

Audited Financial Statements of

# **School District No. 62 (Sooke)**

And Independent Auditors' Report thereon

June 30, 2021

# School District No. 62 (Sooke)

June 30, 2021

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# School District No. 62 (Sooke)

## MANAGEMENT REPORT

Version: 6667-5921-3939

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

The accompanying financial statements of School District No. 62 (Sooke) 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.

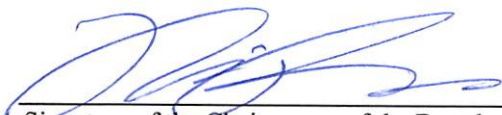
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 62 (Sooke) (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 LLP, 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. 62 (Sooke) 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. 62 (Sooke)



Signature of the Chairperson of the Board of Education

Sept 28, 2021

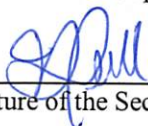
Date Signed



Signature of the Superintendent

Sept. 28, 2021

Date Signed



Signature of the Secretary Treasurer

Sept 28/21

Date Signed



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Victoria BC V8W 3Y7  
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Telephone 250-480-3500  
Fax 250-480-3539

## INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 62 (Sooke), and  
To the Minister of Education, Province of British Columbia

### **Opinion**

We have audited the financial statements of School District No. 62 (Sooke) (the Entity), which comprise:

- the statement of financial position as at June 30, 2021
- 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 of the Entity as at and for the year ended June 30, 2021 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 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.

### **Other Information**

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

- Information, other than the financial statements and the auditors' report thereon, included in the Financial Statement Discussion and Analysis document.
- 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, other than the financial statements and the auditors' report thereon, included in the Financial Statement Discussion and Analysis document and 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.

Chartered Professional Accountants

Victoria, Canada  
September 28, 2021

# School District No. 62 (Sooke)

Statement of Financial Position  
As at June 30, 2021

Statement 1

	2021 Actual	2020 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	24,981,797	26,020,112
Accounts Receivable		
Due from Province - Ministry of Education	3,661,057	4,372,504
Due from Province - Other	-	22,773
Due from First Nations	761,005	528,739
Other (Note 3)	484,221	533,215
Inventories for Resale	-	-
<b>Total Financial Assets</b>	<b>29,888,080</b>	<b>31,477,343</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	49,189	21,793
Other (Note 5)	12,501,842	14,597,575
Unearned Revenue (Note 6)	4,940,497	3,327,542
Deferred Revenue (Note 7)	1,358,545	1,408,495
Deferred Capital Revenue (Note 8)	215,976,842	197,712,052
Employee Future Benefits (Note 9)	5,036,948	4,513,103
<b>Total Liabilities</b>	<b>239,863,863</b>	<b>221,580,560</b>
<b>Net Debt</b>	<b>(209,975,783)</b>	<b>(190,103,217)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	345,438,884	322,201,769
Restricted Assets (Endowments) (Note 12)	673,449	673,449
Prepaid Expenses (Note 4)	3,122,838	3,758,600
<b>Total Non-Financial Assets</b>	<b>349,235,171</b>	<b>326,633,818</b>
<b>Accumulated Surplus (Deficit) (Note 22)</b>	<b>139,259,388</b>	<b>136,530,601</b>

Contractual Obligations (Note 16)  
Contractual Rights (Note 17)  
Contingent Assets (Note 18)  
Contingent Liabilities (Note 19)

Approved by the Board

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

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

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

*Sept 28, 2021*

Date Signed

*Sept. 28, 2021*

Date Signed

*Sept 28/21*

Date Signed

# School District No. 62 (Sooke)

Statement of Operations  
Year Ended June 30, 2021

	2021 Budget (Note 20)	2021 Actual	2020 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	142,134,815	<b>141,775,130</b>	150,729,507
Other		<b>26,509</b>	9,000
Municipal Grants Spent on Sites			1,242,000
Tuition	3,094,900	<b>3,505,226</b>	6,413,919
Other Revenue	6,129,683	<b>3,092,898</b>	4,164,566
Rentals and Leases	268,500	<b>230,065</b>	358,415
Investment Income	284,508	<b>308,881</b>	434,036
Amortization of Deferred Capital Revenue	7,874,834	<b>7,916,047</b>	7,456,218
Amortization of Deferred Capital Revenue - for lease	61,477	<b>61,477</b>	61,477
<b>Total Revenue</b>	<b>159,848,717</b>	<b>156,916,233</b>	170,869,138
<b>Expenses (Note 21)</b>			
Instruction	127,709,283	<b>123,660,430</b>	115,785,537
District Administration	5,763,248	<b>5,433,325</b>	4,623,740
Operations and Maintenance	22,309,676	<b>21,199,489</b>	19,920,711
Transportation and Housing	3,545,011	<b>3,894,202</b>	3,047,928
<b>Total Expense</b>	<b>159,327,218</b>	<b>154,187,446</b>	143,377,916
<b>Surplus (Deficit) for the year, before endowment contributions</b>	<b>521,499</b>	<b>2,728,787</b>	27,491,222
<b>Endowment Contributions</b>			30,610
<b>Surplus (Deficit) for the year</b>	<b>521,499</b>	<b>2,728,787</b>	27,521,832
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>136,530,601</b>	109,008,769
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>139,259,388</b>	136,530,601

# School District No. 62 (Sooke)

Statement of Changes in Net Debt  
Year Ended June 30, 2021

	2021 Budget (Note 20) \$	2021 Actual \$	2020 Actual \$
<b>Surplus (Deficit) for the year</b>	521,499	<b>2,728,787</b>	27,521,832
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(43,956,508)	<b>(31,987,197)</b>	(45,915,188)
Amortization of Tangible Capital Assets	8,646,076	<b>8,750,082</b>	8,253,530
<b>Total Effect of change in Tangible Capital Assets</b>	<b>(35,310,432)</b>	<b>(23,237,115)</b>	<b>(37,661,658)</b>
Acquisition of Prepaid Expenses		<b>(1,027,498)</b>	(1,601,783)
Use of Prepaid Expenses		<b>1,663,260</b>	756,330
Use of Other Assets			100,000
Endowment Contributions			(30,610)
<b>Total Effect of change in Other Non-Financial Assets</b>	-	<b>635,762</b>	<b>(776,063)</b>
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<b>(34,788,933)</b>	<b>(19,872,566)</b>	(10,915,889)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>(19,872,566)</b>	(10,915,889)
<b>Net Debt, beginning of year</b>		<b>(190,103,217)</b>	(179,187,328)
<b>Net Debt, end of year</b>		<b>(209,975,783)</b>	(190,103,217)



