

Audited Financial Statements of

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

And Independent Auditors' Report thereon

June 30, 2023

# School District No. 62 (Sooke)

June 30, 2023

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# School District No. 62 (Sooke)

## MANAGEMENT REPORT

Version: 8221-7476-5493

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.


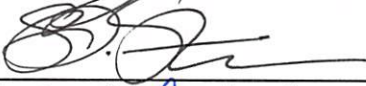
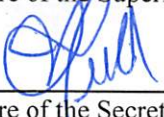
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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	<i>Sept. 26/23</i> _____ Date Signed
 _____ Signature of the Superintendent	<i>Sept. 26, 2023</i> _____ Date Signed
 _____ Signature of the Secretary Treasurer	<i>Sept 26/23</i> _____ Date Signed



KPMG LLP  
St. Andrew's Square II  
800-730 View Street  
Victoria BC V8W 3Y7  
Canada  
Telephone 250-480-3500

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 62 (Sooke), and  
To the Minister of Education and Child Care, 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, 2023
- 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, 2023 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

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

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

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

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

Our opinion is not modified in respect of this matter.

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

We draw attention to Note 25 to the financial statements which explains that certain comparative information presented for the year ended June 30, 2022 has been restated. Note 25 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information. Our opinion is not modified in respect of this matter.

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

As part of our audit of the financial statements for the year ended June 30, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended June 30, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

### **Other Information**

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

- Information, other than the financial statements and the auditor's 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 Other Information, other than the financial statements and the auditor's 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 auditor's 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 auditor's 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.

### **Auditor's 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 auditor's 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 auditor's 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 auditor's 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 26, 2023

# School District No. 62 (Sooke)

Statement of Financial Position  
As at June 30, 2023

Statement 1

	2023 Actual	2022 Actual (Restated - Note 25)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	29,775,667	34,092,985
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	1,293,373	2,129,793
Due from Province - Other	19,129	12,830
Due from First Nations	216,663	254,865
Other (Note 3)	557,779	979,299
<b>Total Financial Assets</b>	<b>31,862,611</b>	<b>37,469,772</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	20,942	22,276
Other (Note 5)	10,191,663	17,343,066
Unearned Revenue (Note 6)	5,129,573	5,342,608
Deferred Revenue (Note 7)	1,877,812	1,626,020
Deferred Capital Revenue (Note 8)	268,314,439	253,874,173
Employee Future Benefits (Note 9)	6,105,411	5,525,440
Asset Retirement Obligation (Note 21)	6,882,996	6,882,996
<b>Total Liabilities</b>	<b>298,522,836</b>	<b>290,616,579</b>
<b>Net Debt</b>	<b>(266,660,225)</b>	<b>(253,146,807)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	396,669,255	380,970,944
Restricted Assets (Endowments) (Note 12)	673,449	673,449
Prepaid Expenses (Note 4)	3,075,752	3,453,917
Other Assets	1,123,530	1,150,132
<b>Total Non-Financial Assets</b>	<b>401,541,986</b>	<b>386,248,442</b>
<b>Accumulated Surplus (Deficit) (Note 23)</b>	<b>134,881,761</b>	<b>133,101,635</b>
<b>Accumulated Surplus (Deficit) is comprised of:</b>		
Accumulated Surplus (Deficit) from Operations	134,881,761	133,101,635
Accumulated Remeasurement Gains (Losses)	-	-
	<b>134,881,761</b>	<b>133,101,635</b>

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

Approved by the Board

	Sept. 26/23
Signature of the Chairperson of the Board of Education	Date Signed
	Sept. 26, 2023
Signature of the Superintendent	Date Signed
	Sept 26/23
Signature of the Secretary Treasurer	Date Signed

# School District No. 62 (Sooke)

Statement of Operations  
Year Ended June 30, 2023

	2023 Budget (Note 20) \$	2023 Actual \$	2022 Actual (Restated - Note 25) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	163,941,392	<b>164,420,963</b>	144,462,411
Other		<b>30,599</b>	730
Federal Grants		<b>9,420</b>	
Tuition	6,899,749	<b>6,361,744</b>	6,637,195
Other Revenue	5,036,317	<b>5,967,097</b>	4,587,609
Rentals and Leases	502,500	<b>492,358</b>	393,661
Investment Income	370,395	<b>1,073,958</b>	258,765
Amortization of Deferred Capital Revenue	9,581,173	<b>9,680,922</b>	8,447,330
Amortization of Deferred Capital Revenue - for lease	61,477	<b>61,477</b>	61,477
<b>Total Revenue</b>	<u>186,393,003</u>	<u><b>188,098,538</b></u>	<u>164,849,178</u>
<b>Expenses (Note 22)</b>			
Instruction	151,717,077	<b>151,016,310</b>	132,751,010
District Administration	6,870,183	<b>6,997,503</b>	5,841,891
Operations and Maintenance	23,942,726	<b>24,263,265</b>	21,885,576
Transportation and Housing	3,951,925	<b>4,041,334</b>	3,660,435
<b>Total Expense</b>	<u>186,481,911</u>	<u><b>186,318,412</b></u>	<u>164,138,912</u>
<b>Surplus (Deficit) for the year</b>	<u>(88,908)</u>	<u><b>1,780,126</b></u>	<u>710,266</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>133,101,635</b>	132,391,369
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><u><b>134,881,761</b></u></u>	<u>133,101,635</u>

# School District No. 62 (Sooke)

Statement of Changes in Net Debt  
Year Ended June 30, 2023

	2023 Budget (Note 20) \$	2023 Actual \$	2022 Actual (Restated - Note 25) \$
<b>Surplus (Deficit) for the year</b>	(88,908)	<b>1,780,126</b>	710,266
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(23,751,808)	<b>(26,300,809)</b>	(44,830,659)
Amortization of Tangible Capital Assets	10,461,149	<b>10,602,498</b>	9,313,576
<b>Total Effect of change in Tangible Capital Assets</b>	<u>(13,290,659)</u>	<b><u>(15,698,311)</u></b>	<u>(35,517,083)</u>
Acquisition of Prepaid Expenses		<b>(1,103,366)</b>	(1,420,054)
Use of Prepaid Expenses		<b>1,481,531</b>	1,088,975
Acquisition of Other Assets		<b>(890,899)</b>	(1,150,132)
Use of Other Assets		<b>917,501</b>	
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<b><u>404,767</u></b>	<u>(1,481,211)</u>
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>(13,379,567)</u>	<b><u>(13,513,418)</u></b>	(36,288,028)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>(13,513,418)</b>	(36,288,028)
<b>Net Debt, beginning of year</b>		<b>(253,146,807)</b>	(216,858,779)
<b>Net Debt, end of year</b>		<b><u>(266,660,225)</u></b>	<u>(253,146,807)</u>



