

Audited Financial Statements of

School District No. 70 (Pacific Rim)

And Independent Auditors' Report thereon

June 30, 2021

School District No. 70 (Pacific Rim)

June 30, 2021

Table of Contents

Management Report	1
Independent Auditors' Report	2-4
Statement of Financial Position - Statement 1	5
Statement of Operations - Statement 2	6
Statement of Changes in Net Debt - Statement 4	7
Statement of Cash Flows - Statement 5	8
Notes to the Financial Statements	9-25
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	26
Schedule of Operating Operations - Schedule 2 (Unaudited)	27
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	28
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	29
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	30
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	32
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	33
Schedule of Capital Operations - Schedule 4 (Unaudited)	36
Schedule 4A - Tangible Capital Assets (Unaudited)	37
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited)	38
Schedule 4C - Deferred Capital Revenue (Unaudited)	39
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	40

School District No. 70 (Pacific Rim)

MANAGEMENT REPORT

Version: 1744-9998-8016

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 70 (Pacific Rim) 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.

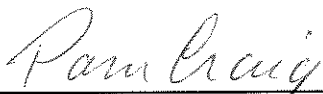
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 70 (Pacific Rim) (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 quarterly 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. 70 (Pacific Rim) 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. 70 (Pacific Rim)



15 Sept. 2021

Signature of the Chairperson of the Board of Education

Date Signed



15 Sep 2021

Signature of the Superintendent

Date Signed



15 Sep 2021

Signature of the Secretary Treasurer

Date Signed



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

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 70 (Pacific Rim), and
To the Minister of Education, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 70 (Pacific Rim) (the "Entity"), which comprise:

- the statement of financial position as at June 30, 2021
- 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, 2021 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 "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

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

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



Emphasis of Matter – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.

Other Information

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

- Information, other than the financial statements and the auditors' report thereon, included in Unaudited Schedules 1-4 attached to the audited financial statements.

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

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 Information, other than the financial statements and the auditors' report thereon, included in the unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditors' 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 auditors' report.

We have nothing to report in this regard.

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

Management is responsible for the preparation 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
September 14, 2021


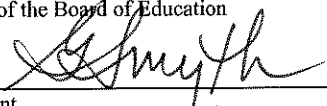
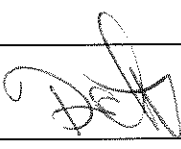
School District No. 70 (Pacific Rim)

Statement of Financial Position
As at June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	8,470,670	7,741,561
Accounts Receivable		
Due from Province - Ministry of Education	2,207,069	499,364
Due from First Nations	1,445,872	
Other (Note 3)	360,244	130,226
Total Financial Assets	<u>12,483,855</u>	<u>8,371,151</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	6,061,093	4,683,755
Unearned Revenue (Note 5)	318,460	25,250
Deferred Revenue (Note 6)	2,125,582	2,403,271
Deferred Capital Revenue (Note 7)	82,965,379	67,522,468
Employee Future Benefits (Note 8)	570,118	575,509
Debt (Note 9)	362,309	232,192
Other Liabilities	108,764	1,710
Total Liabilities	<u>92,511,705</u>	<u>75,444,155</u>
Net Debt	<u>(80,027,850)</u>	<u>(67,073,004)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 10)	95,210,030	81,181,208
Restricted Assets (Endowments) (Note 11)	30,000	30,000
Prepaid Expenses	284,789	70,693
Total Non-Financial Assets	<u>95,524,819</u>	<u>81,281,901</u>
Accumulated Surplus (Deficit) (Note 13)	<u>15,496,969</u>	<u>14,208,897</u>

Contractual Obligations (Note 15)

Approved by the Board

	15 Sept 2021
Signature of the Chairperson of the Board of Education	Date Signed
	15 Sep 2021
Signature of the Superintendent	Date Signed
	15 Sep 2021
Signature of the Secretary Treasurer	Date Signed

School District No. 70 (Pacific Rim)

