

Audited Financial Statements of

**School District No. 59 (Peace River South)**

And Independent Auditors' Report thereon

June 30, 2022

# School District No. 59 (Peace River South)

June 30, 2022

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# School District No. 59 (Peace River South)

## MANAGEMENT REPORT

Version: 4475-3730-1747

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

The accompanying financial statements of School District No. 59 (Peace River South) 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.



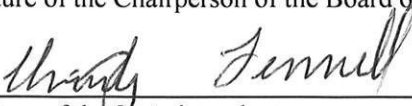
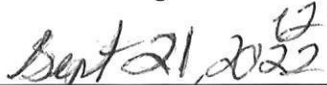
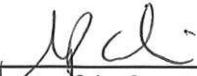
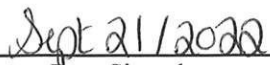
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 59 (Peace River South) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, Sander Rose Bone Grindle LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 59 (Peace River South) 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. 59 (Peace River South)

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

**CHARTERED PROFESSIONAL ACCOUNTANTS**

*Partners*

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## INDEPENDENT AUDITOR'S REPORT

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To the Board of Education of School District No. 59 (Peace River South) and the Minister of Education of British Columbia

### Opinion

We have audited the accompanying financial statements of School District No. 59 (Peace River South) which comprise the statement of financial position as at June 30, 2022 and the statement of operations, changes in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the School District No. 59 (Peace River South) as at June 30, 2022 and the result of its operations and its cash flows for the year then ended in accordance with Section 23.1 of the Budget Transparency and Accountability Act.

### Basis for Opinion

We conduct 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 report. We are independent of the district in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describe the basis of accounting and the significant differences between such basis of accounting and Canadian Public Sector Accounting Standards. Note 2 to the financial statements discloses the impact of these differences.

### Other Information

Management is responsible for the other information. Other information comprises of the unaudited schedules 1-4 that are 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.



Member, Chartered Professional Accountants of British Columbia and Alberta

\* Denotes Professional Corporations

Independent Auditor's Report to the Board of Education of School District No. 59 (Peace River South) and the Ministry of Education of British Columbia (*continued*)

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.

If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

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

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

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

### **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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report to the Board of Education of School District No. 59 (Peace River South) and the Ministry of Education of British Columbia (*continued*)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the district's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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, further events or conditions may cause the district to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

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

Dawson Creek, BC  
September 21, 2022

*Sander Rose Bone Grindle LLP*  
Chartered Professional Accountants

# School District No. 59 (Peace River South)


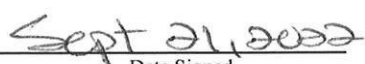
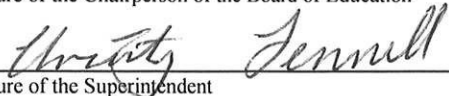

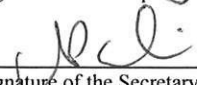
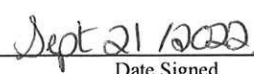
Statement 1

Statement of Financial Position  
As at June 30, 2022

	2022 Actual	2021 Actual (Restated - Note 23)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	15,752,624	16,507,366
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	153,117	529,842
Other (Note 3)	450,663	228,252
<b>Total Financial Assets</b>	<b>16,356,404</b>	<b>17,265,460</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care (Note 4)		1,204,445
Other (Note 5)	3,153,497	4,350,943
Unearned Revenue (Note 6)	91,470	85,452
Deferred Revenue (Note 7)	1,838,892	1,292,380
Deferred Capital Revenue (Note 8)	28,361,534	27,377,217
Employee Future Benefits (Note 9)	1,027,807	967,480
<b>Total Liabilities</b>	<b>34,473,200</b>	<b>35,277,917</b>
<b>Net Debt</b>	<b>(18,116,796)</b>	<b>(18,012,457)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	39,526,101	38,192,173
Prepaid Expenses	107,219	74,664
<b>Total Non-Financial Assets</b>	<b>39,633,320</b>	<b>38,266,837</b>
<b>Accumulated Surplus (Deficit) (Note 22)</b>	<b>21,516,524</b>	<b>20,254,380</b>

Unrecognized Assets (Note 14)  
Contractual Obligations (Note 15)  
Contractual Rights (Note 16)  
Contingent Liabilities (Note 17)

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

**School District No. 59 (Peace River South)**

Statement 2

Statement of Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 23)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	52,708,517	<b>52,373,983</b>	51,557,788
Other	272,970	<b>293,311</b>	253,432
Tuition	60,104	<b>60,104</b>	34,503
Other Revenue	2,456,943	<b>2,616,779</b>	2,223,583
Rentals and Leases	179,000	<b>175,139</b>	178,528
Investment Income	102,700	<b>123,666</b>	131,644
Gain (Loss) on Disposal of Tangible Capital Assets			120,200
Amortization of Deferred Capital Revenue	1,638,772	<b>1,716,107</b>	1,635,112
<b>Total Revenue</b>	<b>57,419,006</b>	<b>57,359,089</b>	56,134,790
<b>Expenses</b>			
Instruction	42,117,071	<b>40,421,235</b>	39,546,723
District Administration	1,992,748	<b>1,948,917</b>	1,930,031
Operations and Maintenance	10,387,126	<b>9,763,344</b>	9,080,139
Transportation and Housing	3,960,707	<b>3,963,449</b>	3,729,680
<b>Total Expense</b>	<b>58,457,652</b>	<b>56,096,945</b>	54,286,573
<b>Surplus (Deficit) for the year</b>	<b>(1,038,646)</b>	<b>1,262,144</b>	1,848,217
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>20,254,380</b>	18,406,163
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>21,516,524</b>	20,254,380

