

Consolidated Audited Financial Statements of

School District No. 63 (Saanich)

And Independent Auditors' Report thereon

June 30, 2022

School District No. 63 (Saanich)

June 30, 2022

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School District No. 63 (Saanich)

MANAGEMENT REPORT

Version: 9473-8727-6744

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of School District No. 63 (Saanich) 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 consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements.

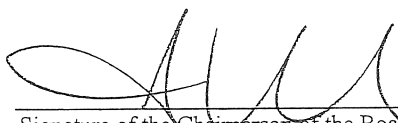
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

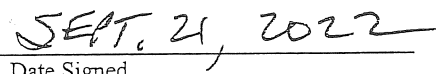
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

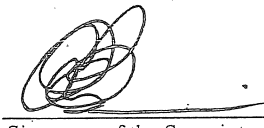
The Board of Education of School District No. 63 (Saanich) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements regularly throughout the year and externally audited consolidated financial statements yearly.

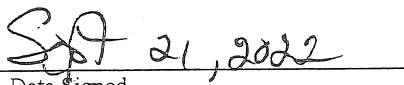
The external auditors, Office of the Auditor General of British Columbia, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of School District No. 63 (Saanich) 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 consolidated financial statements.

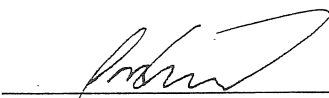
On behalf of School District No. 63 (Saanich)

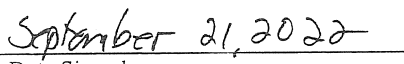

Signature of the Chairperson of the Board of Education


Date Signed


Signature of the Superintendent


Date Signed


Signature of the Secretary Treasurer


Date Signed



Independent Auditor's Report

*To the Board of Education of School District No. 63 (Saanich), and
To the Minister of Education, Province of British Columbia*

Qualified Opinion

I have audited the accompanying consolidated financial statements of School District No. 63 Saanich ("the entity"), which comprise the consolidated statement of financial position as at June 30, 2022, and the consolidated statements of operations, changes in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the consolidated financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2022, and the results of its operations, change in its net debt, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Qualified Opinion

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

As described in Note 2 to the consolidated Financial Statements, the entity's accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized. The entity was required to adopt this accounting policy as prescribed by Province of British Columbia Treasury Board Regulation 198/2011.

Under Canadian Public Sector Accounting Standards, the entity's method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In my opinion, certain contributions of the entity do not meet the definition of a liability, and as such the entity's method of accounting for those contributions represents a departure from Canadian Public Sector Accounting Standards.

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. Had the entity made an adjustment for this departure in the current year, the liability for deferred capital revenue as at June 30, 2022 would have been lower by \$117 million, revenue, annual surplus and accumulated surplus would have been higher by \$117 million and net debt would have been lower by \$117 million.

Independent Auditor's Report

SCHOOL DISTRICT NO. 63 (SAANICH)

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the entity's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Other Accompanying Information

Management is responsible for the other information accompanying the financial statements. The other information comprises the information included in the Financial Statement Discussion and Analysis but does not include the consolidated financial statements and my auditor's report thereon.

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

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information that I have obtained prior to the date of my auditor's report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report I obtained the Financial Statement Discussion and Analysis. If, based on the work I have performed on this other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report.

As described in the Basis for Qualified Opinion section above, the entity has inappropriately deferred certain of its revenues from government transfers. I have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the Financial Statement Discussion and Analysis affected by this departure from PSAS.

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

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

SCHOOL DISTRICT NO. 63 (SAANICH)

In preparing the consolidated 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 when the entity will continue its operations for the foreseeable future.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the entity's consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

Independent Auditor's Report

SCHOOL DISTRICT NO. 63 (SAANICH)

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Stuart Newton, CPA, CA
Assistant Auditor General

Victoria, British Columbia, Canada
September 27, 2022

School District No. 63 (Saanich)

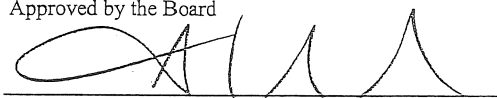
Statement 1

Consolidated Statement of Financial Position

As at June 30, 2022

	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	21,801,778	21,776,190
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	757,785	794,363
Due from Province - Other	-	46,138
Due from First Nations	993,555	1,096,590
Other (Note 3)	1,680,240	1,796,601
Portfolio Investments (Note 4)	208,765	202,909
Construction Security Deposit (Note 5)	87,100	421,300
Total Financial Assets	<u>25,529,223</u>	<u>26,134,091</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 6)	9,374,347	9,274,492
Unearned Revenue (Note 7)	5,055,707	4,194,914
Deferred Revenue (Note 8)	1,791,085	1,629,288
Deferred Capital Revenue (Note 9)	119,585,324	119,457,557
Employee Future Benefits (Note 10)	4,061,261	4,088,113
Total Liabilities	<u>139,867,724</u>	<u>138,644,364</u>
Net Debt	<u>(114,338,501)</u>	<u>(112,510,273)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	144,363,384	146,097,649
Prepaid Expenses	368,575	304,713
Total Non-Financial Assets	<u>144,731,959</u>	<u>146,402,362</u>
Accumulated Surplus (Deficit) (Note 12)	<u>30,393,458</u>	<u>33,892,089</u>
Contractual Obligations (Note 13)		
Contractual Rights (Note 14)		
Contingent Liabilities (Note 15)		

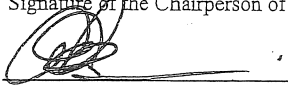
Approved by the Board



 Signature of the Chairperson of the Board of Education

SEPT. 21, 2022

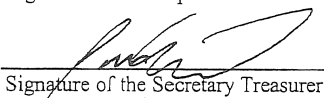
 Date Signed



 Signature of the Superintendent

Sept 21, 2022

 Date Signed



 Signature of the Secretary Treasurer

September 21, 2022

 Date Signed

School District No. 63 (Saanich)

