



Audited Financial Statements of
School District No. 36 (Surrey)
June 30, 2023

School District No. 36 (Surrey)

June 30, 2023

Table of Contents

Management Report	1
Independent Auditors' Report	2-4
Statement of Financial Position - Statement 1	5
Statement of Operations - Statement 2	6
Statement of Changes in Net Debt - Statement 4	7
Statement of Cash Flows - Statement 5	8
Notes to the Financial Statements	9-30
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	31
Schedule of Operating Operations - Schedule 2 (Unaudited)	32
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	33
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	34
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	35
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	37
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	38
Schedule of Capital Operations - Schedule 4 (Unaudited)	43
Schedule 4A - Tangible Capital Assets (Unaudited)	44
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited)	45
Schedule 4C - Deferred Capital Revenue (Unaudited)	46
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	47

School District No. 36 (Surrey)

MANAGEMENT REPORT

Version: 6868-6122-4140

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 36 (Surrey) 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. 36 (Surrey) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 36 (Surrey) 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. 36 (Surrey)

"Laurie Larsen"	September 13, 2023
Signature of the Chairperson of the Board of Education	Date Signed
"Mark Pearmain"	September 13, 2023
Signature of the Superintendent	Date Signed
"Jon Harding"	September 13, 2023
Signature of the Secretary Treasurer	Date Signed



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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 36 (Surrey),
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 36 (Surrey) (the "Entity"), which comprise:

- the statement of financial position as at June 30, 2023
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

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

Basis for Opinion

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

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

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

Emphasis of Matter – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.

Emphasis of Matter – Comparative Information

We draw attention to Note 24 to the financial statements, which explains that certain comparative information presented for the year ended June 30, 2022 has been restated.

Note 24 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

The financial statements for the year ended June 30, 2022, excluding the adjustments that were applied to restate certain comparative information, were audited by another auditor who expressed an unmodified opinion on those financial statements on September 14, 2022.

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

Other than with respect to the adjustments that were applied to restate certain comparative information, we were not engaged to audit, review or apply any procedures to the financial statements for the year ended June 30, 2022. Accordingly, we do not express an opinion or any other form of assurance on those financial statements taken as a whole.

Other Information

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

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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



Chartered Professional Accountants

Vancouver, Canada
September 13, 2023

School District No. 36 (Surrey)

Statement of Financial Position

As at June 30, 2023

Statement 1

	2023 Actual	2022 Actual (Restated - Note 24)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	163,591,178	170,451,709
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	7,029,210	10,043,095
Due from Province - Other	64,800	
Due from First Nations	98,928	
Other (Note 4)	8,773,549	7,699,222
Total Financial Assets	179,557,665	188,194,026
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	15,918,252	20,757,201
Unearned Revenue (Note 6)	13,677,206	11,428,990
Deferred Revenue (Note 7)	12,024,897	12,701,078
Deferred Capital Revenue (Note 8)	814,826,259	779,678,677
Employee Future Benefits (Note 9)	11,919,309	12,649,697
Asset Retirement Obligation (Note 20, 24)	57,207,022	57,207,022
Other Liabilities (Note 10)	81,144,248	69,396,793
Total Liabilities	1,006,717,193	963,819,458
Net Debt	(827,159,528)	(775,625,432)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	1,387,930,887	1,352,907,154
Restricted Assets (Endowments) (Note 13)	800,000	
Prepaid Expenses	2,542,989	2,268,390
Total Non-Financial Assets	1,391,273,876	1,355,175,544
Accumulated Surplus (Deficit)	564,114,348	579,550,112
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	564,114,348	579,550,112
Accumulated Remeasurement Gains (Losses)		
	564,114,348	579,550,112

Contractual Obligations (Note 17)

Contractual Rights (Note 18)

Contingent Liabilities (Note 19)

Approved by the Board

"Laurie Larsen"

September 13, 2023

Signature of the Chairperson of the Board of Education

Date Signed

"Mark Pearmain"

September 13, 2023

Signature of the Superintendent

Date Signed

"Jon Harding"

September 13, 2023

Signature of the Secretary Treasurer

Date Signed

School District No. 36 (Surrey)

Statement 2

Statement of Operations

Year Ended June 30, 2023

	2023 Budget (Note 23) \$	2023 Actual \$	2022 Actual (Restated - Note 24) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	858,180,215	875,406,640	800,523,888
Other	821,444	1,212,867	1,278,406
Municipal Grants Spent on Sites	2,410,000	2,444,943	
Federal Grants	3,622,744	3,567,509	2,787,204
Tuition	11,993,747	12,414,737	11,640,585
Other Revenue	15,771,118	22,628,645	17,062,611
Rentals and Leases	3,221,101	3,841,234	2,915,786
Investment Income	4,692,000	5,154,427	1,410,833
Gain (Loss) on Disposal of Tangible Capital Assets	73,088	73,088	27,933,827
Amortization of Deferred Capital Revenue	33,507,042	33,711,301	31,377,496
Total Revenue	934,292,499	960,455,391	896,930,636
Expenses			
Instruction	793,616,117	816,901,588	746,918,686
District Administration	21,155,251	18,346,806	16,530,056
Operations and Maintenance	134,880,422	133,423,479	124,495,752
Transportation and Housing	8,601,855	8,019,282	7,303,217
Total Expense	958,253,645	976,691,155	895,247,711
Surplus (Deficit) for the year, before endowment contributions	(23,961,146)	(16,235,764)	1,682,925
Endowment Contributions (Note 13)		800,000	
Surplus (Deficit) for the year	(23,961,146)	(15,435,764)	1,682,925
Accumulated Surplus (Deficit) from Operations, beginning of year		579,550,112	577,867,187
Accumulated Surplus (Deficit) from Operations, end of year		564,114,348	579,550,112

School District No. 36 (Surrey)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2023

	2023 Budget (Note 23) \$	2023 Actual \$	2022 Actual (Restated - Note 24) \$
Surplus (Deficit) for the year	<u>(23,961,146)</u>	<u>(15,435,764)</u>	<u>1,682,925</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(82,145,821)	(82,272,160)	(92,352,214)
Amortization of Tangible Capital Assets	46,626,230	47,248,427	45,115,083
Total Effect of change in Tangible Capital Assets	<u>(35,519,591)</u>	<u>(35,023,733)</u>	<u>(47,237,131)</u>
Acquisition of Prepaid Expenses		(2,542,989)	(2,268,390)
Use of Prepaid Expenses		2,268,390	2,010,622
Endowment Contributions		(800,000)	
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(1,074,599)</u>	<u>(257,768)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(59,480,737)</u>	<u>(51,534,096)</u>	<u>(45,811,974)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(51,534,096)	(45,811,974)
Net Debt, beginning of year		(775,625,432)	(729,813,458)
Net Debt, end of year		<u>(827,159,528)</u>	<u>(775,625,432)</u>

School District No. 36 (Surrey)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2023