**School District No. 59 (Peace River South)**

Statement 4

Statement of Changes in Net Debt  
Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 23)
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<u>(1,038,646)</u>	<u>1,262,144</u>	<u>1,848,217</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(3,485,042)	(3,500,577)	(2,801,673)
Amortization of Tangible Capital Assets	2,082,412	2,166,649	2,100,131
Net carrying value of Tangible Capital Assets disposed of			2
<b>Total Effect of change in Tangible Capital Assets</b>	<u>(1,402,630)</u>	<u>(1,333,928)</u>	<u>(701,540)</u>
Acquisition of Prepaid Expenses		(107,219)	(74,664)
Use of Prepaid Expenses		74,664	167,229
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(32,555)</u>	<u>92,565</u>
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>(2,441,276)</u>	<u>(104,339)</u>	<u>1,239,242</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<u>(104,339)</u>	<u>1,239,242</u>
<b>Net Debt, beginning of year</b>		<u>(18,012,457)</u>	<u>(19,251,699)</u>
<b>Net Debt, end of year</b>		<u><u>(18,116,796)</u></u>	<u><u>(18,012,457)</u></u>

**School District No. 59 (Peace River South)**

Statement 5

Statement of Cash Flows

Year Ended June 30, 2022

	2022 Actual	2021 Actual
	(Restated - Note 23)	
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	1,262,144	1,848,217
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	154,314	(372,753)
Prepaid Expenses	(32,555)	92,565
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(2,401,891)	2,047,757
Unearned Revenue	6,018	(10,879)
Deferred Revenue	546,512	267,676
Employee Future Benefits	60,327	59,803
Loss (Gain) on Disposal of Tangible Capital Assets		(120,200)
Amortization of Tangible Capital Assets	2,166,649	2,100,131
Amortization of Deferred Capital Revenue	(1,716,107)	(1,635,112)
Capital Grants Spent on Non-Capital Items	(1,205,920)	(1,118,833)
<b>Total Operating Transactions</b>	<b>(1,160,509)</b>	<b>3,158,372</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(2,037,609)	(2,708,704)
Tangible Capital Assets -WIP Purchased	(1,462,968)	(92,969)
District Portion of Proceeds on Disposal		120,200
<b>Total Capital Transactions</b>	<b>(3,500,577)</b>	<b>(2,681,473)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	3,906,344	3,462,882
<b>Total Financing Transactions</b>	<b>3,906,344</b>	<b>3,462,882</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(754,742)</b>	<b>3,939,781</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>16,507,366</b>	<b>12,567,585</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>15,752,624</b>	<b>16,507,366</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	9,561,815	10,388,711
Cash Equivalents	6,190,809	6,118,655
	<b>15,752,624</b>	<b>16,507,366</b>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 1      AUTHORITY AND PURPOSE**

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 59 (Peace River South)", and operates as "School District No. 59 (Peace River South)." 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. 59 (Peace River South) is exempt from federal and provincial corporate income taxes.

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

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(e) and 2(j).

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

As noted in Notes 2(e) and 2(j), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

a) Basis of Accounting *(Continued)*

As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require 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
- 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.

The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2021 – increase in annual surplus by \$427,074

June 30, 2021 – increase in accumulated surplus and decrease in deferred contributions by \$26,931,308

Year-ended June 30, 2022 – increase in annual surplus by \$1,334,048

June 30, 2022 – increase in accumulated surplus and decrease in deferred contributions by \$28,265,356

b) Cash and Cash Equivalents

Cash and cash equivalents include Certificates of Deposit with the Provincial Treasury that are readily convertible to known amounts of cash, have no set maturity terms, and that are subject to an insignificant risk of change in value. These cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

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

d) Unearned Revenue

Unearned revenue includes receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the services or products are provided.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

e) 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(j).

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

f) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025 for use at June 30, 2025. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

g) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

h) Prepaid Expenses

Prepaid expenses consist of unexpired insurance premiums and other prepaid amounts which are stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

i) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 12 – Interfund Transfers and Note 23 – Accumulated Surplus).

j) Revenue Recognition

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

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

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

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

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

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

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

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

j) Revenue Recognition *(Continued)*

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.

k) Expenses

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

Categories of Salaries

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

Allocation of Costs

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

l) Financial Instruments

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

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

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

**l) Financial Instruments** *(Continued)*

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 are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations. There are no measurement gains or losses during the periods presented; therefore, no statement of remeasurement gains or losses is included in these financial statements.

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

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

**m) Measurement Uncertainty**

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

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

n) Liability for Contaminated Sites

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

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School district:
  - is directly responsible; or
  - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

o) Future Change in Accounting Policies

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

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

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

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

o) **Future Change in Accounting Policies** *(Continued)*

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

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

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

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

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

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

**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	<u>2022</u>	<u>2021</u>
Due from Federal Government	\$ 164,937	\$ 153,166
BCTF	-	6,708
BCGEU	1,356	2,289
Private Schools	2,076	2,404
PRSTA	48,483	35,751
Simon Fraser University	14,147	-
Northland School Division	-	6,901
Other Accounts Receivable	219,664	21,033
	<u>\$ 450,663</u>	<u>\$ 228,252</u>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 4      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – DUE TO PROVINCE – MINISTRY OF EDUCATION**

	<u>2022</u>	<u>2021</u>
Local Education Agreement Grant Adjustment	\$ -	\$ 1,204,445

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

	<u>2022</u>	<u>2021</u>
Trade payables	\$ 432,025	\$ 1,166,982
Salaries and benefits payable	1,161,144	1,399,342
Source deductions	577,962	598,652
Accrued vacation pay	792,691	1,049,381
Other	189,675	136,586
	<u>\$ 3,153,497</u>	<u>\$ 4,350,943</u>

**NOTE 6      UNEARNED REVENUE**

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 85,452	\$ 96,331
Changes for the year:		
Increase:		
Other revenue	114,742	89,546
Decrease:		
Other revenue	108,724	100,425
Balance, end of year	<u>\$ 91,470</u>	<u>\$ 85,452</u>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 7      DEFERRED REVENUE**