# School District No. 62 (Sooke)

Statement of Cash Flows  
Year Ended June 30, 2023

	2023 Actual	2022 Actual
		(Restated - Note 25)
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	1,780,126	710,266
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	1,289,843	1,529,497
Prepaid Expenses	378,165	(331,079)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(7,152,737)	4,814,310
Unearned Revenue	(213,035)	402,111
Deferred Revenue	251,792	267,475
Employee Future Benefits	579,971	488,492
Amortization of Tangible Capital Assets	10,602,498	9,313,576
Amortization of Deferred Capital Revenue	(9,680,922)	(8,447,330)
Recognition of Deferred Capital Revenue Spent on Sites	(1,938,486)	(367,285)
Deferred Capital Revenue Transferred to Revenue	(1,205,490)	(935,069)
Amortization of Deferred Capital Revenue - for lease	(61,477)	(61,477)
<b>Total Operating Transactions</b>	<u>(5,369,752)</u>	<u>7,383,487</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(3,591,445)	(551,766)
Tangible Capital Assets -WIP Purchased	(22,709,364)	(44,278,893)
Use (Acquisition) of Other Assets	26,602	(1,150,132)
<b>Total Capital Transactions</b>	<u>(26,274,207)</u>	<u>(45,980,791)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	27,326,641	47,708,492
<b>Total Financing Transactions</b>	<u>27,326,641</u>	<u>47,708,492</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(4,317,318)</b>	9,111,188
<b>Cash and Cash Equivalents, beginning of year</b>	<u>34,092,985</u>	24,981,797
<b>Cash and Cash Equivalents, end of year</b>	<u>29,775,667</u>	34,092,985
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	17,825,718	22,928,792
Cash Equivalents	11,949,949	11,164,193
	<u>29,775,667</u>	<u>34,092,985</u>

# SCHOOL DISTRICT NO. 62 (SOOKE)

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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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 and Child Care. School District No. 62 (Sooke) is exempt from federal and provincial corporate income taxes.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Accounting

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

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(o), 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.

#### 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.

# SCHOOL DISTRICT NO. 62 (SOOKE)

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

#### 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(o).

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.

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

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

# SCHOOL DISTRICT NO. 62 (SOOKE)

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

#### i) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- 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 liability includes costs for the removal of asbestos and other hazardous material in several of the buildings owned by the School District. The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see note 2k). The carrying value of the liability is reviewed annually with changes to the timing or amount of the original estimate of cash flows recorded as an adjustment to the liability and related tangible capital asset.

#### j) 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, 2023

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

#### k) 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

#### l) 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 executory 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.

#### m) 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.

#### n) 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 23 – Accumulated Surplus).

# SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

### o) 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, 2023

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

### p) 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.

### q) 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, 2023

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

#### r) 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 and therefore no statement of remeasurement gains or losses is presented.

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.

#### s) Measurement Uncertainty

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

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

#### t) Future Changes in Accounting Policies

*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.



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

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

**NOTE 3            ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	June 30, 2023	June 30, 2022
Due from Federal Government	\$ 123,924	\$ 472,425
Payroll accounts receivable	3,009	785
School site acquisition charges receivable	52,988	153,306
Other accounts receivable	377,858	352,783
	<u>\$ 557,779</u>	<u>\$ 979,299</u>

**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 \$1,972,386 (2022: \$2,033,863) of the prepaid expenses.

**NOTE 5            ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	June 30, 2023	June 30, 2022
Trade payables	\$ 2,923,554	\$ 11,230,416
Salaries and benefits payable	6,405,725	5,288,686
Accrued vacation pay	862,384	823,964
	<u>\$ 10,191,663</u>	<u>\$ 17,343,066</u>

**NOTE 6            UNEARNED REVENUE**

	June 30, 2023	June 30, 2022
Balance, beginning of year	\$ 5,342,608	\$ 4,940,497
Increase:		
Tuition fees collected	6,148,709	7,039,307
	<u>6,148,709</u>	<u>7,039,307</u>
Decrease:		
Tuition fees recognized	(6,361,744)	(6,637,196)
	<u>(6,361,744)</u>	<u>(6,637,196)</u>
Net change for the year	(213,035)	402,111
Balance, end of year	<u>\$ 5,129,573</u>	<u>\$ 5,342,608</u>

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

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

**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, 2023	June 30, 2022
Balance, beginning of year	\$ 1,626,020	\$ 1,358,545
Increase:		
Provincial Grants - Ministry of Education and Child Care	24,998,689	20,649,732
Provincial Grants - Other	132,490	-
Federal Grants	9,420	-
Other revenue	4,505,196	3,375,948
Investment income	42,447	13,818
	<u>29,688,242</u>	<u>24,039,498</u>
Decrease:		
Transfers to revenue	(29,436,450)	(23,751,617)
Grants recovered		(20,406)
	<u>(29,436,450)</u>	<u>(23,772,023)</u>
Net change for the year	251,792	267,475
Balance, end of year	<u>\$ 1,877,812</u>	<u>\$ 1,626,020</u>

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

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

**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, 2023	June 30, 2022
<b>Deferred Capital Revenue Subject to Amortization</b>		
Balance, beginning of year	\$ 185,951,836	\$ 192,140,028
Increases:		
Transfer from deferred capital revenue – capital additions	1,338,602	-
Transfer from deferred capital revenue – work in progress	80,523,795	2,320,615
	<u>81,862,397</u>	<u>2,320,615</u>
Decreases:		
Amortization of deferred capital revenue	(9,680,922)	(8,447,330)
Amortization of long term lease	(61,477)	(61,477)
	<u>(9,742,399)</u>	<u>(8,508,807)</u>
Net change for the year	72,119,998	(6,188,192)
Balance, end of year	<u>\$ 258,071,834</u>	<u>\$ 185,951,836</u>

	June 30, 2023	June 30, 2022
<b>Deferred Capital Revenue - Work In Progress</b>		
Balance, beginning of year	\$ 63,318,024	\$ 21,595,619
Increases:		
Transfer from deferred capital revenue - unspent	21,913,226	44,043,020
	<u>21,913,226</u>	<u>44,043,020</u>
Decreases:		
Transfer to deferred capital revenue subject to amortization	(80,523,795)	(2,320,615)
	<u>(80,523,795)</u>	<u>(2,320,615)</u>
Net change for the year	(58,610,569)	41,722,405
Balance, end of year	<u>\$ 4,707,455</u>	<u>\$ 63,318,024</u>

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

	June 30, 2023	June 30, 2022
<b>Deferred Capital Revenue - Unspent</b>		
Balance, beginning of year	\$ 4,604,313	\$ 2,241,195
Increases:		
Provincial Grants - Ministry of Education and Child Care	23,907,681	44,617,191
Provincial Grants – Other	890,899	1,150,132
Other	2,517,816	1,938,639
Investment income	10,245	2,530
	<u>27,326,641</u>	<u>47,708,492</u>
Decreases:		
Transfer to deferred capital revenue – capital additions	(1,338,602)	-
Transfer to deferred capital revenue – work in progress	(21,913,226)	(44,043,020)
Transfer to revenue – site purchases	(1,938,486)	(367,285)
Transfer to revenue – expensed costs	(1,205,490)	(935,069)
	<u>(26,395,804)</u>	<u>(45,345,374)</u>
Net change for the year	930,837	2,363,118
Balance, end of year	\$ 5,535,150	\$ 4,604,313
<b>Total Deferred Capital Revenue Balance, end of year</b>	<b>\$ 268,314,439</b>	<b>\$ 253,874,173</b>

