

Audited Financial Statements of

School District No. 43 (Coquitlam)

And Independent Auditors' Report thereon

June 30, 2023

School District No. 43 (Coquitlam)

June 30, 2023

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School District No. 43 (Coquitlam)

MANAGEMENT REPORT

Version: 6168-5422-3440

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 43 (Coquitlam) 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. 43 (Coquitlam) (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, 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. 43 (Coquitlam) 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. 43 (Coquitlam)

Michael Thomas	2023-09-19
Signature of the Chairperson of the Board of Education	Date Signed
Patricia Gartland	2023-09-19
Signature of the Superintendent	Date Signed
Randy Manhas	2023-09-19
Signature of the Secretary Treasurer	Date Signed



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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 43 (Coquitlam),
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 43 (Coquitlam) (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 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 25 to the financial statements which explains that certain comparative information presented for the year ended June 30, 2022 has been restated.

Note 25 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

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

Other Information

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

- 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 to 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 19, 2023

School District No. 43 (Coquitlam)

Statement 1

Statement of Financial Position

As at June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 25)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	115,303,799	159,028,312
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	1,230,970	1,615,073
Other (Note 3)	8,355,660	7,309,620
Portfolio Investments (Note 4)	95,000,000	40,000,000
Total Financial Assets	219,890,429	207,953,005
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	4,240	-
Other (Note 5)	40,901,070	39,818,946
Unearned Revenue (Note 6)	21,882,995	18,425,772
Deferred Revenue (Note 7)	13,274,070	12,734,314
Deferred Capital Revenue (Note 8)	491,983,171	482,021,752
Employee Future Benefits (Note 9)	47,089,709	46,233,766
Asset Retirement Obligation (Note 24 and 25)	10,312,567	10,376,581
Capital Lease Obligations (Note 11)	-	1,119,113
Other Liabilities (Note 5)	7,436,290	6,389,890
Total Liabilities	632,884,112	617,120,134
Net Debt	(412,993,683)	(409,167,129)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	652,374,160	639,202,509
Prepaid Expenses	795,458	478,533
Total Non-Financial Assets	653,169,618	639,681,042
Accumulated Surplus (Deficit)	240,175,935	230,513,913
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	240,175,935	230,513,913
Accumulated Remeasurement Gains (Losses)	-	-
	240,175,935	230,513,913

Unrecognized Assets (Note 15)

Contractual Obligations (Note 16)

Contractual Rights (Note 17)

Contingent Liabilities (Note 18)

Approved by the Board

Michael Thomas	2023-09-19
Signature of the Chairperson of the Board of Education	Date Signed
Patricia Gartland	2023-09-19
Signature of the Superintendent	Date Signed
Randy Manhas	2023-09-19
Signature of the Secretary Treasurer	Date Signed

School District No. 43 (Coquitlam)

Statement 2

Statement of Operations
Year Ended June 30, 2023

	2023 Budget (Note 19) \$	2023 Actual \$	2022 Actual (Restated - Note 25) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	366,363,188	380,416,321	352,965,575
Other	244,246	229,652	51,072
Federal Grants	3,319,117	3,333,068	3,211,317
Tuition	16,849,620	22,367,161	19,413,942
Other Revenue	14,159,429	14,342,169	10,404,004
Rentals and Leases	2,408,296	2,631,706	2,356,481
Investment Income	3,132,392	6,129,407	1,939,734
Amortization of Deferred Capital Revenue	17,250,000	17,002,612	15,579,421
Total Revenue	<u>423,726,288</u>	<u>446,452,096</u>	<u>405,921,546</u>
Expenses			
Instruction	354,523,081	357,017,616	328,051,001
District Administration	16,857,343	15,193,200	11,202,465
Operations and Maintenance	64,862,519	63,686,842	60,423,916
Transportation and Housing	730,201	790,917	575,978
Write-off/down of Buildings and Sites		101,499	
Total Expense	<u>436,973,144</u>	<u>436,790,074</u>	<u>400,253,360</u>
Surplus (Deficit) for the year	<u>(13,246,856)</u>	<u>9,662,022</u>	<u>5,668,186</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		230,513,913	224,845,727
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>240,175,935</u></u>	<u>230,513,913</u>

School District No. 43 (Coquitlam)

Statement of Changes in Net Debt

Year Ended June 30, 2023

	2023 Budget (Note 19) \$	2023 Actual \$	2022 Actual (Restated - Note 25) \$
Surplus (Deficit) for the year	(13,246,856)	9,662,022	5,668,186
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(32,500,000)	(36,392,151)	(63,805,876)
Amortization of Tangible Capital Assets	23,500,000	23,119,001	21,373,894
Write-down carrying value of Tangible Capital Assets	-	101,499	-
Total Effect of change in Tangible Capital Assets	(9,000,000)	(13,171,651)	(42,431,982)
Acquisition of Prepaid Expenses	-	(795,458)	(478,533)
Use of Prepaid Expenses	-	478,533	512,484
Total Effect of change in Other Non-Financial Assets	-	(316,925)	33,951
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(22,246,856)</u>	(3,826,554)	(36,729,845)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(3,826,554)	(36,729,845)
Net Debt, beginning of year		(409,167,129)	(372,437,284)
Net Debt, end of year		(412,993,683)	(409,167,129)

School District No. 43 (Coquitlam)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2023

	2023 Actual	2022 Actual
		(Restated - Note 25)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	9,662,022	5,668,186
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(661,937)	3,171,149
Prepaid Expenses	(316,925)	33,951
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,086,364	644,207
Unearned Revenue	3,457,223	3,208,616
Deferred Revenue	539,756	(173,722)
Employee Future Benefits	855,943	2,576,626
Other Liabilities	982,386	(141,479)
Amortization of Tangible Capital Assets	23,119,001	21,373,894
Amortization of Deferred Capital Revenue	(17,002,612)	(15,579,421)
Write-Off/down of Buildings and Sites	101,499	-
Recognition of Deferred Revenue - Other	(100,000)	-
Total Operating Transactions	<u>21,722,720</u>	<u>20,782,007</u>
Capital Transactions		
Tangible Capital Assets Purchased	(10,207,102)	(12,530,916)
Tangible Capital Assets -WIP Purchased	(26,185,049)	(51,274,960)
Total Capital Transactions	<u>(36,392,151)</u>	<u>(63,805,876)</u>
Financing Transactions		
Capital Revenue Received	27,064,031	41,179,535
Capital Lease Additions (Repayments)	(1,119,113)	(744,444)
Total Financing Transactions	<u>25,944,918</u>	<u>40,435,091</u>
Investing Transactions		
Investments in Portfolio Investments	(55,000,000)	(10,000,000)
Total Investing Transactions	<u>(55,000,000)</u>	<u>(10,000,000)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(43,724,513)</u>	<u>(12,588,778)</u>
Cash and Cash Equivalents, beginning of year	<u>159,028,312</u>	<u>171,617,090</u>
Cash and Cash Equivalents, end of year	<u>115,303,799</u>	<u>159,028,312</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>115,303,799</u>	<u>159,028,312</u>
	<u>115,303,799</u>	<u>159,028,312</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on July 1, 1946, operates under the authority of the *School Act of British Columbia* as a corporation under the name of “The Board of Education of School District No. 43 (Coquitlam)”, and operates as “School District No. 43 (Coquitlam)”. A board of education (“Board”) which is elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 43 (Coquitlam) 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* supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

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

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

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

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

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

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

b) Basis of Consolidation

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

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

The School District does not administer any trust activities on behalf of external parties.

c) Cash and Cash Equivalents

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

d) Accounts Receivable

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

e) Portfolio Investments

The School District has investments in GIC's that have a maturity of greater than 3 months at the time of acquisition. Investments not quoted in an active market are reported at amortized cost less impairment, if applicable.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations.

f) Unearned Revenue

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

g) Deferred Revenue and Deferred Capital Revenue

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

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.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

h) Employee Future Benefits

i. Post-employment benefits

The School District provides certain post-employment benefits including accumulated sick leave, accumulated vacation pay, overtime, death benefits, early retirement, and severance/retirement allowances 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. The future 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 and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing and the rate of return is used for the pension assets.

