

Audited Financial Statements of

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

And Independent Auditors' Report thereon

June 30, 2023

# School District No. 71 (Comox Valley)

June 30, 2023

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# School District No. 71 (Comox Valley)

## MANAGEMENT REPORT

Version: 6534-5788-3806

### 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.

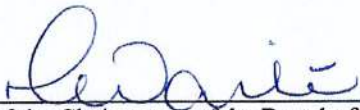
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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.

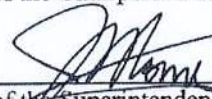
The Board of Education of School District No. 71 (Comox Valley) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements 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

*Sept 26, 2023*  
\_\_\_\_\_  
Date Signed

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

*Sept 26, 2023*  
\_\_\_\_\_  
Date Signed

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

*September 26, 2023*  
\_\_\_\_\_  
Date Signed



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 71 (Comox Valley), and  
To the Minister of Education and Child Care, 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, 2023
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements of the Entity as at and for the year ended June 30, 2023 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### **Basis for Opinion**

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

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

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

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

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

Our opinion is not modified in respect of this matter.



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

We draw attention to Note 24 to the financial statements which explains that certain comparative information presented for the year ended June 30, 2022 has been restated. Note 24 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

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

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

### ***Other Information***

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

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

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

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

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

We have nothing to report in this regard.

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

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

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

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



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

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

Chartered Professional Accountants

Victoria, Canada  
September 26, 2023



# School District No. 71 (Comox Valley)

Statement 1

Statement of Financial Position

As at June 30, 2023

	2023 Actual	2022 Actual (Restated)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 3)	35,126,905	31,970,281
Accounts Receivable		
Due from Province - Ministry of Education and Child Care (Note 4)	139,896	894,884
Other (Note 4)	524,167	439,487
<b>Total Financial Assets</b>	<u>35,790,968</u>	<u>33,304,652</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	4,240	
Other (Note 5)	12,854,176	10,945,117
Unearned Revenue (Note 6)	2,395,867	2,322,998
Deferred Revenue (Note 7)	2,178,273	1,961,911
Deferred Capital Revenue (Note 8)	134,881,075	133,325,941
Employee Future Benefits (Note 9)	4,013,110	3,988,054
Asset Retirement Obligation (Note 22)	13,407,719	13,407,719
<b>Total Liabilities</b>	<u>169,734,460</u>	<u>165,951,740</u>
<b>Net Debt</b>	<u>(133,943,492)</u>	<u>(132,647,088)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11)	173,529,767	169,342,864
Prepaid Expenses	1,017,137	1,073,069
<b>Total Non-Financial Assets</b>	<u>174,546,904</u>	<u>170,415,933</u>
<b>Accumulated Surplus (Deficit) (Note 19)</b>	<u>40,603,412</u>	<u>37,768,845</u>
<b>Accumulated Surplus (Deficit) is comprised of:</b>		
Accumulated Surplus (Deficit) from Operations	40,603,412	37,768,845
Accumulated Remeasurement Gains (Losses)	<u>40,603,412</u>	<u>37,768,845</u>

Contractual Obligations (Note 15)

Contingent Liabilities (Note 16)

Approved by the Board

Signature of the Chairperson of the Board of Education

Sept 26, 2023  
Date Signed

Signature of the Superintendent

Sept 26, 2023  
Date Signed

Signature of the Secretary Treasurer

September 26, 2023  
Date Signed

# School District No. 71 (Comox Valley)

Statement 2

Statement of Operations  
Year Ended June 30, 2023

	2023 Budget (Note 17) \$	2023 Actual \$	2022 Actual (Restated) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	122,529,182	<b>123,222,591</b>	113,491,638
Other	217,000	<b>231,500</b>	275,900
Tuition	2,976,750	<b>2,976,038</b>	2,959,945
Other Revenue	2,309,722	<b>3,536,854</b>	2,967,587
Rentals and Leases	130,000	<b>169,031</b>	62,125
Investment Income	954,793	<b>1,023,715</b>	215,895
Amortization of Deferred Capital Revenue	5,476,854	<b>5,482,063</b>	4,912,708
<b>Total Revenue</b>	<u>134,594,301</u>	<u><b>136,641,792</b></u>	<u>124,885,798</u>
<b>Expenses (Note 18)</b>			
Instruction	107,311,038	<b>105,820,277</b>	96,557,584
District Administration	4,503,261	<b>4,103,220</b>	3,792,981
Operations and Maintenance	21,222,602	<b>21,132,320</b>	20,181,346
Transportation and Housing	2,715,511	<b>2,751,408</b>	2,451,412
<b>Total Expense</b>	<u>135,752,412</u>	<u><b>133,807,225</b></u>	<u>122,983,323</u>
<b>Surplus (Deficit) for the year</b>	<u>(1,158,111)</u>	<u><b>2,834,567</b></u>	<u>1,902,475</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>37,768,845</b>	35,866,370
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><b>40,603,412</b></u>	<u>37,768,845</u>



# School District No. 71 (Comox Valley)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2023

	2023 Budget (Note 17) \$	2023 Actual \$	2022 Actual (Restated) \$
<b>Surplus (Deficit) for the year</b>	(1,158,111)	<b>2,834,567</b>	1,902,475
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(8,433,328)	<b>(12,315,565)</b>	(13,381,413)
Amortization of Tangible Capital Assets	8,053,479	<b>8,128,662</b>	7,246,541
<b>Total Effect of change in Tangible Capital Assets</b>	(379,849)	<b>(4,186,903)</b>	(6,134,872)
Acquisition of Prepaid Expenses		<b>(1,017,137)</b>	(1,073,069)
Use of Prepaid Expenses		<b>1,073,069</b>	925,803
<b>Total Effect of change in Other Non-Financial Assets</b>	-	<b>55,932</b>	(147,266)
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>(1,537,960)</u>	<b>(1,296,404)</b>	(4,379,663)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>(1,296,404)</b>	(4,379,663)
<b>Net Debt, beginning of year</b>		<b>(132,647,088)</b>	(128,267,425)
<b>Net Debt, end of year</b>		<b>(133,943,492)</b>	(132,647,088)

# School District No. 71 (Comox Valley)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2023

	2023 Actual	2022 Actual (Restated)
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	2,834,567	1,902,475
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	670,308	820,591
Prepaid Expenses	55,932	(147,266)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,913,299	(2,730,759)
Unearned Revenue	72,869	93,302
Deferred Revenue	216,362	108,118
Employee Future Benefits	25,056	(61,224)
Amortization of Tangible Capital Assets	8,128,662	7,246,541
Amortization of Deferred Capital Revenue	(5,482,063)	(4,912,708)
<b>Total Operating Transactions</b>	<u>8,434,992</u>	<u>2,319,070</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(8,322,366)	(13,109,550)
Tangible Capital Assets -WIP Purchased	(3,993,199)	(271,863)
<b>Total Capital Transactions</b>	<u>(12,315,565)</u>	<u>(13,381,413)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	7,037,197	12,198,082
<b>Total Financing Transactions</b>	<u>7,037,197</u>	<u>12,198,082</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>3,156,624</b>	<b>1,135,739</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<u>31,970,281</u>	<u>30,834,542</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>35,126,905</u>	<u>31,970,281</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>35,126,905</u>	<u>31,970,281</u>
	<u>35,126,905</u>	<u>31,970,281</u>
Supplementary Cash Flow Information (Note 23)		

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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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 and Child Care. School District No. 71 (Comox Valley) is exempt from federal and provincial corporate income taxes.