Statement 2

Consolidated Statement of Operations

Year Ended June 30, 2022

	2022 Budget (Note 16) \$	2022 Actual \$	2021 Actual (Restated - Note 22) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	84,712,242	85,322,825	87,228,702
Other	23,000	183,610	127,750
Federal Grants		39,492	
Tuition	3,507,675	3,708,763	2,024,160
Other Revenue	7,379,340	8,365,862	6,847,577
Rentals and Leases	390,000	380,542	357,692
Investment Income	205,000	208,900	222,422
Amortization of Deferred Capital Revenue	5,014,611	5,136,108	4,784,790
Total Revenue	<u>101,231,868</u>	<u>103,346,102</u>	<u>101,593,093</u>
Expenses (Note 17)			
Instruction	84,166,587	85,552,617	80,361,568
District Administration	3,458,197	3,060,284	3,038,162
Operations and Maintenance	16,598,487	16,470,791	15,994,160
Transportation and Housing	1,991,912	1,761,041	1,853,669
Total Expense	<u>106,215,183</u>	<u>106,844,733</u>	<u>101,247,559</u>
Surplus (Deficit) for the year	<u>(4,983,315)</u>	<u>(3,498,631)</u>	<u>345,534</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		33,892,089	33,546,555
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>30,393,458</u></u>	<u>33,892,089</u>

School District No. 63 (Saanich)

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

	2022 Budget (Note 16) \$	2022 Actual \$	2021 Actual (Restated - Note 22) \$
Surplus (Deficit) for the year	(4,983,315)	(3,498,631)	345,534
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(969,968)	(5,126,726)	(8,037,116)
Amortization of Tangible Capital Assets	6,718,052	6,860,991	6,301,670
Prior Period Adjustment - 1/2 Year Rule on Prior Year Additions			2,441,708
Total Effect of change in Tangible Capital Assets	5,748,084	1,734,265	706,262
Acquisition of Prepaid Expenses	(250,000)	(368,575)	(304,713)
Use of Prepaid Expenses	215,000	304,713	213,349
Total Effect of change in Other Non-Financial Assets	(35,000)	(63,862)	(91,364)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>729,769</u>	(1,828,228)	960,432
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(1,828,228)	960,432
Net Debt, beginning of year		(112,510,273)	(113,470,705)
Net Debt, end of year		(114,338,501)	(112,510,273)

School District No. 63 (Saanich)

Statement 5

Consolidated Statement of Cash Flows

Year Ended June 30, 2022

	2022 Actual	2021 Actual
		(Restated - Note 22)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(3,498,631)	345,534
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	302,112	139,794
Prepaid Expenses	(63,862)	(91,364)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	99,855	282,602
Unearned Revenue	860,793	904,028
Deferred Revenue	161,797	(380,110)
Employee Future Benefits	(26,852)	261,532
Amortization of Tangible Capital Assets	6,860,991	6,301,670
Amortization of Deferred Capital Revenue	(5,136,108)	(4,784,790)
Construction Works Deposit	334,200	(421,300)
Total Operating Transactions	<u>(105,705)</u>	<u>2,557,596</u>
Capital Transactions		
Tangible Capital Assets Purchased	(1,664,436)	(2,680,120)
Tangible Capital Assets -WIP Purchased	(3,462,290)	(5,356,996)
Total Capital Transactions	<u>(5,126,726)</u>	<u>(8,037,116)</u>
Financing Transactions		
Capital Revenue Received	5,263,875	5,040,868
Total Financing Transactions	<u>5,263,875</u>	<u>5,040,868</u>
Investing Transactions		
Proceeds on Disposal of Portfolio Investments	(5,856)	(5,444)
Total Investing Transactions	<u>(5,856)</u>	<u>(5,444)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	25,588	(444,096)
Cash and Cash Equivalents, beginning of year	<u>21,776,190</u>	<u>22,220,286</u>
Cash and Cash Equivalents, end of year	<u>21,801,778</u>	<u>21,776,190</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	6,316,765	10,037,731
Cash Equivalents	15,485,013	11,738,459
	<u>21,801,778</u>	<u>21,776,190</u>

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 AUTHORITY AND PURPOSE

The school district 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. 63 (Saanich)", and operates as "School District No. 63 (Saanich)". A board of education ("Board") is elected for a four-year term and governs the school district. The school district provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 63 (Saanich) is exempt from federal and provincial corporate income taxes.

The COVID 19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the school district remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1, 2020 and full-time beginning September 1, 2020 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the school district is not practicable at this time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

As noted in notes 2(g) and 2(m), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the school district to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense.

As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require that:

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

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of Accounting (continued)

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 consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. The transactions of the Business Company are accounted for using the consolidation method. Inter-departmental transactions and organizational transactions have been eliminated.

School District No. 63 Business Company was 100 percent owned by the school district and was dissolved on March 24, 2022.

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. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

d) Accounts Receivable

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

e) Portfolio Investments

The school district has investments in Guaranteed Investment Certificates (GICs) with terms to maturity of greater than one year. GICs are reported at cost.

f) 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.

g) 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 (m).

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.

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Deferred Revenue and Deferred Capital Revenue (continued)

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.

h) 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.

i) Liability for Contaminated Sites

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

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the school district:
 - is directly responsible; or
 - accepts responsibility;

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Liability for Contaminated Sites (continued)

- 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 remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the school district to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Consolidated 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 consolidated 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. Work in progress is not amortized until available for productive use. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

k) Prepaid Expenses

Amounts for insurance and other services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 12 – Accumulated Surplus).

m) Revenue Recognition

Revenues are recognized on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

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

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

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

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

The accounting treatment for restricted contributions that are government transfers 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 is performed is deferred and recognized when the fee is earned or service performed.

