

Audited Financial Statements of

School District No. 64 (Gulf Islands)

And Independent Auditors' Report thereon

June 30, 2023

School District No. 64 (Gulf Islands)

June 30, 2023

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School District No. 64 (Gulf Islands)

MANAGEMENT REPORT

Version: 7593-6847-4864

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 64 (Gulf Islands) 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. 64 (Gulf Islands) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and externally audited financial statements yearly.

The external auditors, KPMG Victoria, 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. 64 (Gulf Islands) 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. 64 (Gulf Islands)

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



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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 64 (Gulf Islands), and
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 64 (Gulf Islands) (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 as at and for the year ended June 30, 2023 of the Entity 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 22 to the financial statements, which explains that certain comparative information presented for the year ended June 30, 2022 has been restated. Note 22 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 included in Unaudited Schedules 1-4 attached to the audited financial statements

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

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

We obtained the information included in the 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.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
September 13, 2023

School District No. 64 (Gulf Islands)

Statement of Financial Position

As at June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	7,394,307	7,403,777
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	80,282	127,426
Other (Note 3)	366,689	336,547
Portfolio Investments (Note 4)	123,964	69,601
Total Financial Assets	<u>7,965,242</u>	<u>7,937,351</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	1,223,485	1,539,941
Unearned Revenue (Note 6)	705,457	759,440
Deferred Revenue (Note 7)	1,131,721	740,383
Deferred Capital Revenue (Note 8)	19,501,864	19,389,469
Employee Future Benefits (Note 9)	985,318	1,073,105
Asset Retirement Obligation (Note 16)	1,260,000	1,260,000
Total Liabilities	<u>24,807,845</u>	<u>24,762,338</u>
Net Debt	<u>(16,842,603)</u>	<u>(16,824,987)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 10)	26,967,764	26,208,829
Prepaid Expenses	329,876	224,070
Total Non-Financial Assets	<u>27,297,640</u>	<u>26,432,899</u>
Accumulated Surplus (Deficit) (Note 12)	<u>10,455,037</u>	<u>9,607,912</u>
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	10,455,037	9,607,912
Accumulated Remeasurement Gains (Losses)	<u>10,455,037</u>	<u>9,607,912</u>

Contractual Obligations (Note 13)

Contractual Rights (Note 13)

Contingent Liabilities (Note 15)

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary/Treasurer

Date Signed

Acting

School District No. 64 (Gulf Islands)Statement of Operations
Year Ended June 30, 2023

	2023 Budget (Note 14)	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	24,998,070	25,942,403	25,284,622
Other		10,682	24,595
Federal Grants	627,000	655,550	10,000
Tuition	1,431,978	1,370,941	624,206
Other Revenue	55,000	84,196	1,507,726
Rentals and Leases	190,000	256,685	30,741
Investment Income	1,200,000	1,136,181	33,818
Amortization of Deferred Capital Revenue			1,102,644
Total Revenue	28,502,048	29,456,638	28,618,352
Expenses			
Instruction	20,334,222	20,321,077	19,346,153
District Administration	1,645,971	1,538,488	1,479,914
Operations and Maintenance	4,512,389	4,927,025	4,512,921
Transportation and Housing	1,893,215	1,822,923	2,013,543
Total Expense	28,385,797	28,609,513	27,352,531
Surplus (Deficit) for the year	116,251	847,125	1,265,821
Accumulated Surplus (Deficit) from Operations, beginning of year		9,607,912	8,342,091
Accumulated Surplus (Deficit) from Operations, end of year		10,455,037	9,607,912

School District No. 64 (Gulf Islands)

Statement of Changes in Net Debt

Year Ended June 30, 2023

	2023 Budget (Note 14)	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$	\$
Surplus (Deficit) for the year	<u>116,251</u>	<u>847,125</u>	<u>1,265,821</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,200,000)	(2,149,814)	(2,270,674)
Amortization of Tangible Capital Assets	1,200,000	1,390,879	1,305,351
Total Effect of change in Tangible Capital Assets	<u>-</u>	<u>(758,935)</u>	<u>(965,323)</u>
Use of Prepaid Expenses		(105,806)	32,231
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(105,806)</u>	<u>32,231</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>116,251</u>	<u>(17,616)</u>	<u>332,729</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(17,616)	332,729
Net Debt, beginning of year		(16,824,987)	(17,157,716)
Net Debt, end of year		<u>(16,842,603)</u>	<u>(16,824,987)</u>

School District No. 64 (Gulf Islands)