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

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 1,292,380	\$ 1,024,704
Changes for the year:		
Increase: Contributions received		
Provincial Grants – Ministry of Education	5,414,290	6,196,998
Other	988,925	651,338
Investment income	507	403
	<u>6,403,722</u>	<u>6,848,739</u>
Decrease:		
Expenses	5,857,210	6,581,063
Recovered	-	-
	<u>5,857,210</u>	<u>6,581,063</u>
Net changes for the year	<u>546,512</u>	<u>267,676</u>
Balance, end of year	<u>\$ 1,838,892</u>	<u>\$ 1,292,380</u>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 8      DEFERRED CAPITAL REVENUE**

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	Deferred Capital 2022	Unspent Capital 2022	Total Deferred Capital Revenue 2022	Total Deferred Capital Revenue 2021
Balance, beginning of year	\$27,755,118	\$445,909	\$28,201,027	\$27,480,346
Prior Period Adjustment	(823,810)		(823,810)	
Balance, beginning of year, as restated	26,931,308	445,909	27,377,217	27,480,346
Changes for the year:				
Increase:				
Transfer from Unspent – Capital Additions	1,824,446	-	1,824,446	1,969,217
Transfer from Work in Progress	-	-	-	-
Transfer from Unspent – Work in Progress	1,225,709	-	1,225,709	92,969
Provincial Grants – Ministry of Education	-	3,871,085	3,871,085	3,088,050
Provincial Grants – Other	-	-	-	20,200
Other Income	-	35,259	35,259	-
Investment income	-	-	-	3,026
MoEd Restricted Portion of Disposal Proceeds	-	-	-	351,606
	3,050,155	3,906,344	6,956,499	5,525,068
Decrease:				
Amortization of Deferred Capital	1,716,107	-	1,716,107	1,623,368
Capital Additions–transfer to Deferred Capital	-	1,824,446	1,824,446	1,969,217
Work in Progress–transfer to Deferred Capital	-	1,225,709	1,225,709	92,969
Non-capital items	-	1,205,920	1,205,920	1,118,833
	1,716,107	4,256,075	5,972,182	4,804,387
Net changes for the year	1,334,048	(349,731)	984,317	720,681
Balance, end of year	\$28,265,356	\$96,178	\$28,361,534	\$28,201,027

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 9      EMPLOYEE FUTURE BENEFITS**

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

	<u>2022</u>	<u>2021</u>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 967,769	\$ 982,265
Service Cost	95,216	95,438
Interest Cost	25,281	22,945
Benefit Payments	(102,991)	(85,251)
Actuarial (Gain) Loss	141,526	(47,628)
Accrued Benefit Obligation – March 31	<u>\$1,126,801</u>	<u>\$967,769</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	<u>\$1,126,801</u>	<u>\$967,769</u>
Funded Status - Surplus (Deficit)	(1,126,801)	(967,769)
Employer Contributions After Measurement Date	13,322	26,677
Benefits Expense After Measurement Date	(33,735)	(30,124)
Unamortized Net Actuarial (Gain) Loss	119,407	3,736
Accrued Benefit Asset (Liability) - June 30	<u>(\$1,027,807)</u>	<u>(\$967,480)</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) - July 1	\$ 967,480	\$ 907,677
Net Expense for Fiscal Year	149,962	160,954
Employer Contributions	(89,635)	(101,151)
Accrued Benefit Liability (Asset) - June 30	<u>\$ 1,027,807</u>	<u>\$ 967,480</u>
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 98,667	\$ 95,383
Interest Cost	36,202	23,529
Amortization of Net Actuarial (Gain)/Loss	18,576	42,042
Net Benefit Expense (Income)	<u>\$ 153,445</u>	<u>\$ 160,954</u>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

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

	<u>2022</u>	<u>2021</u>
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
EARSL - March 31	9.8	9.4

The impact of changes in assumptions between the March 31, 2022, measurement date and June 30, 2022, reporting date have been considered and are not considered to be material.

**NOTE 10      TANGIBLE CAPITAL ASSETS**

**Net Book Value**

	Net Book Value June 30, 2022	Net Book Value June 30, 2021
Sites	\$ 5,244,777	\$ 5,244,777
Buildings	29,074,696	30,202,295
Buildings – work in progress	1,555,937	92,969
Furniture & Equipment	1,083,472	1,138,894
Vehicles	2,509,363	2,549,123
Computer Software	1,803	3,604
Computer Software	56,053	23,230
<b>Total</b>	<b>\$ 39,526,101</b>	<b>\$ 39,254,892</b>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)**

**June 30, 2022**

Cost:	Balance at July 1, 2021	Prior Period Adjustment	Additions	Disposals	Balance at June 30, 2022
Sites	\$ 5,244,777	\$ -	\$ -	\$ -	\$ 5,244,777
Buildings	76,940,730	-	1,062,739	-	78,003,469
Buildings – work in progress	92,969	-	1,462,968	-	1,555,937
Furniture & Equipment	2,188,670	-	268,768	(351,074)	2,106,364
Vehicles	4,484,597	-	661,891	(82,720)	5,063,768
Computer Software	6,006	-	-	-	6,006
Computer Hardware	23,230	-	44,211	-	67,441
<b>Total</b>	<b>\$ 88,980,979</b>	<b>\$ -</b>	<b>\$ 3,500,577</b>	<b>\$ (433,794)</b>	<b>\$ 92,047,762</b>

Accumulated Amortization:	Balance at July 1, 2021	Prior Period Adjustment	Amortization Expense	Disposals	Balance at June 30, 2022
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	46,738,435	726,128	1,464,210	-	48,928,773
Furniture & Equipment	1,049,776	109,438	214,752	(351,074)	1,022,892
Vehicles	1,935,474	224,232	477,419	(82,720)	2,554,405
Computer Software	2,402	600	1,201	-	4,203
Computer Hardware	-	2,321	9,067	-	11,388
<b>Total</b>	<b>\$ 49,726,087</b>	<b>\$ 1,062,719</b>	<b>\$ 2,166,649</b>	<b>\$ (433,794)</b>	<b>\$ 52,521,661</b>