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

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

n) Expenditures

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

Categories of Salaries

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

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and indigenous education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- 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.

o) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, and accounts payable and accrued liabilities. All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated 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. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

p) Measurement Uncertainty

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

q) Future Changes in Accounting Policies

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

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

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

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

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

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

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

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

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q) Future Changes in Accounting Policies (continued)

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

r) Comparative Figures

Certain comparative figures presented in the financial statements have been reclassified to conform to the financial statement presentation adopted in the current year.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2022	June 30, 2021
	\$	\$
Due from Federal Government	105,995	127,003
Other	42,913	165,560
BCPSEA and PEBT benefit surplus	1,531,332	1,504,038
	1,680,240	1,796,601

NOTE 4 PORTFOLIO INVESTMENTS

	June 30, 2022	June 30, 2021
Investments measured at cost:	\$	\$
GIC's	208,765	202,909
	208,765	202,909

NOTE 5 CONSTRUCTION SECURITY DEPOSIT

The school district paid a deposit to District of Saanich as security for performance of various obligations during construction in progress at Children's Development Centre. The District expects to complete all works and services required and be refunded the deposit when construction is complete in 2023.

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	June 30, 2022	June 30, 2021
	\$	\$
Trade payables	1,451,664	1,221,884
Salaries and benefits payable	7,430,193	7,529,650
Accrued vacation pay	492,490	522,958
	9,374,347	9,274,492

NOTE 7 UNEARNED REVENUE

	June 30, 2022	June 30, 2021
	\$	\$
Balance, beginning of year	4,194,914	3,290,886
Changes for the year:		
Increase:		
Tuition fees collected	4,247,847	2,638,747
Homestay fees collected	2,534,994	1,431,545
Decrease:	6,782,841	4,070,292
Tuition and other fees recognized as revenue	(3,708,763)	(2,024,160)
Homestay fees recognized as revenue	(2,213,285)	(1,142,104)
Net changes for the year	860,793	904,028
Balance, end of year	5,055,707	4,194,914

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 8 DEFERRED REVENUE

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

	June 30, 2022	June 30, 2021
	\$	\$
Balance, beginning of year	1,629,288	2,009,398
Changes for the year:		
Increase:		
Provincial Grants	10,801,601	12,807,466
Other	2,890,672	1,809,786
Investment Income	6,283	5,796
	13,698,556	14,623,048
Decrease:		
Transfers to Revenue	(13,508,935)	(14,960,601)
Recovered	(27,824)	(42,557)
Net changes for the year	161,797	(380,110)
Balance, end of year	1,791,085	1,629,288

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 9 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

	June 30, 2022	June 30, 2021
Balance, deferred capital revenue, subject to amortization, beginning of year	\$ 116,175,381	\$ 117,559,660
Prior period adjustment, adoption of ½ year rule	-	(2,441,708)
Balance, deferred capital revenue, subject to amortization, beginning of year as restated	116,175,381	115,117,852
Changes for the year:		
Increase:		
Capital Additions	628,501	1,241,135
Transfer from work in progress	5,784,749	4,601,084
Decrease:		
Amortization	(5,136,108)	(4,784,790)
Net changes for the year	1,277,142	1,057,429
Balance, deferred capital revenue, subject to amortization, end of year	117,452,523	116,175,381
Balance, deferred capital revenue, not subject to amortization, beginning of year	3,196,533	2,540,315
Transfer from unspent deferred capital revenue – work in progress	3,462,290	5,257,302
Transfer completed projects to deferred capital revenue	(5,784,749)	(4,601,084)
Balance, deferred capital revenue not subject to amortization, end of year	874,074	3,196,533

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 9 DEFERRED CAPITAL REVENUE (continued)

Balance, unspent deferred capital revenue, beginning of year	85,643	1,543,212
Changes for the year:		
Increase:		
Provincial Grants, Ministry of Education	3,543,925	4,495,535
Provincial Grants, Other	1,186,419	98,634
Other	359,512	-
Investment income	1,974	1,598
Receivable from Ministry of Education – COA Draws	172,045	445,101
Decrease:		
Transferred to DCR – Capital Additions	(628,501)	(1,241,135)
Transferred to DCR – Work in Progress	(3,462,290)	(5,257,302)
Net changes for the year	<u>1,173,084</u>	<u>(1,457,569)</u>
Balance, unspent deferred capital revenue, end of year	<u>1,258,727</u>	<u>85,643</u>
Balance, end of year	<u><u>119,585,324</u></u>	<u><u>119,457,557</u></u>

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 10 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.

	June 30, 2022	June 30, 2021
Reconciliation of Accrued Benefit Obligation		
	\$	\$
Accrued Benefit Obligation – April 1	4,498,120	4,473,535
Service Cost	368,344	369,981
Interest Cost	116,935	104,894
Benefit Payments	(524,716)	(352,277)
Actuarial Loss	(43,711)	(98,013)
	4,414,972	4,498,120
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	4,414,972	4,498,120
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(4,414,972)	(4,498,120)
Employer Contributions After Measurement Date	284,738	166,148
Benefits Expense After Measurement Date	(120,826)	(121,320)
Unamortized Net Actuarial Loss	189,799	365,179
	(4,061,261)	(4,088,113)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	4,088,113	3,826,581
Net expense for Fiscal Year	616,454	618,480
Employer Contributions	(643,306)	(356,948)
	4,061,261	4,088,113
Components of Net Benefit Expense		
	\$	\$
Service Cost	360,369	369,572
Interest Cost	124,417	107,904
Amortization of Net Actuarial (Gain)/Loss	131,669	141,004
Net Benefit Expense (Income)	616,455	618,480

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 10 EMPLOYEE FUTURE BENEFITS (continued)

The significant actuarial assumptions adopted for measuring the school district's accrued benefit obligations are:

	June 30, 2022	June 30, 2021
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	11.1 years	10.5 years

Our actuary, Mercer, calculated the Accrued Benefit Obligation at March 31 (early measurement date) to determine the Employee Future Benefit Liability as at June 30 for financial statement reporting. The impact of changes in assumptions between the March 31, 2022 measurement date and June 30, 2022 reporting date have been reviewed and considered and the rising discount rate has a significant impact on reported results.