Statement of Cash Flows
Year Ended June 30, 2023

	2023 Actual	2022 Actual
		(Restated - Note 22)
	\$	\$
Operating Transactions	847,125	1,265,821
Surplus (Deficit) for the year		
Changes in Non-Cash Working Capital		
Decrease (Increase)	17,002	(47,002)
Accounts Receivable	(105,806)	32,231
Prepaid Expenses		
Increase (Decrease)	(316,456)	(177,497)
Accounts Payable and Accrued Liabilities	(53,983)	283,809
Unearned Revenue	391,338	(123,342)
Deferred Revenue	(87,787)	56,876
Employee Future Benefits	1,390,879	1,305,351
Amortization of Tangible Capital Assets	(1,136,181)	(1,102,644)
Amortization of Deferred Capital Revenue	(166,636)	(177,625)
Expensed Portion of Bylaw Capital	779,495	1,315,978
Total Operating Transactions		
Capital Transactions	(1,800,156)	(1,793,768)
Tangible Capital Assets Purchased	(349,658)	(476,906)
Tangible Capital Assets -WIP Purchased	(2,149,814)	(2,270,674)
Total Capital Transactions		
Financing Transactions	1,415,212	1,697,478
Capital Revenue Received	1,415,212	1,697,478
Total Financing Transactions		
Investing Transactions	(54,363)	8,193
Investments in Portfolio Investments	(54,363)	8,193
Total Investing Transactions		
Net Increase (Decrease) in Cash and Cash Equivalents	(9,470)	750,975
Cash and Cash Equivalents, beginning of year	7,403,777	6,652,802
Cash and Cash Equivalents, end of year	7,394,307	7,403,777
Cash and Cash Equivalents, end of year, is made up of:		
Cash	7,394,307	7,403,777

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

1. Authority and purpose:

School District No. 64 (Gulf Islands) (the 'school district'), established on April 12, 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 64 (Gulf Islands)", and operates as "School District No. 64 (Gulf Islands)". 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. 64 is exempt from federal and provincial corporate income taxes.

2. Significant accounting policies:

These financial statements 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 supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all taxpayer-supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia taxpayer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

2. Significant accounting policies (continued):

(a) Basis of accounting (continued)

- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian Public Sector Accounting Standards.

(b) Basis of consolidation:

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

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

The school district does not administer any trust activities on behalf of external parties.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash held in bank accounts and short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

(d) Accounts receivable:

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

(e) Portfolio investment:

The school district has investments in bonds, equity instruments and mutual funds that either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition. Bonds and other investments not quoted in an active market are reported at cost or amortized cost.

Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations. During the periods presented, there are no remeasurement gains or losses, and as a result, no statement of remeasurement gains and losses has been presented.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

2. Significant accounting policies (continued):

(e) Portfolio investment (continued):

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

(f) Unearned revenue:

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

(g) Deferred revenue and deferred capital revenue:

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

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations.

(h) Employee future benefits:

The school district provides 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 (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2022 and projected to June 30, 2022. The next valuation will be performed at March 31, 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.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

2. Significant accounting policies (continued):

(h) Employee future benefits (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.

(i) Tangible capital assets:

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction.
- 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.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the school district to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. Work in progress is not amortized until available for productive use. 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:

Asset	Rate
Buildings	40 years
Furniture and equipment	10 years
Vehicles	10 years
Computer software	5 years
Computer hardware	5 years

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

2. Significant accounting policies (continued):

(j) Liability for contaminated sites:

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

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the School District is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) 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.

(k) Asset retirement obligations:

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

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

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 i)). 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.

(l) Prepaid expense:

Amounts for insurance and other services 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 to and from funds and reserves are an adjustment to the respective fund when approved.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

2. Significant accounting policies (continued):

(n) Revenue recognition:

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

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

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

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

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

Revenue related to fees or services received in advance of the fee being earned or the service being 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.

(i) Allocation of costs:

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

2. Significant accounting policies (continued):

(o) Expenditures (continued):

(i) Allocation of costs (continued):

- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

(p) Financial instruments:

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

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

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition and amortized using the effective interest rate method. 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 recorded at fair value 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.

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.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

2. Significant accounting policies (continued):

(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 contingencies, rates for amortization, asset retirement obligations and estimated employee future benefits. Actual results could differ from those estimates.

3. Accounts receivable:

	2023	2022
Due from Provincial Government	\$ 80,282	\$ 127,426
Due from Federal Government	205,558	88,711
Other	161,131	247,836
	366,689	336,547
	\$ 446,971	\$ 463,973

4. Portfolio investments:

	2023	2022
Investments in the fair value category:		
Equity instruments	\$ 3,456	\$ 4,186
Mutual funds	120,508	65,415
	\$ 123,964	\$ 69,601

5. Accounts payable and accrued liabilities:

	2023	2022
Trade payables	\$ 712,704	\$ 1,081,088
Salaries and benefits payable	373,444	267,350
Accrued vacation pay	137,337	191,503
	\$ 1,223,485	\$ 1,539,941

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

6. Unearned revenue:

	2023	2022
Balance, beginning of year	\$ 759,440	\$ 778,566
Changes for the year:		
Increase:		
Tuition fees and other international fees collected	1,104,841	1,172,214
Decrease:		
Tuition fees and other international fees recognized	(1,158,824)	(1,191,340)
Net change for the year	(53,983)	(19,126)
Balance, end of year	\$ 705,457	\$ 759,440

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.

	Ministry of Education and Child Care	Other	2023 Total	2022 Total
Balance, beginning of year	\$ -	\$ 740,383	\$ 740,383	\$ 863,725
Changes for the year:				
Increases:				
Grants	3,396,855	-	3,396,855	3,119,542
Other	-	1,120,390	1,120,390	751,778
Decreases:				
Transfers to revenue	(3,383,144)	(742,763)	(4,125,907)	(3,945,818)
Recoveries	-	-	-	(48,844)
Net change for the year	13,711	377,627	391,338	(123,342)
Balance, end of year	\$ 13,711	\$ 1,118,010	\$ 1,131,721	\$ 740,383

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

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.

