

Audited Financial Statements of

**School District No. 71 (Comox Valley)**

And Independent Auditors' Report thereon

June 30, 2021

# School District No. 71 (Comox Valley)

June 30, 2021

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# School District No. 71 (Comox Valley)

## MANAGEMENT REPORT

Version: 4653-3907-1925

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

The accompanying financial statements of School District No. 71 (Comox Valley) 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.


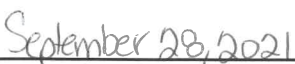
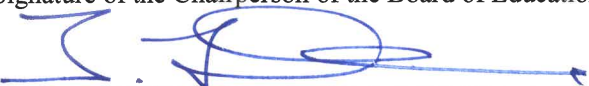


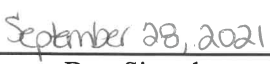
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 71 (Comox Valley) (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, 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. 71 (Comox Valley) 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. 71 (Comox Valley)

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



KPMG LLP  
St. Andrew's Square II  
800-730 View Street  
Victoria BC V8W 3Y7  
Canada  
Telephone 250-480-3500  
Fax 250-480-3539

## INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 71 (Comox Valley), and  
To the Minister of Education, Province of British Columbia

### ***Opinion***

We have audited the financial statements of School District No. 71 (Comox Valley) (the Entity), which comprise:

- the statement of financial position as at June 30, 2021
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements of the Entity as at and for the year ended June 30, 2021 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

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

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

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

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

Our opinion is not modified in respect of this matter.



### ***Other Information***

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

- Information, other than the financial statements and the auditors' report thereon, included in the Financial Statement Discussion and Analysis document.
- Unaudited Schedules 1-4 attached to the audited financial statements.

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

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

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

We have nothing to report in this regard.

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

The financial statements for the year ended June 30, 2020 were audited by another auditor who expressed a qualified opinion on those financial statements on September 24, 2020 based on Canadian Public Sector Accounting Standards.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and Transparency and Accountability Act of the Province of British Columbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Victoria, Canada  
September 28, 2021


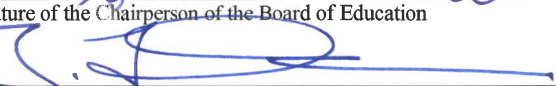
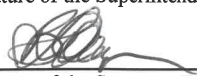
# School District No. 71 (Comox Valley)

Statement of Financial Position  
As at June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 3)	30,834,542	25,577,556
Accounts Receivable		
Due from Province - Ministry of Education	1,415,579	4,361,035
Due from Province - Other	99,252	-
Other (Note 4)	640,131	468,762
<b>Total Financial Assets</b>	<u>32,989,504</u>	<u>30,407,353</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	8,959	-
Other (Note 5)	13,666,917	12,011,670
Unearned Revenue (Note 6)	2,229,696	1,599,395
Deferred Revenue (Note 7)	1,853,793	1,864,136
Deferred Capital Revenue (Note 8)	126,040,567	110,801,430
Employee Future Benefits (Note 9)	4,049,278	4,063,871
<b>Total Liabilities</b>	<u>147,849,210</u>	<u>130,340,502</u>
<b>Net Debt</b>	<u>(114,859,706)</u>	<u>(99,933,149)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11)	163,086,356	143,021,353
Prepaid Expenses	925,803	637,198
<b>Total Non-Financial Assets</b>	<u>164,012,159</u>	<u>143,658,551</u>
<b>Accumulated Surplus (Deficit) (Note 19)</b>	<u>49,152,453</u>	<u>43,725,402</u>

Contractual Obligations (Note 15)

Approved by the Board

	September 28, 2021
Signature of the Chairperson of the Board of Education	Date Signed
	September 28, 2021
Signature of the Superintendent	Date Signed
	September 28, 2021
Signature of the Secretary Treasurer	Date Signed

# School District No. 71 (Comox Valley)

Statement of Operations  
Year Ended June 30, 2021

	2021 Budget (Note 17) \$	2021 Actual \$	2020 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	109,675,210	111,494,482	97,410,333
Other		215,600	
Tuition	1,404,000	1,623,154	2,828,612
Other Revenue	1,536,490	2,256,785	3,409,754
Rentals and Leases	36,000	28,527	126,505
Investment Income	220,500	213,465	351,540
Gain (Loss) on Disposal of Tangible Capital Assets		399,000	
Amortization of Deferred Capital Revenue	4,147,320	4,345,125	4,148,666
<b>Total Revenue</b>	<b>117,019,520</b>	<b>120,576,138</b>	<b>108,275,410</b>
<b>Expenses (Note 18)</b>			
Instruction	94,997,321	92,017,371	82,996,651
District Administration	3,891,235	3,648,525	3,374,093
Operations and Maintenance	17,001,232	17,497,489	16,398,668
Transportation and Housing	2,082,701	1,985,702	1,885,532
Debt Services			456
<b>Total Expense</b>	<b>117,972,489</b>	<b>115,149,087</b>	<b>104,655,400</b>
<b>Surplus (Deficit) for the year</b>	<b>(952,969)</b>	<b>5,427,051</b>	<b>3,620,010</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>43,725,402</b>	40,105,392
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>49,152,453</b>	<b>43,725,402</b>



# School District No. 71 (Comox Valley)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2021

	2021 Budget (Note 17)	2021 Actual	2020 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<u>(952,969)</u>	<u>5,427,051</u>	<u>3,620,010</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(8,754,453)	<b>(26,252,829)</b>	(15,760,431)
Amortization of Tangible Capital Assets	5,771,997	<b>6,187,826</b>	5,736,102
<b>Total Effect of change in Tangible Capital Assets</b>	<u>(2,982,456)</u>	<u>(20,065,003)</u>	<u>(10,024,329)</u>
Acquisition of Prepaid Expenses		<b>(925,803)</b>	(637,198)
Use of Prepaid Expenses		<b>637,198</b>	697,689
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(288,605)</u>	<u>60,491</u>
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>(3,935,425)</u>	<u>(14,926,557)</u>	<u>(6,343,828)</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>(14,926,557)</b>	<b>(6,343,828)</b>
<b>Net Debt, beginning of year</b>		<b>(99,933,149)</b>	(93,589,321)
<b>Net Debt, end of year</b>		<u><b>(114,859,706)</b></u>	<u>(99,933,149)</u>

