

Audited Financial Statements of

School District No. 72 (Campbell River)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 72 (Campbell River)

June 30, 2020

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School District No. 72 (Campbell River)

MANAGEMENT REPORT

Version: 4277-3531-1549

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 72 (Campbell River) 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. 72 (Campbell River) (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, MNP LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 72 (Campbell River) 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. 72 (Campbell River)

Originally signed by the Board
Chairperson

9/29/20

Signature of the Chairperson of the Board of Education

Date Signed

Originally signed by the Superintendent

10/01/20

Signature of the Superintendent

Date Signed

Originally signed by the
Secretary-Treasurer

09/30/20

Signature of the Secretary Treasurer

Date Signed

Independent Auditor's Report

To the Board of Education of School District No. 72 (Campbell River) and the Minister of Education:

Opinion

We have audited the financial statements of School District No. 72 (Campbell River) (the "School District"), which comprise the statement of financial position as at June 30, 2020, and the statements of operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present the financial position of the School District as at June 30, 2020, and the results of its operations, changes in net debt and its cash flows for the year then ended in compliance with, in all material respects, the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011.

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 report. We are independent of the School District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with 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 which describes the financial reporting framework being followed by School District No. 72 (Campbell River).

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises of Unaudited Schedules 1-4 attached to the audited financial statements and Financial Statement Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and presentation of the financial statements in accordance with the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011, 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 School District'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 School District or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 School District'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 School District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Campbell River, British Columbia

September 29, 2020

MNP LLP

Chartered Professional Accountants

School District No. 72 (Campbell River)

Statement of Financial Position
As at June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	17,570,062	19,288,678
Accounts Receivable		
Due from Province - Ministry of Education	408,776	418,776
Due from Province - Other	211,100	
Due from First Nations	720,407	
Other (Note 3)	111,350	150,020
Total Financial Assets	<u>19,021,695</u>	<u>19,857,474</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	7,707,767	7,113,168
Unearned Revenue (Note 5)	316,761	603,872
Deferred Revenue (Note 6)	1,213,413	1,640,706
Deferred Capital Revenue (Note 7)	66,034,332	66,701,168
Employee Future Benefits (Note 8)	1,349,951	1,243,671
Capital Lease Obligations (Note 10)	39,530	59,342
Total Liabilities	<u>76,661,754</u>	<u>77,361,927</u>
Net Debt	<u>(57,640,059)</u>	<u>(57,504,453)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	85,530,200	86,010,651
Prepaid Expenses	64,063	198,075
Total Non-Financial Assets	<u>85,594,263</u>	<u>86,208,726</u>
Accumulated Surplus (Deficit) (Note 9)	<u>27,954,204</u>	<u>28,704,273</u>

Approved: Originally signed by the Board
Chairperson

Signature of the Chairperson of the Board of Education Date Signed
Originally signed by the Superintendent 10/01/20

Signature of the Secretary-Treasurer Date Signed
Originally signed by the
Secretary-Treasurer 09/30/20

Signature of the Secretary Treasurer Date Signed

School District No. 72 (Campbell River)Statement of Operations
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	61,583,023	62,147,124	58,769,711
Other	19,450	29,576	44,476
Tuition	806,000	739,071	582,733
Other Revenue	4,710,227	4,375,915	4,806,777
Rentals and Leases	124,000	122,795	127,427
Investment Income	339,660	283,368	340,668
Amortization of Deferred Capital Revenue (Note 7)	3,062,020	3,062,020	3,044,083
Total Revenue	70,644,380	70,759,869	67,715,875
Expenses			
Instruction	55,964,274	53,516,823	51,152,920
District Administration	2,757,449	2,701,932	2,558,090
Operations and Maintenance	13,109,832	13,232,553	12,594,012
Transportation and Housing	1,555,921	2,055,608	1,712,199
Debt Services	3,021	3,022	4,173
Total Expense	73,390,497	71,509,938	68,021,394
Surplus (Deficit) for the year	(2,746,117)	(750,069)	(305,519)
Accumulated Surplus (Deficit) from Operations, beginning of year		28,704,273	29,009,792
Accumulated Surplus (Deficit) from Operations, end of year		27,954,204	28,704,273

School District No. 72 (Campbell River)

Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(2,746,117)</u>	<u>(750,069)</u>	<u>(305,519)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,831,851)	(3,624,720)	(2,562,703)
Amortization of Tangible Capital Assets	4,105,171	4,105,171	4,053,971
Total Effect of change in Tangible Capital Assets	<u>1,273,320</u>	<u>480,451</u>	<u>1,491,268</u>
Acquisition of Prepaid Expenses		(64,063)	(198,075)
Use of Prepaid Expenses		198,075	158,437
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>134,012</u>	<u>(39,638)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(1,472,797)</u>	<u>(135,606)</u>	<u>1,146,111</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(135,606)</u>	<u>1,146,111</u>
Net Debt, beginning of year		<u>(57,504,453)</u>	<u>(58,650,564)</u>
Net Debt, end of year		<u>(57,640,059)</u>	<u>(57,504,453)</u>

School District No. 72 (Campbell River)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(750,069)	(305,519)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(882,837)	(329,914)
Prepaid Expenses	134,012	(39,639)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	594,599	177,332
Unearned Revenue	(287,111)	176,448
Deferred Revenue	(427,293)	97,727
Employee Future Benefits	106,280	50,322
Amortization of Tangible Capital Assets	4,105,171	4,053,971
Amortization of Deferred Capital Revenue	(3,062,020)	(3,044,083)
Deferred Capital transferred to Operations and Maintenance	(709,048)	(849,122)
Total Operating Transactions	<u>(1,178,316)</u>	<u>(12,477)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(3,460,420)	(2,332,025)
Tangible Capital Assets -WIP Purchased	(164,300)	(230,678)
Total Capital Transactions	<u>(3,624,720)</u>	<u>(2,562,703)</u>
Financing Transactions		
Capital Revenue Received (Note 9)	3,104,232	2,429,647
Capital Lease Principal Payments	(19,812)	(18,660)
Total Financing Transactions	<u>3,084,420</u>	<u>2,410,987</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,718,616)	(164,193)
Cash and Cash Equivalents, beginning of year	<u>19,288,678</u>	<u>19,452,871</u>
Cash and Cash Equivalents, end of year	<u>17,570,062</u>	<u>19,288,678</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>17,570,062</u>	<u>19,288,678</u>
	<u>17,570,062</u>	<u>19,288,678</u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 72 (Campbell River)", and operates as "School District No. 72 (Campbell River)". A board of education (Board) elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education. The School District is exempt from income tax.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

