

Audited Financial Statements of

School District No. 46 (Sunshine Coast)

And Independent Auditors' Report thereon

June 30, 2022

School District No. 46 (Sunshine Coast)

June 30, 2022

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School District No. 46 (Sunshine Coast)

MANAGEMENT REPORT

Version: 9978-9233-7250

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 46 (Sunshine Coast) 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. 46 (Sunshine Coast) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, Crowe Mackay 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. 46 (Sunshine Coast) 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. 46 (Sunshine Coast)

	September 14, 2022
Signature of the Chairperson of the Board of Education	Date Signed
	September 14, 2022
Signature of the Superintendent	Date Signed
	September 14, 2022
Signature of the Secretary Treasurer	Date Signed

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Education of School District No.46 (Sunshine Coast) and to the Minister of Education, Province of British Columbia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of School District No. 46 (Sunshine Coast), which comprise the statement of financial position as at June 30, 2022, and the statement of operations, statement of changes in net financial assets (net debt) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the district as at June 30, 2022, and its results of operations and its cash flows for the year then ended in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2(a) to the financial statements which disclose that the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers. Note 2(a) to the financial statements discloses the impact of these differences. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises the Financial Statement Discussion and Analysis report for the year ended June 30, 2022.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 and fair presentation of the financial statements in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the district or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and



- obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Sechelt, British Columbia
September 14, 2022

Crowe MacKay LLP
Chartered Professional Accountants

School District No. 46 (Sunshine Coast)

Statement 1

Statement of Financial Position

As at June 30, 2022

	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	14,834,133	14,622,370
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	238,087	828,802
Due from Province - Other	-	93,987
Other (Note 3)	232,022	698,528
Total Financial Assets	15,304,242	16,243,687
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	4,589,615	5,290,906
Unearned Revenue (Note 5)	60,252	197,936
Deferred Revenue (Note 6)	2,099,276	1,564,580
Deferred Capital Revenue (Note 7)	54,742,608	50,365,817
Employee Future Benefits (Note 8)	2,015,947	1,997,066
Debt (Note 9)	211,502	303,040
Total Liabilities	63,719,200	59,719,345
Net Debt	(48,414,958)	(43,475,658)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	61,404,634	57,462,496
Prepaid Expenses	149,722	188,570
Total Non-Financial Assets	61,554,356	57,651,066
Accumulated Surplus (Deficit)	13,139,398	14,175,408

Approved by the Board

	September 14, 2022
Signature of the Chairperson of the Board of Education	Date Signed
	September 14, 2022
Signature of the Superintendent	Date Signed
	September 14, 2022
Signature of the Secretary Treasurer	Date Signed

School District No. 46 (Sunshine Coast)

Statement 2

Statement of Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	47,923,295	48,165,040	47,349,521
Other	13,200	99,000	14,200
Tuition	172,040	174,590	33,825
Other Revenue	1,690,571	1,713,536	1,733,504
Rentals and Leases	90,000	87,397	50,694
Investment Income	107,000	115,276	148,159
Amortization of Deferred Capital Revenue	1,804,684	2,025,417	1,813,675
Total Revenue	<u>51,800,790</u>	<u>52,380,256</u>	<u>51,143,578</u>
Expenses			
Instruction	45,112,268	41,892,727	40,402,063
District Administration	2,379,159	2,327,046	2,340,736
Operations and Maintenance	7,852,690	7,763,132	7,270,321
Transportation and Housing	1,570,374	1,430,614	1,274,452
Debt Services		2,747	3,446
Total Expense	<u>56,914,491</u>	<u>53,416,266</u>	<u>51,291,018</u>
Surplus (Deficit) for the year	<u>(5,113,701)</u>	<u>(1,036,010)</u>	<u>(147,440)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		14,175,408	14,322,848
Accumulated Surplus (Deficit) from Operations, end of year		<u>13,139,398</u>	<u>14,175,408</u>

School District No. 46 (Sunshine Coast)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(5,113,701)</u>	<u>(1,036,010)</u>	<u>(147,440)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets		(6,409,538)	(10,508,780)
Amortization of Tangible Capital Assets	2,261,251	2,467,400	2,261,716
Total Effect of change in Tangible Capital Assets	<u>2,261,251</u>	<u>(3,942,138)</u>	<u>(8,247,064)</u>
Acquisition of Prepaid Expenses		(149,722)	(188,570)
Use of Prepaid Expenses		188,570	145,361
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>38,848</u>	<u>(43,209)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(2,852,450)</u>	<u>(4,939,300)</u>	<u>(8,437,713)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(4,939,300)	(8,437,713)
Net Debt, beginning of year		(43,475,658)	(35,037,945)
Net Debt, end of year		<u>(48,414,958)</u>	<u>(43,475,658)</u>