# School District No. 71 (Comox Valley)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	5,427,051	3,620,010
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	2,674,835	(2,560,064)
Prepaid Expenses	(288,605)	60,491
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,664,206	2,823,103
Unearned Revenue	630,301	(563,553)
Deferred Revenue	(10,343)	291,351
Employee Future Benefits	(14,593)	(62,472)
Loss (Gain) on Disposal of Tangible Capital Assets	(399,000)	
Amortization of Tangible Capital Assets	6,187,826	5,736,102
Amortization of Deferred Capital Revenue	(4,345,125)	(4,148,666)
<b>Total Operating Transactions</b>	<b>11,526,553</b>	<b>5,196,302</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(8,805,785)	(6,446,434)
Tangible Capital Assets -WIP Purchased	(17,447,044)	(9,313,997)
District Portion of Proceeds on Disposal (Note 12)	399,000	
Principal Payment on Capital Lease Obligation	-	(22,101)
<b>Total Capital Transactions</b>	<b>(25,853,829)</b>	<b>(15,782,532)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	19,584,262	12,710,844
<b>Total Financing Transactions</b>	<b>19,584,262</b>	<b>12,710,844</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>5,256,986</b>	<b>2,124,614</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>25,577,556</b>	<b>23,452,942</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>30,834,542</b>	<b>25,577,556</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	30,834,542	25,577,556
Supplementary Cash Flow Information (Note 22)	30,834,542	25,577,556

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established in 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. 71 (Comox Valley)", and operates as "School District No. 71 (Comox Valley)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 71 (Comox Valley) is exempt from federal and provincial corporate income taxes.

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

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

a) Basis of Accounting

These 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 with regards to the accounting for government transfers as set out in Notes 2(e), 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(e) and 2(m), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize non-capital restricted contributions into revenue in the fiscal period in which the restriction that the contribution is subject to is met and 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. Canadian public sector accounting standards would require these contributions, if they are government transfers, to be recognized into revenue immediately when received unless they contain a stipulation that meets the definition of a liability.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

b) Cash and Cash Equivalents

Cash and cash equivalents include cash in the bank, deposits in the Provincial Ministry of Finance Central Deposit Program, 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.

c) Accounts Receivable

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

d) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods. Revenue will be recognized in that future period when the courses are provided.

e) Deferred 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).

f) Deferred Capital Revenue

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

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

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

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

h) Liability for Contaminated Sites

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

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School District:
  - is directly responsible; or
  - accepts responsibility;
- 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.

At this time the School District has determined there are no liabilities for contaminated sites.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

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 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

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

j) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incidental 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

Payments for insurance, subscriptions, utilities, membership and maintenance contracts for use within the School District 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 19 – Accumulated Surplus).

m) 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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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m) Revenue Recognition (*continued*)

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.

n) Expenditures

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

Categories of Salaries

- Principals and Vice-Principals employed under a Principals and Vice-Principals contract are categorized as Principals and Vice-Principals.
- Superintendent, Assistant Superintendent, Secretary-Treasurer, Directors, Managers, 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.



**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

o) Financial Instruments

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

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

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. There are no measurement gains or losses during the periods presented; therefore, no statement of remeasurement gains or losses is included in these financial statements.

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

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

p) 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. 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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

q) Future Changes in Accounting Policies

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

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

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

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

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

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

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

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

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

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 3 CASH AND CASH EQUIVALENTS**

	2021	2020
School Generated Funds	\$ 799,972	\$ 854,796
District Funds	13,734,679	17,725,539
Restricted Funds - Teacher Salary Deferral Program	247,790	181,677
BC Ministry of Finance Central Deposit Program	16,052,101	6,815,544
	\$ 30,834,542	\$ 25,577,556

**NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2021	2020
Due from Federal Government	\$ 371,681	\$ 318,133
Other	268,450	150,629
	\$ 640,131	\$ 468,762

**NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

	2021	2020
Trade payables	\$ 4,678,845	\$ 2,595,458
Salaries and benefits payable	2,804,541	2,333,597
Accrued vacation payable	509,783	558,777
Other	5,673,748	6,523,838
	\$ 13,666,917	\$ 12,011,670

**NOTE 6 UNEARNED REVENUE**

	2021	2020
Balance, beginning of year	\$ 1,599,395	\$ 2,162,948
Tuition fees received	2,253,455	2,265,059
Tuition fees recognized	(1,623,154)	(2,828,612)
Balance, end of year	\$ 2,229,696	\$ 1,599,395

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 7      DEFERRED REVENUE**

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

	2021	2020
Balance, beginning of year	\$    1,864,136	\$    1,572,785
Grants received:		
Provincial Grants - Ministry of Education	15,642,551	11,121,912
School Generated Funds	1,452,179	2,498,563
Other	5,303	144,959
Subtotal	17,100,033	13,765,434
Revenue recognized:	(17,015,540)	(13,474,083)
Revenue recovered:	(94,836)	-
Subtotal	(17,110,376)	(13,474,083)
Balance, end of year	\$    1,853,793	\$    1,864,136

**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.

	2021	2020
<b><u>Deferred capital revenue - subject to amortization</u></b>		
Balance, beginning of year	\$    98,997,994	\$    99,154,762
Provincial Grants - Ministry of Education	3,730,907	2,502,158
Transfer in from deferred revenue - WIP	215,917	1,489,740
Write off/down of Buildings and Sites	-	-
Amortization of deferred capital revenue	(4,345,125)	(4,148,666)
Balance, end of year	\$    98,599,693	\$    98,997,994

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

	2021	2020
<b>Deferred capital revenue - work in progress</b>		
Work in progress, beginning of year	\$ 10,908,747	\$ 3,084,490
Transfer in from deferred capital revenue - Unspent	16,447,044	9,313,997
Transfer to deferred capital revenue	(215,917)	(1,489,740)
	<b>\$ 27,139,874</b>	<b>\$ 10,908,747</b>

	2021	2020
<b>Deferred capital revenue - unspent</b>		
Unspent deferred capital revenue, beginning of year	\$ 894,689	-
Provincial Grants - Ministry of Education	19,169,010	11,727,576
Provincial Grants - Other	99,252	893,268
Other	15,000	90,000
MEd Restricted Portion of Proceeds on Disposal	301,000	-
Transfer to deferred capital revenue	(3,730,907)	(2,502,158)
- subject to amortization		
Transfer to deferred capital revenue - work in progress	(16,447,044)	(9,313,997)
	<b>\$ 301,000</b>	<b>\$ 894,689</b>

Total deferred capital revenue balance, end of year	<b>\$ 126,040,567</b>	<b>\$ 110,801,430</b>
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**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.