As noted in Notes 2(e) and 2(l), Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the School District to recognize government transfers for the acquisition of tangible capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES a) Basics of Accounting (Continued)

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

- Year-ended June 30, 2019 – increase in annual surplus by \$1,698,906
- June 30, 2019 – increase in accumulated surplus and decrease in deferred contributions to \$64,592,693.
- Year-ended June 30, 2020 – increase in annual surplus by \$2,306,584.
- June 30, 2020 – increase in accumulated surplus and decrease in deferred contributions by \$63,837,257.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

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

d) Unearned Revenue

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

e) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board.

When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2(1).

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 transfer or and eligibility criteria have been met;

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES e) Deferred Revenue and Deferred Capital Revenue (Continued)

unless the transfer contains a stipulation that creates a liability, in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 2 (a) for the impact of this policy on these financial statements.

f) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements. The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits.

The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

g) 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 of 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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES g) Liability for Contaminated Sites (Continued)

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.

h) 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 and commences the year following acquisition. It is management’s responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

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

i) 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.

j) Prepaid Expenses

Software licensing and support, memberships, dues and tuition are included as a prepaid expense, stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

k) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to

the respective fund when approved (see Notes 13 – Interfund Transfers and Note 9 – Accumulated Surplus). *Funds and reserves are disclosed on Schedules 2, 3 and 4.*

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

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

1) Revenue Recognition

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

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

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

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

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

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

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

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

m) 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.

Allocation of Costs

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

n) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and capital lease obligations.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition.

Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES n) Financial Instruments (Continued)

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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.

o) Measurement Uncertainty

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

p) Future Changes in Accounting Policies

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

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

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods,

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES p) Future Changes in Accounting Policies (Continued)

the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

A modified retroactive application has been recommended by Government pending approval in the Fall of 2020. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

PS 3400 Revenue issued November 2018 establishes standards on how to account for and report on revenue. 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.

q) Going Concern disclosure

The School District has implemented CPA Handbook Section 1400, General Standards of Financial Statement Presentation. This standard includes requirements for management to assess and disclose an entity's ability to continue as a going concern. Management has made its assessment and concluded there is no issue regarding the School District's ability to continue as a going concern based on the assumption that the current funding levels are maintained, and any committed additional future funding is received. If there are significant declines in funding, expenses will be adjusted to match committed funding.

r) Statement of Re-measurement Gains and Losses

A statement of re-measurement gains and losses has not been presented as the District does not hold any financial assets or liabilities that would give rise to re-measurement gains or losses.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 3 ACCOUNTS RECEIVABLE – OTHER

	2020	2019
Due from Federal Government	\$ 58,979	\$ 74,488
Due from North Island College	7,890	21,624
Due from Royal Bank	5,012	19,492
Due from other	39,469	34,416
	\$111,350	\$150,020

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2020	2019
Trade Payables	\$ 668,003	\$ 877,143
Salaries and Benefits Payable	5,833,318	4,500,290
Accrued Vacation Pay	730,960	691,800
Capital Trade Payables	140,863	512,231
Other Payables	334,623	531,704
	\$7,707,767	\$7,113,168

NOTE 5 UNEARNED REVENUE

Unearned revenue consists of contributions received for services to be delivered in a future period. Changes in unearned revenue are as follows:

	2020	2019
Balance, beginning of year	\$603,872	\$427,424
Changes for the year:		
Increase:		
Tuition fees	316,761	603,872
Decrease:		
Tuition fees	(603,872)	(427,424)
Net changes for the year	287,111	176,448
Balance, end of year	\$316,761	\$603,872

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 6 DEFERRED REVENUE

a) Deferred Revenue – Ministry of Education

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. Detailed information about the changes in deferred revenue is included in Schedule 3A.

The special purpose fund represents government grants for aboriginal improvement and early learning, repairs and minor capital improvements to facilities, special education equipment and social equity programs; recorded on the capital funds represents government grants for seismic, building envelope and asset disposal proceeds in use by the Ministry of Education.

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 529,912	\$ 244,457
Increases:		
Provincial grants – MEd	5,455,910	4,825,929
Investment income	3,653	9,132
	<u>5,459,563</u>	<u>4,835,061</u>
Decreases:		
Transfers to Revenue	<u>(5,756,332)</u>	<u>(4,549,606)</u>
Net Changes for the year	<u>(296,769)</u>	<u>285,455</u>
Balance, end of the year	<u>\$ 233,143</u>	<u>\$ 529,912</u>

b) Deferred Revenue – Other

Deferred Revenue – Other recorded in the operating fund represents an aboriginal early learning grant; recorded in the special purpose fund represents school generated funds, community supported social programs and scholarship trust funds; recorded in the capital fund represents community grants to support capital projects.