Mercer calculated a discount rate based on the provincial government cost of borrowing for various durations as at June 30, 2022. The discount rate derived from these borrowing costs is 4.25%, an increase of 1.0% from the rate of 3.25% used at March 31, 2022. Mercer estimates that using this discount rate would produce a decrease in the Accrued Benefit Obligation of between 3% to 12% (\$264,898-\$353,198) and a decrease in 2022/23 service costs of between 6% to 16%.

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2022	Net Book Value 2021 (restated – Note 22)
	\$	\$
Sites	6,088,418	6,088,418
Buildings	129,172,178	129,054,455
Buildings - Work in Progress	384,116	3,153,760
Furniture & Equipment	5,524,770	5,086,889
Furniture & Equipment - Work in Progress	489,958	42,776
Vehicles	916,684	986,650
Computer Software	21,213	43,206
Computer Hardware	1,766,047	1,641,495
Total	144,363,384	146,097,649

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 11 TANGIBLE CAPITAL ASSETS (continued)

June 30, 2022

Cost:	Opening Cost	Additions	Disposals	Transfers	Total 2022
	\$	\$	\$	\$	\$
Sites	6,088,418	-	-	-	6,088,418
Buildings	222,395,624	507,661	-	4,879,825	227,783,110
Work in Progress	3,153,760	2,110,181	-	(4,879,825)	384,116
Furniture & Equipment	8,020,025	377,455	432,368	904,927	8,870,039
Work in Progress	42,776	1,352,109	-	(904,927)	489,958
Vehicles	1,668,425	92,447	181,035	-	1,579,837
Computer Software	121,484	-	23,040	-	98,444
Computer Hardware	2,584,204	686,873	232,076	-	3,039,001
Total	244,074,716	5,126,726	868,519	-	248,332,923

Accumulated Amortization:	Opening Accumulated Amortization (Restated – Note 22)	Additions	Disposals	Transfers	Total 2022
	\$	\$	\$	\$	\$
Sites	-	-	-	-	-
Buildings	93,341,169	5,269,763	-	-	98,610,932
Furniture & Equipment	2,933,136	844,501	(432,368)	-	3,345,269
Vehicles	681,775	162,413	(181,035)	-	663,153
Computer Software	78,278	21,993	(23,040)	-	77,231
Computer Hardware	942,709	562,321	(232,076)	-	1,272,954
Total	97,977,067	6,860,991	(868,519)	-	103,969,539

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 11 TANGIBLE CAPITAL ASSETS (continued)

June 30, 2021

Cost:	Opening Cost	Additions	Disposals	Transfers	Total 2021 (restated – Note 22)
	\$	\$	\$	\$	\$
Sites	6,088,418	-	-	-	6,088,418
Buildings	217,550,901	962,971	-	3,881,752	222,395,624
Work in Progress	2,502,927	4,532,585	-	(3,881,752)	3,153,760
Furniture & Equipment	6,640,573	266,036	219,097	1,332,513	8,020,025
Work in Progress	550,878	824,411	-	(1,332,513)	42,776
Vehicles	1,504,763	498,786	335,124	-	1,668,425
Computer Software	121,484	-	-	-	121,484
Computer Hardware	1,822,986	952,327	191,109	-	2,584,204
Total	236,782,930	8,037,116	745,330	-	244,074,716

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Prior Period Adjustment (Adoption of ½ Year Rule) (Note 22)	Total 2021 (restated – Note 22)
	\$	\$	\$	\$	\$
Sites	-	-	-	-	-
Buildings	85,638,900	5,098,244	-	2,604,025	93,341,169
Furniture & Equipment	2,087,173	664,057	(219,097)	401,003	2,933,136
Vehicles	782,998	150,476	(335,124)	83,425	681,775
Computer Software	41,831	24,296	-	12,151	78,278
Computer Hardware	510,793	364,597	(191,109)	258,428	942,709
Total	89,061,695	6,301,670	(745,330)	3,359,032	97,977,067

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 12 ACCUMULATED SURPLUS

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

	June 30, 2022	June 30, 2021 (restated – Note 22)
	\$	\$
Invested in tangible capital assets	26,041,596	26,730,544
Local capital surplus	356,905	244,837
Operating surplus	3,994,957	6,916,708
	30,393,458	33,892,089

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

- \$1,035,089 was transferred from the operating fund to the capital fund for the purchase of capital assets.
- \$109,982 was transferred from the operating fund to the local capital fund for future purchases of capital assets.

The operating surplus has been internally restricted (appropriated) by the Board for the 2022/2023 budget.

	<u>June 30, 2022</u>
	\$
School Activities	403,932
District Activities	592,584
Appropriated for 2022/23 Budget	2,530,968
Subtotal Internally Restricted	3,527,484
Unrestricted Operating Surplus	467,473
Total Available for Future Operations	3,994,957

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 13 CONTRACTUAL OBLIGATIONS

The school district has entered into contracts related to capital projects with a remaining cost of approximately \$3,319,084.

The following table summarizes other contractual obligations of the school district:

\$						
Contractual Obligations	2023	2024	2025	2026	2027	Thereafter
Various purchase contracts	228,155	263,866	272,389	279,200	-	-

NOTE 14 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The school district's contractual rights arise because of contracts entered into for lease of surplus district properties. The following table summarizes the contractual rights of the school district for future assets:

\$						
Contractual Rights	2023	2024	2025	2026	2027	Thereafter
Leases of Property	241,248	239,908	231,582	227,015	171,347	709,749

NOTE 15 CONTINGENT LIABILITIES

The school district, in conducting its usual business activities, is involved in various legal claims and litigation. In the event any unsettled claims are successful, management believes that such claims are not expected to have a material effect on the school district's financial position, and accordingly, no provision has been made in these financial statements for any liability that may result. Any losses arising from these actions will be recorded in the year in which the related litigation is settled.

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

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 16 BUDGET FIGURES

Budget figures included in the consolidated financial statements were approved by the Board through the adoption of an amended annual budget bylaw on February 16, 2022. The original annual budget was adopted on May 19, 2021. The original and amended budgets are presented below.