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 actuarial 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 provides employees retired under the legacy Non-Teaching Pension Plan, health and dental benefits under a cost sharing arrangement. The plan was closed to new enrollees effective December 31, 2017. An actuarial valuation is conducted every three years. The most recent valuation of the obligation was performed at December 31, 2020 and projected for use at June 30, 2023.

ii. Pension Plans

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

i) Asset Retirement Obligations

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

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

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District has been initially recognized using the modified retroactive method. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see note 2 k). Assumptions used in the calculations are reviewed annually.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

j) 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.

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. Work in progress is not amortized until assets are available for productive use.

It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

k) Tangible Capital Assets (continued)

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

- Betterments and improvements to buildings that are capitalized are subject to an amortization period of 20 years and are included in the Buildings asset class.

l) 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.

m) Prepaid Expenses

Materials, supplies and services held for use by the School District in the following fiscal year are included as a prepaid expense and stated at acquisition cost. Such items are charged to expense over the periods expected to benefit from it.

n) 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 Note 13 – Interfund Transfers and Note 21 – Internally Restricted Funds).

o) Revenue Recognition

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

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

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

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

o) Revenue Recognition (continued)

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

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

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished.

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.

p) Expenditures

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

Categories of Salaries

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

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

p) Expenditures (continued)

Allocation of Costs

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

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, and accounts payable and accrued liabilities.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transactions costs are added to the carrying value of these investments upon initial recognition. Transactions costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

q) Financial Instruments (continued)

Unrealized gains and losses from changes in the fair value of financial instruments are recorded at fair value and 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. There are no unrealized gains or losses as at June 30, 2023. As a result, the School District does not have a statement of remeasurement gains and losses. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

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

r) Measurement Uncertainty

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

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

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

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 3 ACCOUNTS RECEIVABLE – OTHER

	<u>2023</u>	<u>2022</u>
Benefit deposit allowances	\$2,718,563	\$2,931,496
Federal grants	991,271	902,663
Due from municipality	900,000	1,000,000
GST Input Tax Credit	407,039	183,456
Interest Income	1,935,206	678,857
Capital due from third parties	-	300,000
Other Receivables	1,468,581	1,378,148
Allowance for doubtful accounts	<u>(65,000)</u>	<u>(65,000)</u>
Total Other Receivables	<u>\$8,355,660</u>	<u>\$7,309,620</u>

NOTE 4 PORTFOLIO INVESTMENTS

	<u>2023</u>	<u>2022</u>
Guaranteed investment certificates (GIC's)	\$95,000,000	\$40,000,000
Total Portfolio Investments	<u>\$95,000,000</u>	<u>\$40,000,000</u>

\$35,000,000 matures in F2024 with annual yields between 1.63% and 5.55%. \$25,000,000 matures in F2025 with annual yields between 5.35% and 5.98%. \$35,000,000 matures in F2026 with an annual yields between 5.25% and 5.30%.

NOTE 5 ACCOUNTS PAYABLE, ACCRUED AND OTHER LIABILITIES *(Restated - Note 25)*

	<u>2023</u>	<u>2022</u>
Trade Payables	\$10,611,406	\$13,092,070
Salary & Benefits Payable	<u>30,289,664</u>	<u>26,726,876</u>
Balance - Accounts Payable & Accrued Liabilities	<u>\$40,901,070</u>	<u>\$39,818,946</u>
Accrued Vacation Pay	7,027,622	6,141,521
Other	<u>408,668</u>	<u>248,369</u>
Balance - Total Other Liabilities	<u>\$ 7,436,290</u>	<u>\$ 6,389,890</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 6 UNEARNED REVENUE

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$18,425,772	\$15,217,156
Tuition fees received	25,824,384	21,632,689
Tuition fees recognized	<u>(22,367,161)</u>	<u>(18,424,073)</u>
Balance, end of year	<u>\$21,882,995</u>	<u>\$18,425,772</u>

Unearned revenue includes tuition collected from international students for school terms beginning after 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.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$12,734,314	\$12,908,036
Increases:		
Provincial grants	54,476,263	46,932,067
Other	16,218,028	12,330,038
Investment income	<u>119,427</u>	<u>36,447</u>
	<u>70,813,718</u>	<u>59,298,552</u>
Decreases:		
Revenue recognized	<u>(70,273,962)</u>	<u>(59,472,274)</u>
Balance, end of year	<u>\$13,274,070</u>	<u>\$12,734,314</u>

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.

	<u>2023</u>	<u>2022</u>
Deferred capital revenue subject to amortization		
Balance, beginning of year	<u>\$412,481,250</u>	<u>\$386,875,162</u>
Increases:		
Capital additions	4,490,924	8,718,136
Transfer from work in progress	<u>36,845,088</u>	<u>32,467,373</u>
	41,336,012	41,185,509
Decreases:		
Amortization	<u>17,002,612</u>	<u>15,579,421</u>
Net change for the year	<u>24,333,400</u>	<u>25,606,088</u>
Balance, end of year	<u>\$436,814,650</u>	<u>\$412,481,250</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 8 DEFERRED CAPITAL REVENUE *(continued)*

Deferred capital revenue - Work in Progress

Balance, beginning of year	\$48,034,080	\$46,562,772
Increases: Transfers from deferred revenue	20,852,922	33,938,681
Decreases: Transfers to deferred capital revenue	36,845,088	32,467,373
Net change for the year	<u>(15,992,166)</u>	<u>1,471,308</u>
Balance, end of year	<u>\$32,041,914</u>	<u>\$48,034,080</u>
Unspent deferred capital revenue	<u>\$23,126,607</u>	<u>\$ 21,506,422</u>
Total deferred capital revenue balance, end of year	<u>\$491,983,171</u>	<u>\$482,021,752</u>

NOTE 9 EMPLOYEE FUTURE BENEFITS

Employee future benefit plan obligations consist of two plans as summarized.