**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(n).

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

As noted in notes 2(e) and 2(n), 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.

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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

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 (n).

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.

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, 2023 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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

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) Asset Retirement Obligations

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

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

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The liability includes costs for the removal of asbestos and other hazardous material in several of the buildings owned by the School District. The estimate of the asset retirement obligations includes costs directly attributable to the asset retirement activities. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see note 2 j). The carrying value of the liability is reviewed at each financial reporting date with changes to the timing or amount of the original estimate of cash flows recorded as an adjustment to the liability and related tangible capital asset.

i) Liability for Contaminated Sites

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

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School District:
  - is directly responsible; or
  - accepts responsibility;
- 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, 2023**

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

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the assets. Cost also includes overhead directly attributable to construction 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, 2023**

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

k) 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.

l) Prepaid Expenses

Payments for insurance, subscriptions, software, 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.

m) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers between various funds and reserves are adjusted in the respective fund and recorded. (see Note 19 – Accumulated Surplus).

n) Revenue Recognition

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

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

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

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



**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(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.

o) Expenditures

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

Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals/Vice-Principals.
  
- Superintendent, Deputy 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 indigenous education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**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 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.

q) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 2 requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, asset retirement obligations, 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, 2023**

**NOTE 3 CASH AND CASH EQUIVALENTS**

	2023	2022
School Generated Funds	\$ 836,830	\$ 793,177
District Funds	18,774,056	17,241,312
Restricted Funds - Teacher Salary Deferral Program	151,204	216,712
BC Ministry of Finance Central Deposit Program	15,364,815	13,719,080
	\$ 35,126,905	\$ 31,970,281

**NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2023	2022
Due from Federal Government	\$ 139,896	\$ 894,884
Other	524,167	439,487
	\$ 664,063	\$ 1,334,371

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

	2023	2022
Trade payables	\$ 1,908,782	\$ 1,322,890
Salaries and benefits payable	3,463,553	3,097,723
Accrued vacation payable	486,090	468,778
Other	6,995,751	6,055,726
	\$ 12,854,176	\$ 10,945,117

**NOTE 6 UNEARNED REVENUE**

	2023	2022
Balance, beginning of year	\$ 2,322,998	\$ 2,229,696
Tuition fees received	3,048,907	3,053,247
Tuition fees recognized	(2,976,038)	(2,959,945)
Balance, end of year	\$ 2,395,867	\$ 2,322,998

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 7      DEFERRED REVENUE**

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

	<b>2023</b>	<b>2022</b>
Balance, beginning of year	\$      1,961,911	\$      1,853,793
Grants received:		
Provincial Grants - Ministry of Education	15,916,650	13,758,332
School Generated Funds	2,721,968	2,214,899
Other	30,080	6,176
Subtotal	18,668,698	15,979,407
Revenue recognized:	(18,445,226)	(15,871,289)
Revenue recovered:	(7,110)	-
Subtotal	(18,452,336)	(15,871,289)
Balance, end of year	\$      2,178,273	\$      1,961,911

**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.

	<b>2023</b>	<b>2022</b>
<b><u>Deferred capital revenue - subject to amortization</u></b>		
Balance, beginning of year	\$      129,051,750	\$      98,599,693
Provincial Grants - Ministry of Education	3,865,223	8,224,891
Transfer in from deferred revenue - WIP	140,673	27,139,874
Amortization of deferred capital revenue	(5,482,063)	(4,912,708)
Balance, end of year	\$      127,575,583	\$      129,051,750

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

	2023	2022
<b><u>Deferred capital revenue - subject to amortization</u></b>		
Balance, beginning of year	\$ 129,051,750	\$ 98,599,693
Provincial Grants - Ministry of Education	3,865,223	8,224,891
Transfer in from deferred revenue - WIP	140,673	27,139,874
Amortization of deferred capital revenue	(5,482,063)	(4,912,708)
Balance, end of year	\$ 127,575,583	\$ 129,051,750
	2023	2022
<b><u>Deferred capital revenue - work in progress</u></b>		
Work in progress, beginning of year	\$ 271,863	\$ 27,139,874
Transfer in from deferred capital revenue - Unspent	3,993,199	271,863
Transfer to deferred capital revenue	(140,673)	(27,139,874)
Balance, end of year	\$ 4,124,389	\$ 271,863
	2023	2022
<b><u>Deferred capital revenue - unspent</u></b>		
Unspent deferred capital revenue, beginning of year	\$ 4,002,328	\$ 301,000
Provincial Grants - Ministry of Education	3,788,912	8,365,564
Provincial Grants - Other	3,248,285	3,832,518
Transfer to deferred capital revenue	(3,865,223)	(8,224,891)
Transfer to deferred capital revenue - work in progress	(3,993,199)	(271,863)
Balance, end of year	\$ 3,181,103	\$ 4,002,328
 Total deferred capital revenue balance, end of year	 \$ 134,881,075	 \$ 133,325,941

**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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

	2023	2022
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation - April 1	\$ 3,352,421	\$ 3,238,936
Service Cost	306,299	287,503
Interest Cost	110,629	83,548
Benefit Payments	(244,558)	(172,231)
Increase (Decrease) in obligation due to Plan Amendment	0	(141,960)
Actuarial (Gain) Loss	(276,250)	56,625
Accrued Benefit Obligation - March 31	<u>\$ 3,248,541</u>	<u>\$ 3,352,421</u>

	2023	2022
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	\$ 3,248,541	\$ 3,352,421
Funded Status - Surplus (Deficit)	(3,248,541)	(3,352,421)
Employer Contributions after Measurement Date	39,567	12,926
Benefits Expense After Measurement Date	(108,837)	(104,232)
Unamortized Net Actuarial (Gain) Loss	(695,300)	(544,327)
Accrued Benefit Asset (Liability) - June 30	<u>\$ (4,013,110)</u>	<u>\$ (3,988,054)</u>

<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) - July 1	\$ 3,988,055	\$ 4,049,278
Net Expense for Fiscal Year	296,254	85,886
Employer Contributions	(271,199)	(147,110)
Accrued Benefit Liability (Asset) - June 30	<u>\$ 4,013,110</u>	<u>\$ 3,988,054</u>

<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 305,081	\$ 292,202
Interest Cost	116,451	90,318
Immediate Recognition of Plan Amendment		(141,960)
Amortization of Net Actuarial (Gain)/Loss	(125,278)	(154,674)
Net Benefit Expense (Income)	<u>\$ 296,254</u>	<u>\$ 85,886</u>

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

	June 30, 2023	June 30, 2022
Discount Rate - April 1	3.25%	2.25%
Discount Rate - March 31	4.00%	3.25%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.3 years	9.3 years

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**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.