School District No. 46 (Sunshine Coast)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2022

	2022 Actual	2021 Actual
		(Restated - Note 21)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(1,036,010)	(147,440)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	1,151,208	(931,751)
Prepaid Expenses	38,848	(43,209)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(701,289)	898,314
Unearned Revenue	(137,684)	176,747
Deferred Revenue	534,696	(15,163)
Employee Future Benefits	18,880	112,721
Amortization of Tangible Capital Assets	2,467,400	2,261,716
Amortization of Deferred Capital Revenue	(2,025,417)	(1,813,675)
Total Operating Transactions	310,632	498,260
Capital Transactions		
Tangible Capital Assets Purchased	(1,077,342)	(1,257,940)
Tangible Capital Assets -WIP Purchased	(5,303,376)	(9,250,840)
Total Capital Transactions	(6,380,718)	(10,508,780)
Financing Transactions		
Loan Payments	(120,359)	(135,610)
Capital Revenue Received	6,432,773	8,421,676
reclassify DCC WIP to LCR	(30,565)	-
Total Financing Transactions	6,281,849	8,286,066
Net Increase (Decrease) in Cash and Cash Equivalents	211,763	(1,724,454)
Cash and Cash Equivalents, beginning of year	14,622,370	16,346,824
Cash and Cash Equivalents, end of year	14,834,133	14,622,370
Cash and Cash Equivalents, end of year, is made up of:		
Cash	14,834,133	14,622,370
	14,834,133	14,622,370

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 46 (Sunshine Coast)", and operates as "School District No. 46 (Sunshine Coast)." A board of education ("Board") elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 46 (Sunshine Coast) 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(f) and 2(m).

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

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

Year-ended June 30, 2021 - increase in annual surplus by \$4,407,356.

June 30, 2021 - increase in accumulated surplus and decrease in deferred contributions by \$51,281,013.

Year-ended June 30, 2022 - increase in annual surplus by \$6,624,692.

June 30, 2022 - increase in accumulated surplus and decrease in deferred contributions by \$54,742,608.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

b) Cash and Cash Equivalents

Cash and cash equivalents include deposits with the Provincial Treasury's Central Deposit Program that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

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

d) Portfolio Investments

The School District occasionally has investments in GIC's and term deposits that either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition. GIC's, term deposits and other investments not quoted in an active market are reported at cost or amortized cost.

Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. The loss is not reversed if there is a subsequent increase in value.

e) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (m).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2 (a) for the impact of this policy on these financial statements.

g) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements. The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 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. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

h) Asset Retirement Obligations

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

i) Tangible Capital Assets

The following criteria apply:

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

i) Tangible Capital Assets *(Continued)*

- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

j) Capital Leases

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

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

k) Prepaid Expenses

Software licenses, property tax, equipment leases, insurance premiums, subscriptions, services, memberships and supplies are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 18 – Internally Restricted Surplus). Funds and reserves are disclosed on unaudited Schedules 2, 3 and 4.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

m) Revenue Recognition

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

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

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

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

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

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2 (a) for the impact of this policy on these financial statements.

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

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

n) Expenses

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

Allocation of Costs

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

o) 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. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

p) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and debt.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

q) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2022	2021
GST receivable	\$ 71,632	\$190,557
Other	160,390	507,971
	<u>\$232,022</u>	<u>\$698,528</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	<u>2022</u>	<u>2021</u>
Trade payables	\$ 939,609	\$ 2,057,621
Salaries and benefits payable	3,250,529	2,771,724
Accrued vacation pay	396,190	459,081
Other	3,287	2,480
	<u>\$ 4,589,615</u>	<u>\$ 5,290,906</u>

NOTE 5 UNEARNED REVENUE

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 197,936	\$ 21,189
Changes for the year:		
Decrease:		
ISP-Homestay Fees	(100,750)	197,936
Homestay Fees	(36,934)	(21,189)
Net changes for the year	<u>(137,684)</u>	<u>176,747</u>
Balance, end of year	<u>\$ 60,252</u>	<u>\$ 197,936</u>

NOTE 6 DEFERRED REVENUE

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

NOTE 7 DEFERRED CAPITAL REVENUE

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, retirement/severance, vacation and overtime. 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.