	<u>2023</u>	<u>2022</u>
Employee future benefit plans (a)	\$39,025,709	\$37,911,766
Non-Teaching retirement benefit plan (b)	<u>8,064,000</u>	<u>8,322,000</u>
Total Employee Future Benefits	<u>\$47,089,709</u>	<u>\$46,233,766</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 EMPLOYEE FUTURE BENEFITS *(continued)*

a) Employee Future Benefit Plans

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

	2023	2022
Reconciliation of accrued benefit obligation:		
Accrued benefit obligation – April 1	\$31,983,564	\$34,108,844
Service cost	2,329,040	2,577,848
Interest cost	1,067,985	886,558
Benefits payments	(2,396,391)	(1,404,841)
Actuarial (gain) / loss	(1,018,757)	(4,184,845)
Accrued benefit obligation – March 31	\$31,965,441	\$31,983,564
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation – March 31	\$31,965,441	\$31,983,564
Funded status – surplus / (deficit)	\$(31,965,441)	\$(31,983,564)
Employer contributions after measurement date	673,875	1,165,621
Benefit expense after measurement date	(893,806)	(849,256)
Unamortized net actuarial (gain) / loss	(6,840,337)	(6,244,567)
Accrued benefit asset / (liability) – June 30	\$(39,025,709)	\$(37,911,766)
Reconciliation of change in accrued benefit liability:		
Accrued benefit liability – July 1	\$37,911,766	\$36,236,140
Net expense for the year	3,018,588	3,405,014
Employer contributions	(1,904,645)	(1,729,388)
Accrued benefit liability – June 30	\$39,025,709	\$37,911,766
Components of net benefit expense:		
Service Cost	\$2,310,479	\$2,515,646
Interest Cost	1,131,096	931,914
Amortization of net actuarial loss	(422,987)	(42,546)
Net benefit expense	\$3,018,588	\$3,405,014

The impact of changes in assumptions between the March 31, 2023 measurement date and the June 30, 2023 reporting date have been considered and are not considered to be material. The significant actuarial assumptions adopted for measuring the School District’s accrued benefit obligations other than in respect of certain post-retirement benefits for non-teaching employees are:

	2023	2022
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	11.0 years	11.0 years

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 EMPLOYEE FUTURE BENEFITS *(continued)*

b) Post-Retirement Health and Dental Benefits (Non-Pension Benefits)

The Post Retirement Group Benefit Plan represents the benefit obligation related to the Board's share of premiums payable in respect of retirees of the Non-Teaching Pension Plan for extended health benefits and dental benefits. Effective December 31, 2017, the Post Retirement Group Benefit plan was closed to new enrollees. The Board has also announced its intention to end the dental subsidy at December 31, 2032, the end of the agreement period. As at June 30, 2023 no funds have been internally designated to fund this liability.

	2023	2022
Reconciliation of accrued benefit obligation:		
Accrued benefit obligation – April 1	\$4,931,000	\$5,309,000
Interest Cost	154,000	128,000
Benefit payments	(393,000)	(392,000)
Actuarial (gains)/losses	(479,000)	(114,000)
Accrued benefit obligation – March 31	\$4,213,000	\$4,931,000
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation – March 31	\$(4,213,000)	\$(4,931,000)
Funded status – surplus / (deficit)	\$(4,213,000)	\$(4,931,000)
Funded status – surplus / (deficit)	\$(4,213,000)	\$(4,931,000)
Net change in 2 nd quarter expenses	59,000	64,000
Unamortized net actuarial (gain) / loss	(3,910,000)	(3,455,000)
Accrued benefit asset / (liability) – June 30	\$(8,064,000)	\$(8,322,000)
Current service cost – net of employee's contributions	\$7,000	\$(24,000)
Interest cost	154,000	128,000
Amortize actuarial (gains) / losses	(24,000)	112,000
Defined benefit costs recognized	\$137,000	\$216,000
	2023	2022
Discount Rate	Beginning of the year: 3.25% End of the year: 4.00%	Beginning of the year: 2.50% End of the year: 3.25%
Dental	Based on CIA McMaster Model	Based on CIA McMaster Model
Extended Health	Based on CIA McMaster Model	Based on CIA McMaster Model
Estimated annual claim cost		
Extended Health – couple	\$1,732	\$1,658
Extended Health - single	\$867	\$829
Dental – couple	\$1,216	\$1,218
Dental – single	\$608	\$609
EARSL	16.6 years	16.4 years

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 10 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 this plan representing plan members and employers are responsible for administering the pension plan including investing assets and administering benefits. These plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2022, the Teachers' Pension Plan has about 51,000 active members and approximately 41,000 retired members. As of December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 from school districts.

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

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

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

The School District paid \$29,446,148 for employer contributions to these two plans in the year ended June 30, 2023. (2022 - \$28,412,362).

The Teachers' Pension Plan is determined on a formula based on a contribution rate of 11.30% of salary for 2023 (2022: 11.3%). The Municipal Pension Plan is determined on a formula based on a contribution rate of 9.31% of salary for 2023 (2022: 9.31%).

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

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

NOTE 11 CAPITAL LEASE OBLIGATIONS

The School District had leased assets under capital leases. One lease expired June 30, 2023. The School District negotiated an early buy out on the remaining leases. The capital leases provided for a transfer of ownership of the assets to the School District through a bargain purchase option.

The School District has certain other leasing agreements with third parties; assets under these other agreements and respective liabilities are not material.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 12 TANGIBLE CAPITAL ASSETS

Net Book Value:	Net Book Value 2023	Net Book Value 2022 (restated see Note 25)
Sites	\$112,496,185	\$112,496,185
Buildings	521,103,510	510,157,810
Furniture & Equipment	8,397,267	7,048,112
Vehicles	811,000	966,424
Computer Hardware	9,566,198	8,533,978
	<u>\$652,374,160</u>	<u>\$639,202,509</u>

June 30, 2023

Costs:	Balance at June 30, 2022 (Restated Note 25)	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2023
Sites	\$112,496,185	\$ -	\$ -	\$ -	\$112,496,185
Buildings	737,527,962	4,490,924	109,728	36,845,088	778,754,246
Furniture & Equipment	10,990,888	598,845	620,576	1,978,257	12,947,414
Vehicles	1,554,227	-	-	-	1,554,227
Computer Hardware	18,282,788	5,117,333	4,547,632	-	18,852,489
	<u>\$880,852,050</u>	<u>\$10,207,102</u>	<u>\$5,277,936</u>	<u>\$38,823,345</u>	<u>\$924,604,561</u>
Work in progress	81,611,689	26,185,049	-	(38,823,345)	68,973,393
	<u>\$962,463,739</u>	<u>\$36,392,151</u>	<u>\$5,277,936</u>	<u>\$-</u>	<u>\$993,577,954</u>

Accumulated Amortization:	Balance at June 30, 2022 (restated Note 25)	Additions	Disposals	Balance at June 30, 2023
Buildings	\$308,981,841	\$17,650,517	\$ 8,229	\$326,624,129
Furniture & Equipment	3,942,776	1,227,947	620,576	4,550,147
Vehicles	587,803	155,424	-	743,227
Computer Hardware	9,748,810	4,085,113	4,547,632	9,286,291
	<u>\$323,261,230</u>	<u>\$23,119,001</u>	<u>\$5,176,437</u>	<u>\$341,203,794</u>

June 30, 2022

Costs:	Balance at June 30, 2021	ARO (see Note 25)	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2022
Sites	\$112,496,185	\$-	\$ -	\$ -	\$ -	\$112,496,185
Buildings	686,469,235	10,376,581	4,718,136	-	35,964,010	737,527,962
Furniture & Equipment	6,703,564	-	4,363,965	613,762	537,121	10,990,888
Vehicles	1,039,932	-	603,358	89,063	-	1,554,227
Computer Hardware	18,547,127	-	2,845,457	3,109,796	-	18,282,788
	<u>\$825,256,043</u>	<u>10,376,581</u>	<u>\$12,530,916</u>	<u>\$3,812,621</u>	<u>\$36,501,131</u>	<u>\$880,852,050</u>
Work in progress	66,837,860	-	51,274,960	-	(36,501,131)	81,611,689
	<u>\$892,093,903</u>	<u>10,376,581</u>	<u>\$63,805,876</u>	<u>\$3,812,621</u>	<u>\$-</u>	<u>\$962,463,739</u>