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$1,110,794	\$1,298,523
Increases:		
School Generated Funds	1,772,324	2,225,624
Investment income	5,692	8,236
Other	85,878	132,144
	<u>1,863,894</u>	<u>2,366,004</u>
Decreases:		
Transfers to Revenue	<u>1,994,418</u>	<u>2,553,733</u>
Net Changes for the year	<u>(130,524)</u>	<u>(187,729)</u>
Balance, end of the year	<u>\$980,270</u>	<u>\$1,110,794</u>
Total Deferred Revenue	<u>\$1,213,413</u>	<u>\$1,640,706</u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 7 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. Changes to deferred capital revenue are as follows:

	Deferred Cap Revenue	Unspent Def. Cap Revenue	2020 Total	2019 Total
Balance, beginning of year	\$ 64,592,693	\$ 2,108,475	\$ 66,701,168	\$ 68,164,725
Increases:				
Transfers from DC - capital additions	2,190,291	-	2,190,291	1,476,744
Transfers from DC – work in progress	116,293	-	116,293	222,162
Provincial Grants – MEd	-	2,940,816	2,940,816	2,342,689
Provincial Grants – Other	-	122,091	122,091	50,040
Other Revenue	-	41,325	41,325	36,918
MEd Restricted portion of proceeds	-	-	-	-
	<u>2,306,584</u>	<u>3,104,232</u>	<u>5,410,816</u>	<u>4,128,553</u>
Decreases:				
Amortization	3,062,020	-	3,062,020	3,044,083
Transfers to revenue - capital additions	-	2,190,291	2,190,291	1,468,228
Transfers to revenue – capital additions	-	116,293	116,293	230,678
Transfers to capital expense	-	709,048	709,048	849,121
Transfers to capital expense	-	-	-	-
	<u>3,062,020</u>	<u>3,015,632</u>	<u>6,077,652</u>	<u>5,592,110</u>
Balance, end of the year	<u>\$63,837,257</u>	<u>\$2,197,075</u>	<u>\$66,034,332</u>	<u>\$66,701,168</u>

NOTE 8 EMPLOYEE FUTURE BENEFITS

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 8 EMPLOYEE FUTURE BENEFITS – (Continued)

The period of amortization is equal to the expected average remaining service lifetime (EARSL) of active employees.

	2020	2019
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$1,638,021	\$1,073,689
Service Cost	127,440	90,547
Interest Cost	41,096	30,382
Benefit Payments	(133,456)	(126,891)
Actuarial (Gain)/Loss	(86,570)	570,294
Accrued Benefit Obligation – March 31	\$1,586,531	\$1,638,021

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$1,586,531	\$1,638,021
Funded Status - Surplus/(Deficit)	(1,586,531)	(1,638,021)
Employer Contributions After Measurement Date	31,636	28,166
Benefit Expense After Measurement Date	(42,568)	(42,134)
Unamortized Net Actuarial (Gain)/Loss	247,512	408,318
Accrued Benefit Asset/(Liability) – June 30	\$(1,349,951)	\$(1,243,671)

Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) – July 1	\$1,243,672	\$1,193,352
Net Expense for Fiscal Year	243,204	146,396
Employer Contributions	(136,925)	(96,077)
Accrued Benefit Liability (Asset) – June 30	\$1,349,951	\$1,243,671

Components of Net Benefit Expense		
Service Cost	\$129,009	\$99,770
Interest Cost	39,959	33,061
Amortization of Net Actuarial (Gain)/Loss	74,236	13,566
Net Benefit Expense (Income)	\$243,204	\$146,397

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

	2020	2019
Discount Rate – April 1	2.50%	2.75%
Discount Rate – March 31	2.25%	2.50%
Long Term Salary Growth – April 1	2.50% + Seniority	2.50% + Seniority
Long Term Salary Growth – March 31	2.50% + Seniority	2.50% + Seniority
EARSL – March 31	9.4	9.4

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 9 ACCUMULATED SURPLUS – END OF YEAR

FUND BALANCES, END OF YEAR

OPERATING FUND	2020	2019
Internally Restricted (appropriated) by the Board for:		
Reserve Required to Balance Next Year Budget	\$838,255	\$533,394
International Program	447,218	444,674
School Based Supply Accounts	326,270	290,578
VOIP Replacement	250,000	-
Indigenous Program	226,705	137,240
Education Implementation Training (School Growth)	150,000	150,000
IT Evergreen Replacement Budget	100,000	-
Custodial Equipment/White Fleet	79,000	103,000
Middle/Secondary School Capital	75,000	120,000
Ride-on Mower Replacement	30,000	-
IT Projects/Security Cameras	25,000	75,000
Teacher Coordinator Office Reno	25,000	-
Education Leadership and Succession	20,000	50,000
Health and Wellness Implementation	15,000	15,000
Local Capital Transfer - Portables	-	200,000
Learning Resources	-	175,000
Emergency Preparedness	-	50,000
Update Facility Plan	-	50,000
Strategic Plan Development	-	30,000
Distance Learning	-	20,023
Surge Narrows Solar Feasibility Study	-	10,000
Total of Targeted Reserves	\$2,607,448	\$2,453,909
Operational Needs and Contingency Reserve	1,184,570	1,131,304
Internally Restricted Reserve	\$3,792,018	\$3,585,213
Unrestricted Operating Reserve	2,040,661	2,838,258
Total Operating Fund	\$5,832,679	\$6,423,471
CAPITAL FUND		
Invested in Capital Assets	\$21,516,254	\$21,221,457
Local Capital	605,271	1,059,345
Total Capital Fund	\$22,121,525	\$22,280,802
Total	\$27,954,204	\$28,704,273

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 10 CAPITAL LEASE OBLIGATIONS

The School District has entered into two capital leases for the purchase of equipment. The leases are financed through Stride Capital which charges interest at 6%. The leases expire on February 10, 2022 and June 10, 2022. Repayments are due as follows:

2021	22,833
2022	19,028
Total minimum lease payments	41,861
Less amounts representing interest	2,331
Present value of net minimum capital lease payments	\$ 39,530

Total interest on capital leases for the year was \$3,022 (2019: \$4,172).

