</b>	<u>-</u>	<u>-</u>	<u>(26,198)</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>		30,000	30,000
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>30,000</u>	<u>30,000</u>
<b>Special Purpose Surplus (Deficit), end of year</b>			
Endowment Contributions		30,000	30,000
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<u>30,000</u>	<u>30,000</u>

**School District No. 70 (Pacific Rim)**

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>		39,119	399	345,981	5,135	1,291,303			8,139
District Entered									
<b>Deferred Revenue, beginning of year, as restated</b>	-	39,119	399	345,981	5,135	1,291,303	-	-	8,139
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	207,305	142,788					128,000	30,649	156,855
Provincial Grants - Other									
Federal Grants									
Other				20,766		1,159,760			
	207,305	142,788	-	20,766	-	1,159,760	128,000	30,649	156,855
<b>Less:</b> Allocated to Revenue	207,305	175,709	-	30,000	5,135	952,993	128,000	26,086	142,199
Recovered									
<b>Deferred Revenue, end of year</b>	-	6,198	399	336,747	-	1,498,070	-	4,563	22,795
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	207,305	175,709			5,135		128,000	26,086	142,199
Provincial Grants - Other									
Other Revenue				30,000		952,993			
	207,305	175,709	-	30,000	5,135	952,993	128,000	26,086	142,199
<b>Expenses</b>									
Salaries									
Teachers									
Principals and Vice Principals									
Educational Assistants		137,595					103,497		40,488
Support Staff									
Other Professionals									
	-	137,595	-	-	-	-	103,497	-	40,488
Employee Benefits		38,114					23,959		9,312
Services and Supplies	207,305			30,000	5,135	952,993	544	26,086	92,399
	207,305	175,709	-	30,000	5,135	952,993	128,000	26,086	142,199
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

**School District No. 70 (Pacific Rim)**

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

	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 / Restart: Health & Safety Grant	Federal Safe Return to Class / Ventilation Fund
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	28,628					10,157	22,408		
District Entered							(19,000)		
<b>Deferred Revenue, beginning of year, as restated</b>	28,628	-	-	-	-	10,157	3,408	-	-
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	948,283	119,835	2,625,002	604,021	123,393	129,932		99,238	83,228
Provincial Grants - Other									
Federal Grants									
Other									
	948,283	119,835	2,625,002	604,021	123,393	129,932	-	99,238	83,228
<b>Less:</b> Allocated to Revenue	976,911	119,835	2,625,002	604,021	123,393	139,949	3,408	91,982	11,368
Recovered									
<b>Deferred Revenue, end of year</b>	-	-	-	-	-	140	-	7,256	71,860
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	976,911	119,835	2,625,002	604,021	123,393	139,949	3,408	91,982	11,368
Provincial Grants - Other									
Other Revenue									
	976,911	119,835	2,625,002	604,021	123,393	139,949	3,408	91,982	11,368
<b>Expenses</b>									
Salaries									
Teachers			2,089,416	489,323		32,093			
Principals and Vice Principals		86,474							
Educational Assistants	448,570					67,579			
Support Staff					6,453			30,894	
Other Professionals		12,878							
	448,570	99,352	2,089,416	489,323	6,453	99,672	-	30,894	-
Employee Benefits	100,990	20,483	535,586	114,698	1,547	22,925		7,106	
Services and Supplies	427,351				115,393	17,352	3,408	53,982	11,368
	976,911	119,835	2,625,002	604,021	123,393	139,949	3,408	91,982	11,368
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

