

Audited Financial Statements of

School District No. 61 (Greater Victoria)

And Independent Auditors' Report thereon

June 30, 2022

School District No. 61 (Greater Victoria)

June 30, 2022

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School District No. 61 (Greater Victoria)

MANAGEMENT REPORT

of the Financial Statements

Management's Responsibility

The accompanying financial statements of School District No. 61 (Greater Victoria) have been prepared by

by and

has been prepared in accordance with

appropriate with the information

ments.

has been used for ensuring the this information is consistent where appropr

contained in the financial statem

The preparation of financial statements necessarily involves the use of estimates and assumptions

which are based on management's best estimate of the amounts and timing of events and transactions

uncertain until future periods.

Management is responsible for implementing and maintaining a system of internal controls to provide

is produced.

information i

The Board of Education (School District No. 61 (Greater Victoria)) outside the territory is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises

and externally audited financial statements yearly.

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. 61 (Greater Victoria) and of their examination and their opinion on the School District's financial statements.

(Greater Victoria) 1-1-12-2012-2013 Financial Statements (Greater Victoria)

Sept 27 2012

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

INDEPENDENT MEMBER FIRM OF THE KPMG GLOBAL ORGANIZATION OF INDEPENDENT MEMBER FIRMS AFFILIATED WITH KPMG INTERNATIONAL LIMITED, A PRIVATE ENGLISH COMPANY LIMITED BY GUARANTEE.

Emphasis of Matter – Comparative Information

We draw attention to Note 23 to the financial statements which explains that certain comparative information presented for the year ended June 30, 2021 has been restated. Note

School District No. 61 (Greater Victoria)

Statement of Financial Position

As at June 30, 2022

2022 Actual 2021 Actual

(Restated - Note 23)

35,222	Cash and Cash Equivalents	66,075,808	62,730,000
	Accounts Receivable		

	2022 Budget (Note 17) \$	2022 Actual \$	2021 Actual (Restated - Note 23) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	216,081,028	227,053,205	226,659,672
Other	112,750	166,975	103,076
Tuition	12,242,537	15,070,357	9,496,466
Other Revenue	5,529,152	7,412,286	5,494,884
Rentals and Leases	1,779,874	2,519,825	1,587,882
Investment Income	415,552	557,202	633,130
Amortization of Deferred Capital Revenue	7,969,213	7,858,370	7,705,292
Construction License		4,300,000	
Total Revenue	244,130,106	264,938,220	251,680,402
Expenses			
Instruction	207,618,206	218,385,765	209,607,636
District Administration	6,329,294	7,074,628	6,306,434
Operations and Maintenance	38,027,511	41,870,376	38,967,479
Transportation and Housing	1,291,815	1,088,502	1,121,348
Total Expense	253,276,826	268,419,271	256,002,927

School District No. 61 (Greater Victoria)

Statement of Changes in Net Debt

Year Ended June 30, 2022

	2022 Budget (Note 17) \$	2022 Actual \$	2021 Actual (Restated - Note 23) \$
Surplus (Deficit) for the year	(9,136,720)	(3,481,051)	(4,322,495)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(50,712,864)	(33,913,379)	(31,640,450)
Amortization of Tangible Capital Assets	11,451,527	11,772,998	11,720,594
Ministry Tool Amortization Adjustment	-	-	1,191,685
Total Effect of change in Tangible Capital Assets	(39,261,337)	(22,140,381)	(18,728,171)
Acquisition of Prepaid Expenses	-	-	(572,377)
Use of Prepaid Expenses	-	82,024	-
Total Effect of change in Other Non-Financial Assets	-	82,024	(572,377)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(48,398,057)	(25,539,408)	(23,623,043)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(25,539,408)	(23,623,043)
Net Debt, beginning of year		(206,280,738)	(182,657,695)
Net Debt, end of year		(231,820,146)	(206,280,738)

School District No. 61 (Greater Victoria)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2022