	2023	2022
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$ 18,949,422	\$ 18,889,659
Changes for the year:		
Increases:		
Capital additions	898,918	1,102,778
Transferred from work in progress	434,424	59,629
Decreases:		
Amortization	(1,136,181)	(1,102,644)
Net change for the year	197,161	59,763
Balance, end of year	\$ 19,146,583	\$ 18,949,422
Deferred capital revenue, work in progress		
Balance, beginning of year	\$ 440,047	\$ 82,601
Changes for the year:		
Increases:		
Transfer from unspent deferred capital revenue	349,658	417,075
Decreases:		
Transfer to deferred capital revenue	(434,424)	(59,629)
Net change for the year	(84,766)	(84,766)
Balance, end of year	\$ 355,281	\$ 440,047

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

8. Deferred capital revenue (continued):

	2023	2022
Deferred capital revenue not subject to amortization		
Balance, beginning of year	\$ -	\$ -
Changes for the year:		
Increases:		
Provincial Grants - Ministry of Education and Child Care	1,415,212	1,697,478
Provincial Grants - Other	-	-
Decreases:		
Transfer to deferred capital revenue subject to	(898,918)	(1,102,778)
Transferred to deferred capital revenue work in progress	(349,658)	(417,075)
Transferred to revenue	(166,636)	(177,625)
Net change for the year	-	-
Balance, end of year	\$ -	\$ -
Total deferred capital revenue balance, end of year	\$ 19,501,864	\$ 19,389,469

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

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.

	2023	2022
Reconciliation of accrued benefit obligation:		
Accrued obligation - April 1	\$ 920,424	\$ 944,112
Service cost	93,484	96,414
Interest cost	29,439	24,496
Benefit payments	(195,865)	(48,657)
Increase in obligation due to plan amendment	-	2,057
Actuarial (gain) loss	(25,514)	(97,998)
Accrued benefit obligation - March 31	821,968	920,424
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation - March 31	821,968	920,424
Market value of plan assets - March 31	-	-
Funded status - surplus (deficit)	(821,968)	(920,424)
Employer contributions after measurement date	26,885	21,415
Benefits expense after measurement date	(31,650)	(30,731)
Unamortized net actuarial (gain) loss	(158,585)	(143,365)
Accrued benefit asset (liability) - June 30	\$ (985,318)	\$ (1,073,105)
Reconciliation of change in accrued benefit liability:		
Accrued benefit liability (asset) - July 1	\$ 1,073,104	\$ 1,016,229
Net expenses for fiscal year	113,549	114,051
Employer contributions	(201,335)	(57,175)
Accrued benefit liability (asset) - June 30	985,318	1,073,105
Components of net benefit expense:		
Service cost	93,017	95,682
Interest cost	30,826	25,732
Immediate recognition of plan amendment	-	2,056
Amortization of net actuarial (gain) loss	(10,294)	(9,419)
Net benefit expense (income)	113,549	114,051
Assumptions:		
Discount rate - April 1	3.25%	2.50%
Discount rate - March 31	4.00%	3.25%
Long term salary growth - April 1	2.50%+seniority	2.50%+seniority
Long term salary growth - March 31	2.50%+seniority	2.50%+seniority
EARSL - March 31	9.6	9.6

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

10. Tangible capital assets:

June 30, 2023	Opening cost	Additions	Disposals	Transfers (WIP)	Total 2023
Sites	\$ 4,107,653	\$ -	\$ -	\$ -	\$ 4,107,653
Buildings	49,879,594	443,465	-	494,255	50,817,314
Buildings WIP	499,878	349,658	-	(494,255)	355,281
Furniture and equipment	1,032,066	446,541	(73,110)	-	1,405,497
Vehicles	1,155,280	721,161	(340,627)	-	1,535,814
Computer software	-	46,895	-	-	46,895
Computer hardware	179,978	142,094	(17,523)	-	304,549
Total	\$ 56,854,449	\$ 2,149,814	\$ (431,260)	\$ -	\$ 58,573,003

	Opening accumulated amortization	Additions	Disposals	Total 2023
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	29,355,178	1,081,296	-	30,436,474
Furniture and equipment	404,407	121,886	(73,110)	453,183
Vehicles	819,106	134,555	(340,627)	613,034
Computer software	-	4,690	-	4,690
Computer hardware	66,929	48,452	(17,523)	97,858
Total	\$ 30,645,620	\$ 1,390,879	\$ (431,260)	\$ 31,605,239

June 30, 2022	Opening cost	Additions	Disposals	Transfers (WIP)	Total 2022
	(restated - note 22)				(restated - note 22)
Sites	\$ 4,107,653	\$ -	\$ -	\$ -	\$ 4,107,653
Buildings	48,817,056	1,517,078	-	280,460	49,354,594
Buildings WIP	303,432	476,906	-	(280,460)	499,878
Furniture and equipment	967,104	131,358	(66,396)	-	1,032,066
Vehicles	1,047,015	-	-	-	1,047,015
Computer software	-	-	-	-	-
Computer hardware	256,663	37,067	(113,752)	-	179,978
Total	\$ 54,238,923	\$ 2,270,674	\$ (180,148)	\$ -	\$ 56,329,499

	Opening accumulated amortization	Additions	Disposals	Total 2022
	(restated - note 22)			(restated - note 22)
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	29,038,572	1,051,606	-	30,090,178
Furniture and equipment	370,837	99,966	(66,396)	404,407
Vehicles	708,991	110,115	-	819,106
Computer software	-	-	-	-
Computer hardware	137,017	43,664	(113,752)	66,929
Total	\$ 28,995,417	\$ 1,305,351	\$ (180,148)	\$ 30,120,620

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

10. Tangible capital assets (continued):

	Net book value 2023	Net book value 2022
		(restated - note 22)
Sites	\$ 4,107,653	\$ 4,107,653
Buildings	20,736,121	21,024,294
Furniture and equipment	952,314	627,659
Vehicles	922,780	336,174
Computer software	42,205	-
Computer hardware	206,691	113,049
	<u>\$ 26,967,764</u>	<u>\$ 26,208,829</u>

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$nil (2022 - nil).