NOTE 11 TANGIBLE CAPITAL ASSETS

June 30, 2020

Cost:	Opening Cost July 1, 2019	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2020
Sites	\$ 8,448,233	\$ -	\$ -	\$ -	\$ 8,448,233
Buildings	147,986,558	2,161,009	-	230,678	150,378,245
Buildings – work in progress	230,678	164,300	-	(230,678)	164,300
Furniture & Equipment	1,981,463	491,539	(54,189)	-	2,418,813
Vehicles	2,188,921	69,245	(569,225)	-	1,688,941
Computer Hardware	2,561,500	738,627	(362,763)	-	2,937,364
Total	\$163,397,353	\$3,624,720	\$ (986,177)	\$ -	\$166,035,896

Accumulated Amortization:	Opening Accumulated Amortization July 1, 2019	Additions	Disposals	Balance at June 30, 2020
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	74,821,265	3,175,832	-	77,997,097
Furniture & Equipment	482,087	198,146	(54,189)	626,044
Vehicles	1,086,177	218,893	(569,225)	735,845
Computer Hardware	997,173	512,300	(362,763)	1,146,710
Total	\$ 77,386,702	\$4,105,171	\$(986,177)	\$ 80,505,696

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2019

Cost:	Opening Cost			Transfers (WIP)	Balance at June 30, 2019
	July 1, 2018	Additions	Disposals		
Sites	\$ 8,448,233	\$ -	\$ -	\$ -	\$ 8,448,233
Buildings	146,663,819	1,314,223	-	8,516	147,986,558
Buildings – work in progress	8,516	230,678	-	(8,516)	230,678
Furniture & Equipment	1,287,593	747,243	(53,373)	-	1,981,463
Vehicles	2,180,495	41,094	(32,668)	-	2,188,921
Computer Hardware	2,732,308	229,465	(400,273)	-	2,561,500
Total	\$161,320,964	\$2,562,703	\$(486,314)	\$ -	\$163,397,353

Accumulated Amortization:	Opening Accumulated Amortization			Disposals	Balance at June 30, 2019
	July 1, 2018	Additions	Disposals		
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	71,660,565	3,160,700	-	-	74,821,265
Furniture & Equipment	406,701	128,759	(53,373)	-	482,087
Vehicles	900,795	218,050	(32,668)	-	1,086,177
Computer Hardware	850,984	546,462	(400,273)	-	997,173
Total	\$73,819,045	\$4,053,971	\$(486,314)	\$ -	\$77,386,702

Net Book Value:

	Net Book Value June 30, 2020	Net Book Value June 30 2019
Sites	\$ 8,448,233	\$ 8,448,233
Buildings	72,381,148	73,165,293
Buildings – work in progress	164,300	230,678
Furniture & Equipment	1,792,769	1,499,376
Vehicles	953,096	1,102,744
Computer Hardware	1,790,654	1,564,327
Total	\$85,530,200	\$86,010,651

Buildings – work in progress having a value of \$164,300 (2019: \$230,678) have not been amortized. Amortization of these assets will commence the year after the asset is put into service.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 12 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2018, the Teachers' Pension Plan has about 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan has about 205,000 active members, including approximately 26,000 from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1.656 billion surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2.866 billion funding surplus for basic pension benefits on a going concern basis.

The School District paid \$4,794,016 for employer contributions to these plans for the year ended June 30, 2020 and \$4,771,708 for the year ended June 30, 2019.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 13 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Schedule 1 (Statement of Changes in Accumulated Surplus (Deficit) by Fund). For the year ended June 30, 2020 transfers were as follows:

- A transfer in the amount of \$673,000 was made from the operating fund to the capital fund for the purchase of local capital assets.
- A transfer in the amount of \$324,722 was made from the operating fund to the capital fund for the purchase of capital assets.
- A transfer in the amount of \$22,833 was made from the operating fund to the capital fund for capital lease commitments made during the year.

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 generally considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 15 CONTINGENT LIABILITIES

In the ordinary course of operations, the School District has legal proceedings brought against it and provision has 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.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 16 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 25, 2020. The Board adopted a preliminary annual budget on May 28, 2019. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the two budgets is as follows:

	2020 Amended	2020 Preliminary	Difference
Revenues			
Provincial Grants			
Ministry of Education	\$ 61,583,023	\$ 60,917,195	\$ 665,828
Other	19,450	-	19,450
Tuition	806,000	586,500	219,500
Other Revenue	4,710,227	4,456,017	254,210
Rentals and Leases	124,000	124,000	-
Investment Income	339,660	315,210	24,450
Amortization of Deferred Capital Revenue	3,062,020	3,056,207	5,813
Total Revenue	\$ 70,644,380	\$ 69,455,129	\$ 1,189,251
Expenses			
Instruction	55,964,274	53,715,836	2,248,438
District Administration	2,757,449	2,449,448	308,001
Operations and Maintenance	9,004,661	8,604,104	400,557
Transportation and Housing	1,555,921	1,540,095	15,826
Debt Services	3,021	3,021	-
Amortization	4,105,171	4,181,586	(76,415)
Total Expenses	73,390,497	70,494,090	2,896,407
Deficit for the year	(2,746,117)	(1,038,961)	1,707,156
Effects of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,831,851)	(2,520,506)	(311,345)
Amortization of Tangible Capital Assets	4,105,171	4,181,586	(76,415)
Total Effect of change, Tangible Capital Assets	(1,273,320)	1,661,080	(387,760)
(Increase) Decrease in Net Financial Assets			
(Debt)	(1,472,797)	622,119	(2,094,916)

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 17 ASSET RETIREMENT OBLIGATION

The District is subject to environmental laws and regulations enacted by the Province and local authorities.

The District currently provides educational programs in 16 schools. It also operates a number of administrative support buildings. Many of these schools and buildings were constructed prior to the implementation of current asbestos removal regulations and asbestos containing materials were utilized in their construction. The nature and extent of asbestos construction material varies from building to building.

Upon retirement of these District buildings, either through demolition or sale, the District may incur removal costs or realize reduced sale proceeds because of the presence of asbestos. The District has made no provision for the financial impact of removal costs or reduced sale proceeds as they cannot be reasonably estimated due to the indeterminate nature and date of potential future retirements.

The District presently is unable to estimate future obligations related to the removal and disposal of asbestos which is believed to be prevalent throughout District owned buildings built prior to the mid 1980s. At present such estimates can only be provided for buildings that are in the process of being decommissioned. Over the period to the required implementation in 2022 of a new PSAS standard PS3280 Asset Retirement Obligations the District will be working towards establishing reliable estimates in respect of asbestos removal and disposal throughout all relevant District buildings.