	<u>2022</u>	<u>2021</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	1,813,030	1,799,919
Service Cost	207,927	208,007
Interest Cost	47,840	42,823
Benefit Payments	(149,566)	(161,033)
Actuarial (Gain) Loss	(13,200)	(76,686)
Accrued Benefit Obligation – March 31	<u>1,906,031</u>	<u>1,813,030</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	1,906,031	1,813,030
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	(1,906,031)	(1,813,030)
Employer Contributions After Measurement Date	64,368	5,330
Benefits Expense After Measurement Date	(69,358)	(63,942)
Unamortized Net Actuarial (Gain) Loss	(104,926)	(125,424)
Accrued Benefit Asset (Liability) - June 30	<u>(2,015,947)</u>	<u>(1,997,066)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	1,997,066	1,884,345
Net Expense for Fiscal Year	227,485	245,810
Employer Contributions	(208,604)	(133,089)
Accrued Benefit Liability (Asset) - June 30	<u>2,015,947</u>	<u>1,997,066</u>
Components of Net Benefit Expense		
Service Cost	209,410	207,987
Interest Cost	51,774	44,077
Amortization of Net Actuarial (Gain)/Loss	(33,698)	(6,254)
Net Benefit Expense (Income)	<u>227,485</u>	<u>245,810</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

Assumptions	2022	2021
Discount Rate - April 1	2.50%	2.25%
Discount Rate - March 31	3.25%	2.50%
Long Term Salary Growth - April 1	2.50%	2.50%
Long Term Salary Growth - March 31	2.50%	2.50%
EARSL - March 31	9.7	9.2

NOTE 9 DEBT

The following unsecured loans are approved under *Section 144* of the *School Act* and relate to equipment financed through the Municipal Finance Authority:

Type	Year Borrowed	Interest Rate	Term	Amount Borrowed	Principal Repaid	2022 Balance	Payment Amount	Maturity Date
Term	2018	2.11%	5 Years	18,174	17,128	1,046	317	09-30-22
Term	2018	2.11%	5 Years	7,508	5,875	1,633	133	07-31-23
Term	2019	2.11%	5 Years	335,313	232,189	103,124	5,996	01-31-24
Term	2019	2.11%	5 Years	117,695	73,035	44,660	2,088	05-31-24
Term	2019	2.11%	5 Years	77,563	43,023	34,540	1,375	09-30-24
Term	2022	2.11%	5 Years	28,820	2,321	26,499	492	01-31-27
				<u>\$ 585,073</u>	<u>\$ 373,571</u>	<u>\$211,502</u>	<u>\$ 10,401</u>	

Anticipated annual principal repayments over the next five years are as follows:

2023	\$118,735
2024	\$74,824
2025	\$7,991
2026	\$5,752
2027	\$4,200
	<u>\$211,502</u>

The School District also has an approved line of credit related to purchasing cards with interest at 18%. As of June 30, 2022, the School District had \$nil borrowings (2021: \$nil) under these facilities. Statement balances are paid in full each month.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 10 TANGIBLE CAPITAL ASSETS

Accumulated amortization opening balances and increases for 2021 have been restated

Net Book Value:

	Net Book Value 2022	Net Book Value 2021
Sites	\$ 3,051,972	\$ 3,051,972
Buildings	56,669,219	44,907,570
Buildings – WIP	147,783	8,980,429
Furniture & Equipment	1,020,045	855,182
Vehicles	378,992	519,402
Computer Software	-	3,071
Computer Hardware	136,623	279,965
Total	\$ 61,404,634	\$ 58,597,591

June 30, 2022

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2022
Sites	\$3,051,972	\$ -	\$ -	\$ -	\$ 3,051,972
Buildings	89,311,543	14,825,634			104,137,177
Buildings – WIP	8,980,429	5,303,376		(14,136,022)	147,783
Furniture & Equipment	1,541,242	416,550	(6,625)		1,951,167
Vehicles	936,109	-			936,109
Computer Software	15,361		(15,361)		-
Computer Hardware	486,602	-	(26,387)		460,215
Total	\$104,323,258	\$20,545,560	\$ (48,373)	\$ (14,136,022)	\$110,684,423

	Opening Accumulated Amortization (restated)	Increases	Disposals	Total 2022
Buildings	\$ 45,365,008	\$ 2,102,950	\$ -	\$ 47,467,958
Furniture & Equipment	763,126	174,621	(6,625)	931,122
Vehicles	463,506	93,611	-	557,117
Computer Software	13,826	1,535	(15,361)	-
Computer Hardware	255,296	94,683	(26,387)	323,592
Total	\$ 46,860,762	\$ 2,467,400	\$ (48,373)	\$ 49,279,789

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 10 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2021

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2021
Sites	\$ 3,051,972	\$ -	\$ -	\$ -	\$3,051,972
Buildings	87,542,004	1,769,539			89,311,543
Buildings – WIP	454,589	9,250,840		(725,000)	8,980,429
Furniture & Equipment	1,482,668	102,269	(43,695)		1,541,242
Vehicles	824,977	111,132			936,109
Computer Software	25,134		(9,773)		15,361
Computer Hardware	653,681	-	(167,079)		486,602
Total	\$94,035,025	\$11,233,780	\$ (220,547)	\$ (725,000)	\$104,323,258