Thus, there was no corresponding interest expense for the years ending 2022 and 2023.

**NOTE 11 TANGIBLE CAPITAL ASSETS**

	June 30, 2022	
<b>Net Book Value:</b>	<b>June 30, 2023</b>	<b>as restated</b>
Sites	<b>\$ 14,800,889</b>	<b>\$ 14,800,889</b>
Buildings	<b>146,686,756</b>	<b>142,977,656</b>
Furniture & Equipment	<b>7,375,228</b>	<b>6,396,771</b>
Vehicles	<b>1,308,852</b>	<b>1,366,800</b>
Computer Hardware	<b>3,358,042</b>	<b>3,800,748</b>
<b>Total</b>	<b>\$ 173,529,767</b>	<b>\$ 169,342,864</b>

**June 30, 2023**

<b>Cost:</b>	<b>Balance at July 1, 2022</b>	<b>Prior Period Adjustment (ARO)</b>	<b>Revised Balance at July 1, 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (WIP)</b>	<b>Balance at June 30, 2023</b>
Sites	\$ 14,800,889	\$ -	\$ 14,800,889	\$ -	\$ -	\$ -	\$ 14,800,889
Buildings	242,892,979	13,407,719	\$ 256,300,698	5,428,191	-	3,987,201	265,716,090
Furniture & Equipment	7,962,968	-	\$ 7,962,968	2,007,294	50,000	5,998	9,926,260
Vehicles	2,153,533	-	\$ 2,153,533	162,011	69,898	-	2,245,646
Computer Hardware	6,379,476	-	\$ 6,379,476	865,543	542,006	-	6,703,013
<b>Total</b>	<b>\$ 274,189,845</b>	<b>\$ 13,407,719</b>	<b>\$ 287,597,564</b>	<b>\$ 8,463,039</b>	<b>\$ 661,904</b>	<b>3,993,199</b>	<b>\$ 299,391,898</b>

**June 30, 2023**

<b>Accumulated Amortization:</b>	<b>Balance at July 1, 2022</b>	<b>Prior Period Adjustment (ARO)</b>	<b>Revised Balance at July 1, 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2023</b>
Sites	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	100,008,797	13,314,245	\$ 113,323,042	5,706,292	-	119,029,334
Furniture & Equipment	1,706,870	-	\$ 1,706,870	894,162	50,000	2,551,032
Vehicles	786,733	-	\$ 786,733	219,959	69,898	936,794
Computer Hardware	2,578,728	-	\$ 2,578,728	1,308,249	542,006	3,344,971
<b>Total</b>	<b>\$ 105,081,128</b>	<b>\$ 13,314,245</b>	<b>\$ 118,395,373</b>	<b>\$ 8,128,662</b>	<b>\$ 661,904</b>	<b>\$ 125,862,131</b>



**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

June 30, 2022

Cost:	Balance at July 1, 2021	Prior Period Adjustment (ARO)	Revised Balance at July 1, 2021	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2022 - restated (see Note 24)
Sites	\$ 14,151,889		\$ 649,000	\$ -	\$ -	\$ -	\$ 14,800,889
Buildings	234,391,861	13,407,719	247,799,580	37,358,584	865,546	27,991,920	256,300,698
Furniture & Equipment	6,780,078		1,199,654	-	-	123,909	8,103,641
Vehicles	2,037,537		229,823	113,827	-	-	2,153,533
Computer Hardware	4,758,503		1,812,363	191,390	-	-	6,379,476
<b>Total</b>	<b>\$262,119,868</b>	<b>\$ 13,407,719</b>	<b>\$ 247,799,580</b>	<b>\$ 41,249,424</b>	<b>\$ 1,170,763</b>	<b>28,115,829</b>	<b>\$ 287,738,237</b>

June 30, 2022

Accumulated Amortization:	Balance at July 1, 2021	Prior Period Adjustment (ARO)	Revised Balance at July 1, 2021	Additions	Disposals	Balance at June 30, 2022 - restated (see Note 24)
Sites	\$ -		\$ -	\$ -	\$ -	\$ -
Buildings	95,715,630	13,314,245	109,029,875	5,158,713	865,546	113,323,042
Furniture & Equipment	970,556		736,314	-	-	1,706,870
Vehicles	691,006		209,554	113,827	-	786,733
Computer Hardware	1,656,320		1,113,798	191,390	-	2,578,728
<b>Total</b>	<b>\$ 99,033,512</b>	<b>\$ 13,314,245</b>	<b>\$ 109,029,875</b>	<b>\$ 7,218,379</b>	<b>\$ 1,170,763</b>	<b>\$ 118,395,373</b>

**NOTE 12 DISPOSAL OF SITES AND BUILDINGS**

In the 2016-17 school year, the District entered into a tri-party agreement with the Corporation of the City of Courtenay and the Comox Valley Regional District involving a land swap and the sale of the existing School Board Office. Proceeds were recorded as \$600,000 cash and \$265,000 prepaid rent, resulting in a then gain on disposal. The sale of the School Board Office to the Comox Valley Regional District completed on June 18, 2021. In 2021, the District received proceeds of \$700,000, of which \$600,000 was recorded as cash, and \$100,000 as prepaid rent. The disposed office was funded by both Board and Ministry of Education funds. Thus, a portion of the cash proceeds were recorded in 2021 as Ministry of Education Restricted Capital in the amount of \$301,000. The Prepaid Rent began amortization in 2021/22 and will be recorded as such for the life of the 99-year lease agreement.

**NOTE 13 EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2022, the Teachers' Pension Plan has about 50,000 active members and approximately 40,000 retired members. As of December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 from school districts.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 13**      **EMPLOYEE PENSION PLANS** *(continued)*

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 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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The School District paid \$8,826,521 for employer contributions to the plans for the year ended June 30, 2023 (2022: \$8,185,836).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2023. The next valuation for the Municipal Pension Plan will be as at December 31, 2024, with results available in 2025.

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

**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**

Prior to 2023, the School District had 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 has become a liability as the terms of the contracts were met. The Lake Trail Middle School capital project funding agreement finalized with project funding of be \$25,524,753 with an additional risk reserve of \$557,920.

Currently, the School District has entered into multiple-year contracts for the construction of tangible capital assets, specifically three 75 seat childcare facilities funded through the "Childcare BC New Spaces Fund" and a self-funded project for a new Administrative Office.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 15**      **CONTRACTUAL OBLIGATIONS** *(continued)*

The Cumberland childcare facility is nearing completion and will finalize at or under its budget of \$4,160,520. The Glacier View Childcare facilities has funding to a maximum of \$4,047,934 and the Arden Childcare facility has funding to a maximum of \$3,890,906. The projects do not have an unrecorded liability as the funding was adjusted to the contractual cost to complete each project, thus the contractual obligation for the three projects totals \$12,099,360.