Statement 2

Statement of Operations
Year Ended June 30, 2021

	2021 Budget (Note 16)	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	43,986,749	44,017,640	41,224,432
Other	22,000	44,800	63,200
Tuition	81,800	91,175	105,083
Other Revenue	5,039,798	4,721,410	4,968,781
Rentals and Leases	46,255	110,040	89,905
Investment Income	10,000	22,700	36,502
Gain (Loss) on Disposal of Tangible Capital Assets		103,557	
Amortization of Deferred Capital Revenue	2,405,369	2,405,369	2,368,683
Total Revenue	<u>51,591,971</u>	<u>51,516,691</u>	<u>48,856,586</u>
Expenses (Note 17)			
Instruction	39,258,727	38,094,808	36,790,360
District Administration	2,187,302	2,478,332	2,125,489
Operations and Maintenance	8,800,434	7,438,835	8,005,330
Transportation and Housing	2,095,460	2,210,014	1,889,871
Debt Services	6,878	6,630	8,653
Total Expense	<u>52,348,801</u>	<u>50,228,619</u>	<u>48,819,703</u>
Surplus (Deficit) for the year	<u>(756,830)</u>	<u>1,288,072</u>	<u>36,883</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		14,208,897	14,172,014
Accumulated Surplus (Deficit) from Operations, end of year		<u>15,496,969</u>	<u>14,208,897</u>

School District No. 70 (Pacific Rim)

Statement 4

Statement of Changes in Net Debt
Year Ended June 30, 2021

	2021 Budget (Note 16)	2021 Actual	2020 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(756,830)	1,288,072	36,883
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(15,855,288)	(17,224,383)	(3,650,508)
Amortization of Tangible Capital Assets	3,195,561	3,195,561	3,153,266
Total Effect of change in Tangible Capital Assets	<u>(12,659,727)</u>	<u>(14,028,822)</u>	<u>(497,242)</u>
Acquisition of Prepaid Expenses		(214,096)	
Use of Prepaid Expenses			104,735
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(214,096)</u>	<u>104,735</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(13,416,557)</u>	<u>(12,954,846)</u>	<u>(355,624)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(12,954,846)</u>	<u>(355,624)</u>
Net Debt, beginning of year		<u>(67,073,004)</u>	<u>(66,717,380)</u>
Net Debt, end of year		<u>(80,027,850)</u>	<u>(67,073,004)</u>

School District No. 70 (Pacific Rim)

Statement of Cash Flows
Year Ended June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,288,072	36,883
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(3,383,595)	(272,208)
Prepaid Expenses	(214,096)	104,735
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,377,338	291,610
Unearned Revenue	293,210	(76,950)
Deferred Revenue	(277,689)	346,602
Employee Future Benefits	(5,391)	(31,093)
Other Liabilities	107,054	
Loss (Gain) on Disposal of Tangible Capital Assets	(103,557)	
Amortization of Tangible Capital Assets	3,195,561	3,153,266
Amortization of Deferred Capital Revenue	(2,405,369)	(2,368,683)
Total Operating Transactions	<u>(128,462)</u>	<u>1,184,162</u>
Capital Transactions		
Tangible Capital Assets Purchased	(2,060,046)	(1,488,664)
Tangible Capital Assets -WIP Purchased	(15,000,727)	(2,161,844)
District Portion of Proceeds on Disposal	103,557	
Vehicles Purchased from Loan Proceeds	(163,610)	
Total Capital Transactions	<u>(17,120,826)</u>	<u>(3,650,508)</u>
Financing Transactions		
Loan Proceeds	163,610	
Loan Payments	(33,493)	(32,800)
Capital Revenue Received	17,848,280	3,433,456
Total Financing Transactions	<u>17,978,397</u>	<u>3,400,656</u>
Net Increase (Decrease) in Cash and Cash Equivalents	729,109	934,310
Cash and Cash Equivalents, beginning of year	<u>7,741,561</u>	<u>6,807,251</u>
Cash and Cash Equivalents, end of year	<u>8,470,670</u>	<u>7,741,561</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>8,470,670</u>	<u>7,741,561</u>
	<u>8,470,670</u>	<u>7,741,561</u>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1 AUTHORITY AND PURPOSE

The School District, established in 1887, 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. 70 (Pacific Rim)", and operates as "School District No. 70 (Pacific Rim)." 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 federal and provincial corporate income taxes. During the year, the School District changed its name from School District No. 70 (Alberni) to School District No. 70 (Pacific Rim).

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 in the District suspended in-class instruction in March 2020 and the School District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1, 2020 and full-time beginning September 1, 2020 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income, increased costs 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 School District is not practicable at this time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

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 tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections.

SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

a) Basis of Accounting *(Continued)*

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 tax-payer 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.

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. 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) 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.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

f) 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 (l).

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.

g) Employee Future Benefits

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

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

The most recent valuation of the obligation was performed at March 31, 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.

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

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

h) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for contaminated sites is recognized when a site is not in productive use and 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.

i) 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 from non-related parties 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. Amortization is not recorded until assets are available for use.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

j) Prepaid Expenses

Payments for insurance, subscriptions, membership and maintenance contracts for use within the School District in a future period are included as a prepaid expense and 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.

l) Revenue Recognition

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

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

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

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

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

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

Revenue related to fees or services received in advance of the fee being earned or the service being 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. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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.