**June 30, 2021**

Cost:	Balance at July 1, 2020	Prior Period Adjustment	Additions	Disposals	Balance at June 30, 2021
Sites	\$ 5,244,779	\$ -	\$ -	\$ (2)	\$ 5,244,777
Buildings	75,887,892	-	2,047,854	(995,016)	76,940,730
Buildings – work in progress	-	-	92,969	-	92,969
Furniture & Equipment	2,282,166	-	154,474	(247,970)	2,188,670
Vehicles	4,469,551	-	483,146	(468,100)	4,484,597
Computer Software	6,006	-	-	-	6,006
Computer Hardware	40,086	-	23,230	(40,086)	23,230
<b>Total</b>	<b>\$ 87,930,480</b>	<b>\$ -</b>	<b>\$ 2,801,673</b>	<b>\$ (1,751,174)</b>	<b>\$ 88,980,979</b>

Accumulated Amortization:	Balance at July 1, 2020	Prior Period Adjustment	Additions	Disposals	Balance at June 30, 2021
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	46,329,692	-	1,403,759	(995,016)	46,738,435
Furniture & Equipment	1,069,529	-	228,217	(247,970)	1,049,776
Vehicles	1,956,619	-	446,955	(468,100)	1,935,474
Computer Software	1,201	-	1,201	-	2,402
Computer Hardware	32,071	-	8,015	(40,086)	-
<b>Total</b>	<b>\$ 49,389,112</b>	<b>\$ -</b>	<b>\$ 2,088,147</b>	<b>\$ (1,751,172)</b>	<b>\$ 49,726,087</b>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 10 TANGIBLE CAPITAL ASSETS** *(Continued)*

- Buildings – work in progress having a value of \$1,555,937 (2021: 92,969) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**NOTE 11 EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2021, the Teachers' Pension Plan has about 50,000 active members and approximately 40,000 retired members. As of December 31, 2021, the Municipal Pension Plan has about 227,000 active members, including approximately 29,000 from school districts.

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

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

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

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

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

The School District paid \$3,387,411 for employer contributions to these plans in the year ended June 30, 2022 (2021: \$3,337,440).

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 12 INTERFUND TRANSFERS**

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

- A transfer in the amount of \$213,163 (2021: \$739,487) was made from the operating fund to the capital fund for capital equipment purchases.

**NOTE 13 RELATED PARTY TRANSACTIONS**

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

**NOTE 14 UNRECOGNIZED ASSETS**

The School District has been made available the use of Crown Land. The Crown Land has not been recorded in these Financial Statements.

**NOTE 15 CONTRACTUAL OBLIGATIONS**

The School District has a total of \$1,432,055 of contractual obligations at year end related to the construction or renovation of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

**Contractual Commitments:**

Ecole Frank Ross Elementary - Stair Lift	\$ 93,601
DCSS South Peace Campus - Roof Renewal	642,813
DCSS South Peace Campus - HVAC Upgrade	536,293
DCSS South Peace Campus - Ramp Replacement	159,348
	<u>\$ 1,432,055</u>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 16 CONTRACTUAL RIGHTS**

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The School District's contractual rights arise because of contracts entered into for rental revenue. The following table summarizes the contractual rights of the School District for future assets:

Contractual Rights	2023	2024	2025	2026	2027	Thereafter
Future rental revenue	\$170,661	\$169,891	\$173,108	\$173,108	\$161,928	\$259,170

**NOTE 17 CONTINGENT LIABILITIES**

Each year the School District is involved in a number of legal actions and arbitrations.

The School District has been named as the defendant in a potential lawsuit related to the remediation of an environmental contamination in which damages have been sought. These matters may give rise to future liabilities. The potential amount claimed is undetermined at this time. The outcome of these actions is not determinable as at June 30, 2022 and accordingly, no provision has been made in these financial statements for any liability that may result. Any losses arising from these actions will be recorded in the year in which the related litigation is settled.

Management believes all other legal and arbitration matters that are not determinable at this time will not have a material adverse effect on the School District's financial position or operations.

**NOTE 18 ASSET RETIREMENT OBLIGATION**

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. As at June 30, 2022, the liability is not reasonably determinable.

**NOTE 19 EXPENSE BY OBJECT**

	2022	2021
Salaries and benefits	\$ 43,873,534	\$ 43,190,315
Services and supplies	10,056,762	8,996,127
Amortization	2,166,649	2,088,147
	<u>\$ 56,096,945</u>	<u>\$ 54,274,589</u>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 20 BUDGET FIGURES**

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 16, 2022. The Board adopted a preliminary annual budget on June 23, 2021. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the two budgets is as follows:

	2022 Amended	2022 Preliminary	Difference
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	\$ 52,708,517	\$ 50,250,849	\$ 2,457,668
Other	272,970	251,532	21,438
Tuition	60,104	46,503	13,601
Other Revenue	2,456,943	2,523,378	(66,435)
Rentals and Leases	179,000	176,000	3,000
Investment Income	102,700	124,200	(21,500)
Gain (Loss) on Disposal of Tangible Capital Assets	-	-	-
Amortization of Deferred Capital Revenue	1,638,772	1,641,024	(2,252)
<b>Total Revenue</b>	<b>57,419,006</b>	<b>55,013,486</b>	<b>2,405,520</b>
<b>Expenses</b>			
Instruction	42,117,071	40,166,821	1,950,250
District Administration	1,992,748	1,938,502	54,246
Operations and Maintenance	10,387,126	9,901,910	485,216
Transportation and Housing	3,960,707	3,930,210	30,497
<b>Total Expenses</b>	<b>58,457,652</b>	<b>55,937,443</b>	<b>2,520,209</b>
<b>Surplus (Deficit) for the year</b>	<b>(1,038,646)</b>	<b>(923,957)</b>	<b>(114,689)</b>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets			
From Operating and Special Purpose Funds	(1,247,173)	(267,600)	(979,573)
From Deferred Capital Revenue	(2,237,869)	(2,072,869)	(165,000)
<b>Total Acquisition of Tangible Capital Assets</b>	<b>(3,485,042)</b>	<b>(2,340,469)</b>	<b>(1,144,573)</b>
Amortization of Tangible Capital Assets	2,082,412	2,097,081	(14,669)
<b>Total Effect of change in Tangible Capital Assets</b>	<b>(1,402,630)</b>	<b>(243,388)</b>	<b>(1,159,242)</b>
<b>(Increase) Decrease in Net Financial Assets</b>	<b>\$ (2,441,276)</b>	<b>\$ (1,167,345)</b>	<b>\$ (1,273,931)</b>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 21      ECONOMIC DEPENDENCE**