	2021	2020
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation - April 1	\$ 3,304,451	\$ 3,416,857
Service Cost	286,830	273,649
Interest Cost	76,515	85,760
Benefit Payments	(240,023)	(278,119)
Actuarial (Gain) Loss	(188,837)	(193,696)
	<b>\$ 3,238,936</b>	<b>\$ 3,304,451</b>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

	2021	2020
<b><i>Reconciliation of Funded Status at End of Fiscal Year</i></b>		
Accrued Benefit Obligation - March 31	\$ 3,238,936	\$ 3,304,451
Funded Status - Surplus (Deficit)	(3,238,936)	(3,304,451)
Employer Contributions after Measurement Date	38,048	40,396
Benefits Expense After Measurement Date	(92,763)	(90,836)
Unamortized Net Actuarial (Gain) Loss	(755,627)	(708,980)
Accrued Benefit Asset (Liability) - June 30	\$ (4,049,278)	\$ (4,063,871)

<b><i>Reconciliation of Change in Accrued Benefit Liability</i></b>		
Accrued Benefit Liability (Asset) - July 1	\$ 4,063,871	\$ 4,126,343
Net Expense for Fiscal Year	223,081	239,078
Employer Contributions	(237,674)	(301,550)
Accrued Benefit Liability (Asset) - June 30	\$ 4,049,278	\$ 4,063,871

<b><i>Components of Net Benefit Expense</i></b>		
Service Cost	\$ 286,999	\$ 276,944
Interest Cost	78,272	83,449
Amortization of Net Actuarial (Gain)/Loss	(142,190)	(121,315)
Net Benefit Expense (Income)	\$ 223,081	\$ 239,078

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

	June 30, 2021	June 30, 2020
Discount Rate - April 1	2.25%	2.50%
Discount Rate - March 31	2.50%	2.25%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	8.3 years	8.3 years

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 10 CAPITAL LEASE OBLIGATIONS**

Capital leases for the purchase of computer hardware with MacQuarie Equipment Finance are no longer outstanding as the remaining lease expired on June 30, 2020 and was not renewed.

There was no interest expense for the year ending 2021 (2020 - \$456)

**NOTE 11 TANGIBLE CAPITAL ASSETS**

<b>Net Book Value:</b>	<b>June 30, 2021</b>	June 30, 2020
Sites	\$ 14,151,889	\$ 14,151,889
Buildings	138,676,231	121,720,049
Furniture & Equipment	5,809,522	3,790,052
Vehicles	1,346,531	1,188,225
Computer Hardware	3,102,183	2,171,138
<b>Total</b>	<b>\$ 163,086,356</b>	<b>\$ 143,021,353</b>

**June 30, 2021**

<b>Cost:</b>	<b>Balance at July 1, 2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (WIP)</b>	<b>Balance at June 30, 2021</b>
Sites	\$ 14,151,889	\$ -	\$ -	\$ -	\$ 14,151,889
Buildings	213,314,938	4,266,355	531,133	17,341,701	234,391,861
Furniture & Equipment	4,217,913	2,672,739	-	(110,574)	6,780,078
Vehicles	1,721,803	346,273	30,539	-	2,037,537
Computer Hardware	3,294,393	1,736,335	272,225	-	4,758,503
<b>Total</b>	<b>\$ 236,700,936</b>	<b>\$ 9,021,702</b>	<b>\$ 833,897</b>	<b>17,231,127</b>	<b>\$ 262,119,868</b>

**June 30, 2021**

<b>Accumulated Amortization:</b>	<b>Balance at July 1, 2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2021</b>
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	91,594,889	4,651,874	531,133	95,715,630
Furniture & Equipment	427,861	542,695	-	970,556
Vehicles	533,578	187,967	30,539	691,006
Computer Hardware	1,123,255	805,290	272,225	1,656,320
<b>Total</b>	<b>\$ 93,679,583</b>	<b>\$ 6,187,826</b>	<b>\$ 833,897</b>	<b>\$ 99,033,512</b>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)**

June 30, 2020

<b>Cost:</b>	<b>Balance at July 1, 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (WIP)</b>	<b>Balance at June 30, 2020</b>
Sites	\$ 14,151,889	\$ -	\$ -	\$ -	\$ 14,151,889
Buildings	202,102,151	3,515,868	-	7,696,919	213,314,938
Furniture & Equipment	1,313,527	2,863,521	86,473	127,338	4,217,913
Vehicles	1,231,789	490,014	-	-	1,721,803
Computer Hardware	4,207,097	1,066,771	1,979,475	-	3,294,393
<b>Total</b>	<b>\$ 223,006,453</b>	<b>\$ 7,936,174</b>	<b>\$ 2,065,948</b>	<b>7,824,257</b>	<b>\$ 236,700,936</b>

June 30, 2020

<b>Accumulated Amortization:</b>	<b>Balance at July 1, 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2020</b>
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	87,026,821	4,568,068	-	91,594,889
Furniture & Equipment	244,129	270,205	86,473	427,861
Vehicles	385,898	147,680	-	533,578
Computer Hardware	2,352,581	750,149	1,979,475	1,123,255
<b>Total</b>	<b>\$ 90,009,429</b>	<b>\$ 5,736,102</b>	<b>\$ 2,065,948</b>	<b>\$ 93,679,583</b>

**NOTE 12 DISPOSAL OF SITES AND BUILDINGS**

During the 2016-17 school year land legally described as Lot 2, Plan VIP81287 was exchanged with the Corporation of the City of Courtenay and concurrently sold to the Comox Valley Regional District. Proceeds were recorded as \$600,000 cash and \$265,000 prepaid rent, resulting in a then gain on disposal. The prepaid rent will be utilized after the sale of the School Board Office to the Comox Valley Regional District completes which occurred on June 18, 2021. Upon completion of this sale, the District received proceeds of \$700,000, of which \$600,000 was recorded as cash, and \$100,000 as prepaid rent. As the original building construction was funded by the Board and the addition construction was funded by both Board funds and Ministry of Education capital funds a portion of the cash proceeds has been restricted as Ministry of Education Restricted Capital. Cash proceeds of \$600,000 were allocated 43% to the Ministry of Education Restricted Capital and 57% to Local Capital, resulting in a Gain on Disposal. The Prepaid Rent will begin to be amortized in the 2021/22 school year over the life of the 99 year lease agreement.



**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 13**      **EMPLOYEE PENSION PLANS**

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

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

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

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

The School District paid \$7,749,786 for employer contributions to the plans for the year ended June 30, 2021 (2020: \$6,992,962).