NOTE 18 EXPENSE BY OBJECT

	Budget 2020	Actual 2020	Actual 2019
Salaries	\$46,300,238	\$46,251,263	\$43,068,706
Benefits	10,713,959	10,694,445	10,008,324
Service and supplies	12,268,108	10,456,037	10,886,220
Interest	3,021	3,022	4,173
Amortization	4,105,171	4,105,171	4,053,971
Write-off of Building	-	-	-
	<u>\$73,390,497</u>	<u>\$71,509,938</u>	<u>\$68,021,394</u>

NOTE 19 TRUST FUNDS

Funds in the amount of \$1,824,596 (2019 - \$1,643,424) are held in trust for teachers who participate in the payroll savings plan. These funds are included in Cash and Cash Equivalents in Statement 1 for the year ended June 30, 2020 and are to be paid to teachers who participate in the plan through August 31, 2020. The amount payable is included in Salaries and Benefits Payable as stated in Note 4.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 20 ECONOMIC DEPENDENCE

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 under the assumption that the School District operates as a “going concern.”

NOTE 21 RISK MANAGEMENT

All significant financial assets, financial liabilities and equity instruments of the School District are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

- **Credit Risk**

Financial instruments that potentially subject the School District to concentrations of credit risk consist primarily of other receivables. The maximum credit risk exposure is \$111,350 (2019 - \$150,020).

However, the School District believes that there is minimal risk associated with the collection of these amounts as they consist primarily of receivables from the Federal and Provincial Government organizations. The School District manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

- **Liquidity Risk**

Liquidity risk is the risk that the School District will encounter difficulty in meeting obligations associated with financial liabilities.

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, to 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.

- **Foreign Currency Risk**

The School District maintains a U.S. bank account and enters into transactions with vendors for supplies denominated in U.S. currency for which the related expenses and accounts payable balances are subject to exchange rate fluctuations. As at June 30, 2020, there was an insignificant balance maintained in the U.S. dollar bank account.

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In seeking to manage the risks from foreign exchange rate fluctuations, the School District does

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2020

NOTE 21 RISK MANAGEMENT – (Continued)

not hold significant funds in U.S. dollars in order to reduce their risk against adverse movements in the foreign exchange rates.

- **Financial Asset Impairment**
At each year-end date, the School District is required to evaluate and record any other-than-temporary impairment of its financial assets, other than those classified as held for trading. Accordingly, the School District has compared the carrying value of each of these financial assets to its fair value as at June 30, 2020. No provision for impairment was recorded in the current year, as the fair value of all financial assets tested exceeded their carrying value.

- **Fair Values of Financial Instruments**
The carrying amount of cash, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

- **Risk Management Policy**
The School District, as part of its operations, has established objectives (i.e. hedging of risk exposures and avoidance of undue concentrations of risk) to mitigate credit risk as risk management objectives. In seeking to meet these objectives, the School District follows a risk management policy approved by its Board of Trustees.

School District No. 72 (Campbell River)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2020

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	6,423,471		22,280,802	28,704,273	29,009,792
Changes for the year					
Surplus (Deficit) for the year	429,763		(1,179,832)	(750,069)	(305,519)
Interfund Transfers					
Tangible Capital Assets Purchased	(324,722)		324,722	-	
Local Capital	(673,000)		673,000	-	
Other	(22,833)		22,833	-	
Net Changes for the year	(590,792)	-	(159,277)	(750,069)	(305,519)
Accumulated Surplus (Deficit), end of year - Statement 2	5,832,679	-	22,121,525	27,954,204	28,704,273

School District No. 72 (Campbell River)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	55,186,238	55,684,350	53,370,983
Tuition	806,000	739,071	582,733
Other Revenue	2,295,021	2,415,403	2,297,521
Rentals and Leases	124,000	122,795	127,427
Investment Income	315,210	266,898	327,223
Total Revenue	<u>58,726,469</u>	<u>59,228,517</u>	<u>56,705,887</u>
Expenses			
Instruction	48,190,700	46,300,906	44,049,582
District Administration	2,757,449	2,701,932	2,558,090
Operations and Maintenance	8,182,518	8,335,814	7,863,570
Transportation and Housing	1,310,747	1,460,102	1,494,149
Total Expense	<u>60,441,414</u>	<u>58,798,754</u>	<u>55,965,391</u>
Operating Surplus (Deficit) for the year	<u>(1,714,945)</u>	<u>429,763</u>	<u>740,496</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>3,171,528</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(685,750)	(324,722)	(369,863)
Local Capital	(748,000)	(673,000)	(876,189)
Other	(22,833)	(22,833)	(22,833)
Total Net Transfers	<u>(1,456,583)</u>	<u>(1,020,555)</u>	<u>(1,268,885)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(590,792)</u>	<u>(528,389)</u>
Operating Surplus (Deficit), beginning of year		6,423,471	6,951,860
Operating Surplus (Deficit), end of year		<u>5,832,679</u>	<u>6,423,471</u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 9)		3,585,213	3,585,213
Unrestricted		2,247,466	2,838,258
Total Operating Surplus (Deficit), end of year		<u>5,832,679</u>	<u>6,423,471</u>