The Administrative Office project located at 2488 Idiens Way Courtenay is projected to cost \$8,900,000 which includes the contractual obligations to finish the project and a 10% contingency. Note 19 states that as of June 2023, the Board has allocated \$5,485,967 in Local Capital for the project. With an additional \$1,200,000 allocated to the Board Office Project in “Internally Restricted for Unusual Expenses” plus the \$750,000 anticipated to be allocated in each of the two upcoming fiscals, the allocated funding for the project is \$8,185,967. The District has not recorded a liability because the project is self-funded. Staff anticipates being able to transfer an additional \$750,000 in the 23/24 Amended Budget, thus the project will be fully funded. Alternatively, if the available funding is less than anticipated, the scope of the project will be reduced.

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. The District has extended the contract an additional 3 years including escalation. Contractual costs have been estimated and incrementally increased by a minimum of 5% annually based on the extended contract terms.

	2023		2024		2025
Transportation Contract	\$ 2,543,341	\$	2,670,508	\$	2,804,033

**NOTE 16**      **CONTINGENT LIABILITIES**

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

**NOTE 17**      **BUDGET FIGURES**

Budget figures were approved by the Board through the adoption of an amended annual budget on February 28, 2023. Differences between the amended and original budget adopted May 24, 2022 are presented below:

	AMENDED Annual Budget		Preliminary (Annual) Budget		Change
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	\$ 122,529,182	\$	115,388,252	\$	(7,140,930)
Other	217,000		160,000		(57,000)
Tuition	2,976,750		2,736,750		(240,000)
Other Revenue	2,309,722		1,940,461		(369,261)
Rentals and Leases	130,000		120,000		(10,000)
Investment Income	954,793		190,100		(764,693)
Amortization of Deferred Capital Revenue	5,476,854		5,306,029		(170,825)
<b>Total Revenue</b>	<b>\$ 134,594,301</b>	<b>\$</b>	<b>125,841,592</b>	<b>\$</b>	<b>(8,752,709)</b>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 17**      **BUDGET FIGURES (continued)**

<b>Expenses</b>			
Instruction	\$ 107,311,038	\$ 99,613,564	\$ (7,697,474)
District Administration	4,503,261	4,137,564	(365,697)
Operations and Maintenance	21,222,602	19,697,431	(1,525,171)
Transportation and Housing	2,715,511	2,303,166	(412,345)
<b>Total Expense</b>	<b>\$ 135,752,412</b>	<b>\$ 125,751,725</b>	<b>\$ (10,000,687)</b>
<hr/>			
<b>Net Revenue (Expense)</b>	<b>\$ (1,158,111)</b>	89,867	<b>\$ 1,247,978</b>
<hr/>			
<b>Budgeted Allocation of Surplus</b>	<b>4,679,104</b>	-	<b>(4,679,104)</b>
<hr/>			
<b>Budgeted Surplus (Deficit) for the year</b>	<b>\$ 3,520,993</b>	89,867	<b>\$ (3,431,126)</b>

**NOTE 18**      **EXPENSE BY OBJECT**

	2023	2022 (as restated)
	<hr/>	<hr/>
Salaries and benefits	\$ 106,659,421	\$ 98,212,835
Services and supplies	19,019,142	17,523,947
Amortization	8,128,662	7,246,541
	<hr/>	<hr/>
	<b>\$ 133,807,225</b>	<b>\$ 122,983,323</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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

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

- \$455,369 was transferred from the operating fund to the capital fund for the purchase of capital assets;
- \$88,816 were transferred from the special purpose fund to the capital fund for the purchase of capital assets;
- \$5,541,018 was transferred from the operating fund to local capital.

**ACCUMULATED SURPLUS**

	2023	2022
<b>Operating Fund</b>		
<b>Internally restricted (appropriated):</b>		
Net School Surpluses	\$       2,055	\$       86,291
Pathways to Hope (ICY funding)	205,714	253,235
Indigenous Education	90,921	291,105
Purchase Order Commitments	125,592	309,371
District/Program Initiatives	226,991	242,999
Modulars/Furniture	600,000	676,019
Equipment	295,000	-
Technology	1,035,000	-
Outdoor Classrooms	-	175,000
Board Office Reserve	1,200,000	2,000,000
School Fire Suppression project	-	300,000
Future Capital Project Pre-Engineering & Design	-	50,000
Teacher Mentorship	21,058	88,656
Anti-Racism in Early Care	2,426	6,429
Childcare Facilities	-	200,000
Subtotal (internally restricted)	\$   3,804,757	\$   4,679,104
<b>Unrestricted operating surplus</b>	2,146,443	2,063,748
Total available for future operations	\$   5,951,200	\$   6,742,852
<b>Capital Fund</b>		
Invested in tangible capital assets	\$   28,422,079	\$   26,611,535
Local Capital	6,230,133	4,414,458
	\$   34,652,212	\$   31,025,993
<b>Total Accumulated Surplus</b>	\$   40,603,412	\$   37,768,845

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

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

Board Office Project	5,485,965
Fine Arts Equipment	10,888
Copier and Printer Fleet Replacement	21,719
Facility & IT Reserves	639,544
Classroom Renovations	72,017
	<u>\$ 6,230,133</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, 2023**

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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 2021 related to credit, market or liquidity risks.

**NOTE 22 ASSET RETIREMENT OBLIGATION**

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022 (see Note 24 – Prior Period Adjustment – Change in Accounting Policy). The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets’ carrying value and are amortized over the assets’ estimated useful lives.

	<b>2023</b>
Asset Retirement Obligation, July 1, 2021 (See Note 24)	\$ 13,407,719
Settlements during the year	-
Asset Retirement Obligation, closing balance, July 1, 2022	\$ 13,407,719



**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 23 SUPPLEMENTARY CASH FLOW INFORMATION**

Interest collected and paid during the year was as follows:

	2023	2022
Interest collected	\$ 806,020	\$ 215,895
Interest paid	-	-

**NOTE 24 PRIOR PERIOD ADJUSTMENT – CHANGE IN ACCOUNTING POLICY**

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future (see Note 22). This standard was adopted using the modified retroactive approach.

On July 1, 2022 the School District recognized an asset retirement obligation relating to several owned buildings that contain asbestos and other hazardous materials. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The associated costs have been reported as an increase to the carrying value of the associated tangible capital assets. Accumulated amortization has been recorded from the later of, the date of acquisition of the related asset or April 1, 1988.