Accumulated Amortization:	Balance at June 30, 2021	ARO (see Note 25)	Additions	Disposals	Balance at June 30, 2022
Buildings	\$282,153,974	\$10,367,688	\$16,460,179	\$ -	\$308,981,841
Furniture & Equipment	3,641,128	-	915,410	613,762	3,942,776
Vehicles	542,703	-	134,163	89,063	587,803
Computer Hardware	8,995,980	-	3,862,626	3,109,796	9,748,810
	<u>\$295,333,785</u>	<u>\$10,367,688</u>	<u>\$21,372,378</u>	<u>\$3,812,621</u>	<u>\$323,261,230</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 13 INTERFUND TRANSFERS

Interfund transfers between the operating and capital funds for the year ended June 30, 2023 were \$13,806,997 (2022 - \$9,509,420). \$3,894,265 pertains to capital assets purchased (2022 - \$3,433,647), and \$9,912,732 pertains to restricted funds set aside for future local capital projects (2022 - \$6,075,773).

NOTE 14 RELATED PARTY TRANSACTIONS

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

In fiscal year 2020 the School District sponsored the establishment of the SD43 Education Foundation, a separate and independent legally established entity under the British Columbia Societies Act. The Foundation has a Board separate from the School District. There were no significant transactions between the two entities.

NOTE 15 UNRECOGNIZED ASSETS

The School District owns two land parcels obtained through crown grants that have been registered at the land title office with nil value. These assets have been identified as a) Parcel 029-541-875 (Sheffield/Partington Creek) and b) Parcel 29-267-781 (Marigold Elementary).

NOTE 16 CONTRACTUAL OBLIGATIONS

- a) The School District has committed to capital expenditures to construct new facilities and upgrade current facilities. The outstanding capital commitments as at June 30, 2023 are \$209,513,000 (2022 - \$70,926,100). These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 16 CONTRACTUAL OBLIGATIONS *(continued)*

Funding approval for these committed projects is as follows:

Contractual Obligations	2024	2025	2026	2027	Total
Ministry Funded:					
Centennial	\$200,000	-	-	-	\$ 200,000
Centennial NLC	1,900,000	-	-	-	1,900,000
Coast Salish	7,000,000	250,000	-	-	7,250,000
Irvine	3,163,000	-	-	-	3,163,000
Moody Elementary	23,000,000	11,500,000	2,500,000	-	37,000,000
Burke Mountain	17,550,000	57,000,000	57,000,000	25,950,000	157,500,000
School District Funded:					
Education Learning Centre	2,500,000	-	-	-	2,500,000
Total:	\$55,313,000	68,750,000	59,500,000	25,950,000	\$209,513,000

- b) The School District has no significant operating leases.
- c) The collective agreement between the School District and the Coquitlam Teachers' Association allows teachers to elect to be paid over 12 months. As at June 30, 2023 the amount held by the School District and included in cash and accounts payable was \$9,102,649 (2022 - \$8,686,325).

NOTE 17 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 lease of closed schools. The following table summarizes the contractual rights of the School District for future assets:

	2024	2025	2026	Thereafter	Total
Cedarbrook	\$128,386	128,386	-	-	\$256,772
Burquitlam	271,850	271,850	271,850	543,700	1,359,250
Future Lease Revenue	\$400,236	400,236	271,850	543,700	\$1,616,022

NOTE 18 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.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 19 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget bylaw on February 7, 2023 and reflect more current estimates on student enrolment, revenues and expenditures.

	Original Budget	Amended Budget	Change
Revenue			
Provincial Grants			
Ministry of Education	\$ 349,351,924	\$ 366,363,188	\$17,011,264
Other	239,246	244,246	5,000
Federal Grants	3,351,117	3,319,117	(32,000)
Tuition	15,029,116	16,849,620	1,820,504
Other Revenue	12,693,725	14,159,429	1,465,704
Rentals and Leases	2,158,296	2,408,296	250,000
Investment Income	1,601,047	3,132,392	1,531,345
Amortization of Deferred Capital Revenue	16,500,000	17,250,000	750,000
Total Revenue	<u>\$ 400,924,471</u>	<u>\$ 423,726,288</u>	<u>\$22,801,817</u>
Expenses			
Instruction	328,310,339	354,523,081	26,212,742
District Administration	16,763,527	16,857,343	93,816
Operation and Maintenance	61,378,441	64,862,519	3,484,078
Transportation and Housing	522,164	730,201	208,037
Total Expense	<u>\$ 406,974,471</u>	<u>\$ 436,973,144</u>	<u>\$29,998,673</u>
Surplus (Deficit) for the year	<u>(\$6,050,000)</u>	<u>(\$13,246,856)</u>	<u>\$7,196,856</u>
Prior Year Surplus Appropriation	<u>\$5,050,000</u>	<u>\$17,146,856</u>	<u>\$12,096,856</u>
Budgeted Surplus (Deficit) for the year	<u>(\$1,000,000)</u>	<u>\$3,900,000</u>	<u>\$ 4,900,000</u>
Capital Fund Surplus (Deficit)	<u>(\$1,000,000)</u>	<u>\$3,900,000</u>	<u>\$ 4,900,000</u>
Budgeted Surplus (Deficit) for the year	<u>(\$1,000,000)</u>	<u>\$3,900,000</u>	<u>\$ 4,900,000</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 20 EXPENSE BY OBJECT

	2023	2022
Salaries and benefits	\$364,123,218	\$340,982,303
Services and supplies	49,547,855	37,897,163
Amortization	23,119,001	21,373,894
Total	\$436,790,074	\$400,253,360

NOTE 21 INTERNALLY RESTRICTED FUNDS

a) Operating Fund

The School District attributes a portion of the accumulated surplus to an internal operating fund and internally restricts a portion of the balance. The detail of the restricted operating surplus is as follows:

	2023	2022
Internally restricted due to nature of constraints on the funds:		
School carryforward surpluses	\$3,298,034	\$3,947,425
ESA contingency reserve	1,000,000	1,000,000
Facility & maintenance initiatives	2,055,625	1,430,625
Technology initiatives	1,225,000	1,268,876
Education stabilization reserve	4,000,014	3,047,014
Teacher mentorship funds	653,430	674,385
Business system initiative	165,007	165,007
School-based capital initiatives	4,149,819	-
Internally restricted for operations spanning multiple years		
2022/2023 - Operating budget	-	3,750,000
2023/2024 - Operating budget	3,750,000	3,750,000
2024/2025 - Operating budget	3,750,000	2,500,000
2025/2026 - Operating budget	2,500,000	1,250,000
2026/2027 -Operating budget	1,250,000	
Internally restricted for future capital cost share	-	1,750,000
Total internally restricted operating fund surplus	\$27,796,929	\$24,533,332
Prior period adjustment - environmental remediation (Note 25)	-	3,712,732
Unrestricted operating surplus (deficit)	-	-
Total operating fund surplus (deficit)	\$27,796,929	\$28,246,064

b) Capital Fund

The School District internally restricts a portion of its capital surplus in the local capital reserve account for future capital requirements including facility additions, capital improvements, and other capital infrastructure requirements. As at June 30, 2023 \$37,567,290 has been restricted (2022 - \$32,350,564).