	2023 Actual	2022 Actual
	(Restated - Note 24)	
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(15,435,764)	1,682,925
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	1,775,830	460,717
Prepaid Expenses	(274,599)	(257,768)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(4,838,949)	(5,122,802)
Unearned Revenue	2,248,216	2,208,418
Deferred Revenue	(676,181)	2,934,744
Employee Future Benefits	(730,388)	(424,758)
Other Liabilities	11,747,455	(3,322,918)
Loss (Gain) on Disposal of Tangible Capital Assets	(73,088)	(27,933,827)
Amortization of Tangible Capital Assets	47,248,427	45,115,083
Amortization of Deferred Capital Revenue	(33,711,301)	(31,377,496)
Recognition of Deferred Capital Revenue Spent on Sites	(4,889,939)	395,594
Total Operating Transactions	2,389,719	(15,642,088)
Capital Transactions		
Tangible Capital Assets Purchased	(51,960,723)	(45,555,423)
Tangible Capital Assets -WIP Purchased	(30,311,437)	(46,796,791)
District Portion of Proceeds on Disposal	73,088	30,133,827
Total Capital Transactions	(82,199,072)	(62,218,387)
Financing Transactions		
Capital Revenue Received	73,748,822	78,888,938
Endowment Contributions	(800,000)	
Reclassified Prior Year Expenditures to Local Capital		(786,227)
Total Financing Transactions	72,948,822	78,102,711
Net Increase (Decrease) in Cash and Cash Equivalents	(6,860,531)	242,236
Cash and Cash Equivalents, beginning of year	170,451,709	170,209,473
Cash and Cash Equivalents, end of year	163,591,178	170,451,709
Cash and Cash Equivalents, end of year, is made up of:		
Cash	163,591,178	170,451,709
	163,591,178	170,451,709

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

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. 36 (Surrey)" and operates as "School District No. 36 (Surrey)". A board of education ("the Board") is elected for a four-year term and governs the School District. The School District provides educational programs to students enrolled in its schools in the cities of Surrey and White Rock and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 36 (Surrey) is exempt from federal and provincial corporate income taxes.

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(f) and 2(n).

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

As noted in Notes 2 (f) and 2 (n), 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.

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.

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

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Portfolio Investments

Investments in GIC's, term deposits, bonds and other investments held by the School District that are not quoted in an active market are reported at cost or amortized cost.

As at June 30, 2023, the School District did not hold any investments in portfolio investments.

e) Unearned Revenue

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

f) Deferred Revenue and Deferred Capital Revenue

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

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. 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. Additional details over basis of accounting are included in Note 2(a).

g) Employee Future Benefits

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

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSL) 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. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

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

h) Asset Retirement Obligations

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

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

The School District's asset retirement obligations include the removal of asbestos and other hazardous material in several of the buildings owned by the School District. The estimate of the asset retirement obligations include costs directly attributable to the asset retirement activities. The estimated costs have been recorded as a liability and capitalized into the carrying amount of tangible capital assets, which is being amortized in accordance with the amortization accounting policy outlined in Note 2(k). The carrying value of the liability is reviewed at each financial reporting date with changes to the timing or amount of the original estimate of cash flows recorded as an adjustment to the liability and related tangible capital asset.

i) Liability for Contaminated Sites

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

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

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

j) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

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

k) 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

l) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

m) Prepaid Expenses

Materials and supplies held in central stores for use within the School District are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit.

n) Revenue Recognition

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

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

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

n) Revenue Recognition (cont'd)

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 that are government transfers 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. Additional details over basis of accounting are included in Note 2(a).

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

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

o) Expenditures

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

Categories of Salaries

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

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Expenditures (cont'd)

Allocation of Costs

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

p) 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 14 – Interfund Transfers and Note 22 – Internally Restricted – Operating Fund).

q) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, and other liabilities. The School District does not have any derivatives.

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 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.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Financial Instruments (cont'd)

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

r) Measurement Uncertainty

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

s) Future Changes in Accounting Policies

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:

- has the authority to claim or retain an inflow of economic resources; and
- 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 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 4 ACCOUNTS RECEIVABLE - OTHER

	June 30, 2023	June 30, 2022
Due from Federal Government	\$ 2,035,751	\$ 1,786,863
Trade Accounts Receivable	812,020	683,287
Payroll Accounts Receivable	101,992	136,615
Other Accounts Receivable	1,175,040	1,035,066
Deposits	3,293,840	2,873,421
School Site Acquisition Charges	1,354,906	1,183,970
	<u>\$ 8,773,549</u>	<u>\$ 7,699,222</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	June 30, 2023	June 30, 2022
Trade Payables	\$ 10,230,292	\$ 12,536,035
Lien Holdbacks	5,502,402	8,046,783
Other	185,558	174,383
	\$ 15,918,252	\$ 20,757,201

NOTE 6 UNEARNED REVENUE

Unearned revenue as at June 30th, 2023

	Balance, June 30, 2022	Increases to Unearned Revenue	Revenue recognized in the period	Balance, June 30, 2023
	\$	\$	\$	\$
Tuition Fees	10,927,621	14,557,066	(12,414,737)	13,069,950
Rental/Lease of Facilities	501,369	3,947,121	(3,841,234)	607,256
Total	11,428,990	18,504,187	(16,255,971)	13,677,206

Unearned revenue as at June 30th, 2022

	Balance, June 30, 2021	Increases to Unearned Revenue	Revenue recognized in the period	Balance, June 30, 2022
	\$	\$	\$	\$
Tuition Fees	9,160,429	13,407,777	(11,640,585)	10,927,621
Rental/Lease of Facilities	60,143	3,357,012	(2,915,786)	501,369
Total	9,220,572	16,764,789	(14,556,371)	11,428,990

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

NOTE 7 DEFERRED REVENUE

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

Deferred Revenue as at June 30th, 2023

	Balance, June 30, 2022	Contributions received	Revenue recognized in the period	Balance, June 30, 2023
	\$	\$	\$	\$
Provincial Grants - Ministry of Education	3,910,481	75,225,912	(75,780,135)	3,356,258
Provincial Grants - Other	767,327	791,855	(825,274)	733,908
Federal Grants	102,977	12,500	(82,157)	33,320
Other	7,920,293	19,113,028	(19,131,910)	7,901,411
Investment Income	-	33,130	(33,130)	-
Total	12,701,078	95,176,425	(95,852,606)	12,024,897

Deferred Revenue as at June 30th, 2022

	Balance, June 30, 2021	Contributions received	Revenue recognized in the period	Balance, June 30, 2022
	\$	\$	\$	\$
Provincial Grants - Ministry of Education	1,637,589	61,524,721	(59,251,829)	3,910,481
Provincial Grants - Other	726,265	742,368	(701,306)	767,327
Federal Grants	96,412	45,834	(39,269)	102,977
Other	7,306,068	13,814,953	(13,200,728)	7,920,293
Investment Income	-	13,016	(13,016)	-
Total	9,766,334	76,140,892	(73,206,148)	12,701,078

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

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.

	2023	2022
	\$	\$
Deferred Capital Revenue, (includes Work in progress), beginning of year	<u>779,678,677</u>	<u>732,557,868</u>
Increases:		
Provincial Grants - MOE	66,712,553	74,923,968
Provincial Grants - Other	3,454,469	-
Local Government Site Fees	2,899,801	3,082,135
Investment Income	462,734	96,608
Sale of Capital Assets	<u>219,265</u>	<u>-</u>
	<u>73,748,822</u>	<u>78,102,711</u>
Decreases:		
Transfers to revenue - site purchases	4,889,939	(395,594)
Amortization of Deferred Capital Revenue	<u>33,711,301</u>	<u>31,377,496</u>
	<u>38,601,240</u>	<u>30,981,902</u>
Net Change for the year	<u>35,147,582</u>	<u>47,120,809</u>
Deferred Capital Revenue (includes Work in Progress), end of year	<u>814,826,259</u>	<u>779,678,677</u>

Work in progress amount as of June 30, 2023 was \$41,958,896 (June 30, 2022: \$75,342,753).

Unspent Deferred Capital Contributions as of June 30, 2023 were \$14,132,327 (June 30, 2022: \$11,220,458).