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

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

**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.

	June 30, 2023	June 30, 2022
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued benefit obligation - April 1	\$ 6,424,522	\$ 5,329,627
Service cost	649,499	503,896
Interest cost	218,202	139,605
Benefit payments	(526,372)	(360,208)
Increase (Decrease) in obligation due to Plan Amendment	-	8,844
Actuarial loss (gain)	(1,063,266)	802,758
Accrued benefit obligation - March 31	\$ 5,702,585	\$ 6,424,522
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued benefit obligation - March 31	\$ 5,702,585	\$ 6,424,522
Market value of Plan Assets - March 31	-	-
Funded Status - Deficit	(5,702,585)	(6,424,522)
Employer contributions after measurement date	1,287	82,234
Benefits expense after measurement date	(202,316)	(216,925)
Unamortized net actuarial loss	(201,796)	1,033,773
Accrued benefit liability - June 30	\$ (6,105,410)	\$ (5,525,440)
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued benefit liability - July 1	\$ 5,525,439	\$ 5,036,948
Net expense for fiscal year	1,025,397	877,631
Employer contributions	(445,426)	(389,139)
Accrued benefit liability - June 30	\$ 6,105,410	\$ 5,525,440
<b>Components of Net Benefit Expense</b>		
Service cost	\$ 629,509	\$ 540,297
Interest cost	223,583	159,254
Immediate Recognition of Plan Amendment	-	8,844
Amortization of net actuarial loss	172,305	169,236
Net benefit expense for fiscal year	\$ 1,025,397	\$ 877,631
	2023	2022

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

Discount Rate – April 1	3.25%	2.50%
Discount Rate – March 31	4.00%	3.25%
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	10.2	10.2

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

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

**NOTE 10 TANGIBLE CAPITAL ASSETS**

<b>Net Book Value</b>	June 30, 2023 (restated see Note 25)	June 30, 2022
Sites	\$ 119,985,376	\$ 118,046,890
Buildings	255,338,319	186,696,255
Buildings – WIP	4,375,282	62,253,615
Furniture & Equipment	12,441,725	10,047,251
Furniture – WIP	668,765	1,064,409
Vehicles	3,821,819	2,796,606
Computer Software	-	-
Computer Hardware	37,969	65,918
<b>Total</b>	<b>\$ 396,669,255</b>	<b>\$ 380,970,944</b>

**June 30, 2023**

<b>Cost:</b>	Balance at July 1, 2022	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2023
Sites	\$ 118,046,890	\$ 1,938,486	\$ -	\$ -	\$ 119,985,376
Buildings	306,191,905	-	-	76,688,512	382,880,417
Buildings – WIP	62,253,615	18,810,179	-	(76,688,512)	4,375,282
Furniture & Equipment	16,986,212	-	(393,882)	4,294,829	20,887,159
Furniture – WIP	1,064,409	3,899,185	-	(4,294,829)	668,765
Vehicles	5,693,759	1,643,629	(662,830)	-	6,674,558
Computer Software	-	-	-	-	-
Computer Hardware	264,859	9,330	(215,560)	-	58,629
Computer Hardware - WIP	-	-	-	-	-
<b>Total</b>	<b>\$ 510,501,649</b>	<b>\$ 26,300,809</b>	<b>\$ (1,272,272)</b>	<b>\$ -</b>	<b>\$ 535,530,186</b>

<b>Accumulated Amortization:</b>	Balance at July 1, 2022	Amortization	Disposals	Balance at June 30, 2023
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	119,495,650	8,046,448	-	127,542,098
Furniture & Equipment	6,938,961	1,900,355	(393,882)	8,445,434
Vehicles	2,897,153	618,416	(662,830)	2,852,739
Computer software	-	-	-	-
Computer hardware	198,941	37,279	(215,560)	20,660
<b>Total</b>	<b>\$ 129,530,705</b>	<b>\$ 10,602,498</b>	<b>\$ (1,272,272)</b>	<b>\$ 138,860,931</b>

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

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

**NOTE 10****TANGIBLE CAPITAL ASSETS (continued)****June 30, 2022**

<b>Cost:</b>	Balance at July 1, 2021	ARO (see Note 25)			Transfers (WIP)	Balance at June 30, 2022 (restated see Note 25)
		Additions	Disposals			
Sites	\$ 117,679,605	\$ -	\$ 367,285	\$ -	\$ -	\$ 118,046,890
Buildings	299,179,326	6,882,996	-	-	129,583	306,191,905
Buildings – WIP	21,398,399	-	40,984,799	-	(129,583)	62,253,615
Furniture & Equipment	14,959,274	-	-	(399,968)	2,426,906	16,986,212
Furniture – WIP	197,221	-	3,294,094	-	(2,426,906)	1,064,409
Vehicles	5,610,053	-	135,182	(51,476)	-	5,693,759
Computer Software	-	-	-	-	-	-
Computer Hardware	257,817	-	49,299	(42,257)	-	264,859
Computer Hardware - WIP	-	-	-	-	-	-
<b>Total</b>	<b>\$ 459,281,695</b>	<b>\$ 6,882,996</b>	<b>\$ 44,830,659</b>	<b>\$ (493,701)</b>	<b>\$ -</b>	<b>\$ 510,501,649</b>

<b>Accumulated Amortization:</b>	Balance at July 1, 2021	ARO (see Note 25)			Balance at June 30, 2022 (restated see Note 25)
		Amortization	Disposals		
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	105,528,788	6,870,016	7,096,846	-	119,495,650
Furniture & Equipment	5,741,655	-	1,597,274	(399,968)	6,938,961
Vehicles	2,383,438	-	565,191	(51,476)	2,897,153
Computer Software	-	-	-	-	-
Computer Hardware	188,930	-	52,268	(42,257)	198,941
<b>Total</b>	<b>\$ 113,842,811</b>	<b>\$ 6,870,016</b>	<b>\$ 9,311,579</b>	<b>\$ (493,701)</b>	<b>\$ 129,530,705</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 (2021 - \$0).

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

### **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2023**

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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, 2022, the Teachers' Pension Plan has about 51,000 active members and approximately 41,000 retired members. As of December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 from school districts.

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

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$12,164,474 for employer contributions to the plans for the year ended June 30, 2023 (2022: \$11,110,448).

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, 2024, with results available in 2025.

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, 2023

**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 4.64%.

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, 2022	Contributions	Balance June 30, 2023
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
Total	\$ 673,449	\$ -	\$ 673,449

**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, 2023, 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, 2023	June 30, 2022
Deferred Salary Leave Plan	\$ 392,381	\$ 286,370
Teachers' Summer Savings Plan	2,021,667	1,753,966
Total	\$ 2,414,048	\$ 2,040,336

**NOTE 14 INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2023, were as follows:

- Transfer to the capital fund for tangible capital assets purchased from the operating fund \$314,357
- Transfer to the capital fund for tangible capital assets work in progress from the operating fund \$432,348
- Transfer to the capital fund for tangible capital assets work in progress from the special purpose fund \$13,790
- Transfer to the local capital fund for tangible capital assets work in progress from the operating fund \$350,000

**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.

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

**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.

	2024	2025	2026	2027	2028	Thereafter
Premises leases	\$ 105,137	\$ 83,196	\$ 86,992	\$ 94,584	\$ 7,908	\$ -
Copier leases	130,167	93,340	78,482	73,298	27,650	-
<b>Total</b>	<b>\$ 235,304</b>	<b>\$ 176,536</b>	<b>\$ 165,474</b>	<b>\$ 167,882</b>	<b>\$ 35,558</b>	<b>\$ -</b>

The School District has entered into contracts related to capital projects with a remaining cost of approximately \$38,704,599.