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 22 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 23 RISK MANAGEMENT

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

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

(a) Credit risk:

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

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and portfolio investments as they are placed in recognized British Columbia institutions. The School District is currently invested solely in guaranteed investment certificates. Cash and cash equivalents currently consist of deposits held with a chartered bank and the Provincial Central Deposit Program.

(b) Market risk:

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they are currently invested solely in guaranteed investment certificates that have a maturity date of no more than 5 years.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 23 RISK MANAGEMENT *(continued)*

(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.

NOTE 24 ASSET RETIREMENT OBLIGATION

Legal obligations exist for the removal and disposal of asbestos and other hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022 (see Note 25 – Prior Period Adjustment – Change in Accounting Policy). The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

	2023	2022 (restated Note 25)
Asset Retirement Obligation, opening balance	\$10,376,581	\$10,376,581
Settlements during the year	64,014	-
Asset Retirement Obligation, closing balance	\$10,312,567	\$10,376,581

NOTE 25 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 24). This standard was adopted using the modified retroactive approach with the results in the restatement of the comparative information as at 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)	\$10,376,581
Tangible Capital Assets - cost	10,376,581
Tangible Capital Assets – accumulated amortization	10,367,688
Operations & Maintenance Expense – Asset amortization	1,516
Accumulated Surplus – Invested in Capital Assets July 1, 2021	(10,366,172)
Accumulated Surplus – Invested in Capital Assets June 30, 2022	(10,367,688)

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 25 **PRIOR PERIOD ADJUSTMENT – CHANGE IN ACCOUNTING POLICY** *(continued)*

Since the Asset Retirement Obligation has been funded from the Invested in Capital Assets Accumulated Surplus, the Environmental Remediation Liability of \$3,712,732 is no longer required and has been reversed as a prior period adjustment to the Operating Accumulated Surplus.

School District No. 43 (Coquiltam)

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 25)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	28,246,064		202,267,849	230,513,913	231,499,167
Prior Period Adjustments					(6,653,440)
Accumulated Surplus (Deficit), beginning of year, as restated	28,246,064	-	202,267,849	230,513,913	224,845,727
Changes for the year					
Surplus (Deficit) for the year	13,357,862		(3,695,840)	9,662,022	5,668,186
Interfund Transfers					
Tangible Capital Assets Purchased	(3,894,265)		3,894,265	-	
Local Capital	(9,912,732)		9,912,732	-	
Net Changes for the year	(449,135)	-	10,111,157	9,662,022	5,668,186
Accumulated Surplus (Deficit), end of year - Statement 2	27,796,929	-	212,379,006	240,175,935	230,513,913

School District No. 43 (Coquitlam)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget (Note 19) \$	2023 Actual \$	2022 Actual (Restated - Note 25) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	313,799,788	326,714,430	306,238,475
Other		29,652	51,072
Federal Grants	19,072		
Tuition	16,849,620	22,367,161	19,413,942
Other Revenue	529,778	573,428	1,218,328
Rentals and Leases	2,058,296	2,264,821	2,007,068
Investment Income	2,132,392	4,530,012	1,528,644
Total Revenue	335,388,946	356,479,504	330,457,529
Expenses			
Instruction	286,916,001	288,273,607	270,421,032
District Administration	16,801,343	15,176,731	11,202,465
Operations and Maintenance	39,628,362	38,921,950	37,934,437
Transportation and Housing	690,096	749,354	534,268
Total Expense	344,035,802	343,121,642	320,092,202
Operating Surplus (Deficit) for the year	(8,646,856)	13,357,862	10,365,327
Budgeted Appropriation (Retirement) of Surplus (Deficit)	17,146,856		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(2,500,000)	(3,894,265)	(3,433,647)
Local Capital	(6,000,000)	(9,912,732)	(6,075,773)
Total Net Transfers	(8,500,000)	(13,806,997)	(9,509,420)
Total Operating Surplus (Deficit), for the year	-	(449,135)	855,907
Operating Surplus (Deficit), beginning of year		28,246,064	23,677,425
Prior Period Adjustments			
Reverse ARO expenses incurred in prior years			3,712,732
Operating Surplus (Deficit), beginning of year, as restated		28,246,064	27,390,157
Operating Surplus (Deficit), end of year		27,796,929	28,246,064
Operating Surplus (Deficit), end of year			
Internally Restricted		27,796,929	28,246,064
Total Operating Surplus (Deficit), end of year		27,796,929	28,246,064

School District No. 43 (Coquitlam)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget (Note 19)	2023 Actual	2022 Actual (Restated - Note 25)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	311,216,802	312,291,943	303,995,261
Other Ministry of Education and Child Care Grants			
Pay Equity	706,353	706,353	706,353
Funding for Graduated Adults	1,627,367	1,043,651	1,289,411
Student Transportation Fund	81,641	81,641	81,641
FSA Scorer Grant	28,656	30,906	28,656
Early Learning Framework (ELF) Implementation	6,055	4,833	4,239
Labour Settlement Funding	-	12,420,189	-
NGN Self-Provisioned Site Grant	132,914	132,914	132,914
Premier's Award	-	2,000	-
Total Provincial Grants - Ministry of Education and Child Care	313,799,788	326,714,430	306,238,475
Provincial Grants - Other	-	29,652	51,072
Federal Grants	19,072	-	-
Tuition			
Continuing Education	266,346	363,137	273,807
International and Out of Province Students	16,583,274	22,004,024	19,140,135
Total Tuition	16,849,620	22,367,161	19,413,942
Other Revenues			
Miscellaneous			
Miscellaneous	529,778	573,428	1,218,328
Total Other Revenue	529,778	573,428	1,218,328
Rentals and Leases	2,058,296	2,264,821	2,007,068
Investment Income	2,132,392	4,530,012	1,528,644
Total Operating Revenue	335,388,946	356,479,504	330,457,529

School District No. 43 (Coquitlam)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2023

	2023 Budget (Note 19) \$	2023 Actual \$	2022 Actual (Restated - Note 25) \$
Salaries			
Teachers	154,960,111	154,642,010	147,148,259
Principals and Vice Principals	18,415,436	17,958,003	17,356,933
Educational Assistants	24,447,542	22,832,549	21,576,850
Support Staff	29,732,870	26,946,382	26,800,176
Other Professionals	7,757,481	8,055,225	7,583,208
Substitutes	11,149,601	14,164,550	12,320,123
Total Salaries	246,463,041	244,598,719	232,785,549
Employee Benefits	67,317,616	67,323,820	61,187,035
Total Salaries and Benefits	313,780,657	311,922,539	293,972,584
Services and Supplies			
Services	8,624,448	8,396,405	8,194,431
Student Transportation	633,384	694,455	485,051
Professional Development and Travel	2,324,220	1,765,300	1,421,524
Rentals and Leases	429,898	251,568	327,441
Dues and Fees	759,089	1,704,114	1,344,608
Insurance	1,391,399	1,669,803	1,371,017
Supplies	9,975,635	10,742,390	7,586,800
Utilities	6,117,072	5,975,068	5,388,746
Total Services and Supplies	30,255,145	31,199,103	26,119,618
Total Operating Expense	344,035,802	343,121,642	320,092,202