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

NOTE 9 EMPLOYEE FUTURE BENEFITS

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

	2023	2022
	\$	\$
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	13,021,171	12,153,175
Service Cost	747,688	761,320
Interest Cost	406,174	301,533
Benefit Payments	(1,878,998)	(1,517,801)
Actuarial (Gain) Loss	(744,928)	1,322,944
Accrued Benefit Obligation – March 31	<u>11,551,107</u>	<u>13,021,171</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	<u>11,551,107</u>	<u>13,021,171</u>
Funded Status - Surplus (Deficit)	(11,551,107)	(13,021,171)
Employer Contributions After Measurement Date	377,479	164,329
Benefits Expense After Measurement Date	(295,317)	(288,466)
Unamortized Net Actuarial (Gain) Loss	(450,364)	495,611
Accrued Benefit Asset (Liability) - June 30	<u>(11,919,309)</u>	<u>(12,649,697)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	12,649,697	13,074,455
Net Expense for Fiscal Year	1,361,761	1,109,478
Employer Contributions	(2,092,149)	(1,534,236)
Accrued Benefit Liability (Asset) - June 30	<u>11,919,309</u>	<u>12,649,697</u>
Components of Net Benefit Expense		
Service Cost	742,442	757,912
Interest Cost	418,271	327,693
Amortization of Net Actuarial (Gain)/Loss	<u>201,048</u>	<u>23,873</u>
Net Benefit Expense (Income)	<u>1,361,761</u>	<u>1,109,478</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

NOTE 9 EMPLOYEE FUTURE BENEFITS *(Continued)*

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

	<u>2023</u>	<u>2022</u>
Discount Rate – April 1	3.25%	2.50%
Discount Rate – March 31	4.00%	3.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	9.5 years	9.5 years

NOTE 10 OTHER LIABILITIES

Vacation pay and banked overtime are recognized as an expense at the time the entitlement is earned through service.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
	\$	\$
Salaries and Benefits Payable	71,460,406	60,301,354
Accrued Vacation Payable	9,683,842	9,095,439
	<u>81,144,248</u>	<u>69,396,793</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

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 board of trustees for these plans, representing plan members and employers, are responsible for administering the plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. Defined contribution plan accounting is applied to the plans as the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, plan assets and cost to individual employers participating in the plans. The School District's employer contributions to these plans in the fiscal year ended June 30, 2023 were \$69,883,254 (2022: \$66,583,319).

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.

Teachers' Pension Plan

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 next valuation will be December 31, 2023.

As of December 31, 2022, The Teachers' Pension Plan has about 51,000 active members from school districts, and approximately 41,000 retired members from school districts.

Teacher Pension Plan is determined on a formula based on contribution rates as a percentage of salary. The following rates were used for 2023 and 2022 fiscal years.

Teacher Pension Plan is determined on a formula based on a contribution rate of 11.30% of salary for 2023 (2022: 11.30%).

Year's Maximum Pensionable Earnings ("YMPE") for 2023 set at \$66,600 (2022: \$64,900).

Municipal Pension Plan

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits and a balance of \$3,185 million in the rate stabilization account. The next valuation will be December 31, 2024, with results available in 2025.

As of December 31, 2022, The Municipal Pension Plan has about 240,000 active members, of which approximately 30,000 are from school districts.

Municipal Pension Plan is determined on a formula based on contribution rate of 9.31% of salary for 2023 (2022: 9.31%).

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 12 TANGIBLE CAPITAL ASSETS

June 30, 2023	Land	Building	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Work in Progress (WIP)	2023 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Beginning of year (restated see Note 24)	399,242,039	1,476,000,818	65,134,902	10,274,722	910,883	21,087,475	87,021,805	2,059,672,644
Additions	4,976,838	33,129,677	11,004,042	1,085,169	-	1,764,997	30,311,437	82,272,160
Disposals	-	(513,526)	-	-	-	-	-	(513,526)
Deemed Disposals	-	-	(3,228,292)	(743,451)	(428,911)	(4,707,040)	-	(9,107,694)
Transfer from/(to) WIP	-	71,836,759	-	-	-	-	(71,836,759)	-
Closing Balance	404,218,877	1,580,453,728	72,910,652	10,616,440	481,972	18,145,432	45,496,483	2,132,323,584
Accumulated Amortization								
Beginning of year (restated see Note 24)		665,310,831	24,415,285	4,680,304	723,403	11,635,667	-	706,765,490
Amortization		35,239,014	6,902,278	1,044,558	139,286	3,923,291	-	47,248,427
Disposals		(513,526)	-	-	-	-	-	(513,526)
Deemed Disposals		-	(3,228,292)	(743,451)	(428,911)	(4,707,040)	-	(9,107,694)
Closing Balance		700,036,319	28,089,271	4,981,411	433,778	10,851,918	-	744,392,697
Net Book Value	404,218,877	880,417,409	44,821,381	5,635,029	48,194	7,293,514	45,496,483	1,387,930,887

Amortization of work in progress for buildings as at June 30, 2023 will commence when the asset is put into service.

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 12 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2022	Land	Building	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Work in Progress (WIP)	2022 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Beginning of year, as previously stated	399,572,799	1,366,800,643	59,442,570	9,795,085	1,440,791	21,976,281	60,162,761	1,919,190,930
Asset Retirement Obligation (Note 24)	-	57,207,022	-	-	-	-	-	57,207,022
Beginning of year, restated	399,572,799	1,424,007,665	59,442,570	9,795,085	1,440,791	21,976,281	60,162,761	1,976,397,952
Additions	790,322	30,934,324	10,045,879	976,116	-	2,808,782	46,796,791	92,352,214
Disposals	-	-	-	-	-	-	-	-
Deemed Disposals	-	-	(4,353,547)	(496,479)	(529,908)	(3,697,588)	-	(9,077,522)
Transfer from/(to) WIP	-	19,937,747	-	-	-	-	(19,937,747)	-
Reclassification of Prior Year Site								
Costs to Buildings	(1,121,082)	1,121,082	-	-	-	-	-	-
Closing Balance (restated see Note 24)	399,242,039	1,476,000,818	65,134,902	10,274,722	910,883	21,087,475	87,021,805	2,059,672,644
Accumulated Amortization								
Beginning of year, as previously stated		575,537,986	22,539,958	4,173,294	1,018,143	11,026,880	-	614,296,261
Asset Retirement Obligation (Note 24)		56,572,074	-	-	-	-	-	56,572,074
Beginning of year, restated		632,110,060	22,539,958	4,173,294	1,018,143	11,026,880	-	670,868,335
Amortization		33,200,771	6,228,874	1,003,489	235,168	4,306,375	-	44,974,677
Disposals		-	-	-	-	-	-	-
Deemed Disposals		-	(4,353,547)	(496,479)	(529,908)	(3,697,588)	-	(9,077,522)
Closing Balance (restated see Note 24)		665,310,831	24,415,285	4,680,304	723,403	11,635,667	-	706,765,490
Net Book Value	399,242,039	810,689,987	40,719,617	5,594,418	187,480	9,451,808	87,021,805	1,352,907,154

Amortization of work in progress for buildings as at June 30, 2022 will commence when the asset is put into service.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

NOTE 13 RESTRICTED ASSETS – ENDOWMENTS

A donor has provided an endowment contribution with a restriction that the original contribution should not be spent. The endowment was received at the end of the year and invested in a high interest savings account on July 28, 2023, bearing interest at 5.70%.

The endowment was established to create a legacy fund for the Surrey Schools Lunch Program.