Allocation of Costs

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

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

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

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

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

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

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 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, estimates for contingent liabilities, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>2021</u>	<u>2020</u>
Due from Federal Government	\$ 248,765	\$ 54,802
Other	111,479	75,424
	<u>\$ 360,244</u>	<u>\$ 130,226</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2021</u>	<u>2020</u>
Trade payables	\$ 2,199,848	\$ 1,106,415
Salaries and benefits payable	3,180,864	2,930,297
Accrued vacation pay	680,381	647,043
	<u>\$ 6,061,093</u>	<u>\$ 4,683,755</u>

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:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 25,250	\$ 102,200
Changes for the year:		
Increase:		
Tuition fees collected	384,385	25,250
Decrease:		
Tuition fees recognized	91,175	105,083
Refund given (recovery)	-	(2,883)
	<u>91,175</u>	<u>102,200</u>
Net changes for the year	293,210	(76,950)
Balance, end of year	<u>\$ 318,460</u>	<u>\$ 25,250</u>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 6 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.

	2021	2020
Balance, beginning of year	\$ 2,403,271	\$ 2,056,669
Changes for the year:		
Increase:		
Provincial grants	6,024,133	4,955,922
Other revenue	908,325	1,263,455
	6,932,458	6,219,377
Decrease:		
Allocated to revenue	7,129,649	5,791,363
Recovered	80,498	81,412
	7,210,147	5,872,775
Net changes for the year	(277,689)	346,602
Balance, end of year	\$ 2,125,582	\$ 2,403,271

SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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.

	2021	2020
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$ 65,276,295	\$ 66,373,366
Increases:		
Capital additions	1,907,529	1,271,612
Decreases:		
Amortization	(2,405,369)	(2,368,683)
Net change for the year	(497,840)	(1,097,071)
Balance, end of year	64,778,455	65,276,295
Work in progress		
Balance, beginning of year	2,161,844	-
Increases:		
Transfer from unspent deferred capital revenue	15,000,727	2,161,844
Balance, end of year	17,162,571	2,161,844
Unspent deferred capital revenue		
Balance, beginning of year	84,329	84,329
Increases:		
Provincial Grants - Ministry of Education	16,939,431	3,433,456
Provincial Grants - Other	842,678	-
Other	66,171	-
Decreases:		
Transfer to deferred capital revenue subject to amortization:		
Capital additions	(1,907,529)	(1,271,612)
Transfer to work in progress	(15,000,727)	(2,161,844)
Net change for the year	940,024	(3,433,456)
Balance, end of year	1,024,353	84,329
Total deferred capital revenue balance, end of year	\$ 82,965,379	\$ 67,522,468

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 8 EMPLOYEE FUTURE BENEFITS

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

	2021	2020
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation - April 1	\$ 720,247	\$ 781,601
Service Cost	40,469	38,423
Interest Cost	15,955	18,881
Benefit Payments	(89,806)	(127,090)
Actuarial Loss	(23,934)	8,432
Accrued Benefit Obligation - March 31	\$ 662,931	\$ 720,247
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 662,931	\$ 720,247
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	662,931	720,247
Employer Contributions After Measurement Date	(22,712)	(29,540)
Benefits Expense After Measurement Date	14,170	14,106
Unamortized Net Actuarial Loss	(84,271)	(129,304)
Accrued Benefit Liability - June 30	\$ 570,118	\$ 575,509
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$ 575,509	\$ 606,601
Net Expense for Fiscal Year	77,587	77,792
Employer Contributions	(82,978)	(108,884)
Accrued Benefit Liability - June 30	\$ 570,118	\$ 575,509

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

	2021	2020
Components of Net Benefit Expense		
Service Cost	\$ 40,444	\$ 38,936
Interest Cost	16,044	18,150
Amortization of Net Actuarial Loss	21,099	20,706
Net Benefit Expense	\$ 77,587	\$ 77,792

Assumptions

Discount Rate - April 1	2.25%	2.50%
Discount Rate - March 31	2.50%	2.25%
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	8.9 years	8.9 years

NOTE 9 DEBT

The following loans approved under Section 144 of the *School Act* are outstanding:

	Approval Date	Year Borrowed	Interest Rate	Maturity	Amount Borrowed	Amount Paid	2021 Balance	2020 Balance
Demand	1998	1998	Prime rate	Demand	144,605	109,964	34,641	52,716
Term	2010	2010	3.25%	2025	124,259	42,230	82,029	89,738
Term	2010	2010	3.20%	2025	124,259	42,230	82,029	89,738
Demand	2015	2021	2.85%	Demand	163,610	-	163,610	-
					556,733	194,424	362,309	232,192

Future principal payments on debt as currently scheduled are as follows:

2022	\$ 210,599
2023	47,043
2024	32,128
2025	16,621
2026	17,198
Thereafter	38,721
	\$ 362,310

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 10 TANGIBLE CAPITAL ASSETS

Cost:	Balance at July 1, 2020	Additions	Disposals	Balance at June 30, 2021
Sites	\$ 2,558,638	\$ -	\$ -	\$ 2,558,638
Buildings	118,548,407	1,782,529	-	120,330,936
Buildings – work in progress	2,161,844	14,934,556	-	17,096,400
Furniture and Equipment	2,283,262	153,485	(117,249)	2,319,498
Furniture and Equipment – work in progress	-	66,171	-	66,171
Vehicles	897,084	190,160	-	1,087,244
Computer Software	-	-	-	-
Computer Hardware	1,095,982	97,482	(191,435)	1,002,029
Total	\$127,545,217	\$ 17,224,383	\$ (308,684)	\$ 144,460,916

Accumulated Amortization:	Balance at July 1, 2020	Additions	Disposals	Balance at June 30, 2021
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	44,230,248	2,658,331	-	46,888,579
Furniture and Equipment	1,280,801	228,326	(117,249)	1,391,878
Vehicles	384,835	89,708	-	474,543
Computer Software	-	-	-	-
Computer Hardware	468,125	219,196	(191,435)	495,886
Total	\$ 46,364,009	\$ 3,195,561	\$ (308,684)	\$ 49,250,886

Net Book Value:

	2021	2020
Sites	\$ 2,558,638	\$ 2,558,638
Buildings	73,442,357	74,318,159
Buildings - work in progress	17,096,400	2,161,844
Furniture and Equipment	927,620	1,002,461
Furniture and Equipment – work in progress	66,171	-
Vehicles	612,701	512,249
Computer Software	-	-
Computer Hardware	506,143	627,857
Total	\$ 95,210,030	\$ 81,181,208

Works of art and historic assets - the School District manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 11 RESTRICTED ASSETS (ENDOWMENTS)

Name of Endowment	Balance Beginning of Year	Contributions During Year	Earnings for the Year	Transfer to Deferred Revenue	Balance End of Year
Garner	\$ 30,000	-	1,378	(1,378)	\$ 30,000

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, 2020, the Teachers' Pension Plan has about 49,000 active members and approximately 40,000 retired members. As of December 31, 2020, the Municipal Pension Plan has about 220,000 active members, including approximately 28,000 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 million surplus for basic pension benefits on a going concern basis.

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

The School District paid \$3,513,717 (2020: \$3,549,931) for employer contributions to the plans in the year ended June 30, 2021.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2021, with results available later 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. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 13 ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2021	2020
Invested in tangible capital assets	\$ 12,937,695	\$ 13,541,877
Operating surplus	2,492,040	636,920
Special purpose surplus	30,000	30,000
Local capital surplus	37,234	100
	\$ 15,496,969	\$ 14,208,897

Inter-fund transfers between the operating, special purpose and capital funds for the year ended June 30, 2021, were as follows:

- Transfer from operating fund to capital fund: \$99,769 for the acquisition of tangible capital assets.
- Transfer from special purpose fund to capital fund: \$26,198 for the acquisition of tangible capital assets.

The operating surplus has been internally restricted (appropriated) by the Board for:

Internally restricted for future budget deficiencies	\$ 2,492,040
Unrestricted Operating Surplus	-
	\$ 2,492,040

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.

NOTE 15 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. The school district has capital projects in progress of approximately \$44,982,000 of which approximately 17,210,000 has been spent to June 30, 2021 and \$27,772,000 that will become payable in future periods. Estimated costs related to contractual transportation services are \$500,000 in 2022.

Certain schools in the School District may contain asbestos. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of the future removal costs cannot be reasonably estimated due to unknown timelines.

The nature of the School District's activities are such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2021, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event that any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position or operations.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 16 BUDGET FIGURES

The budget figures data presented in these financial statements is based upon the 2021 amended annual budget adopted by the Board on February 9, 2021. The chart following reconciles the originally approved annual budget bylaw approved June 9, 2020 to the amended annual budget bylaw reported in these financial statements.