School District No. 43 (Coquitlam)

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	118,023,760	2,235,336	39,211	875,732	-	6,983,195	128,157,234
1.03 Career Programs	-	-	439,076	-	-	-	439,076
1.07 Library Services	-	-	365,907	-	-	53,089	418,996
1.08 Counselling	4,441,025	-	-	-	-	223,094	4,664,119
1.10 Special Education	17,807,142	319,879	20,986,386	191,835	87,723	3,279,949	42,672,914
1.30 English Language Learning	5,512,736	-	-	-	-	276,931	5,789,667
1.31 Indigenous Education	307,447	148,332	792,607	43,289	-	31,397	1,323,072
1.41 School Administration	-	13,962,354	-	6,173,251	-	768,839	20,904,444
1.60 Summer School	938,597	340,265	45,143	83,098	-	27,497	1,434,600
1.61 Continuing Education	1,767,483	282,261	-	699,143	71,426	95,031	2,915,344
1.62 International and Out of Province Students	5,843,820	231,395	164,219	293,137	342,866	290,471	7,165,908
1.64 Other	-	-	-	-	-	-	-
Total Function 1	154,642,010	17,519,822	22,832,549	8,359,485	502,015	12,029,493	215,885,374
4 District Administration							
4.11 Educational Administration	-	438,181	-	102,452	1,192,839	-	1,733,472
4.40 School District Governance	-	-	-	-	500,870	-	500,870
4.41 Business Administration	-	-	-	1,953,875	3,806,599	-	5,760,474
Total Function 4	-	438,181	-	2,056,327	5,500,308	-	7,994,816
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	-	-	162,953	1,543,995	7,908	1,714,856
5.50 Maintenance Operations	-	-	-	15,128,484	307,848	2,127,149	17,563,481
5.52 Maintenance of Grounds	-	-	-	1,226,248	-	-	1,226,248
5.56 Utilities	-	-	-	-	171,098	-	171,098
Total Function 5	-	-	-	16,517,685	2,022,941	2,135,057	20,675,683
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	12,885	29,961	-	42,846
7.70 Student Transportation	-	-	-	-	-	-	-
Total Function 7	-	-	-	12,885	29,961	-	42,846
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	154,642,010	17,958,003	22,832,549	26,946,382	8,055,225	14,164,550	244,598,719

School District No. 43 (Coquitlam)

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 19)	2022 Actual (Restated - Note 25)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	128,157,234	35,533,644	163,690,878	5,695,937	169,386,815	168,268,940	160,221,785
1.03 Career Programs	439,076	142,230	581,306	112,550	693,856	744,551	708,116
1.07 Library Services	418,996	118,529	537,525	432,242	969,767	972,182	850,256
1.08 Counselling	4,664,119	1,277,994	5,942,113	11,263	5,953,376	5,964,252	6,370,335
1.10 Special Education	42,672,914	12,144,873	54,817,787	598,761	55,416,548	55,417,647	52,528,744
1.30 English Language Learning	5,789,667	1,586,400	7,376,067	32,768	7,408,835	7,474,633	6,476,292
1.31 Indigenous Education	1,323,072	394,742	1,717,814	165,265	1,883,079	2,319,247	1,847,705
1.41 School Administration	20,904,444	5,054,339	25,958,783	337,223	26,296,006	26,675,465	25,539,180
1.60 Summer School	1,434,600	249,056	1,683,656	44,851	1,728,507	1,852,829	948,015
1.61 Continuing Education	2,915,344	835,328	3,750,672	752,486	4,503,158	4,411,991	3,872,213
1.62 International and Out of Province Students	7,165,908	2,018,538	9,184,446	4,519,556	13,704,002	12,475,437	10,795,538
1.64 Other	-	-	-	329,658	329,658	338,827	262,853
Total Function 1	215,885,374	59,355,673	275,241,047	13,032,560	288,273,607	286,916,001	270,421,032
4 District Administration							
4.11 Educational Administration	1,733,472	314,938	2,048,410	1,497,916	3,546,326	3,905,950	3,438,183
4.40 School District Governance	500,870	138,767	639,637	167,154	806,791	834,576	698,129
4.41 Business Administration	5,760,474	1,695,069	7,455,543	3,368,071	10,823,614	12,060,817	7,066,153
Total Function 4	7,994,816	2,148,774	10,143,590	5,033,141	15,176,731	16,801,343	11,202,465
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	1,714,856	301,171	2,016,027	713,236	2,729,263	2,134,284	2,108,320
5.50 Maintenance Operations	17,563,481	5,064,325	22,627,806	5,065,683	27,693,489	29,157,130	28,188,139
5.52 Maintenance of Grounds	1,226,248	397,220	1,623,468	866,592	2,490,060	2,152,877	2,178,242
5.56 Utilities	171,098	44,604	215,702	5,793,436	6,009,138	6,184,071	5,459,736
Total Function 5	20,675,683	5,807,320	26,483,003	12,438,947	38,921,950	39,628,362	37,934,437
7 Transportation and Housing							
7.41 Transportation and Housing Administration	42,846	12,053	54,899	-	54,899	56,712	49,218
7.70 Student Transportation	-	-	-	694,455	694,455	633,384	485,050
Total Function 7	42,846	12,053	54,899	694,455	749,354	690,096	534,268
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	244,598,719	67,323,820	311,922,539	31,199,103	343,121,642	344,035,802	320,092,202

School District No. 43 (Coquitlam)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

	2023 Budget (Note 19)	2023 Actual	2022 Actual (Restated - Note 25)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	52,563,400	53,701,891	46,727,100
Other	244,246	200,000	-
Federal Grants	3,300,045	3,333,068	3,211,317
Other Revenue	13,279,651	13,039,003	8,848,847
Total Revenue	69,387,342	70,273,962	58,787,264
Expenses			
Instruction	67,607,080	68,744,009	57,629,969
District Administration	56,000	16,469	-
Operations and Maintenance	1,684,157	1,471,921	1,115,585
Transportation and Housing	40,105	41,563	41,710
Total Expense	69,387,342	70,273,962	58,787,264
Special Purpose Surplus (Deficit) for the year	-	-	-
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 43 (Coquitlam)

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	-	-	80,323	7,279,717	35,441	12,647	89,482	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	1,139,837	1,072,048	-	-	416,000	112,700	691,044	1,599,787	2,276,483
Federal Grants	-	-	-	-	-	-	-	-	-
Other	-	-	100,000	11,915,054	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
Reverse Prior Year AFG Purchase	109,728	-	-	-	-	-	-	-	-
	1,249,565	1,072,048	100,000	11,915,054	416,000	112,700	691,044	1,599,787	2,276,483
Less: Allocated to Revenue	1,139,837	1,072,048	133,952	12,182,729	439,683	117,602	513,549	1,599,787	2,276,483
Deferred Revenue, end of year	109,728	-	46,371	7,012,042	11,758	7,745	266,977	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	1,139,837	1,072,048	-	-	439,683	117,602	513,549	1,599,787	2,276,483
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	133,952	12,182,729	-	-	-	-	-
	1,139,837	1,072,048	133,952	12,182,729	439,683	117,602	513,549	1,599,787	2,276,483
Expenses									
Salaries									
Teachers	-	-	-	-	-	55,385	101,492	-	-
Principals and Vice Principals	-	-	-	-	-	-	-	-	320,800
Educational Assistants	-	839,910	-	-	-	-	-	754,740	1,306,602
Support Staff	-	-	-	-	293,701	-	-	223,425	-
Other Professionals	-	-	-	-	-	-	-	-	-
Substitutes	-	-	-	-	46,182	-	434	12,438	90,000
	-	839,910	-	-	339,883	55,385	101,926	990,603	1,717,402
Employee Benefits	-	232,138	-	-	88,267	18,251	9,319	319,830	549,081
Services and Supplies	1,139,837	-	133,952	12,182,729	11,533	43,966	402,304	289,354	10,000
	1,139,837	1,072,048	133,952	12,182,729	439,683	117,602	513,549	1,599,787	2,276,483
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 43 (Coquitlam)