# School District No. 62 (Sooke)

Statement of Cash Flows  
Year Ended June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	2,728,787	27,521,832
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	550,947	(3,117,898)
Prepaid Expenses	635,762	(745,453)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(2,068,336)	5,922,720
Unearned Revenue	1,612,955	(990,337)
Deferred Revenue	(49,950)	27,936
Employee Future Benefits	523,845	566,169
Amortization of Tangible Capital Assets	8,750,082	8,253,530
Amortization of Deferred Capital Revenue	(7,916,047)	(7,456,218)
Recognition of Deferred Capital Revenue Spent on Sites	(4,983,532)	(25,285,205)
Deferred Capital Revenue Transferred to Revenue	(1,150,693)	(1,029,310)
Amortization of Deferred Capital Revenue - for lease	(61,477)	(61,477)
<b>Total Operating Transactions</b>	<b>(1,427,657)</b>	<b>3,606,289</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(6,216,399)	(25,635,105)
Tangible Capital Assets -WIP Purchased	(25,770,798)	(20,280,083)
<b>Total Capital Transactions</b>	<b>(31,987,197)</b>	<b>(45,915,188)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	32,376,539	44,830,397
Endowment Contributions	-	(30,610)
<b>Total Financing Transactions</b>	<b>32,376,539</b>	<b>44,799,787</b>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	-	133,447
<b>Total Investing Transactions</b>	<b>-</b>	<b>133,447</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,038,315)</b>	<b>2,624,335</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>26,020,112</b>	<b>23,395,777</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>24,981,797</b>	<b>26,020,112</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	6,644,585	9,879,298
Cash Equivalents	18,337,212	16,140,814
	<b>24,981,797</b>	<b>26,020,112</b>

# SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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## NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 1946 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. 62 (Sooke)", and operates as "School District No. 62 (Sooke)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 62 (Sooke) is exempt from federal and provincial corporate income taxes.

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

## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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(n).

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

As noted in Notes 2(g) and 2(n), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue.

### b) Basis of Consolidation

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

The School District has entered into trust activities with some employees; these are described in Note 13.

## **SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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

#### **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**

Portfolio investments include investments in GIC's that have a maturity of greater than 3 months at the time of acquisition. GIC's 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(n).

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

## SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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

#### 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, retirement/severance, 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 (EARSLS) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

#### 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. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

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

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

# SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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

### 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 of the asset.
- Donated tangible capital assets from non-related parties are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

### k) Capital Leases

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

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

### l) Prepaid Expenses

Payments for insurance, leases, subscriptions and maintenance contracts for use within the School District in the 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.

## **SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021

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

#### **m) Funds and Reserves**

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 14 – Interfund Transfers and Note 22 – Accumulated Surplus).

#### **n) Revenue Recognition**

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

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

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

- 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 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. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021

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

#### **o) Expenditures**

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

##### Categories of Salaries

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

##### Allocation of Costs

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

#### **p) Endowment Contributions**

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

## **SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021

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

#### **q) Financial Instruments**

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities. The School District does not have any derivative financial instruments.

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. The School District has not invested in any equity instruments that are actively quoted in the market and has not designated any financial instruments to be recorded at fair value. The School District has no instruments in the fair value category.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

#### **r) Measurement Uncertainty**

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



# SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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

### s) Future Changes in Accounting Policies

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

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

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

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

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

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

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

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

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

## NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

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	June 30, 2021	June 30, 2020
Due from Federal Government	\$ 126,816	\$ 211,051
Payroll accounts receivable	40,964	7,496
School site acquisition charges receivable	95,694	109,190
Other accounts receivable	220,747	205,477
	<hr/>	<hr/>
	\$ 484,221	\$ 533,215

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**SCHOOL DISTRICT NO. 62 (SOOKE)**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**NOTE 4      PREPAID LEASE**

The School District prepaid a long-term lease to the Federal Government for the use of the John Stubbs Memorial School site for 50 years. This lease started on July 1, 2005 and ends on June 30, 2055.

The unamortized balance of the lease represents \$2,095,340 (2020: \$2,156,817) of the prepaid expenses.

**NOTE 5      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	June 30, 2021	June 30, 2020
Trade payables	\$ 6,877,656	\$ 8,757,292
Salaries and benefits payable	4,755,245	4,983,382
Accrued vacation pay	868,941	856,901
	<u>\$ 12,501,842</u>	<u>\$ 14,597,575</u>

**NOTE 6      UNEARNED REVENUE**

	June 30, 2021	June 30, 2020
Balance, beginning of year	\$ 3,327,542	\$ 4,317,878
Increase:		
Tuition fees collected	5,118,181	5,423,583
	<u>5,118,181</u>	<u>5,423,583</u>
Decrease:		
Tuition fees recognized	(3,505,226)	(6,413,919)
	<u>(3,505,226)</u>	<u>(6,413,919)</u>
Net change for the year	1,612,955	(990,336)
Balance, end of year	<u>\$ 4,940,497</u>	<u>\$ 3,327,542</u>

**SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

**NOTE 7 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.

	June 30, 2021	June 30, 2020
Balance, beginning of year	\$ 1,408,495	\$ 1,380,559
Increase:		
Provincial Grants - Ministry of Education	22,328,793	16,952,943
Other revenue	1,998,242	3,359,261
Investment income	11,957	23,580
	<u>24,338,992</u>	<u>20,335,784</u>
Decrease:		
Transfers to revenue	<u>(24,388,942)</u>	<u>(20,307,848)</u>
	<u>(24,388,942)</u>	<u>(20,307,848)</u>
Net change for the year	(49,950)	27,936
Balance, end of year	<u>\$ 1,358,545</u>	<u>\$ 1,408,495</u>

**SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

**NOTE 8 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.

	June 30, 2021	June 30, 2020
<b>Deferred Capital Revenue Subject to Amortization</b>		
Balance, beginning of year	\$ 171,528,750	\$ 176,954,600
Increases:		
Transfer from deferred capital revenue – capital additions	977,172	349,900
Transfer from deferred capital revenue – work in progress	27,611,630	1,741,945
	<u>28,588,802</u>	<u>2,091,845</u>
Decreases:		
Amortization of deferred capital revenue	(7,916,047)	(7,456,218)
Amortization of long term lease	(61,477)	(61,477)
	<u>(7,977,524)</u>	<u>(7,517,695)</u>
Net change for the year	20,611,278	(5,425,850)
Balance, end of year	<u>\$ 192,140,028</u>	<u>\$ 171,528,750</u>
<b>Deferred Capital Revenue - Work In Progress</b>		
Balance, beginning of year	\$ 24,165,683	\$ 7,233,345
Increases:		
Transfer from deferred capital revenue - unspent	25,041,566	18,674,283
	<u>25,041,566</u>	<u>18,674,283</u>
Decreases:		
Transfer to deferred capital revenue subject to amortization	(27,611,630)	(1,741,945)
	<u>(27,611,630)</u>	<u>(1,741,945)</u>
Net change for the year	(2,570,064)	16,932,338
Balance, end of year	<u>\$ 21,595,619</u>	<u>\$ 24,165,683</u>

**SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

**NOTE 8 DEFERRED CAPITAL REVENUE (continued)**

	June 30, 2021	June 30, 2020
<b>Deferred Capital Revenue - Unspent</b>		
Balance, beginning of year	\$ 2,017,619	\$ 2,525,920
Increases:		
Provincial Grants - Ministry of Education	30,874,648	43,665,985
Provincial Grants – Other	-	-
Other	1,495,652	1,118,167
Investment income	6,239	46,245
	<u>32,376,539</u>	<u>44,830,837</u>
Decreases:		
Transfer to deferred capital revenue – capital additions	(977,172)	(349,900)
Transfer to deferred capital revenue – work in progress	(25,041,566)	(18,674,283)
Transfer to revenue – site purchases	(4,983,532)	(25,285,205)
Transfer to revenue – expensed costs	(1,150,693)	(1,029,310)
	<u>(32,152,963)</u>	<u>(45,338,698)</u>
Net change for the year	223,576	(508,301)
Balance, end of year	<u>\$ 2,241,195</u>	<u>\$ 2,017,619</u>
<b>Total Deferred Capital Revenue Balance, end of year</b>	<u>\$ 215,976,842</u>	<u>\$ 197,712,052</u>