	2021 Amended Annual Budget	2021 Annual Budget
Revenues		
Provincial Grants		
Ministry of Education	\$ 43,986,749	\$ 42,169,605
Other	22,000	-
Other Revenue	5,039,798	4,983,125
Tuition	81,800	25,250
Rentals and Leases	46,255	25,000
Investment Income	10,000	15,000
Amortization of Deferred Capital Revenue	2,405,369	2,402,039
Total Revenue	51,591,971	49,620,019
Expenses		
Instruction	39,258,727	38,529,896
District Administration	2,187,302	2,166,045
Operations and Maintenance	8,800,434	7,760,053
Transportation and Housing	2,095,460	1,874,898
Debt Services	6,878	9,357
Total Expense	52,348,801	50,340,249
Net Expense	(756,830)	(720,230)
Budgeted Allocation of Surplus	40,240	-
Budgeted Deficit for the year	\$ (716,590)	\$ (720,230)

NOTE 17 EXPENSE BY OBJECT

	2021	2020
Salaries and benefits	\$ 40,576,702	\$ 39,100,278
Services and supplies	6,449,726	6,557,506
Interest expense	6,630	8,653
Amortization	3,195,561	3,153,266
	\$ 50,228,619	\$ 48,819,703

SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 18 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 19 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, cash equivalents and amounts receivable.

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 or other government organizations and are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash and cash equivalents as they are placed in recognized British Columbia institutions and the Province of BC Provincial Treasury 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 cash equivalents. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in investments that are considered liquid that have a maturity date of no more than 3 years and the Province of BC Provincial Treasury Central Deposit Program. The School District is also exposed to interest rate risk on its debt, the majority of which pays interest at a variable rate.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 19 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.

There has been no changes to risk exposures from 2020 related to credit, market or liquidity risks.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

School District No. 70 (Pacific Rim)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2021

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	636,920	30,000	13,541,977	14,208,897	14,172,014
Changes for the year					
Surplus (Deficit) for the year	1,954,889	26,198	(693,015)	1,288,072	36,883
Interfund Transfers	(99,769)	(26,198)	125,967	-	
Tangible Capital Assets Purchased	1,855,120	-	(567,048)	1,288,072	36,883
Net Changes for the year	2,492,040	30,000	12,974,929	15,496,969	14,208,897
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 70 (Pacific Rim)

Schedule 2 (Unaudited)

Schedule of Operating Operations
Year Ended June 30, 2021

	2021 Budget (Note 16)	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	37,899,438	37,744,168	36,689,192
Other	22,000	44,800	63,200
Tuition	81,800	91,175	105,083
Other Revenue	3,747,416	3,864,983	3,710,908
Rentals and Leases	46,255	110,040	89,905
Investment Income	10,000	22,700	36,502
Total Revenue	41,806,909	41,877,866	40,694,790
Expenses			
Instruction	32,787,736	31,893,026	31,463,031
District Administration	2,045,903	2,358,332	2,099,066
Operations and Maintenance	5,720,237	4,623,948	5,258,122
Transportation and Housing	1,212,793	1,047,671	1,087,076
Total Expense	41,766,669	39,922,977	39,907,295
Operating Surplus (Deficit) for the year	40,240	1,954,889	787,495
Budgeted Appropriation (Retirement) of Surplus (Deficit)	40,240		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(99,769)	(176,178)
Local Capital	(40,240)		(1,364)
Total Net Transfers	(40,240)	(99,769)	(177,542)
Total Operating Surplus (Deficit), for the year	40,240	1,855,120	609,953
Operating Surplus (Deficit), beginning of year		636,920	26,967
Operating Surplus (Deficit), end of year		2,492,040	636,920
Operating Surplus (Deficit), end of year			
Internally Restricted		2,492,040	636,920
Total Operating Surplus (Deficit), end of year		2,492,040	636,920

School District No. 70 (Pacific Rim)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source
Year Ended June 30, 2021