**Note: The comparative annual budget figures reflected in the 2022-2023 Financial Statements have been restated to reflect the prior period adjustment noted above.**

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

	Increase (Decrease)
Asset Retirement Obligation (liability)	\$13,407,719
Tangible Capital Assets – cost	\$ 13,407,719
Tangible Capital Assets – accumulated amortization	\$ 13,314,245
Operations & Maintenance Expense – Asset amortization (2022)	\$ 28,162
Accumulated Surplus – Invested in Capital Assets	(\$13,314,245)

# School District No. 71 (Comox Valley)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2023

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual (Restated)
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	6,742,852		31,025,993	<b>37,768,845</b>	49,152,453
Prior Period Adjustments					(13,286,083)
<b>Accumulated Surplus (Deficit), beginning of year, as restated</b>	<b>6,742,852</b>	-	<b>31,025,993</b>	<b>37,768,845</b>	35,866,370
<b>Changes for the year</b>					
Surplus (Deficit) for the year	5,204,735	88,816	(2,458,984)	<b>2,834,567</b>	1,902,475
Interfund Transfers					
Tangible Capital Assets Purchased	(455,369)	(88,816)	544,185	-	
Local Capital	(5,541,018)		5,541,018	-	
<b>Net Changes for the year</b>	<b>(791,652)</b>	-	<b>3,626,219</b>	<b>2,834,567</b>	<b>1,902,475</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>5,951,200</b>	-	<b>34,652,212</b>	<b>40,603,412</b>	37,768,845

# School District No. 71 (Comox Valley)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget (Note 17) \$	2023 Actual \$	2022 Actual (Restated) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	106,699,641	<b>107,487,074</b>	99,840,808
Other	217,000	<b>231,500</b>	275,900
Tuition	2,976,750	<b>2,976,038</b>	2,959,945
Other Revenue	835,222	<b>857,225</b>	752,926
Rentals and Leases	130,000	<b>169,031</b>	62,125
Investment Income	653,693	<b>806,020</b>	131,128
<b>Total Revenue</b>	<b>111,512,306</b>	<b>112,526,888</b>	<b>104,022,832</b>
<b>Expenses</b>			
Instruction	90,429,153	<b>87,875,849</b>	81,237,021
District Administration	4,503,261	<b>4,103,220</b>	3,792,981
Operations and Maintenance	12,818,629	<b>12,653,164</b>	12,434,018
Transportation and Housing	2,628,349	<b>2,689,920</b>	2,401,473
<b>Total Expense</b>	<b>110,379,392</b>	<b>107,322,153</b>	<b>99,865,493</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>1,132,914</b>	<b>5,204,735</b>	<b>4,157,339</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>4,679,104</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(271,000)	<b>(455,369)</b>	(1,029,394)
Local Capital	(5,541,018)	<b>(5,541,018)</b>	(3,980,000)
<b>Total Net Transfers</b>	<b>(5,812,018)</b>	<b>(5,996,387)</b>	<b>(5,009,394)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(791,652)</b>	<b>(852,055)</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>6,742,852</b>	7,594,907
<b>Operating Surplus (Deficit), end of year</b>		<b>5,951,200</b>	6,742,852
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>3,804,757</b>	4,679,104
Unrestricted		<b>2,146,443</b>	2,063,748
<b>Total Operating Surplus (Deficit), end of year</b>		<b>5,951,200</b>	6,742,852

# School District No. 71 (Comox Valley)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget (Note 17) \$	2023 Actual \$	2022 Actual (Restated) \$
<b>Provincial Grants - Ministry of Education and Child Care</b>			
Operating Grant, Ministry of Education and Child Care	101,681,310	<b>102,114,478</b>	98,580,744
ISC/LEA Recovery	(181,007)	<b>(123,579)</b>	(176,525)
Other Ministry of Education and Child Care Grants			
Pay Equity	451,831	<b>451,831</b>	451,831
Funding for Graduated Adults	135,000	<b>122,292</b>	165,990
Student Transportation Fund	421,375	<b>421,375</b>	421,375
Support Staff Benefits Grant	112,481	<b>114,269</b>	112,481
FSA Scorer Grant	14,464	<b>14,464</b>	15,964
Early Learning Framework (ELF) Implementation	1,795	<b>1,795</b>	2,677
Labour Settlement Funding	3,852,346	<b>3,951,706</b>	
Equity Scan	2,381	<b>2,381</b>	3,000
Anti-Racism in Early Care	6,429	<b>6,429</b>	6,429
Integrated Child & Youth (ICY) Teams	179,640	<b>409,633</b>	253,235
Extreme Weather			3,607
February 2023 Enrollment Count	21,596		
<b>Total Provincial Grants - Ministry of Education and Child Care</b>	<b>106,699,641</b>	<b>107,487,074</b>	<b>99,840,808</b>
<b>Provincial Grants - Other</b>	<b>217,000</b>	<b>231,500</b>	<b>275,900</b>
<b>Tuition</b>			
International and Out of Province Students	2,976,750	<b>2,976,038</b>	2,959,945
<b>Total Tuition</b>	<b>2,976,750</b>	<b>2,976,038</b>	<b>2,959,945</b>
<b>Other Revenues</b>			
Funding from First Nations	181,007	<b>123,579</b>	176,525
Miscellaneous			
Instructional Cafeteria	120,000	<b>144,780</b>	133,528
Miscellaneous	534,215	<b>588,866</b>	442,873
<b>Total Other Revenue</b>	<b>835,222</b>	<b>857,225</b>	<b>752,926</b>
<b>Rentals and Leases</b>	<b>130,000</b>	<b>169,031</b>	<b>62,125</b>
<b>Investment Income</b>	<b>653,693</b>	<b>806,020</b>	<b>131,128</b>
<b>Total Operating Revenue</b>	<b>111,512,306</b>	<b>112,526,888</b>	<b>104,022,832</b>

# School District No. 71 (Comox Valley)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2023

	2023 Budget (Note 17) \$	2023 Actual \$	2022 Actual (Restated) \$
<b>Salaries</b>			
Teachers	45,884,902	<b>44,491,102</b>	41,439,858
Principals and Vice Principals	5,881,597	<b>5,702,416</b>	5,383,773
Educational Assistants	7,082,391	<b>6,663,788</b>	6,519,542
Support Staff	10,137,916	<b>9,884,924</b>	8,906,698
Other Professionals	3,689,995	<b>3,647,472</b>	3,273,254
Substitutes	3,883,817	<b>4,019,722</b>	3,444,981
<b>Total Salaries</b>	<b>76,560,618</b>	<b>74,409,424</b>	<b>68,968,106</b>
<b>Employee Benefits</b>	<b>18,027,872</b>	<b>17,702,394</b>	<b>16,358,646</b>
<b>Total Salaries and Benefits</b>	<b>94,588,490</b>	<b>92,111,818</b>	<b>85,326,752</b>
<b>Services and Supplies</b>			
Services	3,905,138	<b>3,623,830</b>	3,552,736
Student Transportation	2,600,841	<b>2,665,942</b>	2,377,593
Professional Development and Travel	920,993	<b>965,047</b>	557,753
Rentals and Leases	235,894	<b>210,517</b>	144,588
Dues and Fees	99,444	<b>81,648</b>	84,112
Insurance	220,800	<b>199,522</b>	214,770
Supplies	5,456,834	<b>5,265,639</b>	5,304,874
Utilities	2,350,958	<b>2,198,190</b>	2,302,315
<b>Total Services and Supplies</b>	<b>15,790,902</b>	<b>15,210,335</b>	<b>14,538,741</b>
<b>Total Operating Expense</b>	<b>110,379,392</b>	<b>107,322,153</b>	<b>99,865,493</b>