Name of Endowment	Balance	Contributions	Balance
	June 30, 2022		June 30, 2023
	\$	\$	\$
The Surrey School District Food Program Fund	-	800,000	800,000
Total	-	800,000	800,000

NOTE 14 INTERFUND TRANSFERS

The School District manages their accounts using three different funds – operating, special purpose and capital. Transfers between funds during the current year are as follows:

- Transfers of \$4,091,758 (2022: \$3,552,867) from the operating fund and \$3,476,434 (2022: \$2,677,776) from the special purpose fund, totalling \$7,568,192 (2022: \$6,230,643) to the capital fund, were made to purchase various capital assets.

NOTE 15 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 16 OPERATING LEASE OBLIGATIONS

The School District has operating lease agreements for facilities that require payments over the next five fiscal years ending June 30 as follows:

2024	\$687,497
2025	557,072
2026	368,337
2027	52,208
2028	-
	<u>\$1,665,114</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

NOTE 17 CONTRACTUAL OBLIGATIONS

The School District has a total of \$32,744,693 (2022: \$59,071,632) of contractual obligations at year end related to capital items and the construction or renovation of buildings, which are funded from deferred capital revenues of Ministry of Education Bylaw capital, Restricted Capital, Land Capital, Local Capital Reserve funds and operating funds. Disclosure relates to the unperformed portion of the contracts.

Ta'Talu Elementary	\$ 14,152,637
South Meridian Elementary	9,060,449
Kwantlen Park Secondary	1,720,725
Coyote Creek Elementary	1,042,951
Sullivan Heights Secondary	948,476
Snokomish Elementary	919,573
Simon Cunningham Elementary	719,098
KB Woodward Elementary	542,482
Information Management Systems	463,186
Regent Road Elementary	450,212
Grandview Heights Secondary	413,995
Semiahmoo Trail Elementary	405,891
Erma Stephenson Elementary	387,299
Jessie Lee Elementary	201,852
Sullivan Elementary	154,178
Holly Elementary	146,255
Sunnyside Elementary	116,710
Queen Elizabeth Secondary	111,958
Fleetwood Park Secondary	105,706
District Facilities Centre	104,020
Sum of contractual commitments under \$100,000	577,040
Total Contractual Commitments	<u>\$ 32,744,693</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

NOTE 18 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 the leasing of School District property. The following table summarizes the contractual rights of the School District for future assets:

2024	\$252,139
2025	56,675
2026	10,550
2027	-
2028	-
	<u>\$319,364</u>

NOTE 19 CONTINGENT LIABILITIES

In the ordinary course of operations, the School District has legal proceedings brought against it and provisions have been included in liabilities where appropriate. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District. The resulting loss on the District, if any, will be recorded in the period in which it is determinable.

NOTE 20 ASSET RETIREMENT OBLIGATION

Legal obligations exist for the removal and disposal of asbestos and other hazardous materials in some School District owned buildings that will undergo major renovations or demolition in the future.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
	\$	\$
Asset Retirement Obligation, opening balance (see Note 24)	57,207,022	57,207,022
Settlements during the year	-	-
Asset Retirement Obligation, closing balance	<u>57,207,022</u>	<u>57,207,022</u>

NOTE 21 EXPENSE BY OBJECT

	<u>June 30, 2023</u>	<u>June 30, 2022</u> (restated - Note 24)
	\$	\$
Salaries and Benefits	834,138,657	773,104,675
Services and Supplies	95,304,071	77,027,953
Amortization	47,248,427	45,115,083
	<u>976,691,155</u>	<u>895,247,711</u>

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 22 INTERNALLY RESTRICTED – OPERATING FUND

The School District attributes a portion of the accumulated surplus to an internal operating fund and internally restricts for 2023: \$6,903,851 (2022: \$23,393,762). The detail of the internal restricted items are as follows:

2023-2024 Operating Budget	\$ 5,614,140
Indigenous Learners Education Targeted Funds	448,814
Early Career Mentorship	450,735
Net School Operating Balance	<u>390,162</u>
Total Internally Restricted Items	<u>\$ 6,903,851</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

NOTE 23 BUDGET FIGURES

Budget figures included in the financial statements are the School District's amended annual budget adopted by the Board of Education on February 8th, 2023 and reflect more current estimates on student full time equivalents, revenues and expenditures.

	Original Budget	Amended Budget	Change
	\$	\$	\$
Statement 2			
Revenue:			
Provincial Grants			
Ministry of Education	809,234,853	858,180,215	48,945,362
Other	800,000	821,444	21,444
Municipal Grants Spent on Sites	-	2,410,000	2,410,000
Federal Grants	2,836,330	3,622,744	786,414
Tuition	11,415,326	11,993,747	578,421
Other Revenue	15,006,419	15,771,118	764,699
Rentals And Leases	2,727,396	3,221,101	493,705
Investment Income	1,357,000	4,692,000	3,335,000
Gain (Loss) on Disposal Of Tangible Capital Assets	-	73,088	73,088
Amortization of Deferred Capital Revenues	32,760,517	33,507,042	746,525
Total Revenue	876,137,841	934,292,499	58,154,658
Expense:			
Instruction	\$743,857,643	\$793,616,117	\$49,758,474
District Administration	19,977,460	21,155,251	\$1,177,791
Operations & Maintenance	131,614,176	134,880,422	\$3,266,246
Transportation and Housing	7,817,868	8,601,855	\$783,987
Total Expense	903,267,147	958,253,645	54,986,498
Net Revenue (Expense)	(27,129,306)	(23,961,146)	3,168,160
Budgeted Allocation of Surplus (Deficit)	19,172,578	23,091,647	3,919,069
Budgeted Surplus (Deficit) for the Year	(7,956,728)	(869,499)	7,087,229
Statement 4			
Surplus (Deficit) for the Year	(27,129,306)	(23,961,146)	3,168,160
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(53,336,028)	(82,145,821)	(28,809,793)
Amortization of Tangible Capital Assets	46,429,604	46,626,230	196,626
Total Effects of change in Tangible Assets	(6,906,424)	(35,519,591)	(28,613,167)
(Increase) Decrease in Net Financial Assets (Debt)			
before Net Remeasurement Gains (Losses)	(34,035,730)	(59,480,737)	(25,445,007)

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

NOTE 23 BUDGET FIGURES (Continued)

Statement 2

The significant changes between the original budget and amended were:

Revenues:

- Ministry of Education – Amended to reflect actual Operating grant adjustments of \$33.6 million due to higher student enrolment and staff wage increases, and Special Purpose Funds of \$14.1 million, including Classroom Enhancement Fund Remedies of \$7.6 million and Student & Family Affordability funding of \$4.0 million.

Expenses:

- Instruction – Increased salary and benefit costs to support student growth and wage increases, increased substitute costs due to absenteeism, increased salaries for the Classroom Enhancement Fund and supply costs for the Student & Family Affordability fund.

Statement 4

The significant changes between original budget and amended were:

- Revised forecast of Acquisition of Tangible Capital Assets.

NOTE 24 PRIOR PERIOD ADJUSTMENT – CHANGE IN ACCOUNTING POLICY

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future (see Note 20). This standard was adopted using the modified retroactive approach, which results in the restatement of the comparative information as at and for the year ended June 30, 2022.

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

	Increase (Decrease)
Asset Retirement Obligations (liability)	\$ 57,207,022
Tangible Capital Assets – cost	57,207,022
Tangible Capital Assets – accumulated amortization	56,572,074
Operations & Maintenance Expense – Amortization expense	140,406
Opening Accumulated Surplus – Invested in Capital Assets	(56,431,668)
Closing Accumulated Surplus – Invested in Capital Assets	(56,572,074)

NOTE 25 RISK MANAGEMENT

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

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

a) Credit risk:

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2023

NOTE 25 RISK MANAGEMENT (Continued)

a) Credit risk: (cont'd)

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most amounts receivable are due from the Province 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 Canadian and British Columbia financial institutions.

b) Market risk:

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

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. Currently, the School District does not hold any investments in portfolio investments. The School District is exposed to minimal interest rate risk through its cash and cash equivalents on deposit with financial institutions as some of the cash is interest bearing. The investment objectives are on protecting investments rather than the potential for superior returns. The School District has very low tolerance for risk with investments and prefers a low degree of price volatility.