	2022 Actual	2021 Actual
		(Restated - Note 23)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(3,481,051)	(4,322,495)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	4,480,426	(200,012)
Prepaid Expenses	82,024	(572,377)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	123,689	298,811
Unearned Revenue	(458,244)	3,483,644
Deferred Revenue	991,838	(104,328)
Employee Future Benefits	76,761	162,322
Other Liabilities	964,092	5,630,974
Amortization of Tangible Capital Assets	11,772,998	11,720,594
Amortization of Deferred Capital Revenue	(7,858,370)	(7,705,292)
Total Operating Transactions	6,694,163	8,391,841
Capital Transactions		
Tangible Capital Assets Purchased	(3,677,800)	(4,684,094)
Tangible Capital Assets -WIP Purchased	(30,235,579)	(26,956,356)
Bylaw Expenditures	(2,403,438)	(811,727)
Insurance Claim Expense		(1,829,035)
Total Capital Transactions	(36,316,817)	(34,281,212)
Financing Transactions		
Capital Revenue Received	32,963,297	29,972,115
Total Financing Transactions	32,963,297	29,972,115
Investing Transactions		
Investments in Portfolio Investments	(57)	(57)
Total Investing Transactions	(57)	(57)
Net Increase (Decrease) in Cash and Cash Equivalents	3,340,586	4,082,687
Cash and Cash Equivalents, beginning of year	62,735,222	58,652,535
Cash and Cash Equivalents, end of year	66,075,808	62,735,222
Cash and Cash Equivalents, end of year, is made up of:		
Cash	66,075,808	62,735,222
	66,075,808	62,735,222

School District No. 61 (Greater Victoria)

Notes to Financial Statements

Year Ended June 30, 2022

1. Authority and Purpose

The School

School District No. 61 (Greater Victoria)

Notes to Financial Statements

Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Continued)

(h) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites

School District No. 61 (Greater Victoria)

Notes to Financial Statements

Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Continued)

(j) Capital Leases

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

School District No. 61 (Greater Victoria)

Notes to Financial Statements

Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Continued)

(o) Financial Instruments (continued)

The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

All financial assets 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.

(p) 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 Tw -44.458-6.3 (a

School District No. 61 (Greater Victoria)

Notes to Financial Statements
Year Ended June 30, 2022

10. Employee Future Benefits

The School District provides certain benefits upon retirement including vested sick leave, accumulating non-vested sick leave, lump sum retirement payments, vacation, overtime and death benefits for qualified employees pursuant to certain contracts and union agreements. 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.

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

	June 30, 2022	June 30, 2021
Discount Rate - April 1	2.50%	2.25%
Discount Rate - March 31	3.25%	2.50%
Long-Term Salary Growth - April 1	2.50%+seniority	2.50%+seniority
Long-Term Salary Growth - March 31	2.50%+seniority	2.50%+seniority
Expected Average Remaining Service Lifetime - March 31	10.6	10.3

	June 30, 2022	June 30, 2021
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Reconciliation of Accrued Benefit Obligation:

Accrued Benefit Obligation

School District No. 61 (Greater Victoria)

School District No. 61 (Greater Victoria)

Notes to Financial Statements

Year Ended June 30, 2022

11. Tangible Capital Assets (Continued)**June 30, 2021 (Continued)**

	Balance at June 30, 2020 (Restated – Note 23)	Additions	Disposals / Reclassification	Transfers (WIP)	Balance at June 30, 2021
Accumulated Amortization:					
Sites	\$ -	\$ -	\$ -	\$ -	-
Site Improvements	595,000	170,000	-	-	765,000
Buildings	160,710,542	8,250,648	-	-	168,961,190
Furniture & Equipment	3,837,122	1,240,584	(330,610)	-	4,747,096
Vehicles	340,537	113,872	(27,960)	-	426,449
Computer Software	167,590	47,893	(128,027)	-	87,456
Computer Hardware	4,837,469	1,897,597	(425,814)	-	6,309,252
Total	\$ 170,488,260	\$ 11,720,594	\$ (912,411)	\$ -	\$ 181,296,443

Net Book Value:Net Book Value
June 30, 2022

School District No. 61 (Greater Victoria)

Notes to Financial Statements
Year Ended June 30, 2022

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

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2020 indicated a \$1,584 million surplus ~~356.3 (cy) 123 (2021) 59 (c) 8 (h) TVE 63 (8) 9 (20) 103 (1) 12.2 (a) 1.2 (a) 3.9 (5) (1) 5 (6)~~

School District No. 61 (Greater Victoria)

Notes to Financial Statements

School District No. 61 (Greater Victoria)

Notes to Financial Statements
Year Ended June 30, 2022

18. Contingent Liabilities and Assets

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 effect on the School District’s financial position. A liability for these claims is recorded to the extent that the probability of a loss is likely and the amount of potential loss is estimable.

At June 30, 2022, unspent Classroom Enhancement Fund remedies totalled \$442,286 (2021: \$308,613). The School District was unable to reach an agreement with the local teachers’ union regarding the treatment of the unspent remedies by June 30th. The Deferred Revenue balance is \$307,570 (2021: \$251,925).

Certain schools in the School District contain asbestos. No amount has been recorded in the financial statements with regard to this potential liability.