**School District No. 70 (Pacific Rim)**

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2022

	NON Strong Start	School Meals Program	Early Years Centre (AV Hub)	Learning Lab (Early Years)	PRP Kackaamin	SEY2K	JustB4	Elementary Sports Council	After School Sports & Arts Initiative
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	200,574	152,954		4,017	16,768				
District Entered	(87,223)					19,000		6,396	80,827
<b>Deferred Revenue, beginning of year, as restated</b>	113,351	152,954	-	4,017	16,768	19,000	-	6,396	80,827
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care					212,832	19,000	25,000		
Provincial Grants - Other	14,084		70,000	17,779					70,243
Federal Grants	4,600								
Other	10,948	109,169	5,040	24,163					
	29,632	109,169	75,040	41,942	212,832	19,000	25,000	-	70,243
<b>Less:</b> Allocated to Revenue	22,676	8,557	75,040	31,336	172,041	3,501	4,271	235	78,826
Recovered					15,738				
<b>Deferred Revenue, end of year</b>	<b>120,307</b>	<b>253,566</b>	<b>-</b>	<b>14,623</b>	<b>41,821</b>	<b>34,499</b>	<b>20,729</b>	<b>6,161</b>	<b>72,244</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care					172,041	3,501	4,271		
Provincial Grants - Other	14,024		70,000	9,298					78,826
Other Revenue	8,652	8,557	5,040	22,038				235	
	22,676	8,557	75,040	31,336	172,041	3,501	4,271	235	78,826
<b>Expenses</b>									
Salaries									
Teachers					59,749				19,226
Principals and Vice Principals									
Educational Assistants					59,027				
Support Staff	3,000						3,065		
Other Professionals			52,291						
	3,000	-	52,291	-	118,776	-	3,065	-	19,226
Employee Benefits	347		14,784		31,109		1,206		4,422
Services and Supplies	19,329	8,557	7,965	31,336	22,156	3,501		235	55,178
	22,676	8,557	75,040	31,336	172,041	3,501	4,271	235	78,826
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<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. 70 (Pacific Rim)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2022

Schedule 3A (Unaudited)

	<u>TOTAL</u>
	\$
<b>Deferred Revenue, beginning of year</b>	2,125,582
District Entered	-
<b>Deferred Revenue, beginning of year, as restated</b>	<u>2,125,582</u>
<b>Add:</b> Restricted Grants	
Provincial Grants - Ministry of Education and Child Care	5,655,361
Provincial Grants - Other	172,106
Federal Grants	4,600
Other	<u>1,329,846</u>
	7,161,913
<b>Less:</b> Allocated to Revenue	6,759,779
Recovered	<u>15,738</u>
<b>Deferred Revenue, end of year</b>	<u><u>2,511,978</u></u>
<b>Revenues</b>	
Provincial Grants - Ministry of Education and Child Care	5,560,116
Provincial Grants - Other	172,148
Other Revenue	<u>1,027,515</u>
	6,759,779
<b>Expenses</b>	
Salaries	
Teachers	2,689,807
Principals and Vice Principals	126,962
Educational Assistants	816,268
Support Staff	43,412
Other Professionals	<u>65,169</u>
	3,741,618
Employee Benefits	926,588
Services and Supplies	<u>2,091,573</u>
	6,759,779
<b>Net Revenue (Expense) before Interfund Transfers</b>	<u>-</u>
<b>Interfund Transfers</b>	-
<b>Net Revenue (Expense)</b>	<u><u>-</u></u>

# School District No. 70 (Pacific Rim)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2022

	2022	2022 Actual			2021
	Budget (Note 16)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 19)
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Other Revenue			200	200	250
Gain (Loss) on Disposal of Tangible Capital Assets				-	103,557
Amortization of Deferred Capital Revenue	2,445,124	2,600,789		2,600,789	2,425,245
<b>Total Revenue</b>	<b>2,445,124</b>	<b>2,600,789</b>	<b>200</b>	<b>2,600,989</b>	<b>2,529,052</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,453,706	2,525,849		2,525,849	2,400,445
Transportation and Housing	817,902	856,065		856,065	813,563
Debt Services					
Capital Loan Interest	9,905		9,970	9,970	6,630
<b>Total Expense</b>	<b>3,281,513</b>	<b>3,381,914</b>	<b>9,970</b>	<b>3,391,884</b>	<b>3,220,638</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(836,389)</b>	<b>(781,125)</b>	<b>(9,770)</b>	<b>(790,895)</b>	<b>(691,586)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased		348,847		348,847	125,967
Local Capital	79,411		42,051	42,051	
<b>Total Net Transfers</b>	<b>79,411</b>	<b>348,847</b>	<b>42,051</b>	<b>390,898</b>	<b>125,967</b>
<b>Other Adjustments to Fund Balances</b>					
Principal Payment					
Capital Loan		69,515	(69,515)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>69,515</b>	<b>(69,515)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(756,978)</b>	<b>(362,763)</b>	<b>(37,234)</b>	<b>(399,997)</b>	<b>(565,619)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>12,544,021</b>	<b>37,234</b>	<b>12,581,255</b>	<b>13,541,977</b>
Prior Period Adjustments					
Restate opening amortization for half-year rule					(395,103)
<b>Capital Surplus (Deficit), beginning of year, as restated</b>		<b>12,544,021</b>	<b>37,234</b>	<b>12,581,255</b>	<b>13,146,874</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>12,181,258</b>	<b>-</b>	<b>12,181,258</b>	<b>12,581,255</b>