School District No. 72 (Campbell River)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	55,807,645	55,843,141	54,473,765
ISC/LEA Recovery	(1,859,895)	(1,997,429)	(1,850,460)
Other Ministry of Education Grants			
Pay Equity	75,322	75,322	75,322
Funding for Graduated Adults	14,020	26,549	21,720
Transportation Supplement	316,860	316,860	316,860
Economic Stability Dividend			62,622
Carbon Tax Grant	73,823	73,823	73,823
Employer Health Tax Grant	445,960	445,960	135,518
Strategic Priorities - Mental Health Grant			33,000
Support Staff Benefits Grant	31,388	31,388	18,626
Support Staff Wage Increase Funding	263,551	263,551	
Teachers' Labour Settlement Funding		594,749	
Foundation Skills Assessment	8,187	8,187	8,187
MyEd BC Grant	7,128		2,000
Early Learning Framework (ELF)	2,249	2,249	
Total Provincial Grants - Ministry of Education	55,186,238	55,684,350	53,370,983
Tuition			
International and Out of Province Students	806,000	739,071	582,733
Total Tuition	806,000	739,071	582,733
Other Revenues			
Other School District/Education Authorities	357,000	357,227	365,509
Funding from First Nations	1,859,895	1,975,747	1,850,460
Miscellaneous			
Contract Services - Learning Support Services	71,626	71,626	71,626
Miscellaneous Revenue/Transcripts	6,500	10,803	9,926
Total Other Revenue	2,295,021	2,415,403	2,297,521
Rentals and Leases	124,000	122,795	127,427
Investment Income	315,210	266,898	327,223
Total Operating Revenue	58,726,469	59,228,517	56,705,887

School District No. 72 (Campbell River)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Salaries			
Teachers	24,296,126	24,529,581	22,887,688
Principals and Vice Principals	4,056,026	4,062,581	3,571,896
Educational Assistants	5,083,371	4,889,098	4,610,352
Support Staff	6,425,297	6,469,481	5,890,674
Other Professionals	1,457,047	1,384,904	1,376,290
Substitutes	965,977	808,483	1,222,089
Total Salaries	42,283,844	42,144,128	39,558,989
Employee Benefits	9,807,143	9,812,142	9,235,059
Total Salaries and Benefits	52,090,987	51,956,270	48,794,048
Services and Supplies			
Services	2,453,869	1,554,282	1,822,717
Student Transportation	57,050	29,846	40,698
Professional Development and Travel	687,474	660,775	570,025
Rentals and Leases	119,435	62,238	64,147
Dues and Fees	54,381	61,418	58,540
Insurance	173,581	128,852	131,976
Supplies	2,929,634	2,868,748	2,966,791
Utilities	1,875,003	1,476,325	1,516,449
Total Services and Supplies	8,350,427	6,842,484	7,171,343
Total Operating Expense	60,441,414	58,798,754	55,965,391

School District No. 72 (Campbell River)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	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	18,988,270	702,504	96,559	640,667	26,727	746,289	21,201,016
1.03 Career Programs						3,112	3,112
1.07 Library Services	827,093	14,033		166,536			1,007,662
1.08 Counselling	814,225			14,728		2,673	831,626
1.10 Special Education	2,775,159	403,840	4,256,645	44,781		14,936	7,495,361
1.30 English Language Learning	245,633					892	246,525
1.31 Indigenous Education	493,205	128,793	535,894	33,890		5,995	1,197,777
1.41 School Administration		2,639,816		454,498			3,094,314
1.60 Summer School	143,861			8,986			152,847
1.62 International and Out of Province Students	242,135	86,249		34,301		4,815	367,500
Total Function 1	24,529,581	3,975,235	4,889,098	1,398,387	26,727	778,712	35,597,740
4 District Administration							
4.11 Educational Administration		70,891		158,072	423,611	26,005	678,579
4.40 School District Governance					93,304		93,304
4.41 Business Administration		16,455		475,725	546,113	3,766	1,042,059
Total Function 4	-	87,346	-	633,797	1,063,028	29,771	1,813,942
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				104,093	80,029		184,122
5.50 Maintenance Operations				3,330,397	175,129		3,505,526
5.52 Maintenance of Grounds				317,449			317,449
5.56 Utilities							-
Total Function 5	-	-	-	3,751,939	255,158	-	4,007,097
7 Transportation and Housing							
7.70 Student Transportation				685,358	39,991		725,349
7.73 Housing							-
Total Function 7	-	-	-	685,358	39,991	-	725,349
9 Debt Services							
9.92 Interest on Bank Loans							-
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	24,529,581	4,062,581	4,889,098	6,469,481	1,384,904	808,483	42,144,128

School District No. 72 (Campbell River)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	21,201,016	4,919,486	26,120,502	1,488,494	27,608,996	27,383,563	26,617,139
1.03 Career Programs	3,112	560	3,672	14,518	18,190	34,690	12,374
1.07 Library Services	1,007,662	236,812	1,244,474	236,426	1,480,900	1,745,132	1,646,377
1.08 Counselling	831,626	191,341	1,022,967		1,022,967	1,219,218	973,949
1.10 Special Education	7,495,361	1,806,472	9,301,833	118,475	9,420,308	9,677,470	8,656,470
1.30 English Language Learning	246,525	55,220	301,745		301,745	298,137	304,652
1.31 Indigenous Education	1,197,777	279,513	1,477,290	199,344	1,676,634	1,997,135	1,541,261
1.41 School Administration	3,094,314	637,841	3,732,155	146,410	3,878,565	4,403,221	3,621,274
1.60 Summer School	152,847	30,473	183,320	2,753	186,073	181,460	145,566
1.62 International and Out of Province Students	367,500	80,980	448,480	258,048	706,528	1,250,674	530,520
Total Function 1	35,597,740	8,238,698	43,836,438	2,464,468	46,300,906	48,190,700	44,049,582
4 District Administration							
4.11 Educational Administration	678,579	162,787	841,366	128,395	969,761	1,083,653	796,320
4.40 School District Governance	93,304	4,843	98,147	62,182	160,329	258,096	243,525
4.41 Business Administration	1,042,059	240,498	1,282,557	289,285	1,571,842	1,415,700	1,518,245
Total Function 4	1,813,942	408,128	2,222,070	479,862	2,701,932	2,757,449	2,558,090
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	184,122	37,248	221,370	94,782	316,152	339,684	295,714
5.50 Maintenance Operations	3,505,526	870,179	4,375,705	1,539,039	5,914,744	5,723,904	5,381,843
5.52 Maintenance of Grounds	317,449	81,478	398,927	165,669	564,596	505,188	605,002
5.56 Utilities	-	-	-	1,540,322	1,540,322	1,613,742	1,581,011
Total Function 5	4,007,097	988,905	4,996,002	3,339,812	8,335,814	8,182,518	7,863,570
7 Transportation and Housing							
7.70 Student Transportation	725,349	176,411	901,760	488,919	1,390,679	1,250,747	1,437,799
7.73 Housing	-	-	-	69,423	69,423	60,000	56,350
Total Function 7	725,349	176,411	901,760	558,342	1,460,102	1,310,747	1,494,149
9 Debt Services							
9.92 Interest on Bank Loans	-	-	-	-	-	-	-
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	42,144,128	9,812,142	51,956,270	6,842,484	58,798,754	60,441,414	55,965,391