	2022 Amended Annual Budget	2022 Annual Budget
Revenues		
	\$	\$
Provincial Grants	84,735,242	80,447,220
Tuition	3,507,675	2,980,000
Other Revenue	7,379,340	9,092,465
Rentals and Leases	390,000	390,000
Investment Income	205,000	200,000
Amortization of Deferred Capital Revenue	5,014,611	4,850,000
Total Revenue	101,231,868	97,959,685
Expenses		
Instruction	84,166,587	80,573,543
District Administration	3,458,197	3,431,078
Operations and Maintenance	16,598,487	16,048,299
Transportation and Housing	1,991,912	1,641,871
Total Expense	106,215,183	101,694,791
Net Revenue (Expense)	(4,983,315)	(3,735,106)
Budgeted Allocation of Surplus	4,332,092	2,757,247
Budgeted Surplus (Deficit) for the year	(651,223)	(977,859)

NOTE 17 EXPENSE BY OBJECT

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	\$	\$
Salaries and benefits	85,976,663	83,516,249
Services and supplies	14,007,076	11,429,640
Amortization	6,860,994	6,301,670
	106,844,733	101,247,559

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 18 EMPLOYEE PENSION PLANS

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

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2020, indicated a \$1.584 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2.866 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$7,130,907 for employer contributions to the plans for the year ended June 30, 2022 (2021: \$7,000,030).

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

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. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 19 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. Related parties also include key management personnel and close family members. 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 20 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 consolidated financial statements have been prepared on a going concern basis.

NOTE 21 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 and cash equivalents, amounts receivable and investments.

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 and are collectible.

It is management's opinion that the school district is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the school district invests solely in guaranteed investment certificates.

b) Market Risk

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The school district is exposed to interest rate risk through its investments. It is management's opinion that the school district is not exposed to significant interest rate risk as they invest solely in guaranteed investment certificates that have a maturity date of no more than 3 years.

SCHOOL DISTRICT No. 63 (SAANICH)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 21 RISK MANAGEMENT (continued)

c) Liquidity Risk

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

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

Risk Management and insurance services for all school districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2020 related to credit, market or liquidity risks.

NOTE 22 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:

	<u>Increase (Decrease)</u>
	\$
Tangible Capital Assets (Note 11)	(3,359,032)
Deferred Capital Revenue (Note 9)	(2,441,708)
Accumulated Surplus (Deficit)	(917,324)
Amortization of Deferred Capital Revenue	2,441,708
Operations & Maintenance Expense – Asset amortization	3,241,131
Transportation & Housing Expense – Asset amortization	117,901
Accumulated Surplus – beginning of the year July 1, 2021	(917,324)

School District No. 63 (Saanich)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	6,916,708		26,975,381	33,892,089	34,463,879
Prior Period Adjustments					(917,324)
Accumulated Surplus (Deficit), beginning of year, as restated	6,916,708	-	26,975,381	33,892,089	33,546,555
Changes for the year					
Surplus (Deficit) for the year	(1,776,680)		(1,721,951)	(3,498,631)	345,534
Interfund Transfers					
Tangible Capital Assets Purchased	(1,035,089)		1,035,089	-	
Local Capital	(109,982)		109,982	-	
Net Changes for the year	(2,921,751)	-	(576,880)	(3,498,631)	345,534
Accumulated Surplus (Deficit), end of year - Statement 2	3,994,957	-	26,398,501	30,393,458	33,892,089

School District No. 63 (Saanich)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	74,217,072	74,605,455	74,291,913
Other	23,000	183,610	127,750
Federal Grants		39,492	
Tuition	3,507,675	3,708,763	2,024,160
Other Revenue	5,639,840	5,574,297	4,826,084
Rentals and Leases	390,000	380,542	357,692
Investment Income	200,000	205,968	217,248
Total Revenue	<u>83,977,587</u>	<u>84,698,127</u>	<u>81,844,847</u>
Expenses			
Instruction	72,844,921	72,922,289	67,638,912
District Administration	3,371,562	2,973,649	2,949,823
Operations and Maintenance	9,538,764	9,025,217	8,238,835
Transportation and Housing	1,502,214	1,553,652	1,415,822
Total Expense	<u>87,257,461</u>	<u>86,474,807</u>	<u>80,243,392</u>
Operating Surplus (Deficit) for the year	<u>(3,279,874)</u>	<u>(1,776,680)</u>	<u>1,601,455</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>4,332,092</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(969,968)	(1,035,089)	(1,180,881)
Tangible Capital Assets - Work in Progress		-	(99,694)
Local Capital	(82,250)	(109,982)	(82,250)
Total Net Transfers	<u>(1,052,218)</u>	<u>(1,145,071)</u>	<u>(1,362,825)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(2,921,751)</u>	<u>238,630</u>
Operating Surplus (Deficit), beginning of year		6,916,708	6,678,078
Operating Surplus (Deficit), end of year		<u>3,994,957</u>	<u>6,916,708</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		3,527,484	4,670,836
Unrestricted		467,473	2,245,872
Total Operating Surplus (Deficit), end of year		<u>3,994,957</u>	<u>6,916,708</u>