**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.

	2024	2025	2026	2027	2028	Thereafter
Future lease/rental revenue	\$ 314,670	\$ 231,769	\$ 223,335	\$ 202,023	\$ 75,520	\$ -
<b>Total</b>	<b>\$ 314,670</b>	<b>\$ 231,769</b>	<b>\$ 223,335</b>	<b>\$ 202,023</b>	<b>\$ 75,520</b>	<b>\$ -</b>

**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.

**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, 2023, 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.

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

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

**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 28, 2023. The original budget was adopted on May 24, 2022. The original and amended budgets are presented below.

	2023 Amended Annual Budget \$	2023 Annual Budget \$
<b>Revenues</b>		
Provincial Grants		
Ministry of Education and Child Care	163,941,392	150,803,293
Tuition	6,899,749	6,899,749
Other Revenue	5,036,317	3,687,765
Rentals and Leases	502,500	502,500
Investment Income	370,395	363,875
Amortization of Deferred Capital Revenue	9,581,173	9,271,906
Amortization of Deferred Capital Revenue - for long term lease	61,477	61,477
<b>Total Revenue</b>	<u>186,393,003</u>	<u>171,590,565</u>
<b>Expenses</b>		
Instruction	151,717,077	138,904,388
District Administration	6,870,183	6,364,125
Operations and Maintenance	23,942,726	22,997,542
Transportation and Housing	3,951,925	3,302,851
<b>Total Expense</b>	<u>186,481,911</u>	<u>171,568,906</u>
Net Revenue (Expense)	<u>(88,908)</u>	<u>21,659</u>
Budgeted Allocation (Retirement) of Surplus (Deficit)	3,111,224	1,023,234
Budgeted Surplus (Deficit), for the year	<u>3,022,316</u>	<u>1,044,893</u>

**NOTE 21 ASSET RETIREMENT OBLIGATION**

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials such as lead pipes and lead paint within some district owned buildings that will undergo major renovations or demolition in the future. The timing of future settlement is unknown.

	2023	2022 (restated see Note 25)
Asset Retirement Obligation, beginning of year	\$ 6,882,996	\$ 6,882,996
Settlements during the year	-	-
Asset Retirement Obligation, end of year	<u>\$ 6,882,996</u>	<u>\$ 6,882,996</u>

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

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

**NOTE 22 EXPENSE BY OBJECT**

	June 30, 2023	June 30, 2022
Salaries and benefits	\$ 151,909,431	\$ 135,058,442
Services and supplies	23,806,483	19,766,894
Amortization	10,602,498	9,311,579
<b>Total</b>	<b>\$ 186,318,412</b>	<b>\$ 164,136,915</b>

**NOTE 23 ACCUMULATED SURPLUS**

Accumulated surplus consists of surplus balances of operating, special purpose fund – endowments, and invested in tangible capital assets as follows:

	June 30, 2023	June 30, 2022 (restated see Note 25)
Operating surplus	\$ 5,228,849	\$ 5,576,128
Special Purpose Fund – endowments	673,449	673,449
Invested in Tangible Capital Assets	128,979,463	126,852,058
<b>Total Accumulated Surplus</b>	<b>\$ 139,971,651</b>	<b>\$ 133,101,635</b>

The operating surplus is categorized as follows:

	June 30, 2023
Internally Restricted Operating Surplus	
Restricted due to the nature of constraints on the funds	\$ 524,473
Restricted for operations spanning multiple school years	281,688
Restricted for anticipated unusual expenses identified by the Board	2,819,927
Subtotal Internally Restricted Operating Surplus	3,626,088
Unrestricted Operating Surplus - Contingency	1,602,761
<b>Total Operating Surplus</b>	<b>\$ 5,228,849</b>

**NOTE 24 ECONOMIC DEPENDENCE**

The operations of the School District are dependent on continued funding from the Ministry of Education and Child Care 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, 2023

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**NOTE 25      PRIOR PERIOD ADJUSTMENT – CHANGE IN ACCOUNTING POLICY**

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future (see Note 21). This standard was adopted using the modified retroactive approach.

The impact of the prior period adjustment on the June 30, 2022 comparative amounts is as follows:

	Increase (Decrease)
Tangible Capital Assets – cost	\$ 6,882,996
Tangible Capital Assets – accumulated amortization	6,870,016
Asset Retirement Obligation (liability)	6,882,996
<hr/>	
Accumulated Surplus, July 1, 2021	(6,868,019)
Amortization Expense	1,997
<hr/>	
Annual Surplus for the year ending June 30, 2022	(1,997)
<hr/>	
Accumulated Surplus, June 30, 2022	\$ (6,870,016)

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

### NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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#### **NOTE 26      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 debtor. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized 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.

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 it invests solely in Guaranteed Investment Certificates that have a fixed maturity and cash deposits with the Ministry of Finance.

c) **Liquidity risk**

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

The School District manages 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 2022 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, 2023

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual (Restated - Note 25)
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	5,576,128	673,449	126,852,058	<b>133,101,635</b>	139,259,388
Prior Period Adjustments					(6,868,019)
<b>Accumulated Surplus (Deficit), beginning of year, as restated</b>	<b>5,576,128</b>	<b>673,449</b>	<b>126,852,058</b>	<b>133,101,635</b>	132,391,369
<b>Changes for the year</b>					
Surplus (Deficit) for the year	749,426	13,790	1,016,910	<b>1,780,126</b>	710,266
Interfund Transfers					
Tangible Capital Assets Purchased	(314,357)		314,357	-	
Tangible Capital Assets - Work in Progress	(432,348)	(13,790)	446,138	-	
Local Capital	(350,000)		350,000	-	
<b>Net Changes for the year</b>	<b>(347,279)</b>	-	<b>2,127,405</b>	<b>1,780,126</b>	<b>710,266</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>5,228,849</b>	<b>673,449</b>	<b>128,979,463</b>	<b>134,881,761</b>	133,101,635