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	Student & Family Affordability	SEY2KT (Early Years to Kindergarten)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	1,765	32,472	-	-	200,074	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	39,966,742	3,733,695	41,971	47,000	6,000	-	-	3,001,720	19,000
Federal Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
Reverse Prior Year AFG Purchase	-	-	-	-	-	-	-	-	-
	39,966,742	3,733,695	41,971	47,000	6,000	-	-	3,001,720	19,000
Less: Allocated to Revenue	39,966,742	3,733,695	41,563	55,517	5,545	-	91,356	2,307,661	4,292
Deferred Revenue, end of year	-	-	2,173	23,955	455	-	108,718	694,059	14,708
Revenues									
Provincial Grants - Ministry of Education and Child Care	39,966,742	3,733,695	41,563	55,517	5,545	-	91,356	2,307,661	4,292
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-
	39,966,742	3,733,695	41,563	55,517	5,545	-	91,356	2,307,661	4,292
Expenses									
Salaries									
Teachers	28,723,856	3,389,972	-	-	-	-	-	-	-
Principals and Vice Principals	-	-	-	-	-	-	-	-	-
Educational Assistants	-	-	-	-	-	-	-	-	-
Support Staff	-	-	-	-	-	-	-	-	-
Other Professionals	-	-	-	-	-	-	-	-	-
Substitutes	1,603,904	26,052	-	-	-	-	-	-	-
	30,327,760	3,416,024	-	-	-	-	-	-	-
Employee Benefits	9,638,982	317,671	-	-	-	-	-	-	-
Services and Supplies	-	-	41,563	55,517	5,545	-	91,356	2,307,661	4,292
	39,966,742	3,733,695	41,563	55,517	5,545	-	91,356	2,307,661	4,292
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 43 (Coquitlam)

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

	ECL (Early Care & Learning)	Day Treatment	Sundry Programs	Staff Development	Sick Leave Benefit Plan	Contractual Reserves	Apprenticeship Programs	Settlement Workers (Prov)	ELSA/LINC
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		-	105,705	116,737	311,729	2,776,412	590,224	244,246	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	175,000	177,236	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	2,469,186
Other	-	-	75,660	46,948	-	224,624	222,372	-	-
Investment Income	-	-	-	-	12,092	107,335	-	-	-
Reverse Prior Year AFG Purchase	-	-	-	-	-	-	-	-	-
	175,000	177,236	75,660	46,948	12,092	331,959	222,372	-	2,469,186
Less: Allocated to Revenue	159,295	177,236	72,428	52,522	49,844	40,728	229,794	200,000	2,469,186
Deferred Revenue, end of year	15,705	-	108,937	111,163	273,977	3,067,643	582,802	44,246	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	159,295	177,236	-	-	-	-	-	-	-
Provincial Grants - Other	-	-	-	-	-	-	-	200,000	-
Federal Grants	-	-	-	-	-	-	-	-	2,469,186
Other Revenue	-	-	72,428	52,522	49,844	40,728	229,794	-	-
	159,295	177,236	72,428	52,522	49,844	40,728	229,794	200,000	2,469,186
Expenses									
Salaries									
Teachers	121,527	93,784	-	-	-	-	135,315	-	1,007,909
Principals and Vice Principals	-	-	-	-	-	-	8,882	-	81,778
Educational Assistants	-	20,256	-	-	-	-	-	-	-
Support Staff	-	-	-	-	-	-	-	-	276,620
Other Professionals	-	-	-	-	-	-	-	-	12,412
Substitutes	-	-	-	-	-	-	-	-	-
	121,527	114,040	-	-	-	-	144,197	-	1,378,719
Employee Benefits	36,448	39,367	-	-	49,844	-	49,062	-	363,423
Services and Supplies	1,320	23,829	72,428	52,522	-	40,728	36,535	200,000	727,044
	159,295	177,236	72,428	52,522	49,844	40,728	229,794	200,000	2,469,186
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 43 (Coquitlam)

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

	Settlement Workers (Fed)	Comm Link Lunch Program	Retiree Ext Hlth Fund	Community Connection	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	94,199	675,635	87,506	12,734,314
Add: Restricted Grants					
Provincial Grants - Ministry of Education and Child Care	-	-	-	-	54,476,263
Federal Grants	863,882	-	-	-	3,333,068
Other	-	66,939	-	123,635	12,775,232
Investment Income	-	-	-	-	119,427
Reverse Prior Year AFG Purchase	-	-	-	-	109,728
	863,882	66,939	-	123,635	70,813,718
Less: Allocated to Revenue	863,882	139,804	16,469	120,733	70,273,962
Deferred Revenue, end of year	-	21,334	659,166	90,408	13,274,070
Revenues					
Provincial Grants - Ministry of Education and Child Care	-	-	-	-	53,701,891
Provincial Grants - Other	-	-	-	-	200,000
Federal Grants	863,882	-	-	-	3,333,068
Other Revenue	-	139,804	16,469	120,733	13,039,003
	863,882	139,804	16,469	120,733	70,273,962
Expenses					
Salaries					
Teachers	-	-	-	-	33,629,240
Principals and Vice Principals	43,950	-	-	-	455,410
Educational Assistants	-	-	-	-	2,921,508
Support Staff	550,998	102,265	-	-	1,447,009
Other Professionals	-	-	-	-	12,412
Substitutes	-	-	-	-	1,779,010
	594,948	102,265	-	-	40,244,589
Employee Benefits	208,020	36,387	-	-	11,956,090
Services and Supplies	60,914	1,152	16,469	120,733	18,073,283
	863,882	139,804	16,469	120,733	70,273,962
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-

School District No. 43 (Coquitlam)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2023