19. Expense by Object

	June 30, 2022	June 30, 2021 (Restated – Note 23)
Salaries and Benefits	\$ 223,581,886	\$ 215,159,059
Services and Supplies	33,064,387	29,123,244
Interest	-	-
Amortization	11,772,998	11,720,594
	<hr/>	<hr/>
	\$ 268,419,271	\$ 256,002,897

20. Internally Restricted Surplus – Operating Fund

Internally Restricted (appropriated) by Board for:

School District No. 61 (Greater Victoria)

Notes to Financial Statements

Year Ended

School District No. 61 (Greater Victoria)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2022

	Operating Fund	Special Purpose Fund	Capital Fund	2022 Actual	2021 Actual (Restated - Note 23)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	13,192,739		46,700,235	59,892,974	65,593,528
Prior Period Adjustments					(1,378,059)
Accumulated Surplus (Deficit), beginning of year, as restated	13,192,739	-	46,700,235	59,892,974	64,215,469
Changes for the year					
Surplus (Deficit) for the year	(4,338,861)	458,779	399,031	(3,481,051)	(4,322,495)
Interfund Transfers					
Tangible Capital Assets Purchased	(609,370)	(458,779)	1,068,149	-	
Tangible Capital Assets - Work in Progress	(25,887)		25,887	-	
Net Changes for the year	(4,974,118)	-	1,493,067	(3,481,051)	(4,322,495)
Accumulated Surplus (Deficit), end of year - Statement 2	8,218,621	-	48,193,302	56,411,923	59,892,974

	2022 Budget (Note 17) \$	2022 Actual \$	2021 Actual (Restated - Note 23) \$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	188,753,064	194,701,752	183,351,677
ISC/LEA Recovery	(966,444)	(832,036)	(1,031,724)
Other Ministry of Education and Child Care Grants			
Pay Equity	2,896,617	2,896,617	2,896,617
Funding for Graduated Adults	100,287	49,673	89,835
Student Grants	150,249,673		

Schedule 2B (Unaudited)

	2022 Budget (Note 17) \$	2022 Actual \$	2021 Actual (Restated - Note 23) \$
Salaries			
Teachers	92,198,153	94,940,648	90,349,744
Principals and Vice Principals	14,385,816	14,297,258	14,066,958
Educational Assistants	18,641,764	18,601,555	17,265,674
Support Staff	19,273,071	19,092,704	18,669,864
Other Professionals	4,957,013	5,093,299	4,916,468
Substitutes	8,570,336	11,140,179	8,663,963
Total Salaries	158,026,153	163,165,643	153,965,643

158,026,153 (e95163165,643) ET Q 5Tj 04 407.57

School District No. 61 (Greater Victoria)

Operating Expense by Function, Program and Object

Schedule 2C (Unaudited)

Principals and Educational Support

School District No. 61 (Greater Victoria)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

2022

2021

2021

1 Instruction

- 1.02 Regular Instruction
- 1.03 Career Programs
- 1.07 Library Services
- 1.08 Counselling
- 1.10 Special Education
- 1.30 English Language Learning
- 1.31 Indigenous Education
- 1.41 School Administration
- 1.60 Summer School
- 1.61 Continuing Education
- 1.62 International and Out of Province Students
- 1.64 Other

Total Function 1

4 District Administration

- 4.11 Educational Administration
- 4.40 School District Governance
- 4.41 Business Administration

Total Function 4

5 Operations and Maintenance

- 5.41 Operations and Maintenance Administration
- 5.50 Maintenance Operations
- 5.52 Maintenance of Grounds
- 5.56 Utilities

Total Function 5

7 Transportation and Housing

- 7.41 Transportation and Housing Administration
- 7.70 Student Transportation
- 7.73 Housing

Total Function 7

9 Debt Services

- 9.92 Interest on Bank Loans
- 9.94 Interest on Temporary Borrowing

Total Function 9

Total Functions 1 - 9

School District No. 61 (Greater Victoria)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2022

	2022 Budget (Note 17)	2022 Actual	2021 Actual (Restated - Note 23)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	24,099,452	27,593,355	34,211,428
Other Revenue	3,500,000	4,933,338	3,169,051
Investment Income	58,900	68,509	60,811
Total Revenue	<u>27,658,352</u>	<u>32,595,202</u>	<u>37,441,290</u>
Expenses			
Instruction	26,848,073	31,340,238	34,689,478
Operations and Maintenance	810,279	796,185	811,079
Total Expense	<u>27,658,352</u>	<u>32,136,423</u>	<u>35,500,557</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>458,779</u>	<u>1,940,733</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(458,779)	(1,940,733)
Total Net Transfers	<u>-</u>	<u>(458,779)</u>	<u>(1,940,733)</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. 61 (Greater Victoria)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Deferred Revenue, beginning of year