# School District No. 71 (Comox Valley)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	35,630,839	822,465		52,625		2,934,006	<b>39,439,935</b>
1.03 Career Programs	596,933	43,234	43,562	180,842		14,207	<b>878,778</b>
1.07 Library Services	195,384			748,827		41,673	<b>985,884</b>
1.08 Counselling	1,955,086			34,476	150,330	12,436	<b>2,152,328</b>
1.10 Special Education	4,571,184	198,030	5,622,787	149,236	196,458	358,394	<b>11,096,089</b>
1.30 English Language Learning	271,667			29,343		1,229	<b>302,239</b>
1.31 Indigenous Education	357,868	149,420	997,439	161,832	64,788	9,121	<b>1,740,468</b>
1.41 School Administration		4,341,295		2,025,991		380,777	<b>6,748,063</b>
1.62 International and Out of Province Students	912,141	147,972		151,267	219,175	45,701	<b>1,476,256</b>
1.64 Other				163,288		6,195	<b>169,483</b>
<b>Total Function 1</b>	<b>44,491,102</b>	<b>5,702,416</b>	<b>6,663,788</b>	<b>3,697,727</b>	<b>630,751</b>	<b>3,803,739</b>	<b>64,989,523</b>
<b>4 District Administration</b>							
4.11 Educational Administration					990,664		<b>990,664</b>
4.40 School District Governance					213,844		<b>213,844</b>
4.41 Business Administration				368,892	1,069,320		<b>1,438,212</b>
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>368,892</b>	<b>2,273,828</b>	<b>-</b>	<b>2,642,720</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration					728,360		<b>728,360</b>
5.50 Maintenance Operations				5,267,586		215,983	<b>5,483,569</b>
5.52 Maintenance of Grounds				550,719			<b>550,719</b>
5.56 Utilities							<b>-</b>
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,818,305</b>	<b>728,360</b>	<b>215,983</b>	<b>6,762,648</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration					14,533		<b>14,533</b>
7.70 Student Transportation							<b>-</b>
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,533</b>	<b>-</b>	<b>14,533</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>44,491,102</b>	<b>5,702,416</b>	<b>6,663,788</b>	<b>9,884,924</b>	<b>3,647,472</b>	<b>4,019,722</b>	<b>74,409,424</b>

# School District No. 71 (Comox Valley)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2023 Budget (Note 17)	2022 Actual (Restated)
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	39,439,935	9,350,639	48,790,574	4,074,465	52,865,039	55,138,968	49,760,067
1.03 Career Programs	878,778	211,875	1,090,653	301,196	1,391,849	1,447,879	1,329,102
1.07 Library Services	985,884	284,436	1,270,320	360,856	1,631,176	1,678,624	1,406,334
1.08 Counselling	2,152,328	526,689	2,679,017	13,031	2,692,048	2,657,446	2,108,886
1.10 Special Education	11,096,089	2,700,463	13,796,552	161,737	13,958,289	14,478,305	12,901,522
1.30 English Language Learning	302,239	78,586	380,825	777	381,602	369,016	234,618
1.31 Indigenous Education	1,740,468	431,803	2,172,271	589,850	2,762,121	2,942,513	2,490,532
1.41 School Administration	6,748,063	1,588,609	8,336,672	777,736	9,114,408	8,894,048	8,376,388
1.62 International and Out of Province Students	1,476,256	367,134	1,843,390	777,253	2,620,643	2,426,951	2,195,559
1.64 Other	169,483	44,086	213,569	245,105	458,674	395,403	434,013
<b>Total Function 1</b>	<b>64,989,523</b>	<b>15,584,320</b>	<b>80,573,843</b>	<b>7,302,006</b>	<b>87,875,849</b>	90,429,153	81,237,021
<b>4 District Administration</b>							
4.11 Educational Administration	990,664	196,135	1,186,799	103,659	1,290,458	1,320,078	1,259,398
4.40 School District Governance	213,844	27,943	241,787	143,287	385,074	418,165	288,805
4.41 Business Administration	1,438,212	323,464	1,761,676	666,012	2,427,688	2,765,018	2,244,778
<b>Total Function 4</b>	<b>2,642,720</b>	<b>547,542</b>	<b>3,190,262</b>	<b>912,958</b>	<b>4,103,220</b>	4,503,261	3,792,981
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	728,360	153,862	882,222	434,605	1,316,827	1,366,684	1,213,811
5.50 Maintenance Operations	5,483,569	1,300,131	6,783,700	1,424,057	8,207,757	8,341,033	8,112,916
5.52 Maintenance of Grounds	550,719	113,704	664,423	265,967	930,390	759,954	804,976
5.56 Utilities	-	-	-	2,198,190	2,198,190	2,350,958	2,302,315
<b>Total Function 5</b>	<b>6,762,648</b>	<b>1,567,697</b>	<b>8,330,345</b>	<b>4,322,819</b>	<b>12,653,164</b>	12,818,629	12,434,018
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	14,533	2,835	17,368	6,610	23,978	27,508	23,880
7.70 Student Transportation	-	-	-	2,665,942	2,665,942	2,600,841	2,377,593
<b>Total Function 7</b>	<b>14,533</b>	<b>2,835</b>	<b>17,368</b>	<b>2,672,552</b>	<b>2,689,920</b>	2,628,349	2,401,473
<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>74,409,424</b>	<b>17,702,394</b>	<b>92,111,818</b>	<b>15,210,335</b>	<b>107,322,153</b>	110,379,392	99,865,493



# School District No. 71 (Comox Valley)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

	2023 Budget (Note 17) \$	2023 Actual \$	2022 Actual (Restated) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	15,829,541	<b>15,735,517</b>	13,650,830
Other Revenue	1,474,500	<b>2,679,629</b>	2,214,661
Investment Income	15,500	<b>30,080</b>	5,798
<b>Total Revenue</b>	<b>17,319,541</b>	<b>18,445,226</b>	15,871,289
<b>Expenses</b>			
Instruction	16,881,885	<b>17,944,428</b>	15,320,563
Operations and Maintenance	350,494	<b>350,494</b>	500,787
Transportation and Housing	87,162	<b>61,488</b>	49,939
<b>Total Expense</b>	<b>17,319,541</b>	<b>18,356,410</b>	15,871,289
<b>Special Purpose Surplus (Deficit) for the year</b>	-	<b>88,816</b>	-
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		<b>(88,816)</b>	
<b>Total Net Transfers</b>	-	<b>(88,816)</b>	-
<b>Total Special Purpose Surplus (Deficit) for the year</b>	-	-	-
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		-	-

# School District No. 71 (Comox Valley)

Schedule 3A (Unaudited)