	Opening Accumulated Amortization	Increases	Disposals	Total 2021
Buildings	\$ 42,517,265	\$ 1,886,708	\$ -	\$ 44,403,973
Furniture & Equipment	581,488	148,267	(43,695)	686,060
Vehicles	334,209	82,498	-	416,707
Computer Software	17,036	5,027	(9,773)	12,290
Computer Hardware	242,980	130,736	(167,079)	206,637
Total	\$ 43,692,978	\$ 2,253,236	\$(220,547)	\$ 45,725,667

Funds contributed by Operating Fund for the purchase of tangible capital assets:

Additions to Furniture & Equipment and Vehicles include the following tangible capital assets purchased using funds contributed by the Operating Fund:

	2022	2021
Furniture and Equipment	\$ 96,557	\$ 111,132
Total	\$ 96,557	\$ 111,132

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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, 2021, the Teachers' Pension Plan has about 50,000 active members and approximately 40,000 retired members. As of December 31, 2021, the Municipal Pension Plan has about 227,000 active members, including approximately 29,000 from school districts.

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

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

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

The school district paid \$3,472,923 for employer contributions to the plans for the year ended June 30, 2022 (2021: \$3,305,610).

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

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 12 RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 13 INTERFUND TRANSFERS

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

- | | |
|---|------------|
| • Purchase of Tangible Capital Assets from Operating Fund | \$ 96,557 |
| • Capital Loan payment from Operating Fund | \$ 123,106 |
| • Reclassify DCC WIP to LCR | \$ 30,565 |

NOTE 14 CONTRACTUAL OBLIGATIONS

The School District has no multiple-year contracts for the delivery of services and the construction of tangible capital assets at this time.

NOTE 15 BUDGET FIGURES

Budget figures were approved by the Board through the adoption of an *amended* annual budget on February 9, 2022.

The *amended* annual budget figures are adjusted to reflect more current enrolment information and grant figures. The revision of the annual budget is a provincial requirement, and the inclusion of amended budgets in the financial statements presents the most relevant information to the user.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 16 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. As at June 30, 2022 the liability cannot reasonably be determined.

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

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

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

NOTE 17 EXPENSE BY OBJECT

	2022	2021 (restated)
Salaries and benefits	\$ 42,972,663	\$ 41,185,067
Services and supplies	7,973,456	7,840,789
Amortization	2,467,400	2,261,716
Interest	2,747	3,446
	<u>\$ 53,416,266</u>	<u>\$ 51,291,010</u>

NOTE 18 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

School Surpluses	\$ 1,752,527	
Appropriated for 2021/22 Year	1,425,281	
Appropriated for Subsequent Years	267,000	
Contractual Obligations	211,014	
District Programs	<u>762,929</u>	
Subtotal Internally Restricted		\$ 4,418,751
Unrestricted Operating Surplus (Deficit)		2,088,391
Total Available for Future Operations		<u><u>\$ 6,507,142</u></u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 19 ECONOMIC DEPENDENCE

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

NOTE 20 RISK MANAGEMENT

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

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

- a) Credit risk 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, accounts receivable and investments.

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in the Provincial Treasury's Central Deposit Program, GICs and term deposits.

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in Provincial Treasury's Central Deposit Program, GICs and term deposits that have a maturity date of no more than 3 years.

- c) 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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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.

NOTE 21 PRIOR PERIOD ADJUSTMENT

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

	<u>Increase (Decrease)</u>
Tangible Capital Assets	\$(1,135,095)
Deferred Capital Revenue	(915,196)
Accumulated Surplus (Deficit)	(219,899)
Amortization of Deferred Capital Revenue	915,196
Operations & Maintenance Expense – Asset amortization	1,088,296
Transportation & Housing Expense – Asset amortization	46,799
Accumulated Surplus – beginning of the year July 1, 2020	(228,110)

School District No. 46 (Sunshine Coast)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2022

	Operating Fund	Special Purpose Fund	Capital Fund	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	7,348,650		6,826,758	14,175,408	14,550,958
Prior Period Adjustments					(228,110)
Accumulated Surplus (Deficit), beginning of year, as restated	7,348,650	-	6,826,758	14,175,408	14,322,848
Changes for the year					
Surplus (Deficit) for the year	(591,280)		(444,730)	(1,036,010)	(147,440)
Interfund Transfers					
Tangible Capital Assets Purchased	(96,557)		96,557	-	
Other	(153,671)		153,671	-	
Net Changes for the year	(841,508)	-	(194,502)	(1,036,010)	(147,440)
Accumulated Surplus (Deficit), end of year - Statement 2	6,507,142	-	6,632,256	13,139,398	14,175,408