# School District No. 62 (Sooke)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget (Note 20) \$	2023 Actual \$	2022 Actual (Restated - Note 25) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	135,536,363	<b>136,376,916</b>	122,740,094
Other		<b>22,599</b>	730
Tuition	6,899,749	<b>6,361,744</b>	6,637,195
Other Revenue	945,666	<b>1,470,144</b>	1,273,555
Rentals and Leases	502,500	<b>492,358</b>	393,661
Investment Income	353,875	<b>1,051,952</b>	241,165
<b>Total Revenue</b>	<b>144,238,153</b>	<b>145,775,713</b>	<b>131,286,400</b>
<b>Expenses</b>			
Instruction	122,691,092	<b>122,200,110</b>	109,785,484
District Administration	6,870,183	<b>6,997,503</b>	5,841,891
Operations and Maintenance	12,407,348	<b>12,405,756</b>	11,488,295
Transportation and Housing	3,376,336	<b>3,422,918</b>	3,095,244
<b>Total Expense</b>	<b>145,344,959</b>	<b>145,026,287</b>	<b>130,210,914</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(1,106,806)</b>	<b>749,426</b>	<b>1,075,486</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>3,111,224</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(1,654,418)	<b>(314,357)</b>	(184,481)
Tangible Capital Assets - Work in Progress	(350,000)	<b>(432,348)</b>	(102,132)
Local Capital		<b>(350,000)</b>	
<b>Total Net Transfers</b>	<b>(2,004,418)</b>	<b>(1,096,705)</b>	<b>(286,613)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(347,279)</b>	<b>788,873</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>5,576,128</b>	4,787,255
<b>Operating Surplus (Deficit), end of year</b>		<b>5,228,849</b>	<b>5,576,128</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>5,228,849</b>	5,576,128
<b>Total Operating Surplus (Deficit), end of year</b>		<b>5,228,849</b>	<b>5,576,128</b>



# School District No. 62 (Sooke)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget (Note 20) \$	2023 Actual \$	2022 Actual (Restated - Note 25) \$
<b>Provincial Grants - Ministry of Education and Child Care</b>			
Operating Grant, Ministry of Education and Child Care	129,597,913	<b>130,343,164</b>	121,840,185
ISC/LEA Recovery	(515,866)	<b>(572,717)</b>	(515,866)
Other Ministry of Education and Child Care Grants			
Pay Equity	931,052	<b>931,052</b>	931,052
Funding for Graduated Adults	40,000	<b>66,648</b>	103,744
Student Transportation Fund	358,365	<b>358,365</b>	358,365
FSA Scorer Grant	12,000	<b>12,964</b>	12,964
Child Care Funding			6,482
Early Learning Framework (ELF) Implementation		<b>1,824</b>	3,168
Labour Settlement Funding	5,112,899	<b>5,235,616</b>	
<b>Total Provincial Grants - Ministry of Education and Child Care</b>	<b>135,536,363</b>	<b>136,376,916</b>	122,740,094
<b>Provincial Grants - Other</b>		<b>22,599</b>	730
<b>Tuition</b>			
Continuing Education	110,000	<b>80,180</b>	95,598
International and Out of Province Students	6,789,749	<b>6,281,564</b>	6,541,597
<b>Total Tuition</b>	<b>6,899,749</b>	<b>6,361,744</b>	6,637,195
<b>Other Revenues</b>			
Funding from First Nations	515,866	<b>645,443</b>	515,866
Miscellaneous			
Grants for Crossing Guards	70,000	<b>115,000</b>	106,000
Miscellaneous	108,800	<b>107,111</b>	122,573
Rebates	51,000	<b>60,323</b>	77,971
Reclassified from SGF Discretionary	200,000	<b>337,151</b>	174,691
Careers Program		<b>125,191</b>	189,904
Transportation Safety Enhancement Fees		<b>79,925</b>	86,550
<b>Total Other Revenue</b>	<b>945,666</b>	<b>1,470,144</b>	1,273,555
<b>Rentals and Leases</b>	<b>502,500</b>	<b>492,358</b>	393,661
<b>Investment Income</b>	<b>353,875</b>	<b>1,051,952</b>	241,165
<b>Total Operating Revenue</b>	<b>144,238,153</b>	<b>145,775,713</b>	131,286,400

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

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2023

	2023 Budget (Note 20) \$	2023 Actual \$	2022 Actual (Restated - Note 25) \$
<b>Salaries</b>			
Teachers	54,564,115	<b>53,900,943</b>	49,878,807
Principals and Vice Principals	9,745,939	<b>9,619,843</b>	8,513,507
Educational Assistants	13,552,784	<b>13,651,316</b>	11,477,073
Support Staff	13,727,935	<b>13,494,106</b>	12,454,246
Other Professionals	5,281,009	<b>5,344,305</b>	4,770,015
Substitutes	5,437,225	<b>6,091,382</b>	5,215,605
<b>Total Salaries</b>	102,309,007	<b>102,101,895</b>	92,309,253
<b>Employee Benefits</b>	26,065,358	<b>26,184,315</b>	22,819,832
<b>Total Salaries and Benefits</b>	128,374,365	<b>128,286,210</b>	115,129,085
<b>Services and Supplies</b>			
Services	7,631,049	<b>7,110,704</b>	6,604,171
Professional Development and Travel	1,068,586	<b>1,099,322</b>	934,188
Rentals and Leases	386,891	<b>468,644</b>	411,859
Dues and Fees	153,156	<b>172,174</b>	161,730
Insurance	467,651	<b>493,447</b>	429,514
Supplies	5,456,617	<b>5,410,031</b>	4,770,322
Utilities	1,780,844	<b>1,958,813</b>	1,770,045
Bad Debt	25,800	<b>26,942</b>	
<b>Total Services and Supplies</b>	16,970,594	<b>16,740,077</b>	15,081,829
<b>Total Operating Expense</b>	145,344,959	<b>145,026,287</b>	130,210,914

# School District No. 62 (Sooke)

## Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	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	45,364,592	260,911	183,373	1,819,011	486,535	4,185,997	52,300,419
1.03 Career Programs	304,019			161,469		19,626	485,114
1.07 Library Services	1,363,608			288,699		93,575	1,745,882
1.08 Counselling	2,243,217					15,963	2,259,180
1.10 Special Education	1,043,135	279,373	13,074,634	121,887	1,191,733	632,864	16,343,626
1.30 English Language Learning	2,114,712			71,731		42,082	2,228,525
1.31 Indigenous Education	548,806	276,996	393,309	96,158		31,799	1,347,068
1.41 School Administration		8,366,604		2,611,145		293,791	11,271,540
1.61 Continuing Education							-
1.62 International and Out of Province Students	916,760	286,490		359,114			1,562,364
<b>Total Function 1</b>	<b>53,898,849</b>	<b>9,470,374</b>	<b>13,651,316</b>	<b>5,529,214</b>	<b>1,678,268</b>	<b>5,315,697</b>	<b>89,543,718</b>
<b>4 District Administration</b>							
4.11 Educational Administration		148,894			998,189		1,147,083
4.40 School District Governance					145,488		145,488
4.41 Business Administration	2,094	575		622,361	2,073,312	48,896	2,747,238
<b>Total Function 4</b>	<b>2,094</b>	<b>149,469</b>	<b>-</b>	<b>622,361</b>	<b>3,216,989</b>	<b>48,896</b>	<b>4,039,809</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				122,109	152,002		274,111
5.50 Maintenance Operations				4,865,538	189,328	496,761	5,551,627
5.52 Maintenance of Grounds				552,962			552,962
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,540,609</b>	<b>341,330</b>	<b>496,761</b>	<b>6,378,700</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				135,192	107,718	1,881	244,791
7.70 Student Transportation				1,666,730		228,147	1,894,877
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,801,922</b>	<b>107,718</b>	<b>230,028</b>	<b>2,139,668</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>53,900,943</b>	<b>9,619,843</b>	<b>13,651,316</b>	<b>13,494,106</b>	<b>5,344,305</b>	<b>6,091,382</b>	<b>102,101,895</b>