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

**NOTE 22      ACCUMULATED SURPLUS**

	<u>2022</u>	<u>2021</u>
<b>OPERATING</b>		
Internally Restricted (appropriated) by Board for:		
School-based Surpluses	\$ 547,586	\$ 477,552
Indigenous Education Surplus	108,684	93,417
Capital Purchases	174,436	-
Holdback Funding	-	141,969
Renovation Pouce Coupe Elementary	44,062	833,513
Service Improvement Allocation	11,453	27,429
Portables	600,000	-
Strategic Plan Initiatives	2,157,500	485,000
Subtotal Internally Restricted	<u>3,643,721</u>	<u>2,058,880</u>
Unrestricted Operating Surplus (Deficit)	<u>6,441,631</u>	<u>6,530,601</u>
Total Available for Future Operations	<u>\$ 10,085,352</u>	<u>\$ 8,589,481</u>
<b>CAPITAL</b>		
Investment in Tangible Capital Assets	11,260,747	11,499,776
Local Capital	170,425	404,032
Capital Surplus	<u>11,431,172</u>	<u>11,903,808</u>
<b>ACCUMULATED SURPLUS</b>	<u><u>\$ 21,516,524</u></u>	<u><u>\$ 20,493,289</u></u>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 23      PRIOR PERIOD ADJUSTMENT**

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

	<u>Increase (Decrease)</u>
Tangible Capital Assets	\$ (1,062,719)
Deferred Capital Revenue	(823,810)
Accumulated Surplus (Deficit)	(238,909)
Amortization of Deferred Capital Revenue	11,744
Operations & Maintenance Expense – Asset amortization	11,984
Accumulated Surplus – beginning of the year July 1, 2020	(238,669)

**NOTE 24      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 amounts receivable.

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

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

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 24     RISK MANAGEMENT** *(continued)*

b) Market risk

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk.

c) Liquidity risk

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

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

Risk management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2021 related to credit, market or liquidity risks.

**School District No. 59 (Peace River South)**

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	8,589,481		11,664,899	20,254,380	18,644,832
Prior Period Adjustments					(238,669)
Accumulated Surplus (Deficit), beginning of year, as restated	8,589,481	-	11,664,899	20,254,380	18,406,163
Changes for the year					
Surplus (Deficit) for the year	1,709,034		(446,890)	1,262,144	1,848,217
Interfund Transfers					
Tangible Capital Assets Purchased	(213,163)		213,163	-	
Net Changes for the year	1,495,871	-	(233,727)	1,262,144	1,848,217
Accumulated Surplus (Deficit), end of year - Statement 2	10,085,352	-	11,431,172	21,516,524	20,254,380

**School District No. 59 (Peace River South)**

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 23)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	46,096,999	46,286,062	44,490,530
Other	272,970	273,111	253,432
Tuition	60,104	60,104	34,503
Other Revenue	1,705,352	1,662,277	1,591,348
Rentals and Leases	179,000	175,139	178,528
Investment Income	100,000	119,507	128,510
<b>Total Revenue</b>	<b>48,414,425</b>	<b>48,576,200</b>	<b>46,676,851</b>
<b>Expenses</b>			
Instruction	36,616,811	34,848,384	32,987,074
District Administration	1,992,748	1,948,917	1,930,031
Operations and Maintenance	6,931,032	6,604,219	6,286,848
Transportation and Housing	3,471,540	3,465,646	3,282,593
<b>Total Expense</b>	<b>49,012,131</b>	<b>46,867,166</b>	<b>44,486,546</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(597,706)</b>	<b>1,709,034</b>	<b>2,190,305</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>1,844,879</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(1,247,173)	(213,163)	(739,487)
<b>Total Net Transfers</b>	<b>(1,247,173)</b>	<b>(213,163)</b>	<b>(739,487)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>1,495,871</b>	<b>1,450,818</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>8,589,481</b>	<b>7,138,663</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>10,085,352</b>	<b>8,589,481</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>3,643,721</b>	<b>2,058,880</b>
Unrestricted		<b>6,441,631</b>	<b>6,530,601</b>
<b>Total Operating Surplus (Deficit), end of year</b>		<b>10,085,352</b>	<b>8,589,481</b>

**School District No. 59 (Peace River South)**

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 23)
	\$	\$	\$
<b>Provincial Grants - Ministry of Education and Child Care</b>			
Operating Grant, Ministry of Education and Child Care	46,047,632	46,009,843	43,286,860
ISC/LEA Recovery	(1,204,445)	(1,136,627)	(1,204,445)
Other Ministry of Education and Child Care Grants			
Pay Equity	944,395	944,395	944,395
Funding for Graduated Adults		314	301
Student Transportation Fund	441,458	441,458	441,458
Support Staff Benefits Grant		16,094	15,625
Teachers' Labour Settlement Funding			925,751
Early Career Mentorship Funding			70,000
FSA Scorer Grant	8,187	8,187	8,187
Early Learning Framework Implementation	1,679	2,398	2,398
District Online Learning Adjustment Estimate	(141,907)		
<b>Total Provincial Grants - Ministry of Education and Child Care</b>	<b>46,096,999</b>	<b>46,286,062</b>	<b>44,490,530</b>
<b>Provincial Grants - Other</b>	<b>272,970</b>	<b>273,111</b>	<b>253,432</b>
<b>Tuition</b>			
International and Out of Province Students	60,104	60,104	34,503
<b>Total Tuition</b>	<b>60,104</b>	<b>60,104</b>	<b>34,503</b>
<b>Other Revenues</b>			
Funding from First Nations	1,204,445	1,136,627	1,204,445
Miscellaneous			
Seconded Staff Recoveries	215,000	208,097	102,374
Substitute Staff Recoveries	100,000	88,687	96,465
Bus Charges	50,000	37,921	40,288
Miscellaneous	135,907	190,945	147,776
<b>Total Other Revenue</b>	<b>1,705,352</b>	<b>1,662,277</b>	<b>1,591,348</b>
<b>Rentals and Leases</b>	<b>179,000</b>	<b>175,139</b>	<b>178,528</b>
<b>Investment Income</b>	<b>100,000</b>	<b>119,507</b>	<b>128,510</b>
<b>Total Operating Revenue</b>	<b>48,414,425</b>	<b>48,576,200</b>	<b>46,676,851</b>