School District No. 72 (Campbell River)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	5,868,303	5,753,726	4,549,606
Other	19,450	29,576	44,476
Other Revenue	2,415,206	1,960,512	2,509,256
Investment Income	9,450	6,938	
Total Revenue	<u>8,312,409</u>	<u>7,750,752</u>	<u>7,103,338</u>
Expenses			
Instruction	7,773,574	7,215,917	7,103,338
Operations and Maintenance	512,554	508,554	
Transportation and Housing	26,281	26,281	
Total Expense	<u>8,312,409</u>	<u>7,750,752</u>	<u>7,103,338</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 72 (Campbell River)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2020

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	245,426	10,816	34,615	184,353	642,441	-	18,902	53	100,192
Add: Restricted Grants									
Provincial Grants - Ministry of Education	263,128	211,714				128,632	29,789	162,585	533,673
Provincial Grants - Other				8,000	1,772,324				
Other				2,946					
Investment Income		124	509				23		546
	263,128	211,838	509	10,946	1,772,324	128,632	29,812	162,585	534,219
Less: Allocated to Revenue Recovered									
Recovered	508,554	214,745	3,147	25,325	1,779,694	128,632	47,272	162,585	599,538
Deferred Revenue, end of year	-	7,909	31,977	169,974	635,071	-	1,442	53	34,873
Revenues									
Provincial Grants - Ministry of Education	508,554	214,621	2,638			128,632	47,249	162,585	598,992
Provincial Grants - Other									
Other Revenue				22,379	1,779,694				
Investment Income		124	509	2,946			23		546
	508,554	214,745	3,147	25,325	1,779,694	128,632	47,272	162,585	599,538
Expenses									
Salaries									
Teachers								23,492	
Principals and Vice Principals								44,028	
Educational Assistants		170,689				98,493	5,349		318,820
Support Staff									
Substitutes								8,683	
	-	170,689	-	-	-	98,493	5,349	76,203	318,820
Employee Benefits		44,056				25,523	1,092	17,019	78,172
Services and Supplies	508,554		3,147	25,325	1,779,694	4,616	40,831	69,363	202,546
	508,554	214,745	3,147	25,325	1,779,694	128,632	47,272	162,585	599,538
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 72 (Campbell River)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2020

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Oasis PRP	Headstart PRP	Provincial Literacy
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	42,580	10,116	-	-	-	-	-	51,099
Add: Restricted Grants									
Provincial Grants - Ministry of Education	327,184	3,414,236	40,028	26,281	28,500	14,739	167,989	160,128	
Provincial Grants - Other									
Other									
Investment Income		5	439			235	459	412	813
	327,184	3,414,241	40,467	26,281	28,500	14,974	168,448	160,540	813
Less: Allocated to Revenue Recovered									
Recovered	327,184	3,413,892	12,459	26,281	28,500	-	139,134	134,268	-
		42,580	10,116						
Deferred Revenue, end of year	-	349	28,008	-	-	14,974	29,314	26,272	51,912
Revenues									
Provincial Grants - Ministry of Education	327,184	3,413,887	12,020	26,281	28,500		138,675	133,856	
Provincial Grants - Other									
Other Revenue									
Investment Income		5	439				459	412	
	327,184	3,413,892	12,459	26,281	28,500	-	139,134	134,268	-
Expenses									
Salaries									
Teachers		2,767,768					100,144	94,126	
Principals and Vice Principals	111,050						4,672	4,672	
Educational Assistants									
Support Staff	31,050			17,025			5,441	5,032	
Substitutes	168,602	6,660	10,384		28,500				
	310,702	2,774,428	10,384	17,025	28,500	-	110,257	103,830	-
Employee Benefits		639,464	2,075	4,256			24,592	27,996	
Services and Supplies	16,482			5,000			4,285	2,442	
	327,184	3,413,892	12,459	26,281	28,500	-	139,134	134,268	-
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 72 (Campbell River)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2020

	District Trust Funds	Van Foundation KELP Grant	Skills for Jobs Blueprint	BCNN Classrm Assmts	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	205,206	68,481	16,228	10,198	1,640,706
Add: Restricted Grants					
Provincial Grants - Ministry of Education					5,508,606
Provincial Grants - Other	29,300				29,300
Other	48,579				1,828,903
Investment Income	1,385	1,098	262	90	9,346
	79,264	1,098	262	90	7,376,155
Less: Allocated to Revenue Recovered	194,815	-	-	4,727	7,750,752
					52,696
Deferred Revenue, end of year	89,655	69,579	16,490	5,561	1,213,413
Revenues					
Provincial Grants - Ministry of Education	5,415			4,637	5,753,726
Provincial Grants - Other	29,576				29,576
Other Revenue	158,439				1,960,512
Investment Income	1,385			90	6,938
	194,815	-	-	4,727	7,750,752
Expenses					
Salaries					
Teachers	35,462				3,020,992
Principals and Vice Principals	46,718				211,140
Educational Assistants					593,351
Support Staff					58,548
Substitutes	275				223,104
	82,455	-	-	-	4,107,135
Employee Benefits	18,058				882,303
Services and Supplies	94,302			4,727	2,761,314
	194,815	-	-	4,727	7,750,752
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-