# School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2023 Budget (Note 20)	2022 Actual (Restated - Note 25)
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	52,300,419	14,231,390	66,531,809	3,784,980	70,316,789	70,213,743	64,664,021
1.03 Career Programs	485,114	122,756	607,870	457,446	1,065,316	953,555	954,311
1.07 Library Services	1,745,882	430,569	2,176,451	63,188	2,239,639	2,516,165	2,158,777
1.08 Counselling	2,259,180	535,321	2,794,501	6,529	2,801,030	2,787,815	2,494,805
1.10 Special Education	16,343,626	4,120,713	20,464,339	762,627	21,226,966	21,585,936	18,539,943
1.30 English Language Learning	2,228,525	566,166	2,794,691	93,481	2,888,172	2,635,688	1,547,842
1.31 Indigenous Education	1,347,068	303,982	1,651,050	438,098	2,089,148	2,003,534	1,925,106
1.41 School Administration	11,271,540	2,605,671	13,877,211	575,202	14,452,413	14,375,962	12,469,199
1.61 Continuing Education	-	-	-	89,243	89,243	73,055	121,067
1.62 International and Out of Province Students	1,562,364	385,373	1,947,737	3,083,657	5,031,394	5,545,639	4,910,413
<b>Total Function 1</b>	<b>89,543,718</b>	<b>23,301,941</b>	<b>112,845,659</b>	<b>9,354,451</b>	<b>122,200,110</b>	122,691,092	109,785,484
<b>4 District Administration</b>							
4.11 Educational Administration	1,147,083	220,042	1,367,125	631,015	1,998,140	1,825,090	1,760,976
4.40 School District Governance	145,488	8,468	153,956	247,585	401,541	314,088	246,238
4.41 Business Administration	2,747,238	629,186	3,376,424	1,221,398	4,597,822	4,731,005	3,834,677
<b>Total Function 4</b>	<b>4,039,809</b>	<b>857,696</b>	<b>4,897,505</b>	<b>2,099,998</b>	<b>6,997,503</b>	6,870,183	5,841,891
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	274,111	60,745	334,856	397,296	732,152	1,100,108	575,892
5.50 Maintenance Operations	5,551,627	1,325,723	6,877,350	1,755,081	8,632,431	8,502,817	8,101,564
5.52 Maintenance of Grounds	552,962	127,583	680,545	401,815	1,082,360	1,023,579	1,040,794
5.56 Utilities	-	-	-	1,958,813	1,958,813	1,780,844	1,770,045
<b>Total Function 5</b>	<b>6,378,700</b>	<b>1,514,051</b>	<b>7,892,751</b>	<b>4,513,005</b>	<b>12,405,756</b>	12,407,348	11,488,295
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	244,791	55,180	299,971	88,278	388,249	432,446	339,204
7.70 Student Transportation	1,894,877	455,447	2,350,324	684,345	3,034,669	2,943,890	2,756,040
<b>Total Function 7</b>	<b>2,139,668</b>	<b>510,627</b>	<b>2,650,295</b>	<b>772,623</b>	<b>3,422,918</b>	3,376,336	3,095,244
<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>102,101,895</b>	<b>26,184,315</b>	<b>128,286,210</b>	<b>16,740,077</b>	<b>145,026,287</b>	145,344,959	130,210,914

# School District No. 62 (Sooke)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

	2023 Budget (Note 20) \$	2023 Actual \$	2022 Actual (Restated - Note 25) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	25,255,691	24,900,071	20,419,963
Other		8,000	
Federal Grants		9,420	
Other Revenue	4,090,651	4,496,953	3,314,054
Investment Income	16,520	22,006	17,600
<b>Total Revenue</b>	<u>29,362,862</u>	<u>29,436,450</u>	<u>23,751,617</u>
<b>Expenses</b>			
Instruction	29,025,985	28,816,200	22,965,526
Operations and Maintenance	336,877	606,460	652,350
<b>Total Expense</b>	<u>29,362,862</u>	<u>29,422,660</u>	<u>23,617,876</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>13,790</u>	<u>133,741</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets - Work in Progress		(13,790)	(133,741)
<b>Total Net Transfers</b>	<u>-</u>	<u>(13,790)</u>	<u>(133,741)</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>		<u>673,449</u>	<u>673,449</u>
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>673,449</u>	<u>673,449</u>
<b>Special Purpose Surplus (Deficit), end of year</b>			
Endowment Contributions		<u>673,449</u>	<u>673,449</u>
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<u>673,449</u>	<u>673,449</u>

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

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2023

	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>	-	-	5,320	704,624	19,777	34,385	88,669	29,666	-
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	336,877	444,917			192,000	41,650	518,610	776,820	1,483,350
Provincial Grants - Other									
Federal Grants									
Other				3,229,145				34,761	
Investment Income			31,376			1,500			
	336,877	444,917	31,376	3,229,145	192,000	43,150	518,610	811,581	1,483,350
<b>Less:</b> Allocated to Revenue	336,877	444,917	11,725	3,210,235	196,625	44,862	593,438	801,865	1,483,350
<b>Deferred Revenue, end of year</b>	-	-	<b>24,971</b>	<b>723,534</b>	<b>15,152</b>	<b>32,673</b>	<b>13,841</b>	<b>39,382</b>	-
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	336,877	444,917			196,525	42,962	593,438	766,504	1,483,350
Provincial Grants - Other									
Federal Grants									
Other Revenue				3,210,235				34,761	
Investment Income			11,725		100	1,900		600	
	336,877	444,917	11,725	3,210,235	196,625	44,862	593,438	801,865	1,483,350
<b>Expenses</b>									
Salaries									
Teachers							68,291		
Principals and Vice Principals								45,500	27,541
Educational Assistants		355,934							
Support Staff				7,307	142,846	9,071	1,041	59,767	170,000
Other Professionals								177,197	120,000
Substitutes				20,334		15,423	90,544	9,943	874,500
	-	355,934	-	27,641	142,846	24,494	159,876	292,407	1,192,041
Employee Benefits		88,983		431	41,234	5,811	35,619	64,335	268,919
Services and Supplies	336,877		11,725	3,182,163	12,545	14,557	397,943	445,123	22,390
	336,877	444,917	11,725	3,210,235	196,625	44,862	593,438	801,865	1,483,350
<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, 2023