**NOTE 9 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.

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

	June 30, 2021	June 30, 2020
Discount rate - April 1	2.25%	2.50%
Discount rate - March 31	2.50%	2.25%
Long-term salary growth - April 1	2.50% + seniority	2.50% + seniority
Long-term salary growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.6 years	9.6 years

**SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

**NOTE 9 EMPLOYEE FUTURE BENEFITS (continued)**

	June 30, 2021	June 30, 2020
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued benefit obligation - April 1	\$ 5,224,414	\$ 5,027,590
Service cost	505,381	479,614
Interest cost	124,055	131,388
Benefit payments	(282,372)	(276,496)
Actuarial loss (gain)	(241,851)	(137,683)
Accrued benefit obligation - March 31	\$ 5,329,627	\$ 5,224,414
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued benefit obligation - March 31	\$ 5,329,627	\$ 5,224,414
Market value of Plan Assets - March 31	-	-
Funded Status - Deficit	(5,329,627)	(5,224,414)
Employer contributions after measurement date	53,302	32,139
Benefits expense after measurement date	(160,875)	(157,359)
Unamortized net actuarial loss	400,252	836,531
Accrued benefit liability - June 30	\$ (5,036,948)	\$ (4,513,103)
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued benefit liability - July 1	\$ 4,513,102	\$ 3,946,934
Net expense for fiscal year	827,381	824,381
Employer contributions	(303,535)	(258,212)
Accrued benefit liability - June 30	\$ 5,036,948	\$ 4,513,103
<b>Components of Net Benefit Expense</b>		
Service cost	\$ 505,010	\$ 486,056
Interest cost	127,943	129,555
Amortization of net actuarial loss	194,429	208,770
Net benefit expense for fiscal year	\$ 827,381	\$ 824,381

**SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

**NOTE 10 TANGIBLE CAPITAL ASSETS**

Net Book Value	June 30, 2021	June 30, 2020
Sites	\$ 117,679,605	\$ 112,696,073
Buildings	193,650,538	175,033,534
Buildings – WIP	21,398,399	23,761,543
Furniture & Equipment	9,217,619	7,639,702
Furniture & Equipment - WIP	197,221	404,140
Vehicles	3,226,615	2,502,966
Computer Software	-	-
Computer Hardware	68,887	163,811
<b>Total</b>	<b>\$ 345,438,884</b>	<b>\$ 322,201,769</b>

**June 30, 2021**

<b>Cost:</b>	Balance at July 1, 2020	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2021
Sites	\$ 112,696,073	\$ 4,983,532	\$ -	\$ -	\$ 117,679,605
Buildings	273,772,065	-	-	25,407,261	299,179,326
Buildings – WIP	23,761,543	23,044,117	-	(25,407,261)	21,398,399
Furniture & Equipment	12,154,403	-	(128,729)	2,933,600	14,959,274
Furniture – WIP	404,140	2,726,681	-	(2,933,600)	197,221
Vehicles	4,574,310	1,232,867	(197,124)	-	5,610,053
Computer Software	-	-	-	-	-
Computer Hardware	691,419	-	(433,602)	-	257,817
Computer Hardware - WIP	-	-	-	-	-
<b>Total</b>	<b>\$ 428,053,953</b>	<b>\$ 31,987,197</b>	<b>\$ (759,455)</b>	<b>\$ -</b>	<b>\$ 459,281,695</b>

<b>Accumulated Amortization:</b>	Balance at July 1, 2020	Amortization	Disposals	Transfers (WIP)	Balance at June 30, 2021
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	98,738,532	6,790,256	-	-	105,528,788
Furniture & Equipment	4,514,700	1,355,684	(128,729)	-	5,741,655
Vehicles	2,071,344	509,218	(197,124)	-	2,383,438
Computer software	-	-	-	-	-
Computer hardware	527,608	94,924	(433,602)	-	188,930
<b>Total</b>	<b>\$ 105,852,184</b>	<b>\$ 8,750,082</b>	<b>\$ (759,455)</b>	<b>\$ -</b>	<b>\$ 113,842,811</b>

**SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

**NOTE 10 TANGIBLE CAPITAL ASSETS (continued)****June 30, 2020**

<b>Cost:</b>	Balance at July 1, 2019	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2020
Sites	\$ 87,410,868	\$ 25,285,205	\$ -	\$ -	\$ 112,696,073
Buildings	271,707,168	-	-	2,064,898	273,772,066
Buildings – WIP	7,184,008	18,642,433	-	(2,064,898)	23,761,543
Furniture & Equipment	11,056,714	-	(284,531)	1,382,219	12,154,402
Furniture – WIP	148,709	1,637,650	-	(1,382,219)	404,140
Vehicles	4,778,816	349,900	(554,406)	-	4,574,310
Computer Software	-	-	-	-	-
Computer Hardware	967,023	-	(275,604)	-	691,419
Computer Hardware - WIP	-	-	-	-	-
<b>Total</b>	<b>\$ 383,253,306</b>	<b>\$ 45,915,188</b>	<b>\$ (1,114,541)</b>	<b>\$ -</b>	<b>\$ 428,053,953</b>

<b>Accumulated Amortization:</b>	Balance at July 1, 2019	Amortization	Disposals	Transfers (WIP)	Balance at June 30, 2020
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	92,279,058	6,459,474	-	-	98,738,532
Furniture & Equipment	3,638,675	1,160,556	(284,531)	-	4,514,700
Vehicles	2,158,094	467,656	(554,406)	-	2,071,344
Computer Software	-	-	-	-	-
Computer Hardware	637,368	165,844	(275,604)	-	527,608
<b>Total</b>	<b>\$ 98,713,195</b>	<b>\$ 8,253,530</b>	<b>\$ (1,114,541)</b>	<b>\$ -</b>	<b>\$ 105,852,184</b>

Work in progress (WIP) includes buildings, furniture and equipment and computer hardware that have not been amortized. Amortization of these assets will commence when the assets are put into service.

**Contributed tangible capital assets**

Contributed capital assets are recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$0 (2020 - \$0).



## **SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021

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

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2020, the Teachers' Pension Plan has about 49,000 active members and approximately 40,000 retired members. As of December 31, 2020, the Municipal Pension Plan has about 220,000 active members, including approximately 28,000 from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis.

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

The School District paid \$10,478,086 for employer contributions to the plans for the year ended June 30, 2021 (2020: \$9,670,510).

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

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

**SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

**NOTE 12 RESTRICTED ASSETS – ENDOWMENT FUNDS**

Donors have provided endowment contributions with a restriction that the original contribution should not be spent. These endowments have been invested in high interest savings accounts bearing interest at 1.45%.