Add: Restricted Grants

Provincial Grants - Ministry of Education and Child Care

Other

Investment Income

Less: Allocated to Revenue

Recovered

Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education and Child Care

Other Revenue

Investment Income

Expenses

Salaries

Teachers

Principals and Vice Principals

Educational Assistants

Support Staff

Substitutes

Employee Benefits

Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Tangible Capital Assets Purchased

Net Revenue (Expense)

School District No. 61 (Greater Victoria)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2022

	2022	2022 Actual			2021
	Budget (Note 17)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 23)
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	1,000,000	2,403,438		2,403,438	809,453
Other	-	-		-	2,274
Investment Income	4,000		13,659	13,659	4,306
Amortization of Deferred Capital Revenue	7,969,213	7,858,370		7,858,370	7,705,292
Construction License	-	-	4,300,000	4,300,000	-
Total Revenue	8,973,213	10,261,808	4,313,659	14,575,467	8,521,325
Expenses					
Operations and Maintenance	1,000,000	2,403,438		2,403,438	815,873
Amortization of Tangible Capital Assets					
Operations and Maintenance	11,451,527	11,772,998		11,772,998	11,720,594
Total Expense	12,451,527	14,176,436	-	14,176,436	12,536,467
Capital Surplus (Deficit) for the year	(3,478,314)	(3,914,628)	4,313,659	399,031	(4,015,142)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	-	1,068,149		1,068,149	4,479,236
Tangible Capital Assets - Work in Progress	-	25,887		25,887	-
Total Net Transfers	-	1,094,036	-	1,094,036	4,479,236
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		2,609,651	(2,609,651)	-	
Tangible Capital Assets WIP Purchased from Local Capital		99,665	(99,665)	-	
Total Other Adjustments to Fund Balances		2,709,316	(2,709,316)	-	
Total Capital Surplus (Deficit) for the year	(3,478,314)	(111,276)	1,604,343	1,493,067	464,094
Capital Surplus (Deficit), beginning of year		44,827,487	1,872,748	46,700,235	47,614,200
Prior Period Adjustments					
Ministry Amortization Tool Adjustment					(1,378,059)
Capital Surplus (Deficit), beginning of year, as restated		44,827,487	1,872,748	46,700,235	46,236,141
Capital Surplus (Deficit), end of year		44,716,211	3,477,091	48,193,302	46,700,235

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	10,833,717	383,789,095	13,133,013	1,157,916	111,437	10,064,738	419,089,916
Changes for the Year							
Increase:							
Purchases from:							
Operating Fund		7,359	586,535	15,476			609,370
Special Purpose Funds			421,527			37,252	458,779
Local Capital	1,144,523		33,588			1,431,540	2,609,651
Transferred from Work in Progress		4,691,911	612,059			59,063	5,363,033
	1,144,523	4,699,270	1,653,709	15,476	-	1,527,855	9,040,833
Decrease:							
Deemed Disposals			829,463		47,244	4,880,015	5,756,722
	-	-	829,463	-	47,244	4,880,015	5,756,722
Cost, end of year	11,978,240	388,488,365	13,957,259	1,173,392	64,193	6,712,578	422,374,027
Work in Progress, end of year		52,257,885	37,624				52,295,509
Cost and Work in Progress, end of year	11,978,240	440,746,250	13,994,883	1,173,392	64,193		

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	27,378,456	44,507			27,422,963
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	25,020,882	605,176		59,063	25,685,121
Deferred Capital Revenue - Other	4,424,906				4,424,906
Operating Fund	25,887				25,887
Local Capital	99,665				99,665
	29,571,340	605,176	-	59,063	30,235,579
Decrease:					

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
Deferred Capital Revenue, beginning of year	\$	\$	\$	\$

School District No. 61 (Greater Victoria)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ -	\$ 2,975,006	\$ 4,256,745	\$ -	\$ 467,082	\$ 7,698,833
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	28,769,680		4,053,053			32,822,733
Other					132,326	132,326
Investment Income		5,319			2,919	8,238
	28,769,680	5,319	4,053,053	-	135,245	32,963,297
Decrease:						
Transferred to DCR - Work in Progress	25,685,121		4,424,906			30,110,027
Bylaw and Other Provincial Capital Expenditures	2,356,085		3,048			2,359,133
Insurance Claim Expense	44,305					44,305
	28,085,511	-	4,427,954	-	-	32,513,465
Net Changes for the Year	684,169	5,319	(374,901)	-	135,245	449,832
Balance, end of year	684,169	2,980,325	3,881,844	-	602,327	8,148,665