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 2022 related to credit, market or liquidity risks.

NOTE 26 COMPARATIVE FIGURES

Certain comparative figures have been restated where necessary to conform with current period presentation.

School District No. 36 (Surrey)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual (Restated - Note 24)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	27,462,073		552,088,039	579,550,112	634,298,855
Prior Period Adjustments					(56,431,668)
Accumulated Surplus (Deficit), beginning of year, as restated	27,462,073	-	552,088,039	579,550,112	577,867,187
Changes for the year					
Surplus (Deficit) for the year	(12,762,602)	4,276,434	(6,949,596)	(15,435,764)	1,682,925
Interfund Transfers					
Tangible Capital Assets Purchased	(4,091,758)	(3,476,434)	7,568,192	-	
Net Changes for the year	(16,854,360)	800,000	618,596	(15,435,764)	1,682,925
Accumulated Surplus (Deficit), end of year - Statement 2	10,607,713	800,000	552,706,635	564,114,348	579,550,112

School District No. 36 (Surrey)

Schedule of Operating Operations

Year Ended June 30, 2023

Schedule 2 (Unaudited)

	2023 Budget (Note 23) \$	2023 Actual \$	2022 Actual (Restated - Note 24) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	785,569,043	797,181,509	741,667,653
Other	376,500	387,593	577,100
Federal Grants	3,517,349	3,485,352	2,747,935
Tuition	11,993,747	12,414,737	11,640,585
Other Revenue	2,205,485	2,886,705	3,639,624
Rentals and Leases	3,116,101	3,734,334	2,797,586
Investment Income	3,900,000	4,213,724	1,199,596
Total Revenue	810,678,225	824,303,954	764,270,079
Expenses			
Instruction	712,285,522	724,877,525	677,390,952
District Administration	21,155,251	18,346,806	16,530,056
Operations and Maintenance	87,903,128	85,851,773	78,408,093
Transportation and Housing	8,569,581	7,990,452	7,275,155
Total Expense	829,913,482	837,066,556	779,604,256
Operating Surplus (Deficit) for the year	(19,235,257)	(12,762,602)	(15,334,177)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	23,091,647		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(3,856,390)	(4,091,758)	(3,552,867)
Total Net Transfers	(3,856,390)	(4,091,758)	(3,552,867)
Total Operating Surplus (Deficit), for the year	-	(16,854,360)	(18,887,044)
Operating Surplus (Deficit), beginning of year		27,462,073	46,349,117
Operating Surplus (Deficit), end of year		10,607,713	27,462,073
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 22)		6,903,851	23,393,762
Unrestricted		3,703,862	4,068,311
Total Operating Surplus (Deficit), end of year		10,607,713	27,462,073

School District No. 36 (Surrey)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget (Note 23) \$	2023 Actual \$	2022 Actual (Restated - Note 24) \$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	755,957,818	758,028,573	732,029,802
ISC/LEA Recovery	(75,894)	(98,928)	(75,894)
Other Ministry of Education and Child Care Grants			
Pay Equity	6,861,224	6,861,224	6,861,241
Funding for Graduated Adults	1,356,108	1,609,915	1,670,589
Student Transportation Fund	72,999	72,999	72,999
Support Staff Benefits Grant	936,729	967,283	950,363
FSA Scorer Grant	45,719	45,719	45,719
Early Learning Framework (ELF) Implementation	11,080	11,080	11,931
Labour Settlement Funding	20,403,260	20,403,260	
Extrem Weather Grant			100,000
SEB Allocations BCTF and Teacher Benefit Enhancements		654,949	
Miscellaneous		9,342	903
Support Staff Wage increase Funding		8,616,093	
Total Provincial Grants - Ministry of Education and Child Care	785,569,043	797,181,509	741,667,653
Provincial Grants - Other	376,500	387,593	577,100
Federal Grants	3,517,349	3,485,352	2,747,935
Tuition			
Continuing Education	743,605	744,555	881,904
International and Out of Province Students	11,250,142	11,670,182	10,758,681
Total Tuition	11,993,747	12,414,737	11,640,585
Other Revenues			
Funding from First Nations	75,894	98,928	75,894
Miscellaneous			
Teaching Kitchen	783,348	941,003	797,898
Energy Management	120,000	118,872	142,500
Worksafe BC	699,691	699,691	942,457
Other Miscellaneous	526,552	1,028,211	1,680,875
Total Other Revenue	2,205,485	2,886,705	3,639,624
Rentals and Leases	3,116,101	3,734,334	2,797,586
Investment Income	3,900,000	4,213,724	1,199,596
Total Operating Revenue	810,678,225	824,303,954	764,270,079

School District No. 36 (Surrey)

Schedule of Operating Expense by Object

Year Ended June 30, 2023

Schedule 2B (Unaudited)

	2023 Budget (Note 23) \$	2023 Actual \$	2022 Actual (Restated - Note 24) \$
Salaries			
Teachers	386,843,207	389,050,224	367,534,636
Principals and Vice Principals	37,383,089	37,332,281	35,552,327
Educational Assistants	79,485,925	80,454,872	73,690,035
Support Staff	63,295,780	64,010,517	60,606,444
Other Professionals	12,926,928	12,797,002	11,800,400
Substitutes	31,072,406	34,069,633	30,581,280
Total Salaries	611,007,335	617,714,529	579,765,122
Employee Benefits	145,992,703	150,096,829	138,186,439
Total Salaries and Benefits	757,000,038	767,811,358	717,951,561
Services and Supplies			
Services	24,477,112	22,100,865	18,914,109
Student Transportation	7,080,406	6,869,148	6,009,350
Professional Development and Travel	3,289,820	2,236,746	1,354,576
Rentals and Leases	1,063,571	979,532	926,233
Dues and Fees	1,325,882	1,361,156	1,281,635
Insurance	1,577,699	1,807,215	1,547,844
Supplies	21,100,702	20,995,078	19,087,011
Utilities	12,998,252	12,905,458	12,531,937
Total Services and Supplies	72,913,444	69,255,198	61,652,695
Total Operating Expense	829,913,482	837,066,556	779,604,256