	Classroom Enhancement Fund - Staffing	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	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program	Student & Family Affordability
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	-	18,919	100,059	26,466	1,507	118,076	666	22,152	-
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	19,617,492	29,044	51,000	6,000			55,400		1,251,529
Provincial Grants - Other									
Federal Grants									
Other									
Investment Income			3,700	1,200					
	19,617,492	29,044	54,700	7,200	-	-	55,400	-	1,251,529
<b>Less:</b> Allocated to Revenue	19,617,492	33,696	82,466	5,522	1,507	118,076	56,066	16,419	1,011,585
<b>Deferred Revenue, end of year</b>	-	<b>14,267</b>	<b>72,293</b>	<b>28,144</b>	-	-	-	<b>5,733</b>	<b>239,944</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	19,617,492	33,496	78,166	4,122	1,507	118,076	56,066		1,011,585
Provincial Grants - Other									
Federal Grants									
Other Revenue								16,419	
Investment Income		200	4,300	1,400					
	19,617,492	33,696	82,466	5,522	1,507	118,076	56,066	16,419	1,011,585
<b>Expenses</b>									
Salaries									
Teachers	15,746,902								
Principals and Vice Principals									
Educational Assistants									
Support Staff							42,849		
Other Professionals									
Substitutes			24,207	4,119			536		
	15,746,902	-	24,207	4,119	-	-	43,385	-	-
Employee Benefits	3,870,590		5,130	889			10,215		
Services and Supplies		33,696	53,129	514	1,507	118,076	2,466	16,419	997,795
	19,617,492	33,696	82,466	5,522	1,507	118,076	56,066	16,419	997,795
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	13,790
<b>Interfund Transfers</b>									
Tangible Capital Assets - Work in Progress									(13,790)
	-	-	-	-	-	-	-	-	(13,790)
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

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

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2023

	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)	Nature K	ACE-IT	Academies	Art Starts	Donations	Theaters	Horner
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	-	-	4,953	-	320,337	3,665	60,607	43,447	3,158
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	19,000	175,000							
Provincial Grants - Other									
Federal Grants									
Other				40,000	1,143,167	7,600	41,710	5,863	
Investment Income							3,371	1,200	
	19,000	175,000	-	40,000	1,143,167	7,600	45,081	7,063	-
<b>Less:</b> Allocated to Revenue	16,007	98,981	-	40,000	1,109,059	7,058	46,308	15,602	3,158
<b>Deferred Revenue, end of year</b>	<b>2,993</b>	<b>76,019</b>	<b>4,953</b>	<b>-</b>	<b>354,445</b>	<b>4,207</b>	<b>59,380</b>	<b>34,908</b>	<b>-</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	16,007	98,981							
Provincial Grants - Other									
Federal Grants									
Other Revenue				40,000	1,109,059	7,058	45,727	14,402	3,158
Investment Income							581	1,200	
	16,007	98,981	-	40,000	1,109,059	7,058	46,308	15,602	3,158
<b>Expenses</b>									
Salaries									
Teachers		48,579		33,750	68,123				
Principals and Vice Principals		12,007			13,367				
Educational Assistants									
Support Staff	128	3,091			65,328			96	
Other Professionals									
Substitutes	10,628	9,937			7,674		2,193		993
	10,756	73,614	-	33,750	154,492	-	2,193	96	993
Employee Benefits	1,974	17,886		6,250	40,585		381	30	138
Services and Supplies	3,277	7,481			913,982	7,058	43,734	15,476	2,027
	16,007	98,981	-	40,000	1,109,059	7,058	46,308	15,602	3,158
<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, 2023

	Kidsport	BCSSA Island Chapter	Mentorship Grant	Here 4 Peers	SUAP Health Canada	BC CAISE	TOTAL
	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	1,439	18,128	-	-	-	-	1,626,020
<b>Add:</b> Restricted Grants							
Provincial Grants - Ministry of Education and Child Care							24,998,689
Provincial Grants - Other			82,490	50,000			132,490
Federal Grants					9,420		9,420
Other		2,600				350	4,505,196
Investment Income		100					42,447
	-	2,700	82,490	50,000	9,420	350	29,688,242
<b>Less:</b> Allocated to Revenue	1,439	14,390	8,000	-	9,420	305	29,436,450
<b>Deferred Revenue, end of year</b>	-	<b>6,438</b>	<b>74,490</b>	<b>50,000</b>	-	<b>45</b>	<b>1,877,812</b>
<b>Revenues</b>							
Provincial Grants - Ministry of Education and Child Care							24,900,071
Provincial Grants - Other			8,000				8,000
Federal Grants					9,420		9,420
Other Revenue	1,439	14,390				305	4,496,953
Investment Income							22,006
	1,439	14,390	8,000	-	9,420	305	29,436,450
<b>Expenses</b>							
Salaries							
Teachers							15,965,645
Principals and Vice Principals							98,415
Educational Assistants							355,934
Support Staff							501,524
Other Professionals							297,197
Substitutes					6,153		1,077,184
	-	-	-	-	6,153	-	18,295,899
Employee Benefits					639		4,460,039
Services and Supplies	1,439	14,390	8,000		2,628	305	6,666,722
	1,439	14,390	8,000	-	9,420	305	29,422,660
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	13,790
<b>Interfund Transfers</b>							
Tangible Capital Assets - Work in Progress							(13,790)
	-	-	-	-	-	-	(13,790)
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-

# School District No. 62 (Sooke)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2023

	2023	2023 Actual			2022
	Budget (Note 20)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 25)
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education and Child Care	3,149,338	3,143,976		3,143,976	1,302,354
Amortization of Deferred Capital Revenue	9,581,173	9,680,922		9,680,922	8,447,330
Amortization of Deferred Capital Revenue - for lease	61,477	61,477		61,477	61,477
<b>Total Revenue</b>	<u>12,791,988</u>	<u>12,886,375</u>	-	<u>12,886,375</u>	9,811,161
<b>Expenses</b>					
Operations and Maintenance	1,312,941	1,266,967		1,266,967	996,546
Amortization of Tangible Capital Assets					
Operations and Maintenance	9,885,560	9,984,082		9,984,082	8,748,385
Transportation and Housing	575,589	618,416		618,416	565,191
<b>Total Expense</b>	<u>11,774,090</u>	<u>11,869,465</u>	-	<u>11,869,465</u>	10,310,122
<b>Capital Surplus (Deficit) for the year</b>	<u>1,017,898</u>	<u>1,016,910</u>	-	<u>1,016,910</u>	(498,961)
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	1,654,418	314,357		314,357	184,481
Tangible Capital Assets - Work in Progress		446,138		446,138	235,873
Local Capital	350,000		350,000	350,000	
<b>Total Net Transfers</b>	<u>2,004,418</u>	<u>760,495</u>	<u>350,000</u>	<u>1,110,495</u>	420,354
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets WIP Purchased from Local Capital		350,000	(350,000)	-	
<b>Total Other Adjustments to Fund Balances</b>		<u>350,000</u>	<u>(350,000)</u>	-	
<b>Total Capital Surplus (Deficit) for the year</b>	<u>3,022,316</u>	<u>2,127,405</u>	-	<u>2,127,405</u>	(78,607)
<b>Capital Surplus (Deficit), beginning of year</b>		126,852,058		126,852,058	133,798,684
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(6,868,019)
<b>Capital Surplus (Deficit), beginning of year, as restated</b>		<u>126,852,058</u>	-	<u>126,852,058</u>	126,930,665
<b>Capital Surplus (Deficit), end of year</b>		<u>128,979,463</u>	-	<u>128,979,463</u>	126,852,058