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

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

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 14      RELATED PARTY TRANSACTIONS**

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

**NOTE 15      CONTRACTUAL OBLIGATIONS**

The School District has entered into multiple-year contracts for the construction of tangible capital assets, specifically the structural seismic mitigation to Lake Trail Middle School. This contractual obligation will become a liability in the future when the terms of the contracts are met. The Lake Trail Middle School capital project funding agreement estimates the maximum potential project funding to be \$25,672,195. As of June 30, 2021, \$21,385,362 has been spent and recorded as work in progress with an expected school project completion date of August 31, 2021.

On May 23, 2017 the School District entered into a multiple-year contract for transportation services. This contract commenced September 1, 2017 for a minimum duration of five years. Assuming that factors relating directly to pricing remain consistent with the 2020-21 school year, contractual costs can be estimated and incrementally increased by at least 2.5% annually based on the contract terms.

	2022
Transportation Contract	\$ 1,974,000

**NOTE 16      CONTINGENCIES**

The School District, in conducting its usual business activities, is involved in various legal claims and litigation. In the event any unsettled claims are successful, management believes that such claims are not expected to have a material or adverse effect on the School District's financial position.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 17      BUDGET FIGURES**

Budget figures were approved by the Board through the adoption of an amended annual budget on February 23, 2021. Differences between the amended and original budget adopted May 26, 2020 are presented below.

	<b>AMENDED</b>			
	<b>Annual Budget</b>	<b>Annual Budget</b>		<b>Change</b>
<b>Revenues</b>				
Provincial Grants				
Ministry of Education	\$ 109,675,210	\$ 98,588,741	\$	(11,086,469)
Tuition	1,404,000	1,935,000		531,000
Other Revenue	1,536,490	2,003,309		466,819
Rentals and Leases	36,000	150,000		114,000
Investment Income	220,500	335,000		114,500
Amortization of Deferred Capital Revenue	4,147,320	4,193,501		46,181
<b>Total Revenue</b>	<b>\$ 117,019,520</b>	<b>\$ 107,205,551</b>	<b>\$</b>	<b>(9,813,969)</b>
<b>Expenses</b>				
Instruction	\$ 94,997,321	\$ 84,332,101	\$	(10,665,220)
District Administration	3,891,235	3,815,652		(75,583)
Operations and Maintenance	17,001,232	16,798,729		(202,503)
Transportation and Housing	2,082,701	2,082,211		(490)
<b>Total Expense</b>	<b>\$ 117,972,489</b>	<b>\$ 107,028,693</b>	<b>\$</b>	<b>(10,943,796)</b>
<b>Net Revenue (Expense)</b>	<b>\$ (952,969)</b>	<b>176,858</b>		<b>1,129,827</b>
<b>Budgeted Allocation of Surplus</b>	<b>2,333,079</b>	<b>-</b>		<b>(2,333,079)</b>
<b>Budgeted Surplus (Deficit) for the year</b>	<b>\$ 1,380,110</b>	<b>\$ 176,858</b>	<b>\$</b>	<b>(1,203,252)</b>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 18      EXPENSE BY OBJECT**

	<b>2021</b>	<b>2020</b>
Salaries and benefits	\$ 93,645,602	\$ 84,407,735
Services and supplies	15,315,659	14,511,563
Amortization	6,187,826	5,736,102
	<b>\$ 115,149,087</b>	<b>\$ 104,655,400</b>

**NOTE 19      ACCUMULATED SURPLUS**

The School District has established a number of funds to demonstrate compliance with legislation and to reflect the School District’s intentions to undertake certain future activities.

The Operating Fund accounts for the School District’s operating grants and other operating revenues. Legislation requires that the School District present a balanced budget for the Operating Fund, whereby budgeted expenditure does not exceed the total of budgeted revenue and any surplus in the operating fund carried forward from previous years.

The Capital Fund accounts for the School District’s investment in its existing capital infrastructure, including the existing buildings, furniture, vehicles, computers and equipment. It also reflects intentions to make future capital asset purchases.

The Special Purpose Funds account for grants and contributions received which are directed by agreement with a third party towards specific activities.

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

- \$454,407 was transferred from the operating fund to the capital fund for the purchase of capital assets;
- \$1,316,397 was transferred from the special purpose fund to the capital fund for the purchase of capital assets;
- \$1,560,000 was transferred from the operating fund to local capital.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 19**      **ACCUMULATED SURPLUS (Continued)**

	2021	2020
<b>Operating Fund</b>		
Internally restricted (appropriated):		
Net School Surpluses	\$      195,886	\$      310,430
Mental Health Grant	-	11,411
LEA Capacity Building Grant	6,840	6,850
Indigenous Education	299,678	165,333
Purchase Order Commitments	270,432	342,378
District/Program Initiatives	74,945	1,197,918
Modulars/Furniture	550,000	300,000
Outdoor Classrooms	720,000	-
Accessibility/Entrance Renewals	300,000	-
Board Office Reserve	500,000	-
Enhanced Cleaning & HVAC Upgrades	642,338	-
School Fire Suppression project	700,000	-
Future Capital Project Pre-Engineering & Design	100,000	-
Holdback Funds Learning Impacts & Mental Health	525,696	-
Teacher Mentorship	133,879	-
Board Operating Reserve	2,575,213	1,746,210
Subtotal (internally restricted)	\$      7,594,907	\$      4,080,530
Unrestricted operating surplus	-	-
	-	-
 Total available for future operations	 \$      7,594,907	 \$      4,080,530
 <b>Capital Fund</b>		
Invested in tangible capital assets	\$      37,346,792	\$      33,114,615
Local Capital	4,210,754	6,530,257
	\$      41,557,546	\$      39,644,872
 <b>Total Accumulated Surplus</b>	 \$      49,152,453	 \$      43,725,402

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 19**      **ACCUMULATED SURPLUS (Continued)**

The local capital surplus has been internally restricted by the Board for:

Information Technology Reserve	\$	31,249
Contingency Reserve		71,240
Board Office - Prepaid Rent and Updates		2,479,598
Youth Trades Tools/Equipment Replacement		37,620
Furniture and Equipment		90,068
Fine Arts Equipment		30,862
Copier and Printer Fleet Replacement		46,580
Facility Reserve		1,300,000
Classroom Renovations		123,537
	<u>\$</u>	<u>4,210,754</u>

**NOTE 20**      **ECONOMIC DEPENDENCE**

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

**NOTE 21**      **RISK MANAGEMENT**

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

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

a) Credit risk

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, 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 the Central Deposit Program with the Province and in recognized British Columbia institutions.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 21**      **RISK MANAGEMENT (Continued)**

b) Market risk

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in the Central Deposit Program with the Province and in recognized British Columbia institutions.