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>		89,957	759,143	768,112			
<b>Add:</b> Restricted Grants							
Provincial Grants - Ministry of Education and Child Care	350,494	357,806			160,000	39,200	414,618
Other			40,345	2,588,182			
Investment Income			30,080				
	350,494	357,806	70,425	2,588,182	160,000	39,200	414,618
<b>Less:</b> Allocated to Revenue	350,494	394,989	57,651	2,539,531	160,000	39,200	414,618
Recovered							
<b>Deferred Revenue, end of year</b>	-	<b>52,774</b>	<b>771,917</b>	<b>816,763</b>	-	-	-
<b>Revenues</b>							
Provincial Grants - Ministry of Education and Child Care	350,494	394,989			160,000	39,200	414,618
Other Revenue			27,571	2,539,531			
Investment Income			30,080				
	350,494	394,989	57,651	2,539,531	160,000	39,200	414,618
<b>Expenses</b>							
Salaries							
Teachers							98,543
Principals and Vice Principals							59,992
Educational Assistants		309,473					
Support Staff	254,496				117,314	28,285	
Substitutes					726		55,138
	254,496	309,473	-	-	118,040	28,285	213,673
Employee Benefits	66,169	85,516			41,960	7,715	38,893
Services and Supplies	29,829		57,651	2,539,531		3,200	162,052
	350,494	394,989	57,651	2,539,531	160,000	39,200	414,618
<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, 2023

	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children
	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	71,788			7,110	9,459	46,773	27,723
<b>Add:</b> Restricted Grants							
Provincial Grants - Ministry of Education and Child Care	615,774	1,526,752	10,892,178	230,521	52,703	51,000	11,250
Other							
Investment Income							
	615,774	1,526,752	10,892,178	230,521	52,703	51,000	11,250
<b>Less:</b> Allocated to Revenue	569,251	1,526,752	10,892,178	230,521	61,488	63,571	29,754
Recovered				7,110			
<b>Deferred Revenue, end of year</b>	<b>118,311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>674</b>	<b>34,202</b>	<b>9,219</b>
<b>Revenues</b>							
Provincial Grants - Ministry of Education and Child Care	569,251	1,526,752	10,892,178	230,521	61,488	63,571	29,754
Other Revenue							
Investment Income							
	569,251	1,526,752	10,892,178	230,521	61,488	63,571	29,754
<b>Expenses</b>							
Salaries							
Teachers			8,544,562	19,193			
Principals and Vice Principals		248,820					
Educational Assistants	321,754	639,776					
Support Staff	56,740	150,860				37,048	
Substitutes	755	143,329		127,080			18,479
	379,249	1,182,785	8,544,562	146,273	-	37,048	18,479
Employee Benefits	102,270	329,567	2,347,616	46,192		11,299	1,323
Services and Supplies	87,732	14,400		38,056	61,488	15,224	9,952
	569,251	1,526,752	10,892,178	230,521	61,488	63,571	29,754
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>							
Tangible Capital Assets Purchased	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 71 (Comox Valley)

Schedule 3A (Unaudited)

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

	Early Childhood Education Dual Credit Program	Student & Family Affordability	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)	Professional Development	CVCF Student Travel	MHIS Resources
	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>					140,062	36,076	5,708
<b>Add:</b> Restricted Grants							
Provincial Grants - Ministry of Education and Child Care	40,000	980,354	19,000	175,000			
Other					66,696	26,745	
Investment Income							
	40,000	980,354	19,000	175,000	66,696	26,745	-
<b>Less:</b> Allocated to Revenue	4,809	798,184	19,000	175,000	77,937	34,590	5,708
Recovered							
<b>Deferred Revenue, end of year</b>	<b>35,191</b>	<b>182,170</b>	<b>-</b>	<b>-</b>	<b>128,821</b>	<b>28,231</b>	<b>-</b>
<b>Revenues</b>							
Provincial Grants - Ministry of Education and Child Care	4,809	798,184	19,000	175,000			5,708
Other Revenue					77,937	34,590	
Investment Income							
	4,809	798,184	19,000	175,000	77,937	34,590	5,708
<b>Expenses</b>							
Salaries							
Teachers							
Principals and Vice Principals				141,850			
Educational Assistants							
Support Staff		34,852					
Substitutes			14,250				
	-	34,852	14,250	141,850	-	-	-
Employee Benefits		10,187	4,750	30,831			
Services and Supplies	4,809	664,329		2,319	77,937	34,590	5,708
	4,809	709,368	19,000	175,000	77,937	34,590	5,708
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>-</b>	<b>88,816</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>							
Tangible Capital Assets Purchased		(88,816)					
	-	(88,816)	-	-	-	-	-
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 71 (Comox Valley)

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

	<u>TOTAL</u>
	\$
<b>Deferred Revenue, beginning of year</b>	1,961,911
<b>Add:</b> Restricted Grants	
Provincial Grants - Ministry of Education and Child Care	15,916,650
Other	2,721,968
Investment Income	<u>30,080</u>
	18,668,698
<b>Less:</b> Allocated to Revenue	18,445,226
Recovered	<u>7,110</u>
<b>Deferred Revenue, end of year</b>	<u><u>2,178,273</u></u>
<b>Revenues</b>	
Provincial Grants - Ministry of Education and Child Care	15,735,517
Other Revenue	2,679,629
Investment Income	<u>30,080</u>
	18,445,226
<b>Expenses</b>	
Salaries	
Teachers	8,662,298
Principals and Vice Principals	450,662
Educational Assistants	1,271,003
Support Staff	679,595
Substitutes	<u>359,757</u>
	11,423,315
Employee Benefits	3,124,288
Services and Supplies	<u>3,808,807</u>
	18,356,410
<b>Net Revenue (Expense) before Interfund Transfers</b>	<u>88,816</u>
<b>Interfund Transfers</b>	
Tangible Capital Assets Purchased	<u>(88,816)</u>
	(88,816)
<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, 2023

	2023	2023 Actual			2022
	Budget (Note 17)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated)
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Investment Income	285,600		187,615	187,615	78,969
Amortization of Deferred Capital Revenue	5,476,854	5,482,063		5,482,063	4,912,708
<b>Total Revenue</b>	5,762,454	5,482,063	187,615	5,669,678	4,991,677
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	8,053,479	8,128,662		8,128,662	7,246,541
<b>Total Expense</b>	8,053,479	8,128,662	-	8,128,662	7,246,541
<b>Capital Surplus (Deficit) for the year</b>	(2,291,025)	(2,646,599)	187,615	(2,458,984)	(2,254,864)
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	271,000	544,185		544,185	1,029,394
Local Capital	5,541,018		5,541,018	5,541,018	3,980,000
<b>Total Net Transfers</b>	5,812,018	544,185	5,541,018	6,085,203	5,009,394
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		3,912,958	(3,912,958)	-	
<b>Total Other Adjustments to Fund Balances</b>		3,912,958	(3,912,958)	-	
<b>Total Capital Surplus (Deficit) for the year</b>	3,520,993	1,810,544	1,815,675	3,626,219	2,754,530
<b>Capital Surplus (Deficit), beginning of year</b>		26,611,535	4,414,458	31,025,993	41,557,546
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(13,286,083)
<b>Capital Surplus (Deficit), beginning of year, as restated</b>		26,611,535	4,414,458	31,025,993	28,271,463
<b>Capital Surplus (Deficit), end of year</b>		28,422,079	6,230,133	34,652,212	31,025,993