# School District No. 62 (Sooke)

Tangible Capital Assets  
Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	118,046,890	299,308,909	16,986,212	5,693,759	-	264,859	<b>440,300,629</b>
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		6,882,996					<b>6,882,996</b>
<b>Cost, beginning of year, as restated</b>	<b>118,046,890</b>	<b>306,191,905</b>	<b>16,986,212</b>	<b>5,693,759</b>	<b>-</b>	<b>264,859</b>	<b>447,183,625</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	1,938,486			847,093			<b>2,785,579</b>
Deferred Capital Revenue - Other				491,509			<b>491,509</b>
Operating Fund				305,027		9,330	<b>314,357</b>
Transferred from Work in Progress		76,688,512	4,294,829				<b>80,983,341</b>
	1,938,486	76,688,512	4,294,829	1,643,629	-	9,330	<b>84,574,786</b>
Decrease:							
Deemed Disposals			393,882	662,830		215,560	<b>1,272,272</b>
	-	-	393,882	662,830	-	215,560	<b>1,272,272</b>
<b>Cost, end of year</b>	<b>119,985,376</b>	<b>382,880,417</b>	<b>20,887,159</b>	<b>6,674,558</b>	<b>-</b>	<b>58,629</b>	<b>530,486,139</b>
<b>Work in Progress, end of year</b>		4,375,282	668,765				<b>5,044,047</b>
<b>Cost and Work in Progress, end of year</b>	<b>119,985,376</b>	<b>387,255,699</b>	<b>21,555,924</b>	<b>6,674,558</b>	<b>-</b>	<b>58,629</b>	<b>535,530,186</b>
<b>Accumulated Amortization, beginning of year</b>							
Prior Period Adjustments		112,625,634	6,938,961	2,897,153		198,941	<b>122,660,689</b>
To Recognize Asset Retirement Obligation		6,870,016					<b>6,870,016</b>
<b>Accumulated Amortization, beginning of year, as restated</b>		<b>119,495,650</b>	<b>6,938,961</b>	<b>2,897,153</b>	<b>-</b>	<b>198,941</b>	<b>129,530,705</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		8,046,448	1,900,355	618,416		37,279	<b>10,602,498</b>
Decrease:							
Deemed Disposals			393,882	662,830		215,560	<b>1,272,272</b>
			393,882	662,830	-	215,560	<b>1,272,272</b>
<b>Accumulated Amortization, end of year</b>		<b>127,542,098</b>	<b>8,445,434</b>	<b>2,852,739</b>	<b>-</b>	<b>20,660</b>	<b>138,860,931</b>
<b>Tangible Capital Assets - Net</b>	<b>119,985,376</b>	<b>259,713,601</b>	<b>13,110,490</b>	<b>3,821,819</b>	<b>-</b>	<b>37,969</b>	<b>396,669,255</b>

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

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2023

	<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>	62,253,615	1,064,409	-	-	<b>63,318,024</b>
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	16,715,109	3,343,345			<b>20,058,454</b>
Deferred Capital Revenue - Other	1,489,841	364,931			<b>1,854,772</b>
Operating Fund	255,229	177,119			<b>432,348</b>
Special Purpose Funds		13,790			<b>13,790</b>
Local Capital	350,000				<b>350,000</b>
	<u>18,810,179</u>	<u>3,899,185</u>	-	-	<b><u>22,709,364</u></b>
Decrease:					
Transferred to Tangible Capital Assets	76,688,512	4,294,829			<b>80,983,341</b>
	<u>76,688,512</u>	<u>4,294,829</u>	-	-	<b><u>80,983,341</u></b>
<b>Net Changes for the Year</b>	<u>(57,878,333)</u>	<u>(395,644)</u>	-	-	<b><u>(58,273,977)</u></b>
<b>Work in Progress, end of year</b>	<u><b>4,375,282</b></u>	<u><b>668,765</b></u>	-	-	<b><u>5,044,047</u></b>

# School District No. 62 (Sooke)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	166,034,956	19,121,373	795,507	<b>185,951,836</b>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	847,093		491,509	<b>1,338,602</b>
Transferred from Work in Progress	79,357,126		1,166,669	<b>80,523,795</b>
	<u>80,204,219</u>	-	<u>1,658,178</u>	<b><u>81,862,397</u></b>
Decrease:				
Amortization of Deferred Capital Revenue	8,818,801	755,589	106,532	<b>9,680,922</b>
Amortization of Deferred Capital Revenue - for long term lease	61,477			<b>61,477</b>
	<u>8,880,278</u>	<u>755,589</u>	<u>106,532</u>	<b><u>9,742,399</u></b>
<b>Net Changes for the Year</b>	<u>71,323,941</u>	<u>(755,589)</u>	<u>1,551,646</u>	<b><u>72,119,998</u></b>
<b>Deferred Capital Revenue, end of year</b>	<u>237,358,897</u>	<u>18,365,784</u>	<u>2,347,153</u>	<b><u>258,071,834</u></b>
<b>Work in Progress, beginning of year</b>	62,738,024		580,000	<b>63,318,024</b>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Work in Progress	20,058,454	917,501	937,271	<b>21,913,226</b>
	<u>20,058,454</u>	<u>917,501</u>	<u>937,271</u>	<b><u>21,913,226</u></b>
Decrease:				
Transferred to Deferred Capital Revenue	79,357,126		1,166,669	<b>80,523,795</b>
	<u>79,357,126</u>	-	<u>1,166,669</u>	<b><u>80,523,795</u></b>
<b>Net Changes for the Year</b>	<u>(59,298,672)</u>	<u>917,501</u>	<u>(229,398)</u>	<b><u>(58,610,569)</u></b>
<b>Work in Progress, end of year</b>	<u>3,439,352</u>	<u>917,501</u>	<u>350,602</u>	<b><u>4,707,455</u></b>
<b>Total Deferred Capital Revenue, end of year</b>	<u><b>240,798,249</b></u>	<u><b>19,283,285</b></u>	<u><b>2,697,755</b></u>	<u><b>262,779,289</b></u>

# School District No. 62 (Sooke)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	141,844	456,050	1,150,132	2,841,957	14,330	<b>4,604,313</b>
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education and Child Care	23,907,681					<b>23,907,681</b>
Provincial Grants - Other			890,899			<b>890,899</b>
Other				1,103,182	1,414,634	<b>2,517,816</b>
Investment Income		10,245				<b>10,245</b>
	<u>23,907,681</u>	<u>10,245</u>	<u>890,899</u>	<u>1,103,182</u>	<u>1,414,634</u>	<u><b>27,326,641</b></u>
Decrease:						
Transferred to DCR - Capital Additions	847,093				491,509	<b>1,338,602</b>
Transferred to DCR - Work in Progress	20,058,454		917,501		937,271	<b>21,913,226</b>
Transferred to Revenue - Site Purchases	1,938,486					<b>1,938,486</b>
Transferred to Revenue - Expensed Costs	1,205,490					<b>1,205,490</b>
	<u>24,049,523</u>	<u>-</u>	<u>917,501</u>	<u>-</u>	<u>1,428,780</u>	<u><b>26,395,804</b></u>
<b>Net Changes for the Year</b>	<u>(141,842)</u>	<u>10,245</u>	<u>(26,602)</u>	<u>1,103,182</u>	<u>(14,146)</u>	<u><b>930,837</b></u>
<b>Balance, end of year</b>	<u><u>2</u></u>	<u><u>466,295</u></u>	<u><u>1,123,530</u></u>	<u><u>3,945,139</u></u>	<u><u>184</u></u>	<u><u><b>5,535,150</b></u></u>