Other than the Victor Chen Memorial endowment, the endowments were established to provide scholarships and bursaries for one or more deserving graduate or undergraduate students in full time attendance at Edward Milne Community School. The Victor Chen Memorial endowment was established to provide annual scholarships in perpetuity to a student or students from the Westshore planning to study engineering.

Name of Endowment	Balance July 1, 2020	Contributions	Balance June 30, 2021
Cal Meyer	\$ 609,285	\$ -	\$ 609,285
Sooke Women's Institute	17,554	-	17,554
Derochie	10,000	-	10,000
STARR	6,000	-	6,000
Victor Chen Memorial	30,610	-	30,610
<b>Total</b>	<b>\$ 673,449</b>	<b>\$ -</b>	<b>\$ 673,449</b>

**NOTE 13 TRUSTS UNDER ADMINISTRATION**

The School District is in a trustee relationship with employees under the deferred salary leave plan and the teachers' summer savings plan.

As at June 30, 2021, the District held the following funds in place, as directed by agreement with the employees. These amounts have not been included in the cash or accounts payable balances in the financial statements:

	June 30, 2021	June 30, 2020
Deferred Salary Leave Plan	\$ 186,950	\$ 88,954
Teachers' Summer Savings Plan	1,556,852	1,235,602
<b>Total</b>	<b>\$ 1,743,802</b>	<b>\$ 1,324,556</b>

**NOTE 14 INTERFUND TRANSFERS**

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

- Transfer to the capital fund for tangible capital assets purchased from the operating fund \$255,695
- Transfer to the capital fund for tangible capital assets work in progress from the operating fund \$263,722
- Transfer to the capital fund for tangible capital assets work in progress from the special purpose fund \$465,510

**SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

**NOTE 15 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 16 CONTRACTUAL OBLIGATIONS**

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

	2022	2023	2024	2025	2026	Thereafter
Premises leases	\$ 238,593	\$ 28,386	\$ -	\$ -	\$ -	\$ -
Copier leases	119,676	80,850	55,637	35,762	4,344	-
Total	\$ 358,269	\$ 109,236	\$ 55,637	\$ 35,762	\$ 4,344	\$ -

The School District has entered into contracts related to capital projects with a remaining cost of approximately \$46,911,892.

**NOTE 17 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 the leasing of School District property. The following table summarizes the contractual rights of the School District for future assets.

	2022	2023	2024	2025	2026	Thereafter
Future lease/rental revenue	\$71,063	\$68,400	\$68,400	\$68,400	\$68,400	\$136,800
Total	\$71,063	\$68,400	\$68,400	\$68,400	\$68,400	\$136,800

**NOTE 18 CONTINGENT ASSETS**

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the School District's control occurs, or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

At this time the School District has determined that there are no contingent assets.

**SCHOOL DISTRICT NO. 62 (SOOKE)**

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

**NOTE 19      CONTINGENT LIABILITIES**

The nature of the School District's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2021, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

**NOTE 20      BUDGET FIGURES**

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget bylaw on February 23, 2021. The original budget was adopted on June 23, 2020. The original and amended budgets are presented below.

	2021 Amended Annual Budget \$	2021 Annual Budget \$
<b>Revenues</b>		
Provincial Grants		
Ministry of Education	142,134,815	139,092,529
Tuition	3,094,900	1,583,000
Other Revenue	6,129,683	4,782,485
Rentals and Leases	268,500	388,500
Investment Income	284,508	263,875
Amortization of Deferred Capital Revenue	7,874,834	7,718,490
Amortization of Deferred Capital Revenue - for long term lease	61,477	61,477
<b>Total Revenue</b>	<u>159,848,717</u>	<u>153,890,356</u>
<b>Expenses</b>		
Instruction	127,709,283	119,832,222
District Administration	5,763,248	5,647,275
Operations and Maintenance	22,309,676	20,371,413
Transportation and Housing	3,545,011	3,156,649
<b>Total Expense</b>	<u>159,327,218</u>	<u>149,007,559</u>
Net Revenue (Expense)	<u>521,499</u>	<u>4,882,797</u>
Budgeted Allocation (Retirement) of Surplus (Deficit)	5,578,039	2,194,758
Budgeted Surplus (Deficit), for the year	<u>6,099,538</u>	<u>7,077,555</u>

**SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

**NOTE 21 EXPENSE BY OBJECT**

	June 30, 2021	June 30, 2020
Salaries and benefits	\$ 128,330,235	\$ 117,260,286
Services and supplies	17,107,129	17,864,100
Amortization	8,750,082	8,253,530
<b>Total</b>	<b>\$ 154,187,446</b>	<b>\$ 143,377,916</b>

**NOTE 22 ACCUMULATED SURPLUS**

	June 30, 2021	June 30, 2020
Total Internally Restricted Fund Balances	\$ 4,787,255	\$ 7,192,890
Special Purpose Fund – endowments	673,449	673,449
Invested in Tangible Capital Assets	133,798,684	128,664,262
<b>Total Accumulated Surplus</b>	<b>\$ 139,259,388</b>	<b>\$ 136,530,601</b>

The Internally Restricted Fund Balances are composed of an Internally Restricted Operating Fund balance and an Internally Restricted Capital Fund balance. The Internally Restricted Operating Fund balance represents the amount of funds committed for planned future years' operating activities. The Internally Restricted Capital Fund balance represents the balance from the Local Capital Reserve. The use of Local Capital is entirely at the discretion of the School District. Appropriations from Local Capital are made to finance projects as determined by the Board.

	June 30, 2021	June 30, 2020
Internally Restricted – Operating Fund		
Due to nature of constraints on funds	\$ 2,249,153	\$ 2,674,114
Due to operations spanning the school year	844,986	1,917,197
Due to unanticipated unusual expenses	1,693,116	2,601,579
<b>Total Internally Restricted – Operating Fund</b>	<b>4,787,225</b>	<b>7,192,890</b>
Internally Restricted – Capital Fund		
Local capital reserve	-	-
<b>Total Internally Restricted – Capital Fund</b>	<b>-</b>	<b>-</b>
<b>Total Internally Restricted Fund Balances</b>	<b>\$ 4,787,225</b>	<b>\$ 7,192,890</b>

**NOTE 23 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.

## SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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### NOTE 24 RISK MANAGEMENT

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

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

**a) Credit risk**

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

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 with a fixed maturity date.

**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.

**i. Currency 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.

**ii. Interest rate risk**

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 it invests solely in Guaranteed Investment Certificates that have a fixed maturity.

**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 exposures from 2020 related to credit, market or liquidity risks.