**School District No. 59 (Peace River South)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object  
Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 23)
	\$	\$	\$
<b>Salaries</b>			
Teachers	16,297,810	15,808,264	15,450,470
Principals and Vice Principals	3,194,963	3,160,147	3,079,875
Educational Assistants	4,532,460	3,853,419	3,538,361
Support Staff	5,747,890	5,417,514	5,523,244
Other Professionals	1,977,545	1,790,788	1,889,186
Substitutes	1,646,512	1,711,685	1,409,415
<b>Total Salaries</b>	<b>33,397,180</b>	<b>31,741,817</b>	<b>30,890,551</b>
<b>Employee Benefits</b>	<b>8,158,111</b>	<b>7,432,436</b>	<b>7,068,384</b>
<b>Total Salaries and Benefits</b>	<b>41,555,291</b>	<b>39,174,253</b>	<b>37,958,935</b>
<b>Services and Supplies</b>			
Services	1,643,284	1,485,791	1,413,578
Student Transportation	992,002	997,848	903,085
Professional Development and Travel	428,762	337,252	191,823
Rentals and Leases	26,000	33,655	24,415
Dues and Fees	266,741	350,136	399,233
Insurance	180,973	196,057	181,553
Supplies	2,081,758	2,310,165	1,656,285
Utilities	1,837,320	1,982,009	1,757,639
<b>Total Services and Supplies</b>	<b>7,456,840</b>	<b>7,692,913</b>	<b>6,527,611</b>
<b>Total Operating Expense</b>	<b>49,012,131</b>	<b>46,867,166</b>	<b>44,486,546</b>

# School District No. 59 (Peace River South)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	12,975,740	755,381	200,222	516,571	93,234	1,087,927	15,629,075
1.03 Career Programs	55,104	42,301			185,454	304	283,163
1.07 Library Services	189,857		94,655			24,859	309,371
1.08 Counselling	558,331			75,185	2,104	21,536	657,156
1.10 Special Education	1,484,490		3,152,714	103,231	45,974	151,930	4,938,339
1.30 English Language Learning	47,491		70,633			180	118,304
1.31 Indigenous Education	497,251	347,615	313,791	111,576	70,287	7,183	1,347,703
1.41 School Administration		2,014,850		651,665		28,041	2,694,556
1.62 International and Out of Province Students							-
<b>Total Function 1</b>	<b>15,808,264</b>	<b>3,160,147</b>	<b>3,832,015</b>	<b>1,458,228</b>	<b>397,053</b>	<b>1,321,960</b>	<b>25,977,667</b>
<b>4 District Administration</b>							
4.11 Educational Administration				18,831	388,806	3,193	410,830
4.40 School District Governance					119,327		119,327
4.41 Business Administration				156,183	500,515	483	657,181
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175,014</b>	<b>1,008,648</b>	<b>3,676</b>	<b>1,187,338</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				44,472	293,324	431	338,227
5.50 Maintenance Operations				2,181,229		261,244	2,442,473
5.52 Maintenance of Grounds				398,428		28,542	426,970
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,624,129</b>	<b>293,324</b>	<b>290,217</b>	<b>3,207,670</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				52,807	91,763		144,570
7.70 Student Transportation			21,404	1,107,336		95,832	1,224,572
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>21,404</b>	<b>1,160,143</b>	<b>91,763</b>	<b>95,832</b>	<b>1,369,142</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>15,808,264</b>	<b>3,160,147</b>	<b>3,853,419</b>	<b>5,417,514</b>	<b>1,790,788</b>	<b>1,711,685</b>	<b>31,741,817</b>