	2023	2023 Actual			2022
	Budget (Note 19)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 25)
	\$	\$	\$	\$	\$
Revenues					
Other Revenue	350,000	100,000	629,738	729,738	336,829
Rentals and Leases	350,000		366,885	366,885	349,413
Investment Income	1,000,000		1,599,395	1,599,395	411,090
Amortization of Deferred Capital Revenue	17,250,000	17,002,612		17,002,612	15,579,421
Total Revenue	18,950,000	17,102,612	2,596,018	19,698,630	16,676,753
Expenses					
Operations and Maintenance	50,000	100,000	73,970	173,970	-
Amortization of Tangible Capital Assets					
Operations and Maintenance	23,500,000	23,119,001		23,119,001	21,373,894
Write-off/down of Buildings and Sites	-	101,499		101,499	-
Total Expense	23,550,000	23,320,500	73,970	23,394,470	21,373,894
Capital Surplus (Deficit) for the year	(4,600,000)	(6,217,888)	2,522,048	(3,695,840)	(4,697,141)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	2,500,000	3,894,265		3,894,265	3,433,647
Local Capital	6,000,000		9,912,732	9,912,732	6,075,773
Total Net Transfers	8,500,000	3,894,265	9,912,732	13,806,997	9,509,420
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		1,821,913	(1,821,913)	-	
Tangible Capital Assets WIP Purchased from Local Capital		5,332,127	(5,332,127)	-	
Settlement of Asset Retirement Obligation		64,014	(64,014)	-	
Total Other Adjustments to Fund Balances		7,218,054	(7,218,054)	-	
Total Capital Surplus (Deficit) for the year	3,900,000	4,894,431	5,216,726	10,111,157	4,812,279
Capital Surplus (Deficit), beginning of year		169,917,285	32,350,564	202,267,849	207,821,742
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(10,366,172)
Capital Surplus (Deficit), beginning of year, as restated		169,917,285	32,350,564	202,267,849	197,455,570
Capital Surplus (Deficit), end of year		174,811,716	37,567,290	212,379,006	202,267,849

School District No. 43 (Coquitlam)

Tangible Capital Assets
Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	112,496,185	727,151,381	10,990,888	1,554,227	-	18,282,788	870,475,469
Prior Period Adjustments							
To Recognize Asset Retirement Obligation	-	10,376,581	-	-	-	-	10,376,581
Cost, beginning of year, as restated	112,496,185	737,527,962	10,990,888	1,554,227	-	18,282,788	880,852,050
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	-	4,490,924	-	-	-	-	4,490,924
Operating Fund	-	-	598,845	-	-	3,295,420	3,894,265
Local Capital	-	-	-	-	-	1,821,913	1,821,913
Transferred from Work in Progress		36,845,088	1,978,257				38,823,345
	-	41,336,012	2,577,102	-	-	5,117,333	49,030,447
Decrease:							
Deemed Disposals			620,576	-	-	4,547,632	5,168,208
Written-off/down During Year	-	109,728	-	-	-	-	109,728
	-	109,728	620,576	-	-	4,547,632	5,277,936
Cost, end of year	112,496,185	778,754,246	12,947,414	1,554,227	-	18,852,489	924,604,561
Work in Progress, end of year		68,973,393					68,973,393
Cost and Work in Progress, end of year	112,496,185	847,727,639	12,947,414	1,554,227	-	18,852,489	993,577,954
Accumulated Amortization, beginning of year		298,614,153	3,942,776	587,803	-	9,748,810	312,893,542
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		10,367,688	-	-	-	-	10,367,688
Accumulated Amortization, beginning of year, as restated		308,981,841	3,942,776	587,803	-	9,748,810	323,261,230
Changes for the Year							
Increase: Amortization for the Year		17,650,517	1,227,947	155,424	-	4,085,113	23,119,001
Decrease:							
Deemed Disposals			620,576	-	-	4,547,632	5,168,208
Written-off During Year		8,229	-	-	-	-	8,229
		8,229	620,576	-	-	4,547,632	5,176,437
Accumulated Amortization, end of year		326,624,129	4,550,147	743,227	-	9,286,291	341,203,794
Tangible Capital Assets - Net	112,496,185	521,103,510	8,397,267	811,000	-	9,566,198	652,374,160

School District No. 43 (Coquitlam)

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	81,611,689	-	-	-	81,611,689
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	13,607,255	531,417	-	-	14,138,672
Deferred Capital Revenue - Other	6,714,250	-	-	-	6,714,250
Local Capital	3,885,287	1,446,840	-	-	5,332,127
	<u>24,206,792</u>	<u>1,978,257</u>	<u>-</u>	<u>-</u>	<u>26,185,049</u>
Decrease:					
Transferred to Tangible Capital Assets	36,845,088	1,978,257	-	-	38,823,345
	<u>36,845,088</u>	<u>1,978,257</u>	<u>-</u>	<u>-</u>	<u>38,823,345</u>
Net Changes for the Year	<u>(12,638,296)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,638,296)</u>
Work in Progress, end of year	<u>68,973,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,973,393</u>

School District No. 43 (Coquitlam)

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	399,530,897	9,103,562	3,846,791	412,481,250
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	4,490,924	-	-	4,490,924
Transferred from Work in Progress	36,845,088	-	-	36,845,088
	<u>41,336,012</u>	<u>-</u>	<u>-</u>	<u>41,336,012</u>
Decrease:				
Amortization of Deferred Capital Revenue	16,289,428	281,990	431,194	17,002,612
	<u>16,289,428</u>	<u>281,990</u>	<u>431,194</u>	<u>17,002,612</u>
Net Changes for the Year	<u>25,046,584</u>	<u>(281,990)</u>	<u>(431,194)</u>	<u>24,333,400</u>
Deferred Capital Revenue, end of year	<u>424,577,481</u>	<u>8,821,572</u>	<u>3,415,597</u>	<u>436,814,650</u>
Work in Progress, beginning of year	38,935,361	1,242,288	7,856,431	48,034,080
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	14,138,672	2,095,063	4,619,187	20,852,922
	<u>14,138,672</u>	<u>2,095,063</u>	<u>4,619,187</u>	<u>20,852,922</u>
Decrease				
Transferred to Deferred Capital Revenue	36,845,088	-	-	36,845,088
	<u>36,845,088</u>	<u>-</u>	<u>-</u>	<u>36,845,088</u>
Net Changes for the Year	<u>(22,706,416)</u>	<u>2,095,063</u>	<u>4,619,187</u>	<u>(15,992,166)</u>
Work in Progress, end of year	<u>16,228,945</u>	<u>3,337,351</u>	<u>12,475,618</u>	<u>32,041,914</u>
Total Deferred Capital Revenue, end of year	<u>440,806,426</u>	<u>12,158,923</u>	<u>15,891,215</u>	<u>468,856,564</u>

School District No. 43 (Coquitlam)

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	\$ -	\$ 5,677,779	\$ 2,779,080	\$ 11,334,867	\$ 1,714,696	\$ 21,506,422
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	19,686,194	-	-	-	-	19,686,194
Provincial Grants - Other	-	-	600,000	-	-	600,000
Other	-	-	-	1,375,252	4,473,464	5,848,716
Investment Income	-	261,107	116,933	551,081	-	929,121
Transfer project surplus to MECC Restricted (from) Bylaw	(1,056,598)	1,056,598	-	-	-	-
	18,629,596	1,317,705	716,933	1,926,333	4,473,464	27,064,031
Decrease:						
Transferred to DCR - Capital Additions	4,490,924	-	-	-	-	4,490,924
Transferred to DCR - Work in Progress	14,138,672	1,035,063	1,060,000	-	4,619,187	20,852,922
Transferred to Revenue - Municipal Upkeep of Turf Field	-	-	-	-	100,000	100,000
	18,629,596	1,035,063	1,060,000	-	4,719,187	25,443,846
Net Changes for the Year	-	282,642	(343,067)	1,926,333	(245,723)	1,620,185
Balance, end of year	-	5,960,421	2,436,013	13,261,200	1,468,973	23,126,607