# School District No. 62 (Sooke)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	7,192,890	673,449	128,664,262	<b>136,530,601</b>	109,008,769
<b>Changes for the year</b>					
Surplus (Deficit) for the year	(1,886,218)	465,510	4,149,495	<b>2,728,787</b>	27,521,832
Interfund Transfers					
Tangible Capital Assets Purchased	(255,695)		255,695	-	
Tangible Capital Assets - Work in Progress	(263,722)	(465,510)	729,232	-	
<b>Net Changes for the year</b>	<b>(2,405,635)</b>	<b>-</b>	<b>5,134,422</b>	<b>2,728,787</b>	<b>27,521,832</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>4,787,255</b>	<b>673,449</b>	<b>133,798,684</b>	<b>139,259,388</b>	<b>136,530,601</b>

# School District No. 62 (Sooke)

## Schedule of Operating Operations

Year Ended June 30, 2021

Schedule 2 (Unaudited)

	2021 Budget (Note 20) \$	2021 Actual \$	2020 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	112,005,203	<b>113,365,893</b>	108,492,677
Other		<b>26,509</b>	9,000
Tuition	3,094,900	<b>3,505,226</b>	6,413,919
Other Revenue	903,169	<b>997,217</b>	1,040,633
Rentals and Leases	268,500	<b>230,065</b>	358,415
Investment Income	253,875	<b>290,632</b>	409,583
<b>Total Revenue</b>	<b>116,525,647</b>	<b>118,415,542</b>	<b>116,724,227</b>
<b>Expenses</b>			
Instruction	102,041,996	<b>101,010,417</b>	95,814,503
District Administration	5,721,248	<b>5,413,425</b>	4,623,740
Operations and Maintenance	11,288,351	<b>10,780,579</b>	10,707,236
Transportation and Housing	2,757,014	<b>3,097,339</b>	2,580,272
<b>Total Expense</b>	<b>121,808,609</b>	<b>120,301,760</b>	<b>113,725,751</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(5,282,962)</b>	<b>(1,886,218)</b>	<b>2,998,476</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>5,578,039</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(295,077)	<b>(255,695)</b>	
Tangible Capital Assets - Work in Progress		<b>(263,722)</b>	(521,201)
<b>Total Net Transfers</b>	<b>(295,077)</b>	<b>(519,417)</b>	<b>(521,201)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(2,405,635)</b>	<b>2,477,275</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>7,192,890</b>	<b>4,715,615</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>4,787,255</b>	<b>7,192,890</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>4,787,255</b>	<b>7,192,890</b>
<b>Total Operating Surplus (Deficit), end of year</b>		<b>4,787,255</b>	<b>7,192,890</b>



# School District No. 62 (Sooke)

Schedule 2A (Unaudited)

## Schedule of Operating Revenue by Source

Year Ended June 30, 2021

	2021 Budget (Note 20) \$	2021 Actual \$	2020 Actual \$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	107,833,359	<b>109,163,647</b>	104,954,991
ISC/LEA Recovery	(482,169)	<b>(509,565)</b>	(482,169)
Other Ministry of Education Grants			
Pay Equity	931,052	<b>931,052</b>	931,052
Funding for Graduated Adults	109,878	<b>163,544</b>	123,206
Student Transportation Fund	358,365	<b>358,365</b>	358,365
Carbon Tax Grant			74,695
Employer Health Tax Grant			837,538
Support Staff Wage Increase Funding			435,009
Teachers' Labour Settlement Funding	3,007,718	<b>3,007,718</b>	1,241,858
Early Career Mentorship Funding	235,000	<b>235,000</b>	
FSA Scorer Grant	12,000	<b>12,964</b>	12,964
Equity Scan			2,000
Early Learning Framework Implementation		<b>3,168</b>	3,168
<b>Total Provincial Grants - Ministry of Education</b>	<b>112,005,203</b>	<b>113,365,893</b>	108,492,677
<b>Provincial Grants - Other</b>		<b>26,509</b>	9,000
<b>Tuition</b>			
Continuing Education	110,000	<b>93,874</b>	110,568
International and Out of Province Students	2,984,900	<b>3,411,352</b>	6,303,351
<b>Total Tuition</b>	<b>3,094,900</b>	<b>3,505,226</b>	6,413,919
<b>Other Revenues</b>			
Funding from First Nations	482,169	<b>509,565</b>	482,169
Miscellaneous			
Grants for Crossing Guards	70,000	<b>88,000</b>	70,000
Miscellaneous	100,000	<b>98,064</b>	179,482
Rebates	51,000	<b>44,847</b>	43,364
Reclassified from SGF Discretionary	200,000	<b>134,314</b>	133,934
Careers Program		<b>122,427</b>	131,684
<b>Total Other Revenue</b>	<b>903,169</b>	<b>997,217</b>	1,040,633
<b>Rentals and Leases</b>	<b>268,500</b>	<b>230,065</b>	358,415
<b>Investment Income</b>	<b>253,875</b>	<b>290,632</b>	409,583
<b>Total Operating Revenue</b>	<b>116,525,647</b>	<b>118,415,542</b>	116,724,227

**School District No. 62 (Sooke)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2021

	2021 Budget (Note 20)	2021 Actual	2020 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	47,695,163	<b>48,393,009</b>	45,374,538
Principals and Vice Principals	8,112,910	<b>8,085,645</b>	7,555,210
Educational Assistants	9,844,006	<b>10,136,051</b>	9,249,358
Support Staff	12,409,434	<b>12,221,148</b>	11,949,830
Other Professionals	4,103,536	<b>4,226,866</b>	3,871,161
Substitutes	4,275,360	<b>3,808,405</b>	3,227,960
<b>Total Salaries</b>	<b>86,440,409</b>	<b>86,871,124</b>	81,228,057
<b>Employee Benefits</b>	21,633,314	<b>21,108,220</b>	19,106,794
<b>Total Salaries and Benefits</b>	<b>108,073,723</b>	<b>107,979,344</b>	100,334,851
<b>Services and Supplies</b>			
Services	5,598,654	<b>5,573,755</b>	6,144,288
Professional Development and Travel	994,371	<b>659,429</b>	1,023,952
Rentals and Leases	306,249	<b>379,508</b>	304,088
Dues and Fees	197,274	<b>192,150</b>	176,797
Insurance	403,265	<b>311,885</b>	338,254
Supplies	4,390,429	<b>3,601,625</b>	3,903,490
Utilities	1,793,844	<b>1,602,549</b>	1,490,826
Bad Debt	50,800	<b>1,515</b>	9,205
<b>Total Services and Supplies</b>	<b>13,734,886</b>	<b>12,322,416</b>	13,390,900
<b>Total Operating Expense</b>	<b>121,808,609</b>	<b>120,301,760</b>	113,725,751

# School District No. 62 (Sooke)

## Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	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	39,934,511	229,992	155,461	1,753,969	418,166	2,251,051	44,743,150
1.03 Career Programs	221,255			171,325		15,683	408,263
1.07 Library Services	1,379,790			270,224		58,816	1,708,830
1.08 Counselling	1,985,396					22,956	2,008,352
1.10 Special Education	2,768,576	257,123	9,600,098	80,651	853,121	707,865	14,267,434
1.30 English Language Learning	1,129,455			34,155		3,175	1,166,785
1.31 Indigenous Education	703,191	257,625	380,492	59,926		5,189	1,406,423
1.41 School Administration		7,074,341		2,322,583		191,882	9,588,806
1.61 Continuing Education				30,754			30,754
1.62 International and Out of Province Students	268,277	266,191		268,795			803,263
<b>Total Function 1</b>	<b>48,390,451</b>	<b>8,085,272</b>	<b>10,136,051</b>	<b>4,992,382</b>	<b>1,271,287</b>	<b>3,256,617</b>	<b>76,132,060</b>
<b>4 District Administration</b>							
4.11 Educational Administration					821,075		821,075
4.40 School District Governance					120,250		120,250
4.41 Business Administration	2,558	373		584,571	1,665,019	50,473	2,302,994
<b>Total Function 4</b>	<b>2,558</b>	<b>373</b>	<b>-</b>	<b>584,571</b>	<b>2,606,344</b>	<b>50,473</b>	<b>3,244,319</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				122,169	138,468		260,637
5.50 Maintenance Operations				4,215,745	110,314	335,043	4,661,102
5.52 Maintenance of Grounds				584,233			584,233
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,922,147</b>	<b>248,782</b>	<b>335,043</b>	<b>5,505,972</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				129,264	100,453	1,647	231,364
7.70 Student Transportation				1,592,784		164,625	1,757,409
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,722,048</b>	<b>100,453</b>	<b>166,272</b>	<b>1,988,773</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>48,393,009</b>	<b>8,085,645</b>	<b>10,136,051</b>	<b>12,221,148</b>	<b>4,226,866</b>	<b>3,808,405</b>	<b>86,871,124</b>