11. Employee pension plan:

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2022, the Teachers' Pension Plan has about 51,000 active members and approximately 41,000 retired members. As of December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 from school districts.

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

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

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

The school district paid \$1,647,368 for employer contributions to the plans for the year ended June 30, 2023 (2022: \$1,624,517).

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

11. Employee pension plan (continued):

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.

12. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2023	2022
		(restated - note 22)
Invested in tangible capital assets	\$ 6,940,900	\$ 6,294,360
Operating surplus (note 18)	4,249,137	4,048,552
	<u>\$ 11,190,037</u>	<u>\$ 10,342,912</u>

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

- \$901,238 (2022 - \$750,707) from the Operating Fund to the Capital Fund for capital purchases.

13. Contractual obligations and rights:

On June 21, 2012 the school district signed a 50 year lease agreement in which land use will be provided to the Capital Regional District (CRD) for \$1 per year for 50 years with an option to renew for a further 50 years. There is no transfer of title contained in the lease agreement.

On June 10, 2022, the school district signed a 5-year lease agreement with the CRD. The CRD will operate the former Salt Spring Island Middle School Building as a community recreation facility for 5 years. There is no transfer of title contained in the lease agreement and the asset is not disposed of to CRD.

The school district has the following annual contractual obligations:

- provision of water taxi services for which the amount of the obligation is negotiated, and multi-year contracts are entered into.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

14. Budget figures:

The budget figures data presented in these financial statements is based upon the 2022/23 amended annual budget adopted by the Board on February 8, 2023. The chart following reconciles the originally approved annual budget bylaw approved June 8, 2022, to the amended annual budget bylaw reported in these financial statements.

	2023 amended annual budget	2023 annual budget
Revenues:		
Provincial grants:		
Ministry of Education and Child Care	\$ 24,998,070	\$ 24,575,926
Tuition	627,000	725,000
Other revenue	1,431,978	1,517,500
Rentals and leases	55,000	40,000
Investment income	190,000	35,000
Amortization of deferred capital revenue	1,200,000	1,200,000
	28,502,048	28,093,426
Expenses:		
Instruction	20,334,222	19,038,588
District administration	1,645,971	1,424,336
Operations and maintenance	4,512,389	4,666,420
Transportation and housing	1,893,215	1,896,223
	28,385,797	27,025,567
Net revenue	116,251	1,067,859
Budgeted allocation of surplus	1,083,749	202,141
Budgeted surplus for the year	\$ 1,200,000	\$ 1,270,000

15. Contingent liabilities:

The nature of the school district's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2023, management believes the school district has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the school district's financial position.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

16. 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. The timing of future settlement is unknown.

	2023	2022
		(restated - note 22)
Balance, beginning of year	\$ 1,260,000	\$ 1,260,000
Settlements during the year	-	-
Balance, end of year	\$ 1,260,000	\$ 1,260,000

17. Expense by object:

	2023	2022
Salaries and benefits	\$ 21,005,149	\$ 20,462,501
Services and supplies	6,213,485	5,584,679
Amortization	1,390,879	1,305,351
	\$ 28,609,513	\$ 27,352,531

18. Internally Restricted Surplus - Operating Fund:

	2023	2022
Internally Restricted Surplus:		
Unspent School Flex Budgets	\$ 28,387	\$ 37,724
Unspent Professional Development and Growth funds	91,050	159,909
Internally Restricted Surplus	119,437	197,633
Unrestricted Operating Surplus	4,129,700	3,850,919
Total Available for Future Operations	\$ 4,249,137	\$ 4,048,552

19. Economic dependence:

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

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

20. Related party transactions:

The school district is related through common ownership to all Province of British Columbia ministries, agencies, crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The school district has entered into a lease with Haggis Farm (the lessor), a related party through the Secretary Treasurer, for use of premises to deliver school programs. The lessor receives rental income equal to the value of a contractual donation given to the school district each year. Both transactions are recognized in the financial statements at the amount paid and received.

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 and cash equivalents, amounts receivable and investments.

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

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

(b) Market risk:

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

(i) Currency risk 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.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

21. Risk management (continued):

(b) Market risk (continued):

(ii) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The school district is exposed to interest rate risk through its investments. It is management's opinion that the school district is not exposed to significant interest rate risk as it invests primarily in Mutual Funds and Provincial Bonds and Cash Deposit Account.

(c) Liquidity risk:

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

The school district manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the school district's reputation.

Risk Management and insurance services for all school districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposures from 2022 related to credit, market or liquidity risks.