School District No. 63 (Saanich)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	76,614,536	76,549,164	73,777,669
ISC/LEA Recovery	(3,200,058)	(3,079,193)	(2,886,687)
Other Ministry of Education and Child Care Grants			
Pay Equity	377,315	377,315	377,315
Funding for Graduated Adults	447,048	463,074	542,078
Student Transportation Fund	280,000	280,000	280,000
Teachers' Labour Settlement Funding			2,031,443
Early Career Mentorship Funding			155,000
FSA Scorer Grant	13,769	12,964	12,964
Early Learning Framework	1,492	2,131	2,131
Operating Grant Adjustment	28,005	-	
ERASE Grant	10,460	-	
Operating Grant Location Education Agreement Adjustment	(355,495)	-	
Total Provincial Grants - Ministry of Education and Child Care	<u>74,217,072</u>	<u>74,605,455</u>	<u>74,291,913</u>
Provincial Grants - Other	<u>23,000</u>	<u>183,610</u>	<u>127,750</u>
Federal Grants	<u>-</u>	<u>39,492</u>	<u>-</u>
Tuition			
International and Out of Province Students	3,507,675	3,708,763	2,024,160
Total Tuition	<u>3,507,675</u>	<u>3,708,763</u>	<u>2,024,160</u>
Other Revenues			
Funding from First Nations	3,200,058	2,723,698	2,886,687
Miscellaneous			
Miscellaneous and School Generated	182,590	428,694	603,610
Cafeteria	68,000	184,506	125,874
Reading Recovery	69,292	69,292	62,628
Textbook Deposits and Distance Ed Fees	75,000	108,010	98,350
International and Out of Province Homestay Fees	2,044,900	2,029,855	1,040,241
Community Use	-	30,242	8,694
Total Other Revenue	<u>5,639,840</u>	<u>5,574,297</u>	<u>4,826,084</u>
Rentals and Leases	<u>390,000</u>	<u>380,542</u>	<u>357,692</u>
Investment Income	<u>200,000</u>	<u>205,968</u>	<u>217,248</u>
Total Operating Revenue	<u><u>83,977,587</u></u>	<u><u>84,698,127</u></u>	<u><u>81,844,847</u></u>

School District No. 63 (Saanich)

Schedule 2B (Unaudited)

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

	2022 Budget (Note 16)	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$	\$
Salaries			
Teachers	34,870,563	35,576,010	34,200,530
Principals and Vice Principals	4,727,020	4,636,514	4,492,357
Educational Assistants	5,722,047	5,214,769	5,257,581
Support Staff	9,290,257	8,463,733	7,713,824
Other Professionals	3,169,536	3,151,514	3,146,791
Substitutes	2,981,485	3,919,473	3,069,686
Total Salaries	60,760,908	60,962,013	57,880,769
Employee Benefits	15,299,160	15,168,799	14,150,729
Total Salaries and Benefits	76,060,068	76,130,812	72,031,498
Services and Supplies			
Services	4,884,234	4,823,714	2,950,331
Professional Development and Travel	799,010	445,956	478,829
Rentals and Leases	150,000	137,659	105,124
Dues and Fees	368,457	385,591	353,722
Insurance	172,000	187,184	157,887
Supplies	3,087,157	2,879,215	2,631,701
Utilities	1,736,535	1,484,676	1,534,300
Total Services and Supplies	11,197,393	10,343,995	8,211,894
Total Operating Expense	87,257,461	86,474,807	80,243,392

School District No. 63 (Saanich)

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
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	28,085,826	584,772	75,515	372,783		3,248,522	32,367,418
1.03 Career Programs	375,943	50,861	125,145	56,540		147	608,636
1.07 Library Services	765,597			324,627		154	1,090,378
1.08 Counselling	1,121,445	23,692					1,145,137
1.10 Special Education	3,180,625	301,578	4,724,801	275,930	716,710	221,431	9,421,075
1.30 English Language Learning	841,604					5,371	846,975
1.31 Indigenous Education	375,923	141,403	289,308	58,465	59,901	2,340	927,340
1.41 School Administration		3,393,653		1,741,993		31,324	5,166,970
1.62 International and Out of Province Students	722,635	140,555		356,317	186,399		1,405,906
Total Function 1	35,469,598	4,636,514	5,214,769	3,186,655	963,010	3,509,289	52,979,835
4 District Administration							
4.11 Educational Administration				38,183	767,064		805,247
4.40 School District Governance					118,201		118,201
4.41 Business Administration				376,669	718,830	471	1,095,970
Total Function 4	-	-	-	414,852	1,604,095	471	2,019,418
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	106,412			71,292	478,033	36,400	692,137
5.50 Maintenance Operations				3,728,515		287,012	4,015,527
5.52 Maintenance of Grounds				459,859			459,859
5.56 Utilities							-
Total Function 5	106,412	-	-	4,259,666	478,033	323,412	5,167,523
7 Transportation and Housing							
7.41 Transportation and Housing Administration				57,460	106,376		163,836
7.70 Student Transportation				545,100		86,301	631,401
Total Function 7	-	-	-	602,560	106,376	86,301	795,237
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	35,576,010	4,636,514	5,214,769	8,463,733	3,151,514	3,919,473	60,962,013

School District No. 63 (Saanich)

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 22)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	32,367,418	8,002,712	40,370,130	2,431,176	42,801,306	40,406,382	40,135,816
1.03 Career Programs	608,636	133,525	742,161	653,657	1,395,818	1,176,333	955,486
1.07 Library Services	1,090,378	300,865	1,391,243	52,844	1,444,087	1,449,041	1,466,048
1.08 Counselling	1,145,137	220,338	1,365,475	20	1,365,495	1,175,487	1,009,720
1.10 Special Education	9,421,075	2,723,984	12,145,059	562,824	12,707,883	14,737,925	12,930,882
1.30 English Language Learning	846,975	200,235	1,047,210	2,981	1,050,191	1,083,420	901,404
1.31 Indigenous Education	927,340	190,615	1,117,955	71,578	1,189,533	1,487,794	1,084,383
1.41 School Administration	5,166,970	1,147,125	6,314,095	106,599	6,420,694	6,511,081	6,146,979
1.62 International and Out of Province Students	1,405,906	354,104	1,760,010	2,787,272	4,547,282	4,817,458	3,008,194
Total Function 1	52,979,835	13,273,503	66,253,338	6,668,951	72,922,289	72,844,921	67,638,912
4 District Administration							
4.11 Educational Administration	805,247	146,774	952,021	89,879	1,041,900	1,124,871	1,042,180
4.40 School District Governance	118,201	6,066	124,267	65,881	190,148	202,161	195,026
4.41 Business Administration	1,095,970	222,390	1,318,360	423,241	1,741,601	2,044,530	1,712,617
Total Function 4	2,019,418	375,230	2,394,648	579,001	2,973,649	3,371,562	2,949,823
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	692,137	103,790	795,927	350,262	1,146,189	1,488,435	1,216,425
5.50 Maintenance Operations	4,015,527	1,085,888	5,101,415	548,146	5,649,561	5,735,421	4,931,191
5.52 Maintenance of Grounds	459,859	122,167	582,026	162,765	744,791	793,373	756,728
5.56 Utilities	-	-	-	1,484,676	1,484,676	1,521,535	1,334,491
Total Function 5	5,167,523	1,311,845	6,479,368	2,545,849	9,025,217	9,538,764	8,238,835
7 Transportation and Housing							
7.41 Transportation and Housing Administration	163,836	34,916	198,752	1,066	199,818	210,392	211,541
7.70 Student Transportation	631,401	173,305	804,706	549,128	1,353,834	1,291,822	1,204,281
Total Function 7	795,237	208,221	1,003,458	550,194	1,553,652	1,502,214	1,415,822
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	60,962,013	15,168,799	76,130,812	10,343,995	86,474,807	87,257,461	80,243,392