# School District No. 62 (Sooke)

Operating Expense by Function, Program and Object  
Year Ended June 30, 2021

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2021 Actual	2021 Budget (Note 20)	2020 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	44,743,150	11,412,861	56,156,011	2,939,245	59,095,256	60,192,830	54,335,343
1.03 Career Programs	408,263	104,861	513,124	344,320	857,444	897,295	798,392
1.07 Library Services	1,708,830	420,246	2,129,076	58,292	2,187,368	2,075,246	2,067,265
1.08 Counselling	2,008,352	483,971	2,492,323	3,641	2,495,964	2,421,431	2,554,921
1.10 Special Education	14,267,434	3,529,260	17,796,694	475,263	18,271,957	18,019,689	17,053,568
1.30 English Language Learning	1,166,785	284,819	1,451,604	23,632	1,475,236	1,455,593	1,378,410
1.31 Indigenous Education	1,406,423	337,738	1,744,161	119,199	1,863,360	1,820,471	1,701,279
1.41 School Administration	9,588,806	2,007,988	11,596,794	574,808	12,171,602	12,513,376	11,385,604
1.61 Continuing Education	30,754	2,187	32,941	42,183	75,124	91,066	89,012
1.62 International and Out of Province Students	803,263	186,665	989,928	1,527,178	2,517,106	2,554,999	4,450,709
<b>Total Function 1</b>	<b>76,132,060</b>	<b>18,770,596</b>	<b>94,902,656</b>	<b>6,107,761</b>	<b>101,010,417</b>	102,041,996	95,814,503
<b>4 District Administration</b>							
4.11 Educational Administration	821,075	146,186	967,261	457,907	1,425,168	1,525,547	1,045,124
4.40 School District Governance	120,250	5,999	126,249	130,082	256,331	279,088	290,549
4.41 Business Administration	2,302,994	480,568	2,783,562	948,364	3,731,926	3,916,613	3,288,067
<b>Total Function 4</b>	<b>3,244,319</b>	<b>632,753</b>	<b>3,877,072</b>	<b>1,536,353</b>	<b>5,413,425</b>	5,721,248	4,623,740
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	260,637	58,007	318,644	278,116	596,760	648,595	623,746
5.50 Maintenance Operations	4,661,102	1,088,913	5,750,015	1,309,691	7,059,706	7,437,404	7,402,999
5.52 Maintenance of Grounds	584,233	132,448	716,681	804,883	1,521,564	1,408,508	934,053
5.56 Utilities	-	-	-	1,602,549	1,602,549	1,793,844	1,746,438
<b>Total Function 5</b>	<b>5,505,972</b>	<b>1,279,368</b>	<b>6,785,340</b>	<b>3,995,239</b>	<b>10,780,579</b>	11,288,351	10,707,236
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	231,364	58,955	290,319	46,655	336,974	299,600	309,224
7.70 Student Transportation	1,757,409	366,548	2,123,957	636,408	2,760,365	2,457,414	2,271,048
<b>Total Function 7</b>	<b>1,988,773</b>	<b>425,503</b>	<b>2,414,276</b>	<b>683,063</b>	<b>3,097,339</b>	2,757,014	2,580,272
<b>9 Debt Services</b>							
<b>Total Function 9</b>	-	-	-	-	-	-	-
<b>Total Functions 1 - 9</b>	<b>86,871,124</b>	<b>21,108,220</b>	<b>107,979,344</b>	<b>12,322,416</b>	<b>120,301,760</b>	121,808,609	113,725,751

# School District No. 62 (Sooke)

## Schedule of Special Purpose Operations

Year Ended June 30, 2021

Schedule 3 (Unaudited)

	2021 Budget (Note 20) \$	2021 Actual \$	2020 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	22,366,954	<b>22,275,012</b>	17,164,315
Other Revenue	5,226,514	<b>2,095,681</b>	3,123,933
Investment Income	30,633	<b>18,249</b>	19,600
<b>Total Revenue</b>	<u>27,624,101</u>	<u><b>24,388,942</b></u>	<u>20,307,848</u>
<b>Expenses</b>			
Instruction	25,667,287	<b>22,650,013</b>	19,971,034
District Administration	42,000	<b>19,900</b>	
Operations and Maintenance	1,614,814	<b>965,874</b>	336,814
Transportation and Housing	300,000	<b>287,645</b>	
<b>Total Expense</b>	<u>27,624,101</u>	<u><b>23,923,432</b></u>	<u>20,307,848</u>
<b>Special Purpose Surplus (Deficit) for the year, before endowment contributions</b>	<u>-</u>	<u><b>465,510</b></u>	<u>-</u>
<b>Endowment Contributions</b>			30,610
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u><b>465,510</b></u>	<u>30,610</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets - Work in Progress		<b>(465,510)</b>	
<b>Total Net Transfers</b>	<u>-</u>	<u><b>(465,510)</b></u>	<u>-</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>30,610</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>		<b>673,449</b>	642,839
<b>Special Purpose Surplus (Deficit), end of year</b>		<u><b>673,449</b></u>	<u>673,449</u>
<b>Special Purpose Surplus (Deficit), end of year</b>			
Endowment Contributions		<b>673,449</b>	673,449
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<u><b>673,449</b></u>	<u>673,449</u>

# School District No. 62 (Sooke)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2021

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	-	-	20,633	775,551	11,775	5,337		87,025	26,251
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	336,814	399,366			192,000	44,100	332,566	763,767	1,403,622
Other				1,329,191				26,480	
Investment Income			11,082						
	336,814	399,366	11,082	1,329,191	192,000	44,100	332,566	790,247	1,403,622
<b>Less:</b> Allocated to Revenue	336,814	399,366	17,500	1,394,698	199,645	17,172	308,317	795,859	1,429,873
<b>Deferred Revenue, end of year</b>	-	-	<b>14,215</b>	<b>710,044</b>	<b>4,130</b>	<b>32,265</b>	<b>24,249</b>	<b>81,413</b>	-
<b>Revenues</b>									
Provincial Grants - Ministry of Education	336,814	399,366			199,645	17,172	308,317	769,379	1,429,873
Other Revenue				1,394,698				26,480	
Investment Income			17,500						
	336,814	399,366	17,500	1,394,698	199,645	17,172	308,317	795,859	1,429,873
<b>Expenses</b>									
Salaries									
Teachers							52,352		27,541
Principals and Vice Principals								41,066	
Educational Assistants		312,006							170,000
Support Staff				3,180	152,385	1,024	549	47,005	120,000
Other Professionals								160,562	
Substitutes				4,364		1,974	12,547	23,924	797,187
	-	312,006	-	7,544	152,385	2,998	65,448	272,557	1,114,728
Employee Benefits		87,360		1,570	41,403	587	14,909	58,695	247,545
Services and Supplies	336,814		17,500	1,385,584	5,857	13,587	227,960	464,607	67,600
	336,814	399,366	17,500	1,394,698	199,645	17,172	308,317	795,859	1,429,873
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets - Work in Progress	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