22. 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 16). This standard was adopted using the modified retroactive approach, which results in the restatement of the comparative information as at and for the year ended June 30, 2022.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2023

22. Prior period adjustment – change in accounting policy (continued):

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

	Increase (Decrease)
Tangible Capital Assets – cost	\$ 1,260,000
Tangible Capital Assets – accumulated amortization	1,260,000
Asset Retirement Obligation	1,260,000
<hr/>	
Accumulated surplus, July 1, 2021	\$ (1,260,000)
<hr/>	
Amortization Expense for the year ending June 30, 2022	\$ -
<hr/>	
Accumulated surplus, June 30, 2022	\$ (1,260,000)

23. Comparative figures:

Certain comparative figures have been reclassified to conform to current year presentation.

School District No. 64 (Gulf Islands)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual
	\$	\$	\$	\$	(Restated - Note 22)
Accumulated Surplus (Deficit), beginning of year	4,048,552		5,559,360	9,607,912	9,602,091
Prior Period Adjustments					(1,260,000)
Accumulated Surplus (Deficit), beginning of year, as restated	4,048,552	-	5,559,360	9,607,912	8,342,091
Changes for the year					
Surplus (Deficit) for the year	1,101,823		(254,698)	847,125	1,265,821
Interfund Transfers	(901,238)		901,238	-	
Tangible Capital Assets Purchased	200,585		646,540	847,125	1,265,821
Net Changes for the year	421,170		282,880	847,125	1,265,821
Accumulated Surplus (Deficit), end of year - Statement 2	4,469,722		5,842,240	10,455,037	9,607,912

School District No. 64 (Gulf Islands)Schedule of Operating Operations
Year Ended June 30, 2023

	2023 Budget (Note 14) \$	2023 Actual \$	2022 Actual (Restated - Note 22) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	21,519,119	22,392,623	21,867,448
Other		10,682	24,595
Federal Grants	627,000	655,550	624,206
Tuition	799,500	645,562	805,346
Other Revenue	55,000	84,196	30,741
Rentals and Leases	180,000	239,301	29,929
Investment Income	23,180,619	24,027,914	23,392,265
Total Revenue			
Expenses			
Instruction	16,616,442	16,310,473	15,604,069
District Administration	1,645,971	1,526,834	1,276,180
Operations and Maintenance	3,008,740	3,400,416	3,140,060
Transportation and Housing	1,793,215	1,688,368	1,903,428
Total Expense	23,064,368	22,926,091	21,923,737
Operating Surplus (Deficit) for the year	116,251	1,101,823	1,468,528
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,083,749		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,200,000)	(901,238)	(690,990)
Tangible Capital Assets - Work in Progress			(59,831)
Total Net Transfers	(1,200,000)	(901,238)	(750,821)
Total Operating Surplus (Deficit), for the year	-	200,585	717,707
Operating Surplus (Deficit), beginning of year		4,048,552	3,330,845
Operating Surplus (Deficit), end of year		4,249,137	4,048,552
Operating Surplus (Deficit), end of year		119,437	197,633
Internally Restricted		4,129,700	3,850,919
Unrestricted		4,249,137	4,048,552
Total Operating Surplus (Deficit), end of year			

School District No. 64 (Gulf Islands)

Schedule of Operating Revenue by Source
Year Ended June 30, 2023

	2023 Budget (Note 14)	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care	21,080,957	21,156,274	21,401,511
Operating Grant, Ministry of Education and Child Care			
Other Ministry of Education and Child Care Grants	102,398	102,398	102,398
Pay Equity		943	
Funding for Graduated Adults	328,264	328,264	328,264
Student Transportation Fund		26,384	25,951
Support Staff Benefits Grant	7,500	7,506	7,506
FSA Scorer Grant		215	1,818
Early Learning Framework (ELF) Implementation		770,639	
Labour Settlement Funding			
Total Provincial Grants - Ministry of Education and Child Care	21,519,119	22,392,623	21,867,448
Provincial Grants - Other		10,682	24,595
Federal Grants			10,000
Tuition			
International and Out of Province Students	627,000	655,550	624,206
Total Tuition	627,000	655,550	624,206
Other Revenues			
Other School District/Education Authorities	10,000	10,000	50,000
Miscellaneous	757,500	602,787	733,346
Miscellaneous	32,000	32,775	22,000
GISPA Registration	799,500	645,562	805,346
Total Other Revenue	55,000	84,196	30,741
Rentals and Leases			
	180,000	239,301	29,929
Investment Income			
	23,180,619	24,027,914	23,392,265
Total Operating Revenue			

School District No. 64 (Gulf Islands)Schedule of Operating Expense by Object
Year Ended June 30, 2023

	2023 Budget (Note 14)	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$	\$
Salaries			
Teachers	7,207,339	7,057,301	6,973,721
Principals and Vice Principals	2,059,568	1,989,994	1,944,426
Educational Assistants	1,097,596	959,800	852,224
Support Staff	2,081,522	2,212,399	2,298,936
Other Professionals	1,741,065	1,682,493	1,560,139
Substitutes	641,155	828,764	819,400
Total Salaries	14,828,245	14,730,751	14,448,846
Employee Benefits	3,510,845	3,406,557	3,219,459
Total Salaries and Benefits	18,339,090	18,137,308	17,668,305
Services and Supplies			
Services	1,760,950	1,732,227	1,312,094
Student Transportation	1,065,100	1,049,658	1,113,874
Professional Development and Travel	479,405	508,596	335,443
Rentals and Leases	3,000	3,000	10,498
Dues and Fees	39,175	30,854	35,698
Insurance	62,281	64,286	50,025
Supplies	780,367	887,330	828,210
Utilities	535,000	512,832	569,590
Total Services and Supplies	4,725,278	4,788,783	4,255,432
Total Operating Expense	23,064,368	22,926,091	21,923,737