# School District No. 70 (Pacific Rim)

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>	2,558,638	120,330,936	2,319,498	1,087,244		1,002,029	127,298,345
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		5,509,171	152,533				5,661,704
Deferred Capital Revenue - Other		1,710,073	42,445				1,752,518
Operating Fund			33,777	31,015		284,055	348,847
Loan Proceeds				22,954			22,954
Transferred from Work in Progress		4,970,566					4,970,566
	-	12,189,810	228,755	53,969	-	284,055	12,756,589
Decrease:							
Deemed Disposals			49,313	179,889		282,364	511,566
	-	-	49,313	179,889	-	282,364	511,566
<b>Cost, end of year</b>	2,558,638	132,520,746	2,498,940	961,324	-	1,003,720	139,543,368
<b>Work in Progress, end of year</b>		26,656,931	66,171				26,723,102
<b>Cost and Work in Progress, end of year</b>	2,558,638	159,177,677	2,565,111	961,324	-	1,003,720	166,266,470
<b>Accumulated Amortization, beginning of year</b>		46,888,579	1,391,878	474,543		495,886	49,250,886
Prior Period Adjustments							
Restate opening amortization for half-year rule		1,345,685	115,975	54,363		100,202	1,616,225
<b>Accumulated Amortization, beginning of year, as restated</b>		48,234,264	1,507,853	528,906	-	596,088	50,867,111
<b>Changes for the Year</b>							
Increase: Amortization for the Year		2,837,989	240,922	102,428		200,575	3,381,914
Decrease:							
Deemed Disposals			49,313	179,889		282,364	511,566
			49,313	179,889		282,364	511,566
<b>Accumulated Amortization, end of year</b>		51,072,253	1,699,462	451,445	-	514,299	53,737,459
<b>Tangible Capital Assets - Net</b>	2,558,638	108,105,424	865,649	509,879	-	489,421	112,529,011

# School District No. 70 (Pacific Rim)

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>	17,096,400	66,171			17,162,571
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	14,531,097				14,531,097
	14,531,097	-	-	-	14,531,097
Decrease:					
Transferred to Tangible Capital Assets	4,970,566				4,970,566
	4,970,566	-	-	-	4,970,566
<b>Net Changes for the Year</b>	9,560,531	-	-	-	9,560,531
<b>Work in Progress, end of year</b>	<b>26,656,931</b>	<b>66,171</b>	-	-	<b>26,723,102</b>