School District No. 72 (Campbell River)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual			2019 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	528,482	709,048		709,048	849,122
Investment Income	15,000		9,532	9,532	13,445
Amortization of Deferred Capital Revenue	3,062,020	3,062,020		3,062,020	3,044,083
Total Revenue	3,605,502	3,771,068	9,532	3,780,600	3,906,650
Expenses					
Operations and Maintenance	528,482	709,048	143,191	852,239	894,521
Amortization of Tangible Capital Assets					
Operations and Maintenance	3,886,278	3,535,946		3,535,946	3,835,921
Transportation and Housing	218,893	569,225		569,225	218,050
Debt Services					
Capital Lease Interest	3,021		3,022	3,022	4,173
Total Expense	4,636,674	4,814,219	146,213	4,960,432	4,952,665
Capital Surplus (Deficit) for the year	(1,031,172)	(1,043,151)	(136,681)	(1,179,832)	(1,046,015)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	685,750	324,722		324,722	369,863
Local Capital	748,000		673,000	673,000	876,189
Capital Lease Payment	22,833		22,833	22,833	22,833
Total Net Transfers	1,456,583	324,722	695,833	1,020,555	1,268,885
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		945,407	(945,407)	-	
Tangible Capital Assets WIP Purchased from Local Capital		48,007	(48,007)	-	
Principal Payment					
Capital Lease		19,812	(19,812)	-	
Total Other Adjustments to Fund Balances		1,013,226	(1,013,226)	-	
Total Capital Surplus (Deficit) for the year	425,411	294,797	(454,074)	(159,277)	222,870
Capital Surplus (Deficit), beginning of year		21,221,457	1,059,345	22,280,802	22,057,932
Capital Surplus (Deficit), end of year		21,516,254	605,271	22,121,525	22,280,802

School District No. 72 (Campbell River)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	8,448,233	147,986,558	1,981,463	2,188,921	-	2,561,500	163,166,675
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,874,187	106,375			46,313	2,026,875
Deferred Capital Revenue - Other		41,325	122,091				163,416
Operating Fund			99,774			224,948	324,722
Local Capital		245,497	163,299	69,245		467,366	945,407
Transferred from Work in Progress		230,678					230,678
	-	2,391,687	491,539	69,245	-	738,627	3,691,098
Decrease:							
Deemed Disposals			54,189	569,225		362,763	986,177
	-	-	54,189	569,225	-	362,763	986,177
Cost, end of year	8,448,233	150,378,245	2,418,813	1,688,941	-	2,937,364	165,871,596
Work in Progress, end of year		164,300					164,300
Cost and Work in Progress, end of year	8,448,233	150,542,545	2,418,813	1,688,941	-	2,937,364	166,035,896
Accumulated Amortization, beginning of year		74,821,265	482,087	1,086,177	-	997,173	77,386,702
Changes for the Year							
Increase: Amortization for the Year		3,175,832	198,146	218,893		512,300	4,105,171
Decrease:							
Deemed Disposals			54,189	569,225		362,763	986,177
			54,189	569,225		362,763	986,177
Accumulated Amortization, end of year		77,997,097	626,044	735,845	-	1,146,710	80,505,696
Tangible Capital Assets - Net	8,448,233	72,545,448	1,792,769	953,096	-	1,790,654	85,530,200

School District No. 72 (Campbell River)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
Work in Progress, beginning of year	\$ 230,678	\$	\$	\$	\$ 230,678
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	116,293				116,293
Local Capital	48,007				48,007
	<u>164,300</u>	-	-	-	<u>164,300</u>
Decrease:					
Transferred to Tangible Capital Assets	230,678				230,678
	<u>230,678</u>	-	-	-	<u>230,678</u>
Net Changes for the Year	<u>(66,378)</u>	-	-	-	<u>(66,378)</u>
Work in Progress, end of year	<u>164,300</u>	-	-	-	<u>164,300</u>

School District No. 72 (Campbell River)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
Deferred Capital Revenue, beginning of year	\$ 57,160,709	\$ 6,591,339	\$ 609,967	\$ 64,362,015
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,026,875		163,416	2,190,291
Transferred from Work in Progress	230,678			230,678
	<u>2,257,553</u>	<u>-</u>	<u>163,416</u>	<u>2,420,969</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,821,572	221,695	18,753	3,062,020
	<u>2,821,572</u>	<u>221,695</u>	<u>18,753</u>	<u>3,062,020</u>
Net Changes for the Year	<u>(564,019)</u>	<u>(221,695)</u>	<u>144,663</u>	<u>(641,051)</u>
Deferred Capital Revenue, end of year	<u>56,596,690</u>	<u>6,369,644</u>	<u>754,630</u>	<u>63,720,964</u>
Work in Progress, beginning of year	230,678			230,678
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	116,293			116,293
	<u>116,293</u>	<u>-</u>	<u>-</u>	<u>116,293</u>
Decrease				
Transferred to Deferred Capital Revenue	230,678			230,678
	<u>230,678</u>	<u>-</u>	<u>-</u>	<u>230,678</u>
Net Changes for the Year	<u>(114,385)</u>	<u>-</u>	<u>-</u>	<u>(114,385)</u>
Work in Progress, end of year	<u>116,293</u>	<u>-</u>	<u>-</u>	<u>116,293</u>
Total Deferred Capital Revenue, end of year	<u>56,712,983</u>	<u>6,369,644</u>	<u>754,630</u>	<u>63,837,257</u>

School District No. 72 (Campbell River)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2020

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	322,741	1,771,749	13,985	-	-	2,108,475
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,940,816					2,940,816
Playground Donations					122,091	122,091
Fortis Grants					41,325	41,325
	<u>2,940,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,416</u>	<u>3,104,232</u>
Decrease:						
Transferred to DCR - Capital Additions	2,026,875				163,416	2,190,291
Transferred to DCR - Work in Progress	116,293					116,293
AFG Spent on Non-capital	709,048					709,048
	<u>2,852,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,416</u>	<u>3,015,632</u>
Net Changes for the Year	<u>88,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,600</u>
Balance, end of year	<u>411,341</u>	<u>1,771,749</u>	<u>13,985</u>	<u>-</u>	<u>-</u>	<u>2,197,075</u>