c) Liquidity risk

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due. The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

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

**NOTE 22**      **SUPPLEMENTARY CASH FLOW INFORMATION**

Interest collected and paid during the year was as follows:

	<b>2021</b>		<b>2020</b>
Interest collected	\$ 213,465	\$	351,540
Interest paid	-		456

# School District No. 71 (Comox Valley)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	4,080,530		39,644,872	<b>43,725,402</b>	40,105,392
<b>Changes for the year</b>					
Surplus (Deficit) for the year	5,528,784	1,316,397	(1,418,130)	<b>5,427,051</b>	3,620,010
Interfund Transfers					
Tangible Capital Assets Purchased	(454,407)	(1,316,397)	1,770,804	-	
Local Capital	(1,560,000)		1,560,000	-	
<b>Net Changes for the year</b>	<b>3,514,377</b>	<b>-</b>	<b>1,912,674</b>	<b>5,427,051</b>	<b>3,620,010</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>7,594,907</b>	<b>-</b>	<b>41,557,546</b>	<b>49,152,453</b>	43,725,402



# School District No. 71 (Comox Valley)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2021

	2021 Budget (Note 17)	2021 Actual	2020 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	94,008,867	<b>95,951,648</b>	86,434,556
Other		<b>215,600</b>	
Tuition	1,404,000	<b>1,623,154</b>	2,828,612
Other Revenue	691,990	<b>789,382</b>	925,540
Rentals and Leases	36,000	<b>28,527</b>	126,505
Investment Income	180,000	<b>182,591</b>	217,794
<b>Total Revenue</b>	<u>96,320,857</u>	<u><b>98,790,902</b></u>	<u>90,533,007</u>
<b>Expenses</b>			
Instruction	79,678,097	<b>76,670,560</b>	69,872,996
District Administration	3,891,235	<b>3,648,525</b>	3,374,093
Operations and Maintenance	10,878,807	<b>10,959,235</b>	10,312,138
Transportation and Housing	2,080,797	<b>1,983,798</b>	1,885,532
<b>Total Expense</b>	<u>96,528,936</u>	<u><b>93,262,118</b></u>	<u>85,444,759</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(208,079)</u>	<u><b>5,528,784</b></u>	<u>5,088,248</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>2,333,079</u>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(565,000)	<b>(454,407)</b>	(1,637,926)
Local Capital	(1,560,000)	<b>(1,560,000)</b>	(4,700,372)
<b>Total Net Transfers</b>	<u>(2,125,000)</u>	<u><b>(2,014,407)</b></u>	<u>(6,338,298)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u><b>3,514,377</b></u>	<u>(1,250,050)</u>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>4,080,530</b>	5,330,580
<b>Operating Surplus (Deficit), end of year</b>		<u><b>7,594,907</b></u>	<u>4,080,530</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<u><b>7,594,907</b></u>	<u>4,080,530</u>
<b>Total Operating Surplus (Deficit), end of year</b>		<u><b>7,594,907</b></u>	<u>4,080,530</u>

# School District No. 71 (Comox Valley)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2021

	2021 Budget (Note 17)	2021 Actual	2020 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	90,665,285	<b>92,492,731</b>	83,472,347
ISC/LEA Recovery	(175,262)	<b>(154,961)</b>	(146,001)
Other Ministry of Education Grants			
Pay Equity	451,831	<b>451,831</b>	451,831
Funding for Graduated Adults	135,000	<b>230,034</b>	167,068
Student Transportation Fund	421,375	<b>421,375</b>	421,375
Carbon Tax Grant			59,287
Employer Health Tax Grant			611,726
Support Staff Benefits Grant	111,041	<b>111,041</b>	77,661
Support Staff Wage Increase Funding			357,738
Teachers' Labour Settlement Funding	2,210,956	<b>2,210,956</b>	912,883
Early Career Mentorship Funding	170,000	<b>170,000</b>	
FSA Scorer Grant	15,964	<b>15,964</b>	15,964
Early Learning Grant	2,677	<b>2,677</b>	32,677
<b>Total Provincial Grants - Ministry of Education</b>	<u>94,008,867</u>	<u><b>95,951,648</b></u>	<u>86,434,556</u>
<b>Provincial Grants - Other</b>	<u>-</u>	<u><b>215,600</b></u>	<u>-</u>
<b>Tuition</b>			
International and Out of Province Students	1,404,000	<b>1,623,154</b>	2,828,612
<b>Total Tuition</b>	<u>1,404,000</u>	<u><b>1,623,154</b></u>	<u>2,828,612</u>
<b>Other Revenues</b>			
Funding from First Nations	175,262	<b>154,961</b>	146,001
Miscellaneous			
Instructional Cafeteria	120,000	<b>55,024</b>	95,991
Other Miscellaneous	396,728	<b>579,397</b>	683,548
<b>Total Other Revenue</b>	<u>691,990</u>	<u><b>789,382</b></u>	<u>925,540</u>
<b>Rentals and Leases</b>	<u>36,000</u>	<u><b>28,527</b></u>	<u>126,505</u>
<b>Investment Income</b>	<u>180,000</u>	<u><b>182,591</b></u>	<u>217,794</u>
<b>Total Operating Revenue</b>	<u><u>96,320,857</u></u>	<u><u><b>98,790,902</b></u></u>	<u><u>90,533,007</u></u>

# School District No. 71 (Comox Valley)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2021

	2021 Budget (Note 17)	2021 Actual	2020 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	39,906,305	<b>39,320,849</b>	35,945,125
Principals and Vice Principals	5,370,410	<b>5,270,358</b>	4,994,211
Educational Assistants	6,306,411	<b>5,921,174</b>	5,605,122
Support Staff	8,539,127	<b>8,127,471</b>	8,050,315
Other Professionals	3,071,031	<b>3,182,317</b>	2,953,909
Substitutes	2,774,695	<b>3,057,669</b>	2,066,415
<b>Total Salaries</b>	<b>65,967,979</b>	<b>64,879,838</b>	59,615,097
<b>Employee Benefits</b>	16,060,813	<b>15,447,539</b>	14,309,070
<b>Total Salaries and Benefits</b>	<b>82,028,792</b>	<b>80,327,377</b>	73,924,167
<b>Services and Supplies</b>			
Services	3,157,357	<b>3,139,062</b>	2,273,147
Student Transportation	2,063,962	<b>1,966,901</b>	1,870,141
Professional Development and Travel	625,260	<b>357,477</b>	488,838
Dues and Fees	83,400	<b>65,158</b>	68,728
Insurance	202,800	<b>199,811</b>	189,321
Supplies	6,303,673	<b>5,198,272</b>	4,918,763
Utilities	2,063,692	<b>2,008,060</b>	1,711,654
<b>Total Services and Supplies</b>	<b>14,500,144</b>	<b>12,934,741</b>	11,520,592
<b>Total Operating Expense</b>	<b>96,528,936</b>	<b>93,262,118</b>	85,444,759