# School District No. 70 (Pacific Rim)

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>	63,328,629	1,305,016	144,810	64,778,455
Prior Period Adjustments				
Restate opening amortization for half-year rule	(1,192,792)	(26,368)	(3,391)	(1,222,551)
<b>Deferred Capital Revenue, beginning of year, as restated</b>	<u>62,135,837</u>	<u>1,278,648</u>	<u>141,419</u>	<u>63,555,904</u>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	5,661,704	1,752,518		7,414,222
Transferred from Work in Progress	4,967,375	3,191		4,970,566
	<u>10,629,079</u>	<u>1,755,709</u>	<u>-</u>	<u>12,384,788</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,517,731	76,278	6,780	2,600,789
	<u>2,517,731</u>	<u>76,278</u>	<u>6,780</u>	<u>2,600,789</u>
<b>Net Changes for the Year</b>	<u>8,111,348</u>	<u>1,679,431</u>	<u>(6,780)</u>	<u>9,783,999</u>
<b>Deferred Capital Revenue, end of year</b>	<u>70,247,185</u>	<u>2,958,079</u>	<u>134,639</u>	<u>73,339,903</u>
<b>Work in Progress, beginning of year</b>	17,007,484	88,916	66,171	17,162,571
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	14,531,097			14,531,097
	<u>14,531,097</u>	<u>-</u>	<u>-</u>	<u>14,531,097</u>
Decrease				
Transferred to Deferred Capital Revenue	4,967,375	3,191		4,970,566
	<u>4,967,375</u>	<u>3,191</u>	<u>-</u>	<u>4,970,566</u>
<b>Net Changes for the Year</b>	<u>9,563,722</u>	<u>(3,191)</u>	<u>-</u>	<u>9,560,531</u>
<b>Work in Progress, end of year</b>	<u>26,571,206</u>	<u>85,725</u>	<u>66,171</u>	<u>26,723,102</u>
<b>Total Deferred Capital Revenue, end of year</b>	<u>96,818,391</u>	<u>3,043,804</u>	<u>200,810</u>	<u>100,063,005</u>

# School District No. 70 (Pacific Rim)

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>	\$ 186,262	\$ 84,329	\$ 753,762	\$	\$	\$ 1,024,353
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education and Child Care	20,691,176					20,691,176
Provincial Grants - Other			2,189,398			2,189,398
	20,691,176	-	2,189,398	-	-	22,880,574
Decrease:						
Transferred to DCR - Capital Additions	5,661,704		1,752,518			7,414,222
Transferred to DCR - Work in Progress	14,531,097					14,531,097
	20,192,801	-	1,752,518	-	-	21,945,319
<b>Net Changes for the Year</b>	498,375	-	436,880	-	-	935,255
<b>Balance, end of year</b>	684,637	84,329	1,190,642	-	-	1,959,608



# FINANCIAL STATEMENTS DISCUSSION and ANALYSIS

Year ended June 30, 2022

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**School District No. 70 (Pacific Rim)**  
**Financial Statements Discussion and Analysis**  
**For the Year Ended June 30, 2022**

**INTRODUCTION**

The following is a discussion and analysis of the financial performance of School District 70 (Pacific Rim) (the “District”) for the fiscal year ended June 30, 2022. This report should be read in conjunction with the District’s consolidated financial statements of the same period and is meant to assist the reader.

The purpose of the Financial Statement Discussion and Analysis is to highlight information and provide explanations which enhance the reader’s understanding of the school district’s financial statements as well as the factors that influence the financial results presented in these statements. This report is a summary of the district’s financial activities, based on currently known facts, decisions and conditions. The statements illustrate, in financial terms, how resources have been allocated and consumed during the fiscal year.

The preparation of this financial statement discussion and analysis is management’s responsibility. All dollar amounts are reported to the nearest thousand.

**OVERVIEW OF THE SCHOOL DISTRICT**

Located on Vancouver Island, the District serves the communities of Bamfield, Port Alberni, Tofino and Ucluelet. The district provides educational services to approximately 4,000 students. These services include: an Indigenous Education Program, an International Program, late French Immersion, Distributed Learning and Alternative Programming. School District 70 Pacific Rim is situated on the ha-houlthees of the *cišaaʔaṭh*, *hupačasath*, *tla-o-qui-aht*, *Yuuʔuʔiʔaṭh*, and *Huu-ay-aht* First Nations and acknowledges that we work alongside all Nuu-chah-nulth nations as well as the Métis Nation of British Columbia to serve the children and youth of the Alberni-Clayoquot region. The district strives to increase awareness, understanding and integration of Nuu-chah-nulth culture, history and language in all SD70 schools. It is part of our ongoing commitment to Truth and Reconciliation.

The governing body of the School District is a Board of Education made up of seven trustees who are each elected for a four-year term. The day-to-day matters are managed by the administrative staff of the District, headed by the Superintendent of Schools.