School District No. 63 (Saanich)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations
Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual (Restated - Note 22)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	10,495,170	10,717,370	12,936,789
Other Revenue	1,739,500	2,791,565	2,021,493
Investment Income	5,000		2,319
Total Revenue	12,239,670	13,508,935	14,960,601
Expenses			
Instruction	11,321,666	12,630,328	12,722,656
District Administration	86,635	86,635	88,339
Operations and Maintenance	580,653	705,639	1,674,842
Transportation and Housing	250,716	86,333	216,660
Total Expense	12,239,670	13,508,935	14,702,497
Special Purpose Surplus (Deficit) for the year	-	-	258,104
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(258,104)
Total Net Transfers	-	-	(258,104)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 63 (Saanich)

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	41,023	3,477	1,392,639		17,376	21,424	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	299,364	260,847			96,000	19,600	176,629	423,776	848,635
Other			62,507	2,828,165					
Investment Income			6,283						
	299,364	260,847	68,790	2,828,165	96,000	19,600	176,629	423,776	848,635
Less: Allocated to Revenue	299,364	240,556	57,393	2,734,172	96,000	22,028	174,779	423,776	848,635
Recovered									
Deferred Revenue, end of year	-	61,314	14,874	1,486,632	-	14,948	23,274	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	299,364	240,556			96,000	22,028	174,779	423,776	848,635
Other Revenue			57,393	2,734,172					
	299,364	240,556	57,393	2,734,172	96,000	22,028	174,779	423,776	848,635
Expenses									
Salaries									
Teachers							39,526		
Principals and Vice Principals								61,515	144,557
Educational Assistants		194,856					20,349		194,235
Support Staff					54,639			274,525	77,694
Other Professionals									71,564
Substitutes							9,536		190,000
	-	194,856	-	-	54,639	-	69,411	336,040	678,050
Employee Benefits		44,817			13,854		12,565	77,129	158,585
Services and Supplies	299,364	883	57,393	2,734,172	27,507	22,028	92,803	10,607	12,000
	299,364	240,556	57,393	2,734,172	96,000	22,028	174,779	423,776	848,635
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 63 (Saanich)

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

	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	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	119,399	22,944	11,006			1,629,288
Add: Restricted Grants								
Provincial Grants - Ministry of Education and Child Care	6,452,258	1,639,055	131,317	122,845	25,000	181,289	124,986	10,801,601
Other								2,890,672
Investment Income								6,283
	6,452,258	1,639,055	131,317	122,845	25,000	181,289	124,986	13,698,556
Less: Allocated to Revenue	6,424,434	1,639,055	86,333	145,789	10,346	181,289	124,986	13,508,935
Recovered	27,824							27,824
Deferred Revenue, end of year	-	-	164,383	-	25,660	-	-	1,791,085
Revenues								
Provincial Grants - Ministry of Education and Child Care	6,424,434	1,639,055	86,333	145,789	10,346	181,289	124,986	10,717,370
Other Revenue								2,791,565
	6,424,434	1,639,055	86,333	145,789	10,346	181,289	124,986	13,508,935
Expenses								
Salaries								
Teachers	5,139,547	55,543		9,770				5,244,386
Principals and Vice Principals								206,072
Educational Assistants								409,440
Support Staff			42,159	55,042				504,059
Other Professionals								71,564
Substitutes		1,319,593			4,938			1,524,067
	5,139,547	1,375,136	42,159	64,812	4,938	-	-	7,959,588
Employee Benefits	1,284,887	263,919	11,818	18,083	609			1,886,266
Services and Supplies			32,356	62,894	4,799	181,289	124,986	3,663,081
	6,424,434	1,639,055	86,333	145,789	10,346	181,289	124,986	13,508,935
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-

School District No. 63 (Saanich)

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 22)
	\$	\$	\$	\$	\$
Revenues					
Investment Income			2,932	2,932	2,855
Amortization of Deferred Capital Revenue	5,014,611	5,136,108		5,136,108	4,784,790
Total Revenue	<u>5,014,611</u>	<u>5,136,108</u>	<u>2,932</u>	<u>5,139,040</u>	<u>4,787,645</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	6,479,070	6,739,935		6,739,935	6,080,483
Transportation and Housing	238,982	121,056		121,056	221,187
Total Expense	<u>6,718,052</u>	<u>6,860,991</u>	<u>-</u>	<u>6,860,991</u>	<u>6,301,670</u>
Capital Surplus (Deficit) for the year	<u>(1,703,441)</u>	<u>(1,724,883)</u>	<u>2,932</u>	<u>(1,721,951)</u>	<u>(1,514,025)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	969,968	1,035,089		1,035,089	1,438,985
Tangible Capital Assets - Work in Progress				-	99,694
Local Capital	82,250		109,982	109,982	82,250
Total Net Transfers	<u>1,052,218</u>	<u>1,035,089</u>	<u>109,982</u>	<u>1,145,071</u>	<u>1,620,929</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		846	(846)	-	
Total Other Adjustments to Fund Balances		<u>846</u>	<u>(846)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(651,223)</u>	<u>(688,948)</u>	<u>112,068</u>	<u>(576,880)</u>	<u>106,904</u>
Capital Surplus (Deficit), beginning of year		<u>26,730,544</u>	<u>244,837</u>	<u>26,975,381</u>	<u>27,785,801</u>
Prior Period Adjustments					
Adoption of 1/2 Year Rule					(917,324)
Capital Surplus (Deficit), beginning of year, as restated		<u>26,730,544</u>	<u>244,837</u>	<u>26,975,381</u>	<u>26,868,477</u>
Capital Surplus (Deficit), end of year		<u>26,041,596</u>	<u>356,905</u>	<u>26,398,501</u>	<u>26,975,381</u>