# School District No. 71 (Comox Valley)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	32,066,579	712,267		54,207		2,397,258	35,230,311
1.03 Career Programs	608,316		194,583			7,367	810,266
1.07 Library Services	128,947			697,971		42,813	869,731
1.08 Counselling	1,505,955					3,790	1,509,745
1.10 Special Education	4,119,251	131,708	4,957,505	83,454	187,640	276,229	9,755,787
1.30 English Language Learning	185,797						185,797
1.31 Indigenous Education	275,916	138,856	709,187	116,215	94,108	1,847	1,336,129
1.41 School Administration		4,155,819		1,804,145		162,319	6,122,283
1.62 International and Out of Province Students	430,088	131,708		89,790	224,209	26,070	901,865
1.64 Other			59,899	79,482		3,098	142,479
<b>Total Function 1</b>	<b>39,320,849</b>	<b>5,270,358</b>	<b>5,921,174</b>	<b>2,925,264</b>	<b>505,957</b>	<b>2,920,791</b>	<b>56,864,393</b>
<b>4 District Administration</b>							
4.11 Educational Administration					959,076		959,076
4.40 School District Governance					183,348		183,348
4.41 Business Administration				353,392	969,508		1,322,900
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>353,392</b>	<b>2,111,932</b>	<b>-</b>	<b>2,465,324</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration					550,060		550,060
5.50 Maintenance Operations				4,379,121		136,878	4,515,999
5.52 Maintenance of Grounds				469,694			469,694
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,848,815</b>	<b>550,060</b>	<b>136,878</b>	<b>5,535,753</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration					14,368		14,368
7.70 Student Transportation							-
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,368</b>	<b>-</b>	<b>14,368</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>39,320,849</b>	<b>5,270,358</b>	<b>5,921,174</b>	<b>8,127,471</b>	<b>3,182,317</b>	<b>3,057,669</b>	<b>64,879,838</b>

# School District No. 71 (Comox Valley)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2021 Actual	2021 Budget (Note 17)	2020 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	35,230,311	8,714,852	43,945,163	3,790,698	47,735,861	49,985,594	41,203,578
1.03 Career Programs	810,266	183,866	994,132	287,767	1,281,899	1,256,772	1,090,757
1.07 Library Services	869,731	210,909	1,080,640	363,316	1,443,956	1,595,732	1,522,163
1.08 Counselling	1,509,745	367,017	1,876,762	177	1,876,939	1,844,016	1,912,616
1.10 Special Education	9,755,787	2,358,967	12,114,754	114,275	12,229,029	12,438,480	11,705,887
1.30 English Language Learning	185,797	43,828	229,625	451	230,076	157,870	195,517
1.31 Indigenous Education	1,336,129	316,099	1,652,228	516,667	2,168,895	2,468,573	1,816,816
1.41 School Administration	6,122,283	1,366,093	7,488,376	562,938	8,051,314	7,923,727	7,814,312
1.62 International and Out of Province Students	901,865	204,495	1,106,360	218,278	1,324,638	1,647,674	2,299,938
1.64 Other	142,479	36,595	179,074	148,879	327,953	359,659	311,412
<b>Total Function 1</b>	<b>56,864,393</b>	<b>13,802,721</b>	<b>70,667,114</b>	<b>6,003,446</b>	<b>76,670,560</b>	<b>79,678,097</b>	<b>69,872,996</b>
<b>4 District Administration</b>							
4.11 Educational Administration	959,076	133,878	1,092,954	20,747	1,113,701	1,135,151	1,055,367
4.40 School District Governance	183,348	22,702	206,050	90,317	296,367	356,720	270,133
4.41 Business Administration	1,322,900	286,591	1,609,491	628,966	2,238,457	2,399,364	2,048,593
<b>Total Function 4</b>	<b>2,465,324</b>	<b>443,171</b>	<b>2,908,495</b>	<b>740,030</b>	<b>3,648,525</b>	<b>3,891,235</b>	<b>3,374,093</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	550,060	110,561	660,621	412,555	1,073,176	1,102,798	969,876
5.50 Maintenance Operations	4,515,999	996,467	5,512,466	1,528,679	7,041,145	7,008,492	6,871,636
5.52 Maintenance of Grounds	469,694	92,090	561,784	275,070	836,854	703,825	758,972
5.56 Utilities	-	-	-	2,008,060	2,008,060	2,063,692	1,711,654
<b>Total Function 5</b>	<b>5,535,753</b>	<b>1,199,118</b>	<b>6,734,871</b>	<b>4,224,364</b>	<b>10,959,235</b>	<b>10,878,807</b>	<b>10,312,138</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	14,368	2,529	16,897	5,712	22,609	23,835	21,077
7.70 Student Transportation	-	-	-	1,961,189	1,961,189	2,056,962	1,864,455
<b>Total Function 7</b>	<b>14,368</b>	<b>2,529</b>	<b>16,897</b>	<b>1,966,901</b>	<b>1,983,798</b>	<b>2,080,797</b>	<b>1,885,532</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>64,879,838</b>	<b>15,447,539</b>	<b>80,327,377</b>	<b>12,934,741</b>	<b>93,262,118</b>	<b>96,528,936</b>	<b>85,444,759</b>

# School District No. 71 (Comox Valley)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2021

	2021 Budget (Note 17) \$	2021 Actual \$	2020 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	15,666,343	<b>15,542,834</b>	10,975,777
Other Revenue	844,500	<b>1,467,403</b>	2,484,214
Investment Income	5,500	<b>5,303</b>	14,092
<b>Total Revenue</b>	<b>16,516,343</b>	<b>17,015,540</b>	13,474,083
<b>Expenses</b>			
Instruction	15,319,224	<b>15,346,811</b>	13,123,655
Operations and Maintenance	350,428	<b>350,428</b>	350,428
Transportation and Housing	1,904	<b>1,904</b>	
<b>Total Expense</b>	<b>15,671,556</b>	<b>15,699,143</b>	13,474,083
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>844,787</b>	<b>1,316,397</b>	-
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(844,787)	<b>(1,316,397)</b>	
<b>Total Net Transfers</b>	<b>(844,787)</b>	<b>(1,316,397)</b>	-
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<b>-</b>	<b>-</b>