**Our Strategic Plan**

- Goal 1 - Improve Numeracy Skills for all Students;
- Goal 2 - Increase Literacy Skills for all Students; and
- Goal 3 - Improve Student Social and Emotional Wellbeing.

## **Our Mission**

- To educate students in safe, inclusive and engaging learning environments where every student develops the knowledge, skills and abilities to be a lifelong learner and productive member of our global society.

## **Our Vision**

- To be a professional learning community that celebrates diversity, engages learners and fosters achievement.

## **Our Core Values**

- Inclusion
- Engagement
- Achievement
- Integrity
- Collaboration

## **Our Schools**

### Elementary Schools

- École Alberni Elementary School
- E J Dunn Elementary School
- John Howitt Elementary School
- Maquinna Elementary School
- Tsuma-as Elementary School
- Ucluelet Elementary School
- Wood Elementary School

### Secondary Schools

- Alberni District Secondary School
- Ucluelet Secondary School

### Community Schools

- Bamfield Community School
- Wickaninnish Community School

### Alternate Programs

- Eight Avenue Learning Centre
- Pacific Rim International Student Program

## COMPOSITION OF THE FINANCIAL STATEMENTS

School district financial statements are 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.

The two key audited statements are:

- The **Statement of Financial Position** summarizes the districts assets and liabilities at June 30, 2022. This provides an indication of the financial health of the school district.
- **The Statement of Operations** summarizes the revenues received and expenses incurred between July 1, 2021 and June 30, 2022. This statement provides an indication of the funding received by the school district and how that funding was spent.
- The **Statement of Changes in Net Financial Assets (Debt)**, the **Statement of Cash Flows** and the **Notes to the Financial Statements** are also audited and provide further analysis of the District's finances.

Financial performance is difficult to ascertain in the audited Financial Statements, as they are a consolidation of three distinct areas:

- The Operating Fund (Schedule 2);
- Special Purpose Funds (Schedule 3); and the
- Capital Fund (Schedule 4).

The schedules are included at the end of the financial statements, following the Notes to the Financial Statements, in a format prescribed by the Ministry. The schedules include more details specific to each of the three areas, providing increased transparency and accountability. The balances reported in the schedules, when consolidated, are consistent with the balances reported in the statements.

- **Schedule 1** illustrates a breakdown of the accumulated surplus (deficit) on Statement 1 into the three reporting areas.
- **Schedule 2** provides detail on the Operating Fund, which accounts for the operating grants and other operating revenues. Legislation requires that the District present a balanced budget for the Operating Fund, whereby budgeted expenditure does not exceed budgeted revenue, and any surplus used to balance the budget is appropriated from surpluses carried forward in previous years.
- **Schedule 3** provides detail on the Special Purpose Funds, which are grants and contributions that are directed towards specific activities. As these are targeted grants, any unspent funding is accounted for as deferred revenue, not as accumulated surplus.
- **Schedule 4** provides detail on the Capital Fund, which accounts for the capital assets and capital revenues.



## STATEMENT OF FINANCIAL POSITION

Financial Assets are assets available to discharge existing liabilities or finance future operations. Overall, there was no significant change from the prior year's overall balances.

In Thousands	2022	2021	Change
Cash and Cash Equivalents	\$ 10,295	\$ 8,471	\$ 1,824
Accounts Receivable - Due from Ministry of Education and Child Care	1,261	2,207	(946)
Accounts Receivable - Due from First Nations	1,346	1,446	(100)
Accounts Receivable - Due from Other	567	360	207
<b>Total</b>	<b>\$ 15,491</b>	<b>\$ 14,505</b>	<b>\$ 985</b>

Cash and cash equivalents increased by \$1.8 million during the year, largely comprised of a capital grant received and not yet spent on Child Care space. Accounts Receivable from the Ministry of Education and Child Care decreased by \$0.9 million reflecting timing of year-end funding on capital projects. Accounts Receivable from First Nations decreased by \$0.1 million. Accounts Receivable - Other, increased by \$0.2 million.

Liabilities represent obligations that have been incurred by the District. Total liabilities increased from the prior year by \$20.2 million.