School District No. 63 (Saanich)

Tangible Capital Assets
Year Ended June 30, 2022

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	6,088,418	222,395,624	8,020,025	1,668,425	121,484	2,584,204	240,878,180
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		323,807	144,371				468,178
Deferred Capital Revenue - Other		159,512	811				160,323
Operating Fund		24,342	231,427	92,447		686,873	1,035,089
Local Capital			846				846
Transferred from Work in Progress		4,879,825	904,927				5,784,752
	-	5,387,486	1,282,382	92,447	-	686,873	7,449,188
Decrease:							
Deemed Disposals			432,368	181,035	23,040	232,076	868,519
	-	-	432,368	181,035	23,040	232,076	868,519
Cost, end of year	6,088,418	227,783,110	8,870,039	1,579,837	98,444	3,039,001	247,458,849
Work in Progress, end of year		384,116	489,958				874,074
Cost and Work in Progress, end of year	6,088,418	228,167,226	9,359,997	1,579,837	98,444	3,039,001	248,332,923
Accumulated Amortization, beginning of year		90,737,144	2,532,133	598,350	66,127	684,281	94,618,035
Prior Period Adjustments							
Adoption of 1/2 Year Rule		2,604,025	401,003	83,425	12,151	258,428	3,359,032
Accumulated Amortization, beginning of year, as restated		93,341,169	2,933,136	681,775	78,278	942,709	97,977,067
Changes for the Year							
Increase: Amortization for the Year		5,269,763	844,501	162,413	21,993	562,321	6,860,991
Decrease:							
Deemed Disposals			432,368	181,035	23,040	232,076	868,519
			432,368	181,035	23,040	232,076	868,519
Accumulated Amortization, end of year		98,610,932	3,345,269	663,153	77,231	1,272,954	103,969,539
Tangible Capital Assets - Net	6,088,418	129,556,294	6,014,728	916,684	21,213	1,766,047	144,363,384

School District No. 63 (Saanich)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2022

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	3,153,760	42,776			3,196,536
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	1,880,900	1,352,109			3,233,009
Deferred Capital Revenue - Other	229,281				229,281
	<u>2,110,181</u>	<u>1,352,109</u>	-	-	<u>3,462,290</u>
Decrease:					
Transferred to Tangible Capital Assets	4,879,825	904,927			5,784,752
	<u>4,879,825</u>	<u>904,927</u>	-	-	<u>5,784,752</u>
Net Changes for the Year	<u>(2,769,644)</u>	<u>447,182</u>	-	-	<u>(2,322,462)</u>
Work in Progress, end of year	<u>384,116</u>	<u>489,958</u>	-	-	<u>874,074</u>

School District No. 63 (Saanich)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	107,198,570	10,769,154	649,365	118,617,089
Prior Period Adjustments				
Adoption of 1/2 Year Rule	(2,234,046)	(196,484)	(11,178)	(2,441,708)
Deferred Capital Revenue, beginning of year, as restated	104,964,524	10,572,670	638,187	116,175,381
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	468,178	811	159,512	628,501
Transferred from Work in Progress	5,284,749	300,000	200,000	5,784,749
	5,752,927	300,811	359,512	6,413,250
Decrease:				
Amortization of Deferred Capital Revenue	4,694,551	396,759	44,798	5,136,108
	4,694,551	396,759	44,798	5,136,108
Net Changes for the Year	1,058,376	(95,948)	314,714	1,277,142
Deferred Capital Revenue, end of year	106,022,900	10,476,722	952,901	117,452,523
Work in Progress, beginning of year	2,896,533	300,000	-	3,196,533
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	3,233,009	29,281	200,000	3,462,290
	3,233,009	29,281	200,000	3,462,290
Decrease				
Transferred to Deferred Capital Revenue	5,284,749	300,000	200,000	5,784,749
	5,284,749	300,000	200,000	5,784,749
Net Changes for the Year	(2,051,740)	(270,719)	-	(2,322,459)
Work in Progress, end of year	844,793	29,281	-	874,074
Total Deferred Capital Revenue, end of year	106,867,693	10,506,003	952,901	118,326,597

School District No. 63 (Saanich)

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
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	-	47,297	34,802	-	3,544	85,643
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	3,715,970					3,715,970
Provincial Grants - Other			1,186,419			1,186,419
Other					359,512	359,512
Investment Income		522	1,452			1,974
Transfer project surplus to MECC Restricted (from) Bylaw	(14,783)	14,783				-
	<u>3,701,187</u>	<u>15,305</u>	<u>1,187,871</u>	<u>-</u>	<u>359,512</u>	<u>5,263,875</u>
Decrease:						
Transferred to DCR - Capital Additions	468,178		811		159,512	628,501
Transferred to DCR - Work in Progress	3,233,009		29,281		200,000	3,462,290
	<u>3,701,187</u>	<u>-</u>	<u>30,092</u>	<u>-</u>	<u>359,512</u>	<u>4,090,791</u>
Net Changes for the Year	<u>-</u>	<u>15,305</u>	<u>1,157,779</u>	<u>-</u>	<u>-</u>	<u>1,173,084</u>
Balance, end of year	<u>-</u>	<u>62,602</u>	<u>1,192,581</u>	<u>-</u>	<u>3,544</u>	<u>1,258,727</u>