School District No. 64 (Gulf Islands)

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
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	5,749,565	540,038	80,833	38,724	21,437	574,079	7,004,676
1.03 Career Programs	116,099	56,146	99,846	33,478	77,374	1,265	350,730
1.07 Library Services	110,733	3,120				377	147,708
1.08 Counseling	180,813						180,813
1.10 Special Education	675,876	102,872	730,283	32,595	195,099	97,930	1,834,655
1.30 English Language Learning	6,932						6,932
1.31 Indigenous Education		76,515	32,478			1,865	110,858
1.41 School Administration		1,155,158		365,982		12,356	1,533,496
1.62 International and Out of Province Students	217,283	56,145			214,415		487,843
1.64 Other							
Total Function 1	7,057,301	1,989,994	943,440	470,779	508,325	687,872	11,657,711
4 District Administration							
4.11 Educational Administration				158	287,962		288,120
4.20 Early Learning and Child Care					116,969		116,969
4.40 School District Governance				83,782	447,091	1,035	531,908
4.41 Business Administration				83,940	852,022	1,035	936,997
Total Function 4							
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				70,319	257,120	9,524	336,963
5.50 Maintenance Operations				1,113,884		130,333	1,244,217
5.52 Maintenance of Grounds				177,470			177,470
5.56 Utilities				14,941			14,941
Total Function 5				1,376,614	257,120	139,857	1,773,591
7 Transportation and Housing							
7.41 Transportation and Housing Administration				9,616	55,632		65,248
7.70 Student Transportation		16,360		271,450	9,394		297,204
7.73 Housing							
Total Function 7				281,066	65,026		362,452
9 Debt Services							
Total Function 9							
Total Functions 1 - 9	7,057,301	1,989,994	959,800	2,212,399	1,682,493	828,764	14,730,751

School District No. 64 (Gulf Islands)

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	2022 Actual
	\$	\$	\$	\$	(Note 14)	(Note 22)	(Restated - Note 22)
1 Instruction							
1.02 Regular Instruction	7,004,676	1,792,653	8,797,329	760,798	9,558,127	9,919,577	9,733,293
1.03 Career Programs	350,730	79,289	430,019	30,467	460,486	458,738	435,269
1.07 Library Services	147,708	23,696	171,404	40,255	211,659	315,586	231,846
1.08 Counselling	180,813	45,457	226,270		226,270	262,911	261,959
1.10 Special Education	1,834,655	374,156	2,208,811	153,216	2,362,027	2,176,773	1,897,931
1.30 English Language Learning	6,932	1,594	8,526		8,526	110,000	90,354
1.31 Indigenous Education	110,858	26,491	137,349	71,418	208,767	218,098	217,493
1.41 School Administration	1,533,496	326,099	1,859,595	168,681	2,028,276	1,937,418	1,782,512
1.62 International and Out of Province Students	487,843	116,394	604,237	624,082	1,228,319	1,217,341	948,055
1.64 Other	-	-	-	18,016	18,016	-	5,357
Total Function 1	11,657,711	2,785,829	14,443,540	1,866,933	16,310,473	16,616,442	15,604,069
4 District Administration							
4.11 Educational Administration	288,120	51,086	339,206	57,075	396,281	408,064	362,777
4.20 Early Learning and Child Care	-	-	-	-	-	178,987	165,945
4.40 School District Governance	116,969	7,636	124,605	79,628	204,233	1,058,920	747,458
4.41 Business Administration	531,908	103,092	635,000	291,320	926,320	-	-
Total Function 4	936,997	161,814	1,098,811	428,023	1,526,834	1,645,971	1,276,180
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	336,963	84,632	421,595	73,356	494,951	518,593	483,893
5.50 Maintenance Operations	1,244,217	253,538	1,497,755	616,098	2,113,853	1,717,335	1,814,468
5.52 Maintenance of Grounds	177,470	36,474	213,944	47,406	261,350	219,221	254,478
5.56 Utilities	14,941	3,636	18,577	511,685	530,262	533,591	587,221
Total Function 5	1,773,591	378,280	2,151,871	1,248,545	3,400,416	3,008,740	3,140,060
7 Transportation and Housing							
7.41 Transportation and Housing Administration	65,248	15,061	80,309	-	80,309	96,253	100,093
7.70 Student Transportation	297,204	65,573	362,777	1,225,723	1,588,500	1,676,962	1,780,380
7.73 Housing	-	-	-	19,559	19,559	20,000	22,755
Total Function 7	362,452	80,634	443,086	1,245,282	1,688,368	1,793,215	1,903,428
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	14,730,751	3,406,557	18,137,308	4,788,783	22,926,091	23,064,368	21,923,737

School District No. 64 (Gulf Islands)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations
Year Ended June 30, 2023