In Thousands	2022	2021	Change
Accounts Payable and Accrued Liabilities	\$ 5,793	\$ 6,061	\$ (268)
Unearned Revenue	298	318	(20)
Deferred Revenue	2,512	2,126	386
Deferred Capital Revenue	102,023	81,743	20,280
Employee Future Benefits	563	570	(7)
Debt	316	362	(46)
Other Liabilities	-	109	(109)
<b>Total</b>	<b>\$ 111,505</b>	<b>\$ 91,289</b>	<b>\$ 20,216</b>

Accounts Payable and Accrued Liabilities is mainly comprised of employee remittances for payroll deductions, accumulated employee vacation, accrued wages and trades payable, which includes a significant amount for capital projects.

Unearned Revenue represents revenues received for future periods in the areas of rental revenue and international student tuition.

Deferred Revenue is externally restricted revenue for specific programs such as Community Link, StrongStart, Ready Set Learn, After School Sport and Arts and includes School Generated Funds. Deferred revenue is not recognized until related expenses are incurred.

Deferred Capital Revenue is revenue to be amortized over the life of the related capital assets.

Non-Financial Assets have increased by \$18.9 million.

In Thousands	2022	2021	Change
Tangible Capital Assets	\$ 112,529	\$ 93,594	\$ 18,935
Restricted Assets (Endowments)	30	30	-
Prepaid Expenses	278	285	(7)
<b>Total</b>	<b>\$ 112,837</b>	<b>\$ 93,909</b>	<b>\$ 18,928</b>

Capital Assets include land, buildings, construction projects in progress, furniture, equipment, vehicles and computers. The increase of \$18.9 million is a result of new additions of \$12.7 million, less amortization expense and deemed disposals, plus additional Work in Progress of \$14.5 million. The largest capital asset addition is the completion of the Ucluelet Elementary School project. Ucluelet Secondary School remains a work in progress, currently valued at \$26.7 million, and will not be amortized until substantial completion.

Restricted Assets represent the principal portion of the endowment fund received for scholarships. They are considered non-financial assets because they cannot be used to meet the liabilities of the District as they become due.

Prepaid Expenses represent costs that have been paid in advance of the next fiscal year and will become expenses in a future period.

Accumulated Surplus has decreased by \$ 0.3 million.

In Thousands	2022	2021	Change
Operating Fund	\$ 2,592	\$ 2,492	\$ 100
Special Purpose Funds	30	30	-
Capital Fund	12,181	12,581	(400)
<b>Total</b>	<b>\$ 14,803</b>	<b>\$ 15,103</b>	<b>\$ (300)</b>

Accumulated surplus represents the Board's residual interest in its assets after deducting liabilities. Most of this balance is unavailable to fund operations as it is either restricted or has already been used to invest in buildings, equipment and other capital assets.

## STATEMENT OF OPERATIONS

The Statement of Operations is a consolidation of revenues and expenditures in the operating, special purpose and capital funds. Each of these funds is discussed separately below.

Consolidated revenues from all sources increased from \$51.5 million in 2021 to \$52.9 million in 2022. 84% of total revenue is from the Ministry of Education and Child Care and the other 16% comes from several different sources, such as tuition from international students, rentals and leases of school district property, investment income and amortization of deferred revenue.

In Thousands	2022		2021		Change
Ministry Grants	\$ 44,679	84%	\$ 44,018	85%	\$ 661
Grants from Other Ministries	236	0%	45	0%	191
Tuition	557	1%	91	0%	466
Other Revenue	4,722	9%	4,721	9%	1
Rentals and Leases	79	0%	110	0%	(31)
Investment Income	41	0%	23	0%	18
Gain (Loss) on Disposal of Tangible Capital Assets	-	0%	104	0%	(104)
Amortization of Deferred Capital Revenue	2,601	5%	2,425	5%	176
<b>Total</b>	<b>\$ 52,915</b>	<b>100%</b>	<b>\$ 51,537</b>	<b>100%</b>	<b>\$ 1,378</b>

### Operating Fund revenue

This District received \$39.1 million from the Ministry of Education and Child Care in the form of the operating grant, which is based on student enrolment and other student, staffing and geographical factors. The remaining funding totaled \$4.4 million.