**School District No. 62 (Sooke)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2021

	Classroom Enhancement Fund - Staffing	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School Grant	Federal Safe Return to Class Fund	Quality Teaching	Nature K	ACE-IT
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>		9,080		6,529			130	5,214	-
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	13,533,824	13,105	51,000	25,000	872,605	4,360,024			
Other									30,000
Investment Income									
	13,533,824	13,105	51,000	25,000	872,605	4,360,024	-	-	30,000
<b>Less:</b> Allocated to Revenue	13,505,677	9,080	31,754	13,737	872,605	4,360,024	130	261	30,000
<b>Deferred Revenue, end of year</b>	<b>28,147</b>	<b>13,105</b>	<b>19,246</b>	<b>17,792</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,953</b>	<b>-</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	13,505,677	9,080	31,754	13,737	872,605	4,360,024	130		
Other Revenue								147	30,000
Investment Income								114	
	13,505,677	9,080	31,754	13,737	872,605	4,360,024	130	261	30,000
<b>Expenses</b>									
Salaries									
Teachers	10,857,713					1,623,546			25,000
Principals and Vice Principals						64,435			
Educational Assistants						153,925			
Support Staff					345,665	475,039			
Other Professionals						63,173			
Substitutes			16,780	11,610	34,567	145,286	103		
	10,857,713	-	16,780	11,610	380,232	2,525,404	103	-	25,000
Employee Benefits	2,647,964		2,792	2,099	91,602	578,895	27		5,000
Services and Supplies		9,080	12,182	28	400,771	790,215		261	
	13,505,677	9,080	31,754	13,737	872,605	3,894,514	130	261	30,000
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>465,510</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>									
Tangible Capital Assets - Work in Progress						(465,510)			
	-	-	-	-	-	(465,510)	-	-	-
<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. 62 (Sooke)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2021

	Academies	Ab Ed Commercial Fishing	Art Starts	Donations	Theatres	Horner	GISP	SEY2K	Kidsport
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	287,790	11,975	5,788	72,138	45,545	10,915	4,268	22,551	-
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education							1,000		
Other	515,881		7,600	44,697		19,893			24,500
Investment Income				875					
	515,881	-	7,600	45,572	-	19,893	1,000	-	24,500
<b>Less:</b> Allocated to Revenue	523,973	11,975	6,746	58,292	3,351	30,808	5,268	16,171	9,846
<b>Deferred Revenue, end of year</b>	<b>279,698</b>	<b>-</b>	<b>6,642</b>	<b>59,418</b>	<b>42,194</b>	<b>-</b>	<b>-</b>	<b>6,380</b>	<b>14,654</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education							5,268	16,171	
Other Revenue	523,973	11,975	6,746	58,292	2,716	30,808			9,846
Investment Income					635				
	523,973	11,975	6,746	58,292	3,351	30,808	5,268	16,171	9,846
<b>Expenses</b>									
Salaries									
Teachers	54,721								
Principals and Vice Principals	15,498								
Educational Assistants									
Support Staff	44,563							73	
Other Professionals									
Substitutes	585							3,429	
	115,367	-	-	-	-	-	-	3,502	-
Employee Benefits	22,284							705	
Services and Supplies	386,322	11,975	6,746	58,292	3,351	30,808	5,268	11,964	9,846
	523,973	11,975	6,746	58,292	3,351	30,808	5,268	16,171	9,846
<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>									
Tangible Capital Assets - Work in Progress	-	-	-	-	-	-	-	-	-
<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. 62 (Sooke)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2021

	<u>TOTAL</u>
	\$
<b>Deferred Revenue, beginning of year</b>	1,408,495
<b>Add:</b> Restricted Grants	
Provincial Grants - Ministry of Education	22,328,793
Other	1,998,242
Investment Income	11,957
	<u>24,338,992</u>
<b>Less:</b> Allocated to Revenue	24,388,942
<b>Deferred Revenue, end of year</b>	<u><u>1,358,545</u></u>
<b>Revenues</b>	
Provincial Grants - Ministry of Education	22,275,012
Other Revenue	2,095,681
Investment Income	18,249
	<u>24,388,942</u>
<b>Expenses</b>	
Salaries	
Teachers	12,640,873
Principals and Vice Principals	120,999
Educational Assistants	635,931
Support Staff	1,189,483
Other Professionals	223,735
Substitutes	1,052,356
	<u>15,863,377</u>
Employee Benefits	3,803,437
Services and Supplies	4,256,618
	<u>23,923,432</u>
<b>Net Revenue (Expense) before Interfund Transfers</b>	<u>465,510</u>
<b>Interfund Transfers</b>	
Tangible Capital Assets - Work in Progress	(465,510)
	<u>(465,510)</u>
<b>Net Revenue (Expense)</b>	<u><u>-</u></u>

# School District No. 62 (Sooke)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2021

	2021	2021 Actual			2020
	Budget (Note 20)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	7,762,658	6,134,225		6,134,225	25,072,515
Municipal Grants Spent on Sites				-	1,242,000
Investment Income				-	4,853
Amortization of Deferred Capital Revenue	7,874,834	7,916,047		7,916,047	7,456,218
Amortization of Deferred Capital Revenue - for lease	61,477	61,477		61,477	61,477
<b>Total Revenue</b>	<b>15,698,969</b>	<b>14,111,749</b>	<b>-</b>	<b>14,111,749</b>	<b>33,837,063</b>
<b>Expenses</b>					
Operations and Maintenance	1,248,432	1,212,172		1,212,172	1,090,787
Amortization of Tangible Capital Assets					
Operations and Maintenance	8,158,079	8,240,864		8,240,864	7,785,874
Transportation and Housing	487,997	509,218		509,218	467,656
<b>Total Expense</b>	<b>9,894,508</b>	<b>9,962,254</b>	<b>-</b>	<b>9,962,254</b>	<b>9,344,317</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>5,804,461</b>	<b>4,149,495</b>	<b>-</b>	<b>4,149,495</b>	<b>24,492,746</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	295,077	255,695		255,695	
Tangible Capital Assets - Work in Progress		729,232		729,232	521,201
<b>Total Net Transfers</b>	<b>295,077</b>	<b>984,927</b>	<b>-</b>	<b>984,927</b>	<b>521,201</b>
<b>Total Capital Surplus (Deficit) for the year</b>	<b>6,099,538</b>	<b>5,134,422</b>	<b>-</b>	<b>5,134,422</b>	<b>25,013,947</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>128,664,262</b>	<b>-</b>	<b>128,664,262</b>	<b>103,650,315</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>133,798,684</b>	<b>-</b>	<b>133,798,684</b>	<b>128,664,262</b>