	2023 Budget (Note 14)	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	3,178,951	3,383,144	3,239,549
Other Revenue	632,478	725,379	702,380
Investment Income	10,000	17,384	3,889
Total Revenue	<u>3,821,429</u>	<u>4,125,907</u>	<u>3,945,818</u>
Expenses			
Instruction	3,717,780	4,010,604	3,742,084
District Administration		11,654	203,734
Operations and Maintenance	103,649	103,649	
Total Expense	<u>3,821,429</u>	<u>4,125,907</u>	<u>3,945,818</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 64 (Gulf Islands)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2023

	Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK Fund - Overhead	Classroom Enhancement Fund - Staffing
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			172,052					
Add: Restricted Grants	103,649	74,438	579,287	128,000	19,600	72,914	162,650	336,616
Provincial Grants - Ministry of Education and Child Care								
Other			287					
Investment Income								
Less: Allocated to Revenue	103,649	74,438	579,574	128,000	19,600	72,914	162,650	336,616
Deferred Revenue, end of year			253,787					
Revenues	103,649	74,438	497,552	128,000	19,600	72,914	162,650	336,616
Provincial Grants - Ministry of Education and Child Care								
Other Revenue			287					
Investment Income								
Expenses								
Salaries								
Teachers								
Principals and Vice Principals								
Educational Assistants								
Support Staff								
Other Professionals								
Substitutes				312	94	16,127	71,482	267,952
Employee Benefits				102,803	12,042	30,592	17,329	52,658
Services and Supplies				22,565	115	5,836	73,839	16,006
	103,649	14,104	497,839	128,000	19,600	72,914	162,650	336,616
	103,649	74,438	497,839	128,000	19,600	72,914	162,650	336,616
Net Revenue (Expense) before Interfund Transfers								
Interfund Transfers								
Net Revenue (Expense)								

School District No. 64 (Gulf Islands)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2023

	Classroom Enhancement Fund - Remedies	Mental Health in Schools	Seamless Day Kindergarten	Student & Family Affordability	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)	ACE-IT	CES Apprenticeships	Education Trust
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year							22,478		534,199
Add:									
Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	182,110	57,000	55,400	250,000	19,000	175,000			
Other							200	50,470	473,049
Investment Income									17,097
Less: Allocated to Revenue	182,110	57,000	55,400	250,000	19,000	175,000	200	50,470	490,146
Deferred Revenue, end of year				236,289	19,000	175,000	22,678	28,070	182,522
				13,711				22,400	841,823
Revenues	182,110	57,000	55,400	236,289	19,000	175,000	22,678	28,070	165,425
Provincial Grants - Ministry of Education and Child Care									17,097
Other Revenue							22,678	28,070	
Investment Income									182,522
Expenses									
Salaries									
Teachers									
Principals and Vice Principals						42,977			
Educational Assistants	57,960		44,189		11,000	99,248			
Support Staff					149			19,301	
Other Professionals									
Substitutes	92,757	2,000			701		9,499		
Employee Benefits	150,717	2,000	44,189		11,850	142,225	9,499	19,301	
Services and Supplies	31,393	348	10,930		180	32,624	2,080	6,319	
		54,652	281	236,289	6,970	151	11,099	2,450	182,522
	182,110	57,000	55,400	236,289	19,000	175,000	22,678	28,070	182,522
Net Revenue (Expense) before Interfund Transfers									
Interfund Transfers									
Net Revenue (Expense)									

School District No. 64 (Gulf Islands)

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

	Drake Rd Transfer	TOTAL
	\$	\$
Deferred Revenue, beginning of year	11,654	740,383
Add:		
Restricted Grants		3,396,855
Provincial Grants - Ministry of Education and Child Care		1,103,006
Other		17,384
Investment Income		4,517,245
	<u>11,654</u>	<u>4,125,907</u>
Less: Allocated to Revenue	<u>-</u>	<u>1,131,721</u>
Deferred Revenue, end of year		
Revenues		
Provincial Grants - Ministry of Education and Child Care	3,383,144	
Other Revenue	725,379	
Investment Income	17,384	
	<u>11,654</u>	<u>4,125,907</u>
Expenses		
Salaries		57,442
Teachers		1,615,691
Principals and Vice Principals		391,382
Educational Assistants		70,287
Support Staff		48,900
Other Professionals		199,767
Substitutes		2,383,469
Employee Benefits		484,372
Services and Supplies	11,654	1,258,066
	<u>11,654</u>	<u>4,125,907</u>
Net Revenue (Expense) before Interfund Transfers	<u>-</u>	<u>-</u>
Interfund Transfers	<u>-</u>	<u>-</u>
Net Revenue (Expense)	<u>-</u>	<u>-</u>

School District No. 64 (Gulf Islands)

Schedule 4 (Unaudited)

Schedule of Capital Operations
Year Ended June 30, 2023

	2023	2023 Actual			2022
	Budget (Note 14)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 22)
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	300,000	166,636		166,636	177,625
Amortization of Deferred Capital Revenue	1,200,000	1,136,181		1,136,181	1,102,644
Total Revenue	1,500,000	1,302,817	-	1,302,817	1,280,269
Expenses					
Operations and Maintenance	300,000	166,636		166,636	177,625
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,100,000	1,256,324		1,256,324	1,195,236
Transportation and Housing	100,000	134,555		134,555	110,115
Total Expense	1,500,000	1,557,515	-	1,557,515	1,482,976
Capital Surplus (Deficit) for the year	-	(254,698)	-	(254,698)	(202,707)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	1,200,000	901,238		901,238	690,990
Tangible Capital Assets - Work in Progress					59,831
Total Net Transfers	1,200,000	901,238	-	901,238	750,821
Total Capital Surplus (Deficit) for the year	1,200,000	646,540	-	646,540	548,114
Capital Surplus (Deficit), beginning of year		5,559,360		5,559,360	6,271,246
Prior Period Adjustments					(1,260,000)
To Recognize Asset Retirement Obligation					(1,260,000)
Capital Surplus (Deficit), beginning of year, as restated		5,559,360	-	5,559,360	5,011,246
Capital Surplus (Deficit), end of year		6,205,900	-	6,205,900	5,559,360