# School District No. 59 (Peace River South)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2022 Actual \$	2022 Budget \$	2021 Actual (Restated - Note 23) \$
<b>1 Instruction</b>							
1.02 Regular Instruction	15,629,075	3,871,925	19,501,000	1,773,239	21,274,239	21,503,666	19,961,413
1.03 Career Programs	283,163	56,081	339,244	163,730	502,974	464,815	404,840
1.07 Library Services	309,371	70,168	379,539	47,508	427,047	463,965	499,190
1.08 Counselling	657,156	120,187	777,343	10,357	787,700	807,492	833,331
1.10 Special Education	4,938,339	1,150,064	6,088,403	180,792	6,269,195	7,616,930	5,979,282
1.30 English Language Learning	118,304	25,131	143,435	8,207	151,642	233,379	187,367
1.31 Indigenous Education	1,347,703	316,173	1,663,876	176,947	1,840,823	2,001,503	1,729,014
1.41 School Administration	2,694,556	539,476	3,234,032	253,011	3,487,043	3,417,605	3,278,885
1.62 International and Out of Province Students	-	-	-	107,721	107,721	107,456	113,752
<b>Total Function 1</b>	<b>25,977,667</b>	<b>6,149,205</b>	<b>32,126,872</b>	<b>2,721,512</b>	<b>34,848,384</b>	<b>36,616,811</b>	<b>32,987,074</b>
<b>4 District Administration</b>							
4.11 Educational Administration	410,830	93,874	504,704	63,832	568,536	653,476	558,605
4.40 School District Governance	119,327	7,613	126,940	104,217	231,157	211,033	182,119
4.41 Business Administration	657,181	146,693	803,874	345,350	1,149,224	1,128,239	1,189,307
<b>Total Function 4</b>	<b>1,187,338</b>	<b>248,180</b>	<b>1,435,518</b>	<b>513,399</b>	<b>1,948,917</b>	<b>1,992,748</b>	<b>1,930,031</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	338,227	78,525	416,752	243,815	660,567	644,887	571,529
5.50 Maintenance Operations	2,442,473	572,075	3,014,548	914,397	3,928,945	4,352,159	3,803,201
5.52 Maintenance of Grounds	426,970	100,598	527,568	157,615	685,183	666,666	653,121
5.56 Utilities	-	-	-	1,329,524	1,329,524	1,267,320	1,258,997
<b>Total Function 5</b>	<b>3,207,670</b>	<b>751,198</b>	<b>3,958,868</b>	<b>2,645,351</b>	<b>6,604,219</b>	<b>6,931,032</b>	<b>6,286,848</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	144,570	33,481	178,051	9,079	187,130	236,961	186,257
7.70 Student Transportation	1,224,572	250,372	1,474,944	1,803,572	3,278,516	3,234,579	3,096,336
<b>Total Function 7</b>	<b>1,369,142</b>	<b>283,853</b>	<b>1,652,995</b>	<b>1,812,651</b>	<b>3,465,646</b>	<b>3,471,540</b>	<b>3,282,593</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>31,741,817</b>	<b>7,432,436</b>	<b>39,174,253</b>	<b>7,692,913</b>	<b>46,867,166</b>	<b>49,012,131</b>	<b>44,486,546</b>

**School District No. 59 (Peace River South)**

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations  
Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 23)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	5,425,798	4,902,201	5,948,425
Other Revenue	751,591	954,502	632,235
Investment Income		507	403
<b>Total Revenue</b>	<u>6,177,389</u>	<u>5,857,210</u>	<u>6,581,063</u>
<b>Expenses</b>			
Instruction	5,500,260	5,572,851	6,559,649
Operations and Maintenance	632,286	263,975	21,282
Transportation and Housing	44,843	20,384	132
<b>Total Expense</b>	<u>6,177,389</u>	<u>5,857,210</u>	<u>6,581,063</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>-</u>	<u>-</u>

# School District No. 59 (Peace River South)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2022

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	352,578		775,775			26,382			
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	279,708	156,844		192,000	36,750	105,315	380,505	293,013	3,200,786
Other			946,981						
Investment Income									
	279,708	156,844	946,981	192,000	36,750	105,315	380,505	293,013	3,200,786
Less: Allocated to Revenue	263,975	133,319	918,120	162,299	36,750	68,460	299,732	293,013	3,200,786
Recovered									
Deferred Revenue, end of year	368,311	23,525	804,636	29,701	-	63,237	80,773	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	263,975	133,319		162,299	36,750	68,460	299,732	293,013	3,200,786
Other Revenue			918,120						
Investment Income									
	263,975	133,319	918,120	162,299	36,750	68,460	299,732	293,013	3,200,786
Expenses									
Salaries									
Teachers							20,451		2,598,629
Educational Assistants		105,175				27,812	150,653		
Support Staff	63,982			110,575			1,714	18,361	
Other Professionals				2,324	8,244		14,103	36,401	
Substitutes					12,247	1,196	80	183,843	
	63,982	105,175	-	112,899	20,491	29,008	187,001	238,605	2,598,629
Employee Benefits	16,552	28,144		29,527	4,528	8,526	51,025	53,738	602,157
Services and Supplies	183,441		918,120	19,873	11,731	30,926	61,706	670	
	263,975	133,319	918,120	162,299	36,750	68,460	299,732	293,013	3,200,786
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

**School District No. 59 (Peace River South)**

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

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Safe Return to School / Restart: Health & Safety Grant	Federal Safe Return to Class / Ventilation Fund	Early Childhood Education Dual Credit Program	Career Grants	Early Learning Funds	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	36,018	30,557	6,752				11,591	52,727	1,292,380
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	191,962	14,286	129,932	109,006	100,201	260,000			5,450,308
Other							18,500	23,444	988,925
Investment Income								507	507
	191,962	14,286	129,932	109,006	100,201	260,000	18,500	23,951	6,439,740
Less: Allocated to Revenue	191,962	20,384	51,583	109,006	11,180	59,752	9,404	27,485	5,857,210
Recovered	36,018								36,018
Deferred Revenue, end of year	-	24,459	85,101	-	89,021	200,248	20,687	49,193	1,838,892
Revenues									
Provincial Grants - Ministry of Education and Child Care	191,962	20,384	51,583	109,006	11,180	59,752			4,902,201
Other Revenue							9,404	26,978	954,502
Investment Income								507	507
	191,962	20,384	51,583	109,006	11,180	59,752	9,404	27,485	5,857,210
Expenses									
Salaries									
Teachers									2,619,080
Educational Assistants			10,517						294,157
Support Staff				61,851					256,483
Other Professionals									61,072
Substitutes	99,366		7,715						304,447
	99,366	-	18,232	61,851	-	-	-	-	3,535,239
Employee Benefits	20,138		3,738	12,369					830,442
Services and Supplies	72,458	20,384	29,613	34,786	11,180	59,752	9,404	27,485	1,491,529
	191,962	20,384	51,583	109,006	11,180	59,752	9,404	27,485	5,857,210
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