# School District No. 71 (Comox Valley)

Tangible Capital Assets  
Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	14,800,889	242,761,789	7,962,968	2,153,533		6,379,476	<b>274,058,655</b>
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		13,407,719					<b>13,407,719</b>
<b>Cost, beginning of year, as restated</b>	<b>14,800,889</b>	<b>256,169,508</b>	<b>7,962,968</b>	<b>2,153,533</b>	<b>-</b>	<b>6,379,476</b>	<b>287,466,374</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,430,294	1,274,929	-		-	<b>3,705,223</b>
Deferred Capital Revenue - Other			160,000				<b>160,000</b>
Operating Fund		101,714	120,246			233,409	<b>455,369</b>
Special Purpose Funds			88,816				<b>88,816</b>
Local Capital		2,896,183	222,630	162,011		632,134	<b>3,912,958</b>
Transferred from Work in Progress			140,673				<b>140,673</b>
	-	5,428,191	2,007,294	162,011	-	865,543	<b>8,463,039</b>
Decrease:							
Deemed Disposals			50,000	69,898		542,006	<b>661,904</b>
	-	-	50,000	69,898	-	542,006	<b>661,904</b>
<b>Cost, end of year</b>	<b>14,800,889</b>	<b>261,597,699</b>	<b>9,920,262</b>	<b>2,245,646</b>	<b>-</b>	<b>6,703,013</b>	<b>295,267,509</b>
<b>Work in Progress, end of year</b>		<b>4,118,391</b>	<b>5,998</b>				<b>4,124,389</b>
<b>Cost and Work in Progress, end of year</b>	<b>14,800,889</b>	<b>265,716,090</b>	<b>9,926,260</b>	<b>2,245,646</b>	<b>-</b>	<b>6,703,013</b>	<b>299,391,898</b>
<b>Accumulated Amortization, beginning of year</b>		100,008,797	1,706,870	786,733		2,578,728	<b>105,081,128</b>
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		13,314,245					<b>13,314,245</b>
<b>Accumulated Amortization, beginning of year, as restated</b>		<b>113,323,042</b>	<b>1,706,870</b>	<b>786,733</b>	<b>-</b>	<b>2,578,728</b>	<b>118,395,373</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		5,706,292	894,162	219,959		1,308,249	<b>8,128,662</b>
Decrease:							
Deemed Disposals			50,000	69,898		542,006	<b>661,904</b>
	-	-	50,000	69,898	-	542,006	<b>661,904</b>
<b>Accumulated Amortization, end of year</b>		<b>119,029,334</b>	<b>2,551,032</b>	<b>936,794</b>	<b>-</b>	<b>3,344,971</b>	<b>125,862,131</b>
<b>Tangible Capital Assets - Net</b>	<b>14,800,889</b>	<b>146,686,756</b>	<b>7,375,228</b>	<b>1,308,852</b>	<b>-</b>	<b>3,358,042</b>	<b>173,529,767</b>

# School District No. 71 (Comox Valley)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2023

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	131,190	140,673			<b>271,863</b>
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw		5,998			<b>5,998</b>
Deferred Capital Revenue - Other	3,987,201				<b>3,987,201</b>
	<u>3,987,201</u>	<u>5,998</u>	<u>-</u>	<u>-</u>	<u><b>3,993,199</b></u>
Decrease:					
Transferred to Tangible Capital Assets		140,673			<b>140,673</b>
	<u>-</u>	<u>140,673</u>	<u>-</u>	<u>-</u>	<u><b>140,673</b></u>
<b>Net Changes for the Year</b>	<u>3,987,201</u>	<u>(134,675)</u>	<u>-</u>	<u>-</u>	<u><b>3,852,526</b></u>
<b>Work in Progress, end of year</b>	<u><b>4,118,391</b></u>	<u><b>5,998</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>4,124,389</b></u>



# School District No. 71 (Comox Valley)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	124,262,162	4,686,276	103,312	<b>129,051,750</b>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,705,223	160,000		<b>3,865,223</b>
Transferred from Work in Progress	140,673			<b>140,673</b>
	<u>3,845,896</u>	<u>160,000</u>	<u>-</u>	<u><b>4,005,896</b></u>
Decrease:				
Amortization of Deferred Capital Revenue	5,309,310	170,128	2,625	<b>5,482,063</b>
	<u>5,309,310</u>	<u>170,128</u>	<u>2,625</u>	<u><b>5,482,063</b></u>
<b>Net Changes for the Year</b>	<u>(1,463,414)</u>	<u>(10,128)</u>	<u>(2,625)</u>	<u><b>(1,476,167)</b></u>
<b>Deferred Capital Revenue, end of year</b>	<u>122,798,748</u>	<u>4,676,148</u>	<u>100,687</u>	<u><b>127,575,583</b></u>
<b>Work in Progress, beginning of year</b>	140,673	131,190		<b>271,863</b>
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	5,998	3,987,201		<b>3,993,199</b>
	<u>5,998</u>	<u>3,987,201</u>	<u>-</u>	<u><b>3,993,199</b></u>
Decrease				
Transferred to Deferred Capital Revenue	140,673			<b>140,673</b>
	<u>140,673</u>	<u>-</u>	<u>-</u>	<u><b>140,673</b></u>
<b>Net Changes for the Year</b>	<u>(134,675)</u>	<u>3,987,201</u>	<u>-</u>	<u><b>3,852,526</b></u>
<b>Work in Progress, end of year</b>	<u>5,998</u>	<u>4,118,391</u>	<u>-</u>	<u><b>4,124,389</b></u>
<b>Total Deferred Capital Revenue, end of year</b>	<u><b>122,804,746</b></u>	<u><b>8,794,539</b></u>	<u><b>100,687</b></u>	<u><b>131,699,972</b></u>

# School District No. 71 (Comox Valley)

Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2023

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
<b>Balance, beginning of year</b>	\$	\$ 301,000	\$ 3,701,328	\$	\$	\$ 4,002,328
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education and Child Care	3,788,912		3,248,285			7,037,197
	3,788,912	-	3,248,285	-	-	7,037,197
Decrease:						
Transferred to DCR - Capital Additions	3,705,223		160,000			3,865,223
Transferred to DCR - Work in Progress	5,998		3,987,201			3,993,199
	3,711,221	-	4,147,201	-	-	7,858,422
<b>Net Changes for the Year</b>	77,691	-	(898,916)	-	-	(821,225)
<b>Balance, end of year</b>	<b>77,691</b>	<b>301,000</b>	<b>2,802,412</b>	<b>-</b>	<b>-</b>	<b>3,181,103</b>