**School District No. 71 (Comox Valley)**

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>			758,885	838,354			10,533		94,836
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	350,428	308,915			160,000	39,200	188,646	609,052	1,471,710
Other			46,550	1,305,093					
Investment Income			5,114						
	350,428	308,915	51,664	1,305,093	160,000	39,200	188,646	609,052	1,471,710
<b>Less:</b> Allocated to Revenue	350,428	308,915	52,905	1,366,703	160,000	39,200	199,179	549,402	1,471,710
Recovered									94,836
<b>Deferred Revenue, end of year</b>	-	-	<b>757,644</b>	<b>776,744</b>	-	-	-	<b>59,650</b>	-
<b>Revenues</b>									
Provincial Grants - Ministry of Education	350,428	308,915			160,000	39,200	199,179	549,402	1,471,710
Other Revenue			47,791	1,366,703					
Investment Income			5,114						
	350,428	308,915	52,905	1,366,703	160,000	39,200	199,179	549,402	1,471,710
<b>Expenses</b>									
Salaries									
Teachers							22,056		
Principals and Vice Principals							23,095		274,319
Educational Assistants		251,631						280,443	656,810
Support Staff	261,554				125,048	25,544	52		153,852
Substitutes							7,662	329	93,420
	261,554	251,631	-	-	125,048	25,544	52,865	280,772	1,178,401
Employee Benefits	62,773	57,284			28,125	6,174	11,854	65,194	280,309
Services and Supplies	26,101		52,905	1,366,703	6,827	7,482	134,460	203,436	13,000
	350,428	308,915	52,905	1,366,703	160,000	39,200	199,179	549,402	1,471,710
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

**School District No. 71 (Comox Valley)**

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

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School Grant	Federal Safe Return to Class Fund	Professional Development	CVCF Student Travel
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>			1,904	28,500	10,362			105,239	15,523
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	8,118,102	100,703	2,891	52,000	25,000	615,365	3,600,539		
Other								78,763	21,773
Investment Income									189
	8,118,102	100,703	2,891	52,000	25,000	615,365	3,600,539	78,763	21,962
<b>Less:</b> Allocated to Revenue	8,118,102	100,703	1,904	9,043	18,344	615,365	3,600,539	52,296	802
Recovered									
<b>Deferred Revenue, end of year</b>	-	-	<b>2,891</b>	<b>71,457</b>	<b>17,018</b>	-	-	<b>131,706</b>	<b>36,683</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	8,118,102	100,703	1,904	9,043	18,344	615,365	3,600,539		
Other Revenue								52,296	613
Investment Income									189
	8,118,102	100,703	1,904	9,043	18,344	615,365	3,600,539	52,296	802
<b>Expenses</b>									
Salaries									
Teachers	6,458,952						1,218,823		
Principals and Vice Principals								78,387	
Educational Assistants									
Support Staff						267,968	335,209		
Substitutes	5,118	60,751			14,015		51,404		
	6,464,070	60,751	-	-	14,015	267,968	1,683,823	-	-
Employee Benefits	1,654,032	7,399			2,475	64,312	411,852		
Services and Supplies		32,553	1,904	9,043	1,854	154,640	316,912	52,296	802
	8,118,102	100,703	1,904	9,043	18,344	486,920	2,412,587	52,296	802
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	128,445	1,187,952	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased						(128,445)	(1,187,952)		
	-	-	-	-	-	(128,445)	(1,187,952)	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-



# School District No. 71 (Comox Valley)

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

	<u>TOTAL</u>
	\$
<b>Deferred Revenue, beginning of year</b>	1,864,136
<b>Add:</b> Restricted Grants	
Provincial Grants - Ministry of Education	15,642,551
Other	1,452,179
Investment Income	5,303
	<u>17,100,033</u>
<b>Less:</b> Allocated to Revenue	17,015,540
Recovered	94,836
<b>Deferred Revenue, end of year</b>	<u><b>1,853,793</b></u>
<b>Revenues</b>	
Provincial Grants - Ministry of Education	15,542,834
Other Revenue	1,467,403
Investment Income	5,303
	<u>17,015,540</u>
<b>Expenses</b>	
Salaries	
Teachers	7,699,831
Principals and Vice Principals	297,414
Educational Assistants	1,267,271
Support Staff	1,169,227
Substitutes	232,699
	<u>10,666,442</u>
Employee Benefits	2,651,783
Services and Supplies	2,380,918
	<u>15,699,143</u>
<b>Net Revenue (Expense) before Interfund Transfers</b>	<u>1,316,397</u>
<b>Interfund Transfers</b>	
Tangible Capital Assets Purchased	(1,316,397)
	<u>(1,316,397)</u>
<b>Net Revenue (Expense)</b>	<u><u>-</u></u>

# School District No. 71 (Comox Valley)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2021

	2021	2021 Actual			2020
	Budget (Note 17)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Investment Income	35,000		25,571	25,571	119,654
Gain (Loss) on Disposal of Tangible Capital Assets		399,000		399,000	-
Amortization of Deferred Capital Revenue	4,147,320	4,345,125		4,345,125	4,148,666
<b>Total Revenue</b>	<u>4,182,320</u>	<u>4,744,125</u>	<u>25,571</u>	<u>4,769,696</u>	<u>4,268,320</u>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	5,771,997	6,187,826		6,187,826	5,736,102
Debt Services					
Capital Lease Interest				-	456
<b>Total Expense</b>	<u>5,771,997</u>	<u>6,187,826</u>	<u>-</u>	<u>6,187,826</u>	<u>5,736,558</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(1,589,677)</u>	<u>(1,443,701)</u>	<u>25,571</u>	<u>(1,418,130)</u>	<u>(1,468,238)</u>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	1,409,787	1,770,804		1,770,804	1,637,926
Local Capital	1,560,000		1,560,000	1,560,000	4,700,372
<b>Total Net Transfers</b>	<u>2,969,787</u>	<u>1,770,804</u>	<u>1,560,000</u>	<u>3,330,804</u>	<u>6,338,298</u>
<b>Other Adjustments to Fund Balances</b>					
District Portion of Proceeds on Disposal		(399,000)	399,000	-	
Tangible Capital Assets Purchased from Local Capital		3,304,074	(3,304,074)	-	
Tangible Capital Assets WIP Purchased from Local Capital		1,000,000	(1,000,000)	-	
<b>Total Other Adjustments to Fund Balances</b>		<u>3,905,074</u>	<u>(3,905,074)</u>	<u>-</u>	
<b>Total Capital Surplus (Deficit) for the year</b>	<u>1,380,110</u>	<u>4,232,177</u>	<u>(2,319,503)</u>	<u>1,912,674</u>	<u>4,870,060</u>
<b>Capital Surplus (Deficit), beginning of year</b>		<u>33,114,615</u>	<u>6,530,257</u>	<u>39,644,872</u>	<u>34,774,812</u>
<b>Capital Surplus (Deficit), end of year</b>		<u>37,346,792</u>	<u>4,210,754</u>	<u>41,557,546</u>	<u>39,644,872</u>