School District No. 46 (Sunshine Coast)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	43,184,384	43,228,612	41,498,477
Other	13,200	99,000	14,200
Tuition	172,040	174,590	33,825
Other Revenue	849,710	863,766	819,682
Rentals and Leases	90,000	87,397	50,694
Investment Income	100,000	107,293	140,398
Total Revenue	<u>44,409,334</u>	<u>44,560,658</u>	<u>42,557,276</u>
Expenses			
Instruction	39,839,133	36,538,953	34,480,728
District Administration	2,379,159	2,327,046	2,340,736
Operations and Maintenance	5,371,413	4,948,936	4,489,327
Transportation and Housing	1,476,763	1,337,003	1,191,954
Total Expense	<u>49,066,468</u>	<u>45,151,938</u>	<u>42,502,745</u>
Operating Surplus (Deficit) for the year	<u>(4,657,134)</u>	<u>(591,280)</u>	<u>54,531</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>4,657,134</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(96,557)	(111,132)
Other		(153,671)	(139,056)
Total Net Transfers	<u>-</u>	<u>(250,228)</u>	<u>(250,188)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(841,508)</u>	<u>(195,657)</u>
Operating Surplus (Deficit), beginning of year		7,348,650	7,544,307
Operating Surplus (Deficit), end of year		<u>6,507,142</u>	<u>7,348,650</u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 18)		4,418,751	4,923,369
Unrestricted		2,088,391	2,425,281
Total Operating Surplus (Deficit), end of year		<u>6,507,142</u>	<u>7,348,650</u>

School District No. 46 (Sunshine Coast)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	42,279,357	42,321,578	39,577,817
Other Ministry of Education and Child Care Grants			
Pay Equity	510,381	510,381	510,381
Funding for Graduated Adults	3,144	5,660	6,935
Student Transportation Fund	380,465	380,465	380,465
Teachers' Labour Settlement Funding			934,351
Early Career Mentorship Funding			75,000
FSA Scorer Grant	8,696	8,187	8,187
ELF	2,341	2,341	2,341
Equity in Action			3,000
Total Provincial Grants - Ministry of Education and Child Care	43,184,384	43,228,612	41,498,477
Provincial Grants - Other	13,200	99,000	14,200
Tuition			
International and Out of Province Students	172,040	174,590	33,825
Total Tuition	172,040	174,590	33,825
Other Revenues			
Other School District/Education Authorities	688,127	688,128	634,596
Miscellaneous			
Miscellaneous	161,583	175,638	185,086
Total Other Revenue	849,710	863,766	819,682
Rentals and Leases	90,000	87,397	50,694
Investment Income	100,000	107,293	140,398
Total Operating Revenue	44,409,334	44,560,658	42,557,276

School District No. 46 (Sunshine Coast)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
Salaries			
Teachers	17,144,588	16,974,302	15,962,460
Principals and Vice Principals	2,655,720	2,653,252	2,620,727
Educational Assistants	3,642,638	3,671,503	3,697,726
Support Staff	5,081,346	4,544,696	4,235,101
Other Professionals	1,411,918	1,437,676	1,438,026
Substitutes	3,129,787	2,436,545	1,938,701
Total Salaries	33,065,997	31,717,974	29,892,741
Employee Benefits	7,662,307	7,037,896	6,872,321
Total Salaries and Benefits	40,728,304	38,755,870	36,765,062
Services and Supplies			
Services	850,967	616,011	754,286
Student Transportation	1,356,679	1,283,160	1,133,825
Professional Development and Travel	167,000	160,330	108,481
Rentals and Leases	10,000	6,967	6,967
Dues and Fees	59,500	53,340	59,257
Insurance	101,000	72,779	85,759
Supplies	5,148,318	3,479,707	2,928,563
Utilities	644,700	723,774	660,545
Total Services and Supplies	8,338,164	6,396,068	5,737,683
Total Operating Expense	49,066,468	45,151,938	42,502,745

School District No. 46 (Sunshine Coast)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object
Year Ended June 30, 2022