School District No. 36 (Surrey)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	299,859,909	8,891,362	45,825	6,034,559	1,044,629	14,462,146	330,338,430
1.03 Career Programs	4,036,821	136,910		1,588,083		291,912	6,053,726
1.07 Library Services	7,909,252			792,352	92,883	469,325	9,263,812
1.08 Counselling	9,601,898					555,898	10,157,796
1.10 Special Education	29,626,848	56,080	76,394,204	969,433		12,224,259	119,270,824
1.30 English Language Learning	29,690,732		477,854	60,655		1,717,671	31,946,912
1.31 Indigenous Education	1,197,687	143,756	1,963,143	97,348	190,685	107,446	3,700,065
1.41 School Administration	-	26,579,949		15,202,105		1,114,473	42,896,527
1.60 Summer School	2,461,764	323,579	93,091	235,923			3,114,357
1.61 Continuing Education	221,196	27,430		18,051			266,677
1.62 International and Out of Province Students	3,673,140	322,240	13,198	770,266	276,439	210,421	5,265,704
1.64 Other	310,316	156,078	1,457,892	207,196	112,552	5,502	2,249,536
Total Function 1	388,589,563	36,637,384	80,445,207	25,975,971	1,717,188	31,159,053	564,524,366
4 District Administration							
4.11 Educational Administration	349,888	153,964		341,384	2,409,303		3,254,539
4.40 School District Governance	2,000			193,249	534,423		729,672
4.41 Business Administration	23,329	540,933		3,615,059	4,203,105	82,841	8,465,267
Total Function 4	375,217	694,897	-	4,149,692	7,146,831	82,841	12,449,478
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	85,444		9,665	1,621,307	1,957,066	5,928	3,679,410
5.50 Maintenance Operations				28,773,267	1,654,346	2,746,686	33,174,299
5.52 Maintenance of Grounds				2,919,494	193,967	28,863	3,142,324
5.56 Utilities							-
Total Function 5	85,444	-	9,665	33,314,068	3,805,379	2,781,477	39,996,033
7 Transportation and Housing							
7.41 Transportation and Housing Administration				103,294	127,604		230,898
7.70 Student Transportation				467,492		46,262	513,754
7.73 Housing							-
Total Function 7	-	-	-	570,786	127,604	46,262	744,652
9 Debt Services							
9.92 Interest on Bank Loans							-
9.94 Interest on Temporary Borrowing							-
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	389,050,224	37,332,281	80,454,872	64,010,517	12,797,002	34,069,633	617,714,529

School District No. 36 (Surrey)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2023 Budget (Note 23)	2022 Actual (Restated - Note 24)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	330,338,430	78,573,952	408,912,382	10,578,794	419,491,176	406,549,079	392,914,675
1.03 Career Programs	6,053,726	1,473,977	7,527,703	1,309,588	8,837,291	8,716,788	8,279,544
1.07 Library Services	9,263,812	2,209,347	11,473,159	4,558,741	16,031,900	16,436,951	15,207,121
1.08 Counselling	10,157,796	2,428,717	12,586,513		12,586,513	12,614,154	12,130,643
1.10 Special Education	119,270,824	32,080,697	151,351,521	1,960,336	153,311,857	152,954,599	160,834,830
1.30 English Language Learning	31,946,912	7,635,625	39,582,537	9,204	39,591,741	38,271,501	19,205,230
1.31 Indigenous Education	3,700,065	892,454	4,592,519	536,967	5,129,486	5,575,347	4,645,355
1.41 School Administration	42,896,527	9,755,553	52,652,080	1,365,461	54,017,541	54,873,531	50,629,604
1.60 Summer School	3,114,357	616,776	3,731,133	213,833	3,944,966	3,959,856	3,544,646
1.61 Continuing Education	266,677	31,516	298,193	47,320	345,513	459,221	476,482
1.62 International and Out of Province Students	5,265,704	1,241,491	6,507,195	1,918,556	8,425,751	8,664,488	6,962,776
1.64 Other	2,249,536	527,492	2,777,028	386,762	3,163,790	3,210,007	2,560,046
Total Function 1	564,524,366	137,467,597	701,991,963	22,885,562	724,877,525	712,285,522	677,390,952
4 District Administration							
4.11 Educational Administration	3,254,539	625,343	3,879,882	1,129,801	5,009,683	6,781,107	4,384,805
4.40 School District Governance	729,672	105,715	835,387	348,448	1,183,835	1,231,624	1,141,857
4.41 Business Administration	8,465,267	1,812,469	10,277,736	1,875,552	12,153,288	13,142,520	11,003,394
Total Function 4	12,449,478	2,543,527	14,993,005	3,353,801	18,346,806	21,155,251	16,530,056
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	3,679,410	699,140	4,378,550	3,457,943	7,836,493	8,346,710	6,326,681
5.50 Maintenance Operations	33,174,299	8,447,820	41,622,119	15,538,751	57,160,870	58,143,204	52,413,441
5.52 Maintenance of Grounds	3,142,324	718,186	3,860,510	2,018,545	5,879,055	5,900,465	5,164,375
5.56 Utilities	-	-	-	14,975,355	14,975,355	15,512,749	14,503,596
Total Function 5	39,996,033	9,865,146	49,861,179	35,990,594	85,851,773	87,903,128	78,408,093
7 Transportation and Housing							
7.41 Transportation and Housing Administration	230,898	56,822	287,720	7,027	294,747	339,592	216,133
7.70 Student Transportation	513,754	163,737	677,491	7,018,214	7,695,705	8,229,989	7,059,022
7.73 Housing	-	-	-	-	-	-	-
Total Function 7	744,652	220,559	965,211	7,025,241	7,990,452	8,569,581	7,275,155
9 Debt Services							
9.92 Interest on Bank Loans	-	-	-	-	-	-	-
9.94 Interest on Temporary Borrowing	-	-	-	-	-	-	-
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	617,714,529	150,096,829	767,811,358	69,255,198	837,066,556	829,913,482	779,604,256

School District No. 36 (Surrey)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

Schedule 3 (Unaudited)

	2023 Budget (Note 23) \$	2023 Actual \$	2022 Actual (Restated - Note 24) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	71,365,106	75,780,135	59,251,829
Other	444,944	825,274	701,306
Federal Grants	105,395	82,157	39,269
Other Revenue	13,415,633	19,131,910	13,200,728
Investment Income	22,000	33,130	13,016
Total Revenue	85,353,078	95,852,606	73,206,148
Expenses			
Instruction	81,330,595	92,024,063	69,527,734
Operations and Maintenance	351,064	323,279	972,576
Transportation and Housing	32,274	28,830	28,062
Total Expense	81,713,933	92,376,172	70,528,372
Special Purpose Surplus (Deficit) for the year, before endowment contributions	3,639,145	3,476,434	2,677,776
Endowment Contributions		800,000	
Special Purpose Surplus (Deficit) for the year	3,639,145	4,276,434	2,677,776
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(3,639,145)	(3,476,434)	(2,677,776)
Total Net Transfers	(3,639,145)	(3,476,434)	(2,677,776)
Total Special Purpose Surplus (Deficit) for the year	-	800,000	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		800,000	-
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		800,000	
Total Special Purpose Surplus (Deficit), end of year		800,000	-

School District No. 36 (Surrey)

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year									
District Entered	-	1	691,994	4,009,972	15,697	170,854	208,759	632,954	1
Deferred Revenue, beginning of year, as restated	-	1	691,994	4,009,972	15,697	170,854	208,759	632,954	1
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	2,362,477	2,622,632			736,000	252,350	562,205	4,152,568	1,378,485
Provincial Grants - Other									
Federal Grants									
Other			475,334	15,937,034	2,500		20,300	110,922	
Investment Income	8,993		24,137						
	2,371,470	2,622,632	499,471	15,937,034	738,500	252,350	582,505	4,263,490	1,378,485
Less: Allocated to Revenue	2,371,470	2,622,633	344,732	15,803,480	754,197	423,204	620,305	4,676,574	1,378,484
Deferred Revenue, end of year	-	-	846,733	4,143,526	-	-	170,959	219,870	2
Revenues									
Provincial Grants - Ministry of Education and Child Care	2,362,477	2,622,633			751,697	423,204	600,005	4,565,652	1,378,484
Provincial Grants - Other									
Federal Grants									
Other Revenue			320,595	15,803,480	2,500		20,300	110,922	
Investment Income	8,993		24,137						
	2,371,470	2,622,633	344,732	15,803,480	754,197	423,204	620,305	4,676,574	1,378,484
Expenses									
Salaries									
Teachers						39,948	201,336		23,852
Principals and Vice Principals									72,897
Educational Assistants		2,098,142				11,755		3,920	
Support Staff					507,518	98,120	20,923	2,604,587	54,263
Other Professionals	99,673				18,762	75,048		258,927	145,356
Substitutes		104,904			46,454	8,100		59,356	762,039
	99,673	2,203,046	-	-	572,734	232,971	222,259	2,926,790	1,058,407
Employee Benefits	22,542	419,587			165,429	44,059	33,599	693,860	194,451
Services and Supplies	201,064		344,732	15,803,480	16,034	146,174	364,447	1,055,924	125,626
	323,279	2,622,633	344,732	15,803,480	754,197	423,204	620,305	4,676,574	1,378,484
Net Revenue (Expense) before Interfund Transfers	2,048,191	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(2,048,191)								
	(2,048,191)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