# School District No. 71 (Comox Valley)

Tangible Capital Assets  
Year Ended June 30, 2021

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	14,151,889	202,533,529	4,090,575	1,721,803	-	3,294,393	<b>225,792,189</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,372,146	1,439,820				<b>2,811,966</b>
Deferred Capital Revenue - Other		907,656	11,285				<b>918,941</b>
Operating Fund			77,046	191,651		185,710	<b>454,407</b>
Special Purpose Funds		324,056	844,236			148,105	<b>1,316,397</b>
Local Capital		1,573,918	173,014	154,622		1,402,520	<b>3,304,074</b>
Transferred from Work in Progress		88,579	127,338				<b>215,917</b>
	-	4,266,355	2,672,739	346,273	-	1,736,335	<b>9,021,702</b>
Decrease:							
Disposed of		531,133					<b>531,133</b>
Deemed Disposals				30,539		272,225	<b>302,764</b>
	-	531,133	-	30,539	-	272,225	<b>833,897</b>
<b>Cost, end of year</b>	14,151,889	206,268,751	6,763,314	2,037,537	-	4,758,503	<b>233,979,994</b>
<b>Work in Progress, end of year</b>		28,123,110	16,764				<b>28,139,874</b>
<b>Cost and Work in Progress, end of year</b>	14,151,889	234,391,861	6,780,078	2,037,537	-	4,758,503	<b>262,119,868</b>
<b>Accumulated Amortization, beginning of year</b>		91,594,889	427,861	533,578	-	1,123,255	<b>93,679,583</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		4,651,874	542,695	187,967		805,290	<b>6,187,826</b>
Decrease:							
Disposed of		531,133					<b>531,133</b>
Deemed Disposals				30,539		272,225	<b>302,764</b>
		531,133	-	30,539	-	272,225	<b>833,897</b>
<b>Accumulated Amortization, end of year</b>		95,715,630	970,556	691,006	-	1,656,320	<b>99,033,512</b>
<b>Tangible Capital Assets - Net</b>	<b>14,151,889</b>	<b>138,676,231</b>	<b>5,809,522</b>	<b>1,346,531</b>	<b>-</b>	<b>3,102,183</b>	<b>163,086,356</b>

**School District No. 71 (Comox Valley)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2021

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	10,781,409	127,338			<b>10,908,747</b>
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	16,340,280	16,764			<b>16,357,044</b>
Deferred Capital Revenue - Other	90,000				<b>90,000</b>
Local Capital	1,000,000				<b>1,000,000</b>
	<u>17,430,280</u>	<u>16,764</u>	-	-	<u><b>17,447,044</b></u>
Decrease:					
Transferred to Tangible Capital Assets	88,579	127,338			<b>215,917</b>
	<u>88,579</u>	<u>127,338</u>	-	-	<u><b>215,917</b></u>
<b>Net Changes for the Year</b>	<u>17,341,701</u>	<u>(110,574)</u>	-	-	<u><b>17,231,127</b></u>
<b>Work in Progress, end of year</b>	<u><b>28,123,110</b></u>	<u><b>16,764</b></u>	-	-	<u><b>28,139,874</b></u>

# School District No. 71 (Comox Valley)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
<b>Deferred Capital Revenue, beginning of year</b>	\$ 94,992,813	\$ 4,005,181	\$	\$ 98,997,994
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,811,966	903,941	15,000	3,730,907
Transferred from Work in Progress	127,338	88,579		215,917
	<u>2,939,304</u>	<u>992,520</u>	<u>15,000</u>	<u>3,946,824</u>
Decrease:				
Amortization of Deferred Capital Revenue	4,195,640	149,297	188	4,345,125
	<u>4,195,640</u>	<u>149,297</u>	<u>188</u>	<u>4,345,125</u>
<b>Net Changes for the Year</b>	<u>(1,256,336)</u>	<u>843,223</u>	<u>14,812</u>	<u>(398,301)</u>
<b>Deferred Capital Revenue, end of year</b>	<u>93,736,477</u>	<u>4,848,404</u>	<u>14,812</u>	<u>98,599,693</u>
<b>Work in Progress, beginning of year</b>	10,820,168	88,579		10,908,747
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	16,357,044		90,000	16,447,044
	<u>16,357,044</u>	<u>-</u>	<u>90,000</u>	<u>16,447,044</u>
Decrease				
Transferred to Deferred Capital Revenue	127,338	88,579		215,917
	<u>127,338</u>	<u>88,579</u>	<u>-</u>	<u>215,917</u>
<b>Net Changes for the Year</b>	<u>16,229,706</u>	<u>(88,579)</u>	<u>90,000</u>	<u>16,231,127</u>
<b>Work in Progress, end of year</b>	<u>27,049,874</u>	<u>-</u>	<u>90,000</u>	<u>27,139,874</u>
<b>Total Deferred Capital Revenue, end of year</b>	<u>120,786,351</u>	<u>4,848,404</u>	<u>104,812</u>	<u>125,739,567</u>

# School District No. 71 (Comox Valley)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>			804,689		90,000	<b>894,689</b>
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	19,169,010					<b>19,169,010</b>
Provincial Grants - Other			99,252			<b>99,252</b>
Other					15,000	<b>15,000</b>
MEd Restricted Portion of Proceeds on Disposal		301,000				<b>301,000</b>
	19,169,010	301,000	99,252	-	15,000	<b>19,584,262</b>
Decrease:						
Transferred to DCR - Capital Additions	2,811,966		903,941		15,000	<b>3,730,907</b>
Transferred to DCR - Work in Progress	16,357,044				90,000	<b>16,447,044</b>
	19,169,010	-	903,941	-	105,000	<b>20,177,951</b>
<b>Net Changes for the Year</b>	-	301,000	(804,689)	-	(90,000)	<b>(593,689)</b>
<b>Balance, end of year</b>	-	<b>301,000</b>	-	-	-	<b>301,000</b>