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	14,151,224	172,252		698,905		2,237,998	17,260,379
1.03 Career Programs	98,436						98,436
1.07 Library Services	164,339			41,700			206,039
1.08 Counselling	853,089			176,541			1,029,630
1.10 Special Education	1,146,768	253,346	3,530,906	379,393	67,515	180,947	5,558,875
1.30 English Language Learning	94,298						94,298
1.31 Indigenous Education	466,148	140,223	140,597	17,580		7,863	772,411
1.41 School Administration		1,918,390		582,504			2,500,894
1.62 International and Out of Province Students							-
1.64 Other				46,245			46,245
Total Function 1	16,974,302	2,484,211	3,671,503	1,942,868	67,515	2,426,808	27,567,207
4 District Administration							
4.11 Educational Administration		169,041			321,540		490,581
4.40 School District Governance					138,808		138,808
4.41 Business Administration				134,439	698,946	4,976	838,361
Total Function 4	-	169,041	-	134,439	1,159,294	4,976	1,467,750
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				51,051	185,808		236,859
5.50 Maintenance Operations				2,339,552		108	2,339,660
5.52 Maintenance of Grounds				63,272			63,272
5.56 Utilities							-
Total Function 5	-	-	-	2,453,875	185,808	108	2,639,791
7 Transportation and Housing							
7.41 Transportation and Housing Administration					25,059		25,059
7.70 Student Transportation				13,514		4,653	18,167
Total Function 7	-	-	-	13,514	25,059	4,653	43,226
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	16,974,302	2,653,252	3,671,503	4,544,696	1,437,676	2,436,545	31,717,974

School District No. 46 (Sunshine Coast)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2022 Actual	2022 Budget	2021 Actual (Restated - Note 21)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	17,260,379	3,541,346	20,801,725	1,875,317	22,677,042	24,102,938	21,250,203
1.03 Career Programs	98,436	23,511	121,947	4,781	126,728	275,894	132,796
1.07 Library Services	206,039	52,578	258,617	49,351	307,968	385,499	259,346
1.08 Counselling	1,029,630	255,421	1,285,051		1,285,051	1,535,690	1,104,060
1.10 Special Education	5,558,875	1,440,319	6,999,194	514,083	7,513,277	8,627,330	7,502,826
1.30 English Language Learning	94,298	10,875	105,173	11,875	117,048	258,799	86,082
1.31 Indigenous Education	772,411	190,137	962,548	96,887	1,059,435	1,524,631	1,025,356
1.41 School Administration	2,500,894	561,432	3,062,326	67,957	3,130,283	2,970,750	2,920,289
1.62 International and Out of Province Students	-		-	15,299	15,299	10,000	10,210
1.64 Other	46,245	11,810	58,055	248,767	306,822	147,602	189,560
Total Function 1	27,567,207	6,087,429	33,654,636	2,884,317	36,538,953	39,839,133	34,480,728
4 District Administration							
4.11 Educational Administration	490,581	96,248	586,829	33,801	620,630	602,354	579,743
4.40 School District Governance	138,808	1,355	140,163	96,779	236,942	240,572	247,818
4.41 Business Administration	838,361	205,209	1,043,570	425,904	1,469,474	1,536,233	1,513,175
Total Function 4	1,467,750	302,812	1,770,562	556,484	2,327,046	2,379,159	2,340,736
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	236,859	51,926	288,785	100,374	389,159	384,836	387,444
5.50 Maintenance Operations	2,339,660	569,352	2,909,012	683,950	3,592,962	4,149,269	3,254,323
5.52 Maintenance of Grounds	63,272	15,760	79,032	164,009	243,041	192,608	206,516
5.56 Utilities	-		-	723,774	723,774	644,700	641,044
Total Function 5	2,639,791	637,038	3,276,829	1,672,107	4,948,936	5,371,413	4,489,327
7 Transportation and Housing							
7.41 Transportation and Housing Administration	25,059	4,834	29,893		29,893	30,128	31,475
7.70 Student Transportation	18,167	5,783	23,950	1,283,160	1,307,110	1,446,635	1,160,479
Total Function 7	43,226	10,617	53,843	1,283,160	1,337,003	1,476,763	1,191,954
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	31,717,974	7,037,896	38,755,870	6,396,068	45,151,938	49,066,468	42,502,745

School District No. 46 (Sunshine Coast)

Schedule of Special Purpose Operations

Year Ended June 30, 2022

Schedule 3 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	4,738,911	4,936,428	5,851,044
Other Revenue	840,861	849,770	913,822
Investment Income	7,000	7,983	7,761
Total Revenue	<u>5,586,772</u>	<u>5,794,181</u>	<u>6,772,627</u>
Expenses			
Instruction	5,273,135	5,353,774	5,921,335
Operations and Maintenance	313,637	440,407	601,776
Total Expense	<u>5,586,772</u>	<u>5,794,181</u>	<u>6,523,111</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>249,516</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(249,516)
Total Net Transfers	<u>-</u>	<u>-</u>	<u>(249,516)</u>
Total Special Purpose Surplus (Deficit) for the year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u><u>-</u></u>	<u><u>-</u></u>

School District No. 46 (Sunshine Coast)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2022