# School District No. 62 (Sooke)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2021

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	112,696,073	273,772,065	12,154,403	4,574,310		691,419	<b>403,888,270</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	4,983,532			808,448			<b>5,791,980</b>
Deferred Capital Revenue - Other				168,724			<b>168,724</b>
Operating Fund				255,695			<b>255,695</b>
Transferred from Work in Progress		25,407,261	2,933,600				<b>28,340,861</b>
	4,983,532	25,407,261	2,933,600	1,232,867	-	-	<b>34,557,260</b>
Decrease:							
Deemed Disposals			128,729	197,124		433,602	<b>759,455</b>
	-	-	128,729	197,124	-	433,602	<b>759,455</b>
<b>Cost, end of year</b>	117,679,605	299,179,326	14,959,274	5,610,053	-	257,817	<b>437,686,075</b>
<b>Work in Progress, end of year</b>		21,398,399	197,221				<b>21,595,620</b>
<b>Cost and Work in Progress, end of year</b>	117,679,605	320,577,725	15,156,495	5,610,053	-	257,817	<b>459,281,695</b>
<b>Accumulated Amortization, beginning of year</b>		98,738,532	4,514,700	2,071,344	-	527,608	<b>105,852,184</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		6,790,256	1,355,684	509,218		94,924	<b>8,750,082</b>
Decrease:							
Deemed Disposals			128,729	197,124		433,602	<b>759,455</b>
			128,729	197,124	-	433,602	<b>759,455</b>
<b>Accumulated Amortization, end of year</b>		105,528,788	5,741,655	2,383,438	-	188,930	<b>113,842,811</b>
<b>Tangible Capital Assets - Net</b>	<b>117,679,605</b>	<b>215,048,937</b>	<b>9,414,840</b>	<b>3,226,615</b>	<b>-</b>	<b>68,887</b>	<b>345,438,884</b>

**School District No. 62 (Sooke)**

## Tangible Capital Assets - Work in Progress

Year Ended June 30, 2021

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	23,761,543	404,140	-	-	<b>24,165,683</b>
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	21,563,967	1,871,132			<b>23,435,099</b>
Deferred Capital Revenue - Other	1,480,150	126,317			<b>1,606,467</b>
Operating Fund		263,722			<b>263,722</b>
Special Purpose Funds		465,510			<b>465,510</b>
	<u>23,044,117</u>	<u>2,726,681</u>	-	-	<b><u>25,770,798</u></b>
Decrease:					
Transferred to Tangible Capital Assets	25,407,261	2,933,600			<b>28,340,861</b>
	<u>25,407,261</u>	<u>2,933,600</u>	-	-	<b><u>28,340,861</u></b>
<b>Net Changes for the Year</b>	<u>(2,363,144)</u>	<u>(206,919)</u>	-	-	<b><u>(2,570,063)</u></b>
<b>Work in Progress, end of year</b>	<b><u>21,398,399</u></b>	<b><u>197,221</u></b>	-	-	<b><u>21,595,620</u></b>

**School District No. 62 (Sooke)**

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

	<b>Bylaw Capital</b>	<b>Other Provincial</b>	<b>Other Capital</b>	<b>Total Capital</b>
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	151,792,598	19,147,454	588,698	<b>171,528,750</b>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	808,448		168,724	<b>977,172</b>
Transferred from Work in Progress	26,005,163	1,480,150	126,317	<b>27,611,630</b>
	<u>26,813,611</u>	<u>1,480,150</u>	<u>295,041</u>	<b><u>28,588,802</u></b>
Decrease:				
Amortization of Deferred Capital Revenue	7,125,500	737,095	53,452	<b>7,916,047</b>
Amortization of Deferred Capital Revenue - for long term lease	61,477			<b>61,477</b>
	<u>7,186,977</u>	<u>737,095</u>	<u>53,452</u>	<b><u>7,977,524</u></b>
<b>Net Changes for the Year</b>	<u>19,626,634</u>	<u>743,055</u>	<u>241,589</u>	<b><u>20,611,278</u></b>
<b>Deferred Capital Revenue, end of year</b>	<u>171,419,232</u>	<u>19,890,509</u>	<u>830,287</u>	<b><u>192,140,028</u></b>
<b>Work in Progress, beginning of year</b>	24,165,683	-	-	<b>24,165,683</b>
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	23,435,099	1,480,150	126,317	<b>25,041,566</b>
	<u>23,435,099</u>	<u>1,480,150</u>	<u>126,317</u>	<b><u>25,041,566</u></b>
Decrease				
Transferred to Deferred Capital Revenue	26,005,163	1,480,150	126,317	<b>27,611,630</b>
	<u>26,005,163</u>	<u>1,480,150</u>	<u>126,317</u>	<b><u>27,611,630</u></b>
<b>Net Changes for the Year</b>	<u>(2,570,064)</u>	<u>-</u>	<u>-</u>	<b><u>(2,570,064)</u></b>
<b>Work in Progress, end of year</b>	<u>21,595,619</u>	<u>-</u>	<u>-</u>	<b><u>21,595,619</u></b>
<b>Total Deferred Capital Revenue, end of year</b>	<u><b>193,014,851</b></u>	<u><b>19,890,509</b></u>	<u><b>830,287</b></u>	<u><b>213,735,647</b></u>

**School District No. 62 (Sooke)**

Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2021

	<b>Bylaw Capital</b>	<b>MEd Restricted Capital</b>	<b>Other Provincial Capital</b>	<b>Land Capital</b>	<b>Other Capital</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance, beginning of year</b>	724	1,687,505	-	256,390	73,000	<b>2,017,619</b>
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	30,874,648					<b>30,874,648</b>
Other				1,226,928	268,724	<b>1,495,652</b>
Investment Income		6,239				<b>6,239</b>
	<u>30,874,648</u>	<u>6,239</u>	<u>-</u>	<u>1,226,928</u>	<u>268,724</u>	<u><b>32,376,539</b></u>
Decrease:						
Transferred to DCR - Capital Additions	808,448				168,724	<b>977,172</b>
Transferred to DCR - Work in Progress	23,435,099	1,480,150			126,317	<b>25,041,566</b>
Transferred to Revenue - Site Purchases	4,983,532					<b>4,983,532</b>
Transferred to Revenue - Expensed Costs	1,150,693					<b>1,150,693</b>
	<u>30,377,772</u>	<u>1,480,150</u>	<u>-</u>	<u>-</u>	<u>295,041</u>	<u><b>32,152,963</b></u>
<b>Net Changes for the Year</b>	<u>496,876</u>	<u>(1,473,911)</u>	<u>-</u>	<u>1,226,928</u>	<u>(26,317)</u>	<u><b>223,576</b></u>
<b>Balance, end of year</b>	<u><b>497,600</b></u>	<u><b>213,594</b></u>	<u><b>-</b></u>	<u><b>1,483,318</b></u>	<u><b>46,683</b></u>	<u><b>2,241,195</b></u>