In Thousands	2022	2021	Amended Annual Budget	Variance from Prior Year	Variance from Budget
Ministry Grants	\$ 39,119	\$ 37,744	\$ 39,019	\$ 1,375	\$ 100
Grants from Other Ministries	64	45	-	19	64
Tuition	557	91	250	466	307
Other Revenue	3,694	3,865	3,422	(171)	272
Rentals and Leases	79	110	58	(31)	21
Investment Income	41	23	20	18	21
<b>Total</b>	<b>\$ 43,554</b>	<b>\$ 41,878</b>	<b>\$ 42,769</b>	<b>\$ 1,676</b>	<b>\$ 785</b>

Revenues increased by \$1.7 million from the prior year and \$0.8 million from the budget. Of note, the District's International Student program is growing rapidly and Investment income rates are beginning to return to pre-Covid-19 levels.

### Operating Fund expenditures

Expenditures in the Operating Fund totaled \$43 million.

In Thousands	2022	2021	Amended Annual Budget	Variance from Prior Year	Variance from Budget
Teachers	\$ 17,637	\$ 17,272	\$ 18,074	\$ 365	\$ (437)
Principals and Vice-Principals	3,191	3,138	3,336	53	(145)
Educational Assistants	2,577	2,220	2,867	357	(290)
Support Staff	4,245	4,141	4,328	104	(83)
Other Professionals	1,464	1,068	1,159	396	305
Substitutes	1,625	1,215	1,500	410	125
	30,739	29,054	31,264	1,685	(525)
Employee Benefits	6,816	6,710	6,866	106	(50)
Services and Supplies	5,509	4,159	4,867	1,350	642
<b>Total</b>	<b>\$ 43,064</b>	<b>\$ 39,923</b>	<b>\$ 42,997</b>	<b>\$ 3,141</b>	<b>\$ 67</b>

Salaries were underbudget in all areas other than substitutes, and consequently employee benefits were underbudget. Forecasted savings were redirected to other areas in Services and Supplies, in particular, the growing International Student Program.

## Operating Surplus

The District ended the fiscal year with a total operating surplus of \$2,591,582. The Amended Annual Budget of that year planned to draw down the Operating Surplus by \$306,482. This was a planned reduction of reserves to support board approved initiatives, in compliance with Policy 340: Accumulated Operating Surplus, which provides for a Contingency Reserve of 1% to 3% of operating expenditures. As the surplus currently sits at 6%, the District will continue to plan on drawing down the surplus in future years until the surplus is in that range.

For information, the breakdown is as follows:

### **Contingency Reserve - \$1,318,899**

- elimination of any deficit arising at the end of a fiscal year of operation
- funding for new cost pressures not known at the time of budget development
- severance costs upon termination of employment
- legal action not covered by insurance
- coverage for unfunded disaster recovery costs
- extraordinary utilities cost pressures
- replacement of equipment essential to the continuation of educational programming
- assistance in balancing future years budgets

### **Board Approved Initiatives - \$1,272,683**

- creation of new positions
  - o District Principal of Indigenous Programs
  - o District Secretary (Indigenous Programs, Early Learning Programs, Support Services)
  - o Payroll and Benefits Coordinator (Absence Management, Compliance, Wellness)
- enhancements to technology
  - o modernizing SDS financial/payroll software
  - o implementation of electronic timesheets
  - o implementation of electronic leaves
  - o implementation of bussing tracking system for student ridership
  - o implementation of electronic filing system
- unfunded increases
  - o early learning costs not covered by additional grants
  - o exempt employee increases

Some initiatives are one-time costs. Others are cost-saving measures

### Special Purpose Funds

Special Purpose Funds revenues are restricted grants designated for specific purposes or programs. Revenue is recognized only when it is expended, not when it is received. Balances can often be deferred to subsequent years for the intended purpose. Some funds require Ministry approval to carry forward and other funds that carry a surplus at the end of the year reduce the funding received in the next fiscal year.