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	142,659		633,280	556,181		19,656	5,878		
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	192,441	142,860			192,000	22,050	15,765	516,271	193,196
Other			539,795	522,552					
Investment Income			7,983						
	192,441	142,860	547,778	522,552	192,000	22,050	15,765	516,271	193,196
Less: Allocated to Revenue	333,407	142,860	152,890	380,487	192,000	34,654	12,577	516,271	193,196
Deferred Revenue, end of year	1,693	-	1,028,168	698,246	-	7,052	9,066	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	333,407	142,860			192,000	34,654	12,577	516,271	193,196
Other Revenue			144,907	380,487					
Investment Income			7,983						
	333,407	142,860	152,890	380,487	192,000	34,654	12,577	516,271	193,196
Expenses									
Salaries									
Teachers									
Principals and Vice Principals								65,000	
Educational Assistants		105,822			142,223			135,593	
Support Staff	153,953								85,695
Other Professionals									10,969
Substitutes									71,584
	153,953	105,822	-	-	142,223	-	-	200,593	168,248
Employee Benefits	38,488	37,038			49,777			65,678	24,948
Services and Supplies	140,966		152,890	380,487		34,654	12,577	250,000	
	333,407	142,860	152,890	380,487	192,000	34,654	12,577	516,271	193,196
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 46 (Sunshine Coast)

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

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	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	Misc Other Grants	Just B4
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			464	20,610			31,009	154,843	
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	3,065,375	85,263	129,932	25,000	99,288	71,998	50,000		25,000
Other								432,108	
Investment Income									
	3,065,375	85,263	129,932	25,000	99,288	71,998	50,000	432,108	25,000
Less: Allocated to Revenue	3,065,375	85,263	130,396	37,102	99,288	14,652	67,532	324,376	11,855
Deferred Revenue, end of year	-	-	-	8,508	-	57,346	13,477	262,575	13,145
Revenues									
Provincial Grants - Ministry of Education and Child Care	3,065,375	85,263	130,396	37,102	99,288	14,652	67,532		11,855
Other Revenue								324,376	
Investment Income									
	3,065,375	85,263	130,396	37,102	99,288	14,652	67,532	324,376	11,855
Expenses									
Salaries									
Teachers	2,452,321								
Principals and Vice Principals									
Educational Assistants									
Support Staff							54,026		9,484
Other Professionals									
Substitutes		68,209							
	2,452,321	68,209	-	-	-	-	54,026	-	9,484
Employee Benefits	613,054	17,054					13,506		2,371
Services and Supplies			130,396	37,102	99,288	14,652		324,376	
	3,065,375	85,263	130,396	37,102	99,288	14,652	67,532	324,376	11,855
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 46 (Sunshine Coast)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2022

	TOTAL
	\$
Deferred Revenue, beginning of year	1,564,580
Add: Restricted Grants	
Provincial Grants - Ministry of Education and Child Care	4,826,439
Other	1,494,455
Investment Income	7,983
	6,328,877
Less: Allocated to Revenue	5,794,181
Deferred Revenue, end of year	2,099,276
Revenues	
Provincial Grants - Ministry of Education and Child Care	4,936,428
Other Revenue	849,770
Investment Income	7,983
	5,794,181
Expenses	
Salaries	
Teachers	2,452,321
Principals and Vice Principals	65,000
Educational Assistants	383,638
Support Staff	303,158
Other Professionals	10,969
Substitutes	139,793
	3,354,879
Employee Benefits	861,914
Services and Supplies	1,577,388
	5,794,181
Net Revenue (Expense) before Interfund Transfers	-
Interfund Transfers	-
Net Revenue (Expense)	-

School District No. 46 (Sunshine Coast)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual			2021 Actual (Restated - Note 21)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Amortization of Deferred Capital Revenue	1,804,684	2,025,417		2,025,417	1,813,675
Total Revenue	1,804,684	2,025,417	-	2,025,417	1,813,675
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,167,640	2,373,789		2,373,789	2,179,218
Transportation and Housing	93,611	93,611		93,611	82,498
Debt Services					
Capital Loan Interest			2,747	2,747	3,446
Total Expense	2,261,251	2,467,400	2,747	2,470,147	2,265,162
Capital Surplus (Deficit) for the year	(456,567)	(441,983)	(2,747)	(444,730)	(451,487)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		96,557		96,557	360,648
Capital Loan Payment			123,106	123,106	139,056
Reclassify DCC WIP to LCR			30,565	30,565	
Total Net Transfers	-	96,557	153,671	250,228	499,704
Other Adjustments to Fund Balances					
Principal Payment					
Capital Loan		120,359	(120,359)	-	
Reclassify DCC WIP to LCR		30,565	(30,565)	-	
Total Other Adjustments to Fund Balances		150,924	(150,924)	-	
Total Capital Surplus (Deficit) for the year	(456,567)	(194,502)	-	(194,502)	48,217
Capital Surplus (Deficit), beginning of year		6,826,758		6,826,758	7,006,651
Prior Period Adjustments					
Half-year rule amortization					(228,110)
Capital Surplus (Deficit), beginning of year, as restated		6,826,758	-	6,826,758	6,778,541
Capital Surplus (Deficit), end of year		6,632,256	-	6,632,256	6,826,758