	2021 Budget (Note 16)	2021 Actual	2020 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	38,830,995	39,254,567	38,596,521
ISC/LEA Recovery	(3,747,416)	(3,402,357)	(3,598,125)
Other Ministry of Education Grants			
Pay Equity	595,220	595,220	595,220
Funding for Graduated Adults	23,514	67,533	32,818
Student Transportation Fund	71,717	71,717	71,717
Carbon Tax Grant			27,074
Employer Health Tax Grant			305,859
Support Staff Benefits Grant	46,119	46,119	31,692
Support Staff Wage Increase Funding			189,086
Teachers' Labour Settlement Funding	1,021,152	1,021,152	421,624
Early Career Mentorship Funding	80,000	80,000	
FSA Scorer Grant	8,187	8,187	8,187
Other Grants			7,519
Additional CE and DL Funding	967,920		
ELF Funding	2,030	2,030	
Total Provincial Grants - Ministry of Education	37,899,438	37,744,168	36,689,192
Provincial Grants - Other	22,000	44,800	63,200
Tuition			
International and Out of Province Students	81,800	91,175	105,083
Total Tuition	81,800	91,175	105,083
Other Revenues			
Funding from First Nations	3,747,416	3,848,566	3,690,478
Miscellaneous			
Admin Fees			13,552
Other		16,417	6,878
Total Other Revenue	3,747,416	3,864,983	3,710,908
Rentals and Leases	46,255	110,040	89,905
Investment Income	10,000	22,700	36,502
Total Operating Revenue	41,806,909	41,877,866	40,694,790

School District No. 70 (Pacific Rim)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2021

	2021 Budget (Note 16)	2021 Actual	2020 Actual
	\$	\$	\$
Salaries			
Teachers	17,038,623	17,271,880	16,635,498
Principals and Vice Principals	3,182,338	3,137,836	2,915,624
Educational Assistants	2,289,160	2,219,729	2,632,010
Support Staff	4,149,438	4,141,328	4,173,734
Other Professionals	983,911	1,068,480	1,201,114
Substitutes	1,499,999	1,214,741	1,110,581
Total Salaries	29,143,469	29,053,994	28,668,561
Employee Benefits	6,924,824	6,710,035	6,710,595
Total Salaries and Benefits	36,068,293	35,764,029	35,379,156
Services and Supplies			
Services	1,810,420	1,341,136	1,438,626
Student Transportation	462,083	527,066	367,188
Professional Development and Travel	363,272	161,044	288,669
Rentals and Leases	195,532	102,567	155,377
Dues and Fees	126,376	68,497	100,423
Insurance	126,303	57,601	100,365
Supplies	1,640,482	1,214,603	1,303,587
Utilities	973,908	686,434	773,904
Total Services and Supplies	5,698,376	4,158,948	4,528,139
Total Operating Expense	41,766,669	39,922,977	39,907,295

School District No. 70 (Pacific Rim)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object
Year Ended June 30, 2021

	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	14,988,098	863,691	28,808	351,663		701,876	16,934,136
1.03 Career Programs	170,877						170,877
1.07 Library Services	272,692			27,238			299,930
1.08 Counselling	241,457			142,456			383,913
1.10 Special Education	928,451	188,056	2,156,227			153,201	3,425,935
1.30 English Language Learning	140,718						140,718
1.31 Indigenous Education	529,549	147,393	34,694	72,327			783,963
1.41 School Administration		1,742,156		396,918	48,414		2,253,337
1.60 Summer School	38						38
1.62 International and Out of Province Students		116,270					116,270
1.64 Other							
Total Function 1	17,271,880	3,057,566	2,219,729	990,602	48,414	920,926	24,509,117
4 District Administration							
4.11 Educational Administration		80,270		10,026	256,584		346,880
4.40 School District Governance					98,958		98,958
4.41 Business Administration				258,377	547,047		805,424
Total Function 4	-	80,270	-	268,403	902,589	-	1,251,262
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					117,477		117,477
5.50 Maintenance Operations				2,377,413		292,453	2,669,866
5.52 Maintenance of Grounds				112,181			112,181
5.56 Utilities							
Total Function 5	-	-	-	2,489,594	117,477	292,453	2,899,524
7 Transportation and Housing							
7.70 Student Transportation				392,729		1,362	394,091
7.73 Housing							
Total Function 7	-	-	-	392,729	-	1,362	394,091
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	17,271,880	3,137,836	2,219,729	4,141,328	1,068,480	1,214,741	29,053,994

School District No. 70 (Pacific Rim)