School District No. 64 (Gulf Islands)

Tangible Capital Assets
Year Ended June 30, 2023

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	4,107,653	49,354,594	1,032,066	1,155,280	-	179,978	55,829,571
Prior Period Adjustments							
To Recognize Asset Retirement Obligation							
Cost, beginning of year, as restated	4,107,653	50,614,594	1,032,066	1,155,280	-	179,978	57,089,571
1,260,000							1,260,000
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		248,467	68,067	582,384			898,918
Operating Fund		194,998	378,474	138,777	46,895	142,094	901,238
Transferred from Work in Progress		494,255					494,255
		937,720	446,541	721,161	46,895	142,094	2,294,411
Decrease:							
Deemed Disposals			73,110	340,627		17,523	431,260
			73,110	340,627		17,523	431,260
Cost, end of year	4,107,653	51,552,314	1,405,497	1,535,814	46,895	304,549	58,952,722
Work in Progress, end of year		355,281					355,281
Cost and Work in Progress, end of year	4,107,653	51,907,595	1,405,497	1,535,814	46,895	304,549	59,308,003
Accumulated Amortization, beginning of year		28,830,178	404,407	819,106		66,929	30,120,620
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		1,260,000					1,260,000
Accumulated Amortization, beginning of year, as restated		30,090,178	404,407	819,106		66,929	31,380,620
Changes for the Year							
Increase: Amortization for the Year		1,081,296	121,886	134,555	4,690	48,452	1,390,879
Decrease:							
Deemed Disposals			73,110	340,627		17,523	431,260
			73,110	340,627		17,523	431,260
Accumulated Amortization, end of year		31,171,474	453,183	613,034	4,690	97,858	32,340,239
Tangible Capital Assets - Net	4,107,653	20,736,121	952,314	922,780	42,205	206,691	26,967,764

School District No. 64 (Gulf Islands)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress
 Year Ended June 30, 2023

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	499,878				499,878
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	349,658				349,658
	<u>349,658</u>	-	-	-	<u>349,658</u>
Decrease:					
Transferred to Tangible Capital Assets	494,255				494,255
	<u>494,255</u>	-	-	-	<u>494,255</u>
Net Changes for the Year	<u>(144,597)</u>	-	-	-	<u>(144,597)</u>
Work in Progress, end of year	<u>355,281</u>	-	-	-	<u>355,281</u>

School District No. 64 (Gulf Islands)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	18,001,339	787,299	160,784	18,949,422
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	898,918			898,918
Transferred from Work in Progress	434,424			434,424
	<u>1,333,342</u>	<u>-</u>	<u>-</u>	<u>1,333,342</u>
Decrease:				
Amortization of Deferred Capital Revenue	1,086,881	31,777	17,523	1,136,181
	<u>1,086,881</u>	<u>31,777</u>	<u>17,523</u>	<u>1,136,181</u>
Net Changes for the Year	<u>246,461</u>	<u>(31,777)</u>	<u>(17,523)</u>	<u>197,161</u>
Deferred Capital Revenue, end of year	<u>18,247,800</u>	<u>755,522</u>	<u>143,261</u>	<u>19,146,583</u>
Work in Progress, beginning of year	440,047			440,047
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	349,658			349,658
	<u>349,658</u>	<u>-</u>	<u>-</u>	<u>349,658</u>
Decrease				
Transferred to Deferred Capital Revenue	434,424			434,424
	<u>434,424</u>	<u>-</u>	<u>-</u>	<u>434,424</u>
Net Changes for the Year	<u>(84,766)</u>	<u>-</u>	<u>-</u>	<u>(84,766)</u>
Work in Progress, end of year	<u>355,281</u>	<u>-</u>	<u>-</u>	<u>355,281</u>
Total Deferred Capital Revenue, end of year	<u>18,603,081</u>	<u>755,522</u>	<u>143,261</u>	<u>19,501,864</u>

School District No. 64 (Gulf Islands)

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

	Bylaw Capital \$	MECC Restricted Capital \$	Other Provincial Capital \$	Land Capital \$	Other Capital \$	Total \$
Balance, beginning of year	1,415,212	-	-	-	-	1,415,212
Changes for the Year	1,415,212	-	-	-	-	1,415,212
Increase:						
Provincial Grants - Ministry of Education and Child Care						
Decrease:						
Transferred to DCR - Capital Additions	898,918					898,918
Transferred to DCR - Work in Progress	349,658					349,658
Expensed Portion of Bylaw Capital	166,636					166,636
	1,415,212	-	-	-	-	1,415,212
Net Changes for the Year	-	-	-	-	-	-
Balance, end of year	-	-	-	-	-	-