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

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School / Restart: Health & Safety Grant	Federal Safe Return to Class / Ventilation Fund	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year									
District Entered	6,275	1,683,589	11,575	3,639	40,885	-	1,023,735		
Deferred Revenue, beginning of year, as restated	6,275	1,683,589	11,575	3,639	40,885	-	1,023,735	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	51,051,080	1,953,657	31,397	47,000	11,250			55,400	90,000
Provincial Grants - Other									
Federal Grants									
Other								4,800	
Investment Income									
	51,051,080	1,953,657	31,397	47,000	11,250	-	-	60,200	90,000
Less: Allocated to Revenue	51,057,355	3,637,246	28,830	50,639	6,460	-	1,023,735	49,785	86,692
Deferred Revenue, end of year	-	-	14,142	-	45,675	-	-	10,415	3,308
Revenues									
Provincial Grants - Ministry of Education and Child Care	51,057,355	3,637,246	28,830	50,639	6,460		1,023,735	44,985	86,692
Provincial Grants - Other									
Federal Grants									
Other Revenue								4,800	
Investment Income									
	51,057,355	3,637,246	28,830	50,639	6,460	-	1,023,735	49,785	86,692
Expenses									
Salaries									
Teachers	41,358,732	3,637,246			4,756				
Principals and Vice Principals									
Educational Assistants									916
Support Staff			23,359	17,101				40,991	
Other Professionals									
Substitutes									
	41,358,732	3,637,246	23,359	17,101	4,756	-	-	40,991	916
Employee Benefits	9,698,623		5,471	5,691				8,355	4,557
Services and Supplies				27,847	1,704			439	81,219
	51,057,355	3,637,246	28,830	50,639	6,460	-	-	49,785	86,692
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	1,023,735	-	-
Interfund Transfers									
Tangible Capital Assets Purchased							(1,023,735)		
	-	-	-	-	-	-	(1,023,735)	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

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

	Student & Family Affordability	JUST B4	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)	French Immersion Growth	Adolescent Psychiatric Unit	Adolescent Day Treatment	AM'UT	Daughters & Sister P.L.E.A
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year									
District Entered			22,194			27,380	8,969	1,284	13,064
Deferred Revenue, beginning of year, as restated	-	-	22,194	-	-	27,380	8,969	1,284	13,064
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	7,385,112	25,000	19,000	175,000	1,282,500	151,816	500,751	71,620	162,485
Provincial Grants - Other									
Federal Grants									
Other									
Investment Income									
	7,385,112	25,000	19,000	175,000	1,282,500	151,816	500,751	71,620	162,485
Less: Allocated to Revenue	5,460,883	15,545	15,640	125,126	465,262	172,186	499,166	69,096	172,622
Deferred Revenue, end of year	1,924,229	9,455	25,554	49,874	817,238	7,010	10,554	3,808	2,927
Revenues									
Provincial Grants - Ministry of Education and Child Care	5,460,883	15,545	15,640	125,126	465,262	172,186	499,166	69,096	172,622
Provincial Grants - Other									
Federal Grants									
Other Revenue									
Investment Income									
	5,460,883	15,545	15,640	125,126	465,262	172,186	499,166	69,096	172,622
Expenses									
Salaries									
Teachers					351,316	93,739	308,618	53,922	106,072
Principals and Vice Principals				103,148					
Educational Assistants						32,308	57,075		20,910
Support Staff		12,203	6,937						
Other Professionals									
Substitutes						787	6,284		1,308
	-	12,203	6,937	103,148	351,316	126,834	371,977	53,922	128,290
Employee Benefits		3,342	1,280	21,274	84,274	32,784	89,539	5,742	30,042
Services and Supplies	5,460,883		7,423	704	29,672	12,568	37,650	9,432	14,290
	5,460,883	15,545	15,640	125,126	465,262	172,186	499,166	69,096	172,622
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

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

	WayPoint Substance House	Community School Other	Donations	Rapid Response Fund	PAC Contribution	Indigenous Ed Windspeaker	Safe Schools Program	Gang Prevention (BC)	Physical Health Education
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year									
District Entered	17,853	1,419,720	1,657,251	44,595	295,356	92,895	466,111	123,983	9,621
Deferred Revenue, beginning of year, as restated	17,853	1,419,720	1,657,251	44,595	295,356	92,895	466,111	123,983	9,621
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	146,127								
Provincial Grants - Other		174,855					40,000	577,000	
Federal Grants						12,500			
Other		701,191	1,435,977		239,984		129,886		55,100
Investment Income									
	146,127	876,046	1,435,977	-	239,984	12,500	169,886	577,000	55,100
Less: Allocated to Revenue	144,515	506,543	1,708,612	-	333,337	82,157	566,180	550,343	28,700
Deferred Revenue, end of year	19,465	1,789,223	1,384,616	44,595	202,003	23,238	69,817	150,640	36,021
Revenues									
Provincial Grants - Ministry of Education and Child Care	144,515								
Provincial Grants - Other		174,855					70,504	550,343	28,700
Federal Grants						82,157			
Other Revenue		331,688	1,708,612		333,337	-	495,676		
Investment Income									
	144,515	506,543	1,708,612	-	333,337	82,157	566,180	550,343	28,700
Expenses									
Salaries									
Teachers	94,187		357		8,000			53,305	28,700
Principals and Vice Principals									
Educational Assistants	20,685		3,296						
Support Staff		31,873	52,573				393,358	306,304	
Other Professionals									
Substitutes									
	114,872	31,873	56,226	-	8,000	-	393,358	359,609	28,700
Employee Benefits	14,734	7,448	14,820				96,178	83,372	
Services and Supplies	14,909	467,222	1,446,991		111,404	82,157	76,644	107,362	
	144,515	506,543	1,518,037	-	119,404	82,157	566,180	550,343	28,700
Net Revenue (Expense) before Interfund Transfers	-	-	190,575	-	213,933	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased			(190,575)		(213,933)				
	-	-	(190,575)	-	(213,933)	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

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

	Discover Trades	TOTAL
	\$	\$
Deferred Revenue, beginning of year		-
District Entered	872	12,701,078
Deferred Revenue, beginning of year, as restated	872	12,701,078
Add: Restricted Grants		
Provincial Grants - Ministry of Education and Child Care		75,225,912
Provincial Grants - Other		791,855
Federal Grants		12,500
Other		19,113,028
Investment Income		33,130
	-	95,176,425
Less: Allocated to Revenue	872	95,852,606
Deferred Revenue, end of year	-	12,024,897
Revenues		
Provincial Grants - Ministry of Education and Child Care		75,780,135
Provincial Grants - Other	872	825,274
Federal Grants		82,157
Other Revenue		19,131,910
Investment Income		33,130
	872	95,852,606
Expenses		
Salaries		
Teachers		46,364,086
Principals and Vice Principals		176,045
Educational Assistants		2,249,007
Support Staff		4,170,110
Other Professionals		597,766
Substitutes		989,232
	-	54,546,246
Employee Benefits		11,781,053
Services and Supplies	872	26,048,873
	872	92,376,172
Net Revenue (Expense) before Interfund Transfers	-	3,476,434
Interfund Transfers		
Tangible Capital Assets Purchased		(3,476,434)
	-	(3,476,434)
Net Revenue (Expense)	-	-