Operating Expense by Function, Program and Object
Year Ended June 30, 2021

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2021		2020	
					Actual	Budget (Note 16)	Actual	Actual
	\$	\$	\$	\$	\$	\$	\$	\$
1 Instruction								
1.02 Regular Instruction	16,934,136	3,994,477	20,928,613	420,389	21,349,002	21,674,491	20,748,060	
1.03 Career Programs	170,877	37,946	208,823	72,630	281,453	326,925	300,139	
1.07 Library Services	299,930	72,489	372,419	9,109	381,528	218,486	211,685	
1.08 Counselling	383,913	89,818	473,731	381	474,112	542,022	531,871	
1.10 Special Education	3,425,935	863,892	4,289,827	104,035	4,393,862	4,969,614	5,148,297	
1.30 English Language Learning	140,718	33,020	173,738	488	174,226	176,329	171,880	
1.31 Indigenous Education	783,963	175,487	959,450	777,550	1,737,000	2,042,664	1,836,127	
1.41 School Administration	2,253,337	479,788	2,733,125	2,841	2,735,966	2,654,612	2,498,944	
1.60 Summer School	38	6	44		44		16,028	
1.62 International and Out of Province Students	116,270	23,714	139,984	62,849	202,833	19,593		
1.64 Other	-	-	-	163,000	163,000	163,000		
Total Function 1	24,509,117	5,770,637	30,279,754	1,613,272	31,893,026	32,787,736	31,463,031	
4 District Administration								
4.11 Educational Administration	346,880	67,450	414,330	32,667	446,997	581,199	632,544	
4.40 School District Governance	98,958	5,230	104,188	39,542	143,730	162,956	152,109	
4.41 Business Administration	805,424	161,703	967,127	800,478	1,767,605	1,301,748	1,314,413	
Total Function 4	1,251,262	234,383	1,485,645	872,687	2,258,332	2,045,903	2,099,066	
5 Operations and Maintenance								
5.41 Operations and Maintenance Administration	117,477	22,976	140,453	6,767	147,220	113,716	133,098	
5.50 Maintenance Operations	2,669,866	568,519	3,238,385	141,201	3,379,586	4,441,883	4,144,414	
5.52 Maintenance of Grounds	112,181	26,219	138,400	66,804	205,204	218,587	206,706	
5.56 Utilities	-	-	-	891,938	891,938	946,051	773,904	
Total Function 5	2,899,524	617,714	3,517,238	1,106,710	4,623,948	5,720,237	5,258,122	
7 Transportation and Housing								
7.70 Student Transportation	394,091	87,301	481,392	524,979	1,006,371	1,172,501	1,054,116	
7.73 Housing	-	-	-	41,300	41,300	40,292	32,960	
Total Function 7	394,091	87,301	481,392	566,279	1,047,671	1,212,793	1,087,076	
9 Debt Services								
Total Function 9	-	-	-	-	-	-	-	
Total Functions 1 - 9	29,053,994	6,710,035	35,764,029	4,158,948	39,922,977	41,766,669	39,907,295	

School District No. 70 (Pacific Rim)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations
Year Ended June 30, 2021

	2021 Budget (Note 16)	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	6,087,311	6,273,472	4,535,240
Other Revenue	1,292,382	856,177	1,256,123
Total Revenue	7,379,693	7,129,649	5,791,363
Expenses			
Instruction	6,470,991	6,201,782	5,327,329
District Administration	141,399	120,000	26,423
Operations and Maintenance	698,199	432,889	396,737
Transportation and Housing	69,104	348,780	
Total Expense	7,379,693	7,103,451	5,750,489
Special Purpose Surplus (Deficit) for the year	-	26,198	40,874
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(26,198)	(40,874)
Total Net Transfers	-	(26,198)	(40,874)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year		30,000	30,000
Special Purpose Surplus (Deficit), end of year		30,000	30,000
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		30,000	30,000
Total Special Purpose Surplus (Deficit), end of year		30,000	30,000

School District No. 70 (Pacific Rim)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2021