<b>In Thousands</b>	<b>2022</b>	<b>2021</b>	<b>Amended Annual Budget</b>	<b>Variance from Prior Year</b>	<b>Variance from Budget</b>
Ministry of Education and Child Care	\$ 5,560	\$ 6,273	\$ 5,637	\$ (713)	\$ (77)
Grants from Other Ministries	172	-	-	172	172
Other Revenue	1,027	856	1,270	171	(243)
<b>Total</b>	<b>\$ 6,759</b>	<b>\$ 7,129</b>	<b>\$ 6,907</b>	<b>\$ (370)</b>	<b>\$ (148)</b>

The District expended \$6.76 million in Special Purpose Funds in the year.

<b>In Thousands</b>	<b>2022</b>	<b>2021</b>	<b>Amended Annual Budget</b>	<b>Variance from Prior Year</b>	<b>Variance from Budget</b>
Instruction	\$ 6,246	\$ 6,202	\$ 6,576	\$ 44	\$ (330)
District Administration	80	120	-	(40)	80
Operations and Maintenance	311	433	207	(122)	104
Transportation and Housing	123	349	123	(226)	-
<b>Total</b>	<b>\$ 6,760</b>	<b>\$ 7,104</b>	<b>\$ 6,906</b>	<b>\$ (344)</b>	<b>\$ (146)</b>

Capital Fund

Revenues are represented through the amortization of deferred capital revenue.

In Thousands	2022	2021	Amended Annual Budget	Variance from Prior Year	Variance from Budget
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Gain (Loss) on Disposal of Tangible Capital Asset	-	104			
Amortization of Deferred Capital Revenue	2,601	2,425	2,445	176	156
<b>Total</b>	<b>\$ 2,601</b>	<b>\$ 2,529</b>	<b>\$ 2,445</b>	<b>\$ 176</b>	<b>\$ 156</b>

Expenditures include the amortization of tangible capital assets and interest payments on capital loans.

In Thousands	2022	2021	Amended Annual Budget	Variance from Prior Year	Variance from Budget
Amortization of Tangible Capital Assets					
- Operations and Maintenance	\$ 2,526	\$ 2,400	\$ 2,454	\$ 126	\$ 72
- Transportation and Housing	856	814	818	42	38
Debt Services	10	7	10	3	-
<b>Total</b>	<b>\$ 3,392</b>	<b>\$ 3,221</b>	<b>\$ 3,282</b>	<b>\$ 171</b>	<b>\$ 110</b>

The District received \$22.8 million in capital grants in 2021/22. Of this amount, \$2.0 million remains in unspent deferred revenue, largely targeted for additional child care space.

The District invested \$12.3 million in capital building additions, which included \$7.9 million of costs related to the completion of the UES project. An additional \$14.5 million was added to work in progress for additions on USS.

Furniture and equipment assets of \$229 k, vehicles of 54 k and computers of 284 k were also purchased with Operating Funds, Special Purpose Funds and a small capital loan.

## **SUMMARY OF OTHER SIGNIFICANT MATTERS**

The District submitted a balanced budget to the Ministry of Education for the 2021/22 Fiscal Year that will continue to deliver the mix of programs and services currently offered to students in our schools. Moving into 2022/23 and beyond, there are several factors that may impact the District's operations and financial position.

### Bargaining

The District's unionized staff are currently in bargaining. Until an agreement is reached, potential job action is a possibility that could have significant impact on operations. In addition, while labour settlement funding is provided by the Ministry for unionized employees, there is no additional funding for exempt staff and any resulting increases must be absorbed internally.

### Replacement Costs / Availability / Employee Wellness

While the impact of the COVID-19 pandemic on replacement costs has decreased, it is still too early to assess the long-term effect on employee wellness.

Amendments to the Employment Standards Act, that came into force in April 2022, will place an additional load on the District's finances and its capacity to provide adequate staffing levels in an already strained area.

## **CONTACTING MANAGEMENT**

This financial report is designed to provide a general overview of the School District's finances and to demonstrate accountability for the public fund received by the school district.

If you have questions about the financial report, please contact the Office of the Secretary Treasurer at 250-723-3565.

You can also find additional information on the district, and its strategic vision, on our website: [www.SD70.bc.ca](http://www.SD70.bc.ca).