# School District No. 59 (Peace River South)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual			2021 Actual (Restated - Note 23)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education and Child Care	1,185,720	1,185,720		1,185,720	1,118,833
Other		20,200		20,200	
Investment Income	2,700		3,652	3,652	2,731
Gain (Loss) on Disposal of Tangible Capital Assets				-	120,200
Amortization of Deferred Capital Revenue	1,638,772	1,716,107		1,716,107	1,635,112
<b>Total Revenue</b>	<u>2,827,192</u>	<u>2,922,027</u>	<u>3,652</u>	<u>2,925,679</u>	<u>2,876,876</u>
<b>Expenses</b>					
Operations and Maintenance	1,185,720	1,205,920		1,205,920	1,118,833
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,638,088	1,689,230		1,689,230	1,653,176
Transportation and Housing	444,324	477,419		477,419	446,955
<b>Total Expense</b>	<u>3,268,132</u>	<u>3,372,569</u>	<u>-</u>	<u>3,372,569</u>	<u>3,218,964</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(440,940)</u>	<u>(450,542)</u>	<u>3,652</u>	<u>(446,890)</u>	<u>(342,088)</u>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	1,247,173	213,163		213,163	739,487
<b>Total Net Transfers</b>	<u>1,247,173</u>	<u>213,163</u>	<u>-</u>	<u>213,163</u>	<u>739,487</u>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets WIP Purchased from Local Capital		237,259	(237,259)	-	
<b>Total Other Adjustments to Fund Balances</b>		<u>237,259</u>	<u>(237,259)</u>	<u>-</u>	
<b>Total Capital Surplus (Deficit) for the year</b>	<u>806,233</u>	<u>(120)</u>	<u>(233,607)</u>	<u>(233,727)</u>	<u>397,399</u>
<b>Capital Surplus (Deficit), beginning of year</b>		11,260,867	404,032	11,664,899	11,506,169
Prior Period Adjustments					
Change in Depreciation Method					(238,669)
<b>Capital Surplus (Deficit), beginning of year, as restated</b>		<u>11,260,867</u>	<u>404,032</u>	<u>11,664,899</u>	<u>11,267,500</u>
<b>Capital Surplus (Deficit), end of year</b>		<u>11,260,747</u>	<u>170,425</u>	<u>11,431,172</u>	<u>11,664,899</u>

# School District No. 59 (Peace River South)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2022

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	5,244,777	76,940,730	2,188,670	4,484,597	6,006	23,230	88,888,010
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,062,739	167,428	594,279			1,824,446
Operating Fund			101,340	67,612		44,211	213,163
	-	1,062,739	268,768	661,891	-	44,211	2,037,609
Decrease:							
Deemed Disposals			351,074	82,720			433,794
	-	-	351,074	82,720	-	-	433,794
Cost, end of year	5,244,777	78,003,469	2,106,364	5,063,768	6,006	67,441	90,491,825
Work in Progress, end of year		1,555,937					1,555,937
Cost and Work in Progress, end of year	5,244,777	79,559,406	2,106,364	5,063,768	6,006	67,441	92,047,762
Accumulated Amortization, beginning of year		46,738,435	1,049,776	1,935,474	2,402		49,726,087
Prior Period Adjustments							
Change in Depreciation Method		726,128	109,438	224,232	600	2,321	1,062,719
Accumulated Amortization, beginning of year, as restated		47,464,563	1,159,214	2,159,706	3,002	2,321	50,788,806
Changes for the Year							
Increase: Amortization for the Year		1,464,210	214,752	477,419	1,201	9,067	2,166,649
Decrease:							
Deemed Disposals			351,074	82,720			433,794
		-	351,074	82,720	-	-	433,794
Accumulated Amortization, end of year		48,928,773	1,022,892	2,554,405	4,203	11,388	52,521,661
Tangible Capital Assets - Net	5,244,777	30,630,633	1,083,472	2,509,363	1,803	56,053	39,526,101

**School District No. 59 (Peace River South)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2022

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Work in Progress, beginning of year</b>	92,969				92,969
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	800,000				800,000
Deferred Capital Revenue - Other	425,709				425,709
Local Capital	237,259				237,259
	1,462,968	-	-	-	1,462,968
<b>Net Changes for the Year</b>	1,462,968	-	-	-	1,462,968
<b>Work in Progress, end of year</b>	1,555,937	-	-	-	1,555,937

**School District No. 59 (Peace River South)**

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	26,109,203	533,874	1,019,072	27,662,149
Prior Period Adjustments				
Change in Depreciation Method	(787,208)	(13,772)	(22,830)	(823,810)
<b>Deferred Capital Revenue, beginning of year, as restated</b>	25,321,995	520,102	996,242	26,838,339
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,824,446			1,824,446
	1,824,446	-	-	1,824,446
Decrease:				
Amortization of Deferred Capital Revenue	1,645,127	27,544	43,436	1,716,107
	1,645,127	27,544	43,436	1,716,107
<b>Net Changes for the Year</b>	179,319	(27,544)	(43,436)	108,339
<b>Deferred Capital Revenue, end of year</b>	25,501,314	492,558	952,806	26,946,678
<b>Work in Progress, beginning of year</b>		92,969		92,969
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	800,000	425,709		1,225,709
	800,000	425,709	-	1,225,709
<b>Net Changes for the Year</b>	800,000	425,709	-	1,225,709
<b>Work in Progress, end of year</b>	800,000	518,678	-	1,318,678
<b>Total Deferred Capital Revenue, end of year</b>	26,301,314	1,011,236	952,806	28,265,356

**School District No. 59 (Peace River South)**

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		425,709	20,200			445,909
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education and Child Care	3,871,085					3,871,085
Other					35,259	35,259
	3,871,085	-	-	-	35,259	3,906,344
Decrease:						
Transferred to DCR - Capital Additions	1,824,446					1,824,446
Transferred to DCR - Work in Progress	800,000	425,709				1,225,709
Facility Improvements Not Capitalized	1,185,720		20,200			1,205,920
	3,810,166	425,709	20,200	-	-	4,256,075
<b>Net Changes for the Year</b>	60,919	(425,709)	(20,200)	-	35,259	(349,731)
<b>Balance, end of year</b>	<b>60,919</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,259</b>	<b>96,178</b>