School District No. 46 (Sunshine Coast)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2022

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	3,051,972	89,311,543	1,541,242	936,109	15,361	486,602	95,342,829
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		815,785	165,000				980,785
Operating Fund			96,557				96,557
Loan			28,820				28,820
Transferred from Work in Progress		14,009,849	126,173				14,136,022
	-	14,825,634	416,550	-	-	-	15,242,184
Decrease:							
Deemed Disposals			6,625		15,361	26,387	48,373
	-	-	6,625	-	15,361	26,387	48,373
Cost, end of year	3,051,972	104,137,177	1,951,167	936,109	-	460,215	110,536,640
Work in Progress, end of year		147,783					147,783
Cost and Work in Progress, end of year	3,051,972	104,284,960	1,951,167	936,109	-	460,215	110,684,423
Accumulated Amortization, beginning of year		44,403,973	686,060	416,707	12,290	206,637	45,725,667
Prior Period Adjustments							
Half-year rule amortization		961,035	77,066	46,799	1,536	48,659	1,135,095
Accumulated Amortization, beginning of year, as restated		45,365,008	763,126	463,506	13,826	255,296	46,860,762
Changes for the Year							
Increase: Amortization for the Year		2,102,950	174,621	93,611	1,535	94,683	2,467,400
Decrease:							
Deemed Disposals			6,625		15,361	26,387	48,373
		-	6,625	-	15,361	26,387	48,373
Accumulated Amortization, end of year		47,467,958	931,122	557,117	-	323,592	49,279,789
Tangible Capital Assets - Net	3,051,972	56,817,002	1,020,045	378,992	-	136,623	61,404,634

School District No. 46 (Sunshine Coast)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2022

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	8,980,429				8,980,429
Prior Period Adjustments					
District Entered	(126,173)	126,173			-
Work in Progress, beginning of year, as restated	8,854,256	126,173	-	-	8,980,429
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	5,142,288				5,142,288
Deferred Capital Revenue - Other	161,088				161,088
	5,303,376	-	-	-	5,303,376
Decrease:					
Transferred to Tangible Capital Assets	14,009,849	126,173			14,136,022
	14,009,849	126,173	-	-	14,136,022
Net Changes for the Year	(8,706,473)	(126,173)	-	-	(8,832,646)
Work in Progress, end of year	147,783	-	-	-	147,783

School District No. 46 (Sunshine Coast)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	42,096,308	171,157		42,267,465
Prior Period Adjustments				
Half-year rule amortization	(904,577)	(10,619)		(915,196)
Deferred Capital Revenue, beginning of year, as restated	41,191,731	160,538	-	41,352,269
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	980,785			980,785
Transferred from Work in Progress	11,472,906	2,632,551		14,105,457
	12,453,691	2,632,551	-	15,086,242
Decrease:				
Amortization of Deferred Capital Revenue	1,971,274	54,143		2,025,417
	1,971,274	54,143	-	2,025,417
Net Changes for the Year	10,482,417	2,578,408	-	13,060,825
Deferred Capital Revenue, end of year	51,674,148	2,738,946	-	54,413,094
Work in Progress, beginning of year	6,459,073	2,521,356		8,980,429
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	5,142,288	161,088		5,303,376
Reclassify DCC WIP to LCR		(30,565)		(30,565)
	5,142,288	130,523	-	5,272,811
Decrease				
Transferred to Deferred Capital Revenue	11,472,906	2,632,551		14,105,457
	11,472,906	2,632,551	-	14,105,457
Net Changes for the Year	(6,330,618)	(2,502,028)	-	(8,832,646)
Work in Progress, end of year	128,455	19,328	-	147,783
Total Deferred Capital Revenue, end of year	51,802,603	2,758,274	-	54,560,877

School District No. 46 (Sunshine Coast)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		33,119				33,119
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	6,123,073					6,123,073
Provincial Grants - Other			309,700			309,700
	6,123,073	-	309,700	-	-	6,432,773
Decrease:						
Transferred to DCR - Capital Additions	980,785					980,785
Transferred to DCR - Work in Progress	5,142,288		161,088			5,303,376
	6,123,073	-	161,088	-	-	6,284,161
Net Changes for the Year	-	-	148,612	-	-	148,612
Balance, end of year	-	33,119	148,612	-	-	181,731