School District No. 36 (Surrey)

Schedule of Capital Operations

Year Ended June 30, 2023

Schedule 4 (Unaudited)

	2023 Budget (Note 23)	2023 Actual			2022 Actual (Restated - Note 24)
	\$	Invested in Tangible Capital Assets \$	Local Capital \$	Fund Balance \$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	1,246,066	2,444,996		2,444,996	(395,594)
Other	-			-	
Municipal Grants Spent on Sites	2,410,000	2,444,943		2,444,943	
Federal Grants	-			-	
Other Revenue	150,000		610,030	610,030	222,259
Rentals and Leases	105,000		106,900	106,900	118,200
Investment Income	770,000		907,573	907,573	198,221
Gain (Loss) on Disposal of Tangible Capital Assets	73,088	73,088		73,088	27,933,827
Amortization of Deferred Capital Revenue	33,507,042	33,711,301		33,711,301	31,377,496
Total Revenue	38,261,196	38,674,328	1,624,503	40,298,831	59,454,409
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	46,626,230	47,248,427		47,248,427	45,115,083
Total Expense	46,626,230	47,248,427	-	47,248,427	45,115,083
Capital Surplus (Deficit) for the year	(8,365,034)	(8,574,099)	1,624,503	(6,949,596)	14,339,326
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	7,495,535	7,568,192		7,568,192	6,230,643
Total Net Transfers	7,495,535	7,568,192	-	7,568,192	6,230,643
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(73,088)	73,088	-	
Tangible Capital Assets Purchased from Local Capital		1,469,918	(1,469,918)	-	
Tangible Capital Assets WIP Purchased from Local Capital		2,397,097	(2,397,097)	-	
Total Other Adjustments to Fund Balances		3,793,927	(3,793,927)	-	
Total Capital Surplus (Deficit) for the year	(869,499)	2,788,020	(2,169,424)	618,596	20,569,969
Capital Surplus (Deficit), beginning of year		527,241,913	24,846,126	552,088,039	587,949,738
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(56,431,668)
Capital Surplus (Deficit), beginning of year, as restated		527,241,913	24,846,126	552,088,039	531,518,070
Capital Surplus (Deficit), end of year		530,029,933	22,676,702	552,706,635	552,088,039

School District No. 36 (Surrey)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	399,242,039	1,418,793,796	65,134,902	10,274,722	910,883	21,087,475	1,915,443,817
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		57,207,022					57,207,022
Cost, beginning of year, as restated	399,242,039	1,476,000,818	65,134,902	10,274,722	910,883	21,087,475	1,972,650,839
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	2,444,996	31,671,339	6,002,694	391,379		311,458	40,821,866
Deferred Capital Revenue - Other	2,444,943	(645,409)	295,739			5,474	2,100,747
Operating Fund			2,034,147	609,546		1,448,065	4,091,758
Special Purpose Funds		2,716,032	760,402				3,476,434
Local Capital	86,899	(612,285)	1,911,060	84,244			1,469,918
Transferred from Work in Progress		71,836,759					71,836,759
	4,976,838	104,966,436	11,004,042	1,085,169	-	1,764,997	123,797,482
Decrease:							
Disposed of		513,526					513,526
Deemed Disposals			3,228,292	743,451	428,911	4,707,040	9,107,694
	-	513,526	3,228,292	743,451	428,911	4,707,040	9,621,220
Cost, end of year	404,218,877	1,580,453,728	72,910,652	10,616,440	481,972	18,145,432	2,086,827,101
Work in Progress, end of year		45,496,483					45,496,483
Cost and Work in Progress, end of year	404,218,877	1,625,950,211	72,910,652	10,616,440	481,972	18,145,432	2,132,323,584
Accumulated Amortization, beginning of year		608,738,757	24,415,285	4,680,304	723,403	11,635,667	650,193,416
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		56,572,074					56,572,074
Accumulated Amortization, beginning of year, as restated		665,310,831	24,415,285	4,680,304	723,403	11,635,667	706,765,490
Changes for the Year							
Increase: Amortization for the Year		35,239,014	6,902,278	1,044,558	139,286	3,923,291	47,248,427
Decrease:							
Disposed of		513,526					513,526
Deemed Disposals			3,228,292	743,451	428,911	4,707,040	9,107,694
Prior Year Disposal - Removal of Accumulated Amortization		-					-
		513,526	3,228,292	743,451	428,911	4,707,040	9,621,220
Accumulated Amortization, end of year		700,036,319	28,089,271	4,981,411	433,778	10,851,918	744,392,697
Tangible Capital Assets - Net	404,218,877	925,913,892	44,821,381	5,635,029	48,194	7,293,514	1,387,930,887

School District No. 36 (Surrey)

Schedule 4B (Unaudited)

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

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	87,021,805	-	-	-	87,021,805
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	25,890,687				25,890,687
Deferred Capital Revenue - Other	2,023,653				2,023,653
Local Capital	2,397,097				2,397,097
	30,311,437	-	-	-	30,311,437
Decrease:					
Transferred to Tangible Capital Assets	71,836,759				71,836,759
	71,836,759	-	-	-	71,836,759
Net Changes for the Year	(41,525,322)	-	-	-	(41,525,322)
Work in Progress, end of year	45,496,483	-	-	-	45,496,483

School District No. 36 (Surrey)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	666,759,298	26,356,168	-	693,115,466
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	38,376,870	(344,196)		38,032,674
Transferred from Work in Progress	61,298,197			61,298,197
	99,675,067	(344,196)	-	99,330,871
Decrease:				
Amortization of Deferred Capital Revenue	32,845,139	866,162		33,711,301
Reclassified PY Expenditures to Local Capital	-			-
	32,845,139	866,162	-	33,711,301
Net Changes for the Year	66,829,928	(1,210,358)	-	65,619,570
Deferred Capital Revenue, end of year	733,589,226	25,145,810	-	758,735,036
Work in Progress, beginning of year	72,032,940	3,309,813		75,342,753
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	25,890,687	2,023,653		27,914,340
	25,890,687	2,023,653	-	27,914,340
Decrease				
Transferred to Deferred Capital Revenue	61,298,197			61,298,197
	61,298,197	-	-	61,298,197
Net Changes for the Year	(35,407,510)	2,023,653	-	(33,383,857)
Work in Progress, end of year	36,625,430	5,333,466	-	41,958,896
Total Deferred Capital Revenue, end of year	770,214,656	30,479,276	-	800,693,932

School District No. 36 (Surrey)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	5	3,454,081	334,145	7,432,227	-	11,220,458
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	66,712,553					66,712,553
Provincial Grants - Other			3,454,469			3,454,469
Investment Income		144,744		317,990		462,734
Sale of Capital Assets		219,265				219,265
Local Government Site Fees				2,899,801		2,899,801
	66,712,553	364,009	3,454,469	3,217,791	-	73,748,822
Decrease:						
Transferred to DCR - Capital Additions	38,376,870	(18,165)	(326,031)			38,032,674
Transferred to DCR - Work in Progress	25,890,687	70,913	1,952,740			27,914,340
Transferred to Revenue - Site Purchases	2,444,996			2,444,943		4,889,939
	66,712,553	52,748	1,626,709	2,444,943	-	70,836,953
Net Changes for the Year	-	311,261	1,827,760	772,848	-	2,911,869
Balance, end of year	5	3,765,342	2,161,905	8,205,075	-	14,132,327