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year						1,125,192			
Add: Restricted Grants									
Provincial Grants - Ministry of Education	211,772	142,803	924	389,456	5,135		128,000	28,665	109,747
Other				10,225		616,443			
Less: Allocated to Revenue	211,772	142,803	-	10,225	-	616,443	128,000	28,665	109,747
Recovered	211,772	153,888	525	53,700	-	450,332	128,000	28,665	101,608
Deferred Revenue, end of year	-	39,119	399	345,981	5,135	1,291,303	-	-	8,139
Revenues									
Provincial Grants - Ministry of Education	211,772	153,888	525	53,700		450,332	128,000	28,665	101,608
Other Revenue				53,700					
Total	211,772	153,888	525	53,700	-	450,332	128,000	28,665	101,608
Expenses									
Salaries									
Teachers									
Principals and Vice Principals									17,389
Educational Assistants	72,428	128,196					98,705		
Support Staff									
Other Professionals									
Employee Benefits	72,428	128,196					98,705		17,389
Services and Supplies	16,118	25,692					29,295		4,173
Total	123,226	153,888	525	53,700	-	450,332	128,000	28,665	80,046
Total	211,772	153,888	525	53,700	-	450,332	128,000	28,665	101,608
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 70 (Pacific Rim)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	CommunityLINK Fund - Overhead Fund - Staffing Fund - Remedies	Classroom Enhancement Fund - Remedies	Classroom Enhancement Fund - Staffing Fund - Remedies	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School Grant	Federal Safe Return to Class Fund
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	42,637	3,358			220,636	30,500	3,408		
Add: Restricted Grants									
Provincial Grants - Ministry of Education	936,889	119,835	2,056,898	282,830	37,483	55,000	19,000	306,186	1,438,228
Other	936,889	119,835	2,056,898	282,830	37,483	55,000	19,000	306,186	1,438,228
Less: Allocated to Revenue	950,898	119,835	2,056,898	282,830	258,119	75,343	-	306,186	1,438,228
Recovered		3,358							
Deferred Revenue, end of year	28,628	-	-	-	-	10,157	22,408	-	-
Revenues	950,898	119,835	2,056,898	282,830	258,119	75,343	-	306,186	1,438,228
Provincial Grants - Ministry of Education									
Other Revenue	950,898	119,835	2,056,898	282,830	258,119	75,343	-	306,186	1,438,228
Expenses	483,648	86,474	1,668,747	229,458	-	57,678	-	138,958	638,271
Salaries									
Teachers									
Principals and Vice Principals		86,474	1,668,747	229,458		57,678		138,958	638,271
Educational Assistants									
Support Staff									
Other Professionals									
Employee Benefits	483,648								
Services and Supplies									
Deferred Revenue									
Net Revenue (Expense) before Interfund Transfers									
Interfund Transfers									
Tangible Capital Assets Purchased									
Net Revenue (Expense)	467,250	31,361	388,151	53,372	258,119	17,665	-	167,228	799,957
Net Revenue (Expense) before Interfund Transfers									
Interfund Transfers									
Tangible Capital Assets Purchased									
Net Revenue (Expense)	467,250	31,361	388,151	53,372	258,119	17,665	-	167,228	799,957

School District No. 70 (Pacific Rim)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2021

	NON Strong Start	School Meals Program	Early Years Centre (AV Hub)	Learning Lab (Early Years)	PRP Kackaamin	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	203,588	152,955	42,048	29,442	103,788	2,403,271
Add: Restricted Grants						
Provincial Grants - Ministry of Education	76,113	57,574	88,535	59,435	150,797	6,024,133
Other	76,113	57,574	88,535	59,435	150,797	6,932,458
Less: Allocated to Revenue						
Recovered	79,127	57,575	130,583	84,860	160,677	7,129,649
Deferred Revenue, end of year	200,574	152,954	-	4,017	16,768	2,125,582
Revenues						
Provincial Grants - Ministry of Education	79,127	57,575	130,583	84,860	160,677	6,273,472
Other Revenue	79,127	57,575	130,583	84,860	160,677	856,177
Expenses						
Salaries						
Teachers					86,517	2,680,671
Principals and Vice Principals					32,250	103,863
Educational Assistants						671,429
Support Staff						447,875
Other Professionals						12,878
Employee Benefits					118,767	3,916,716
Services and Supplies	79,127	57,575	130,583	84,860	28,138	895,957
	79,127	57,575	130,583	84,860	13,772	2,290,778
					160,677	7,103,451
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	26,198
Interfund Transfers						
Tangible Capital Assets Purchased						(26,198)
Net Revenue (Expense)	-	-	-	-	-	(26,198)

School District No. 70 (Pacific Rim)

Schedule 4 (Unaudited)

Schedule of Capital Operations
Year Ended June 30, 2021

	2021	2021 Actual			2020
	Budget (Note 16)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Other Revenue			250	250	1,750
Gain (Loss) on Disposal of Tangible Capital Assets		103,557		103,557	
Amortization of Deferred Capital Revenue	2,405,369	2,405,369		2,405,369	2,368,683
Total Revenue	2,405,369	2,508,926	250	2,509,176	2,370,433
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,381,998	2,381,998		2,381,998	2,350,471
Transportation and Housing	813,563	813,563		813,563	802,795
Debt Services					
Capital Loan Interest	6,878		6,630	6,630	8,653
Total Expense	3,202,439	3,195,561	6,630	3,202,191	3,161,919
Capital Surplus (Deficit) for the year	(797,070)	(686,635)	(6,380)	(693,015)	(791,486)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		125,967		125,967	217,052
Local Capital	40,240			-	1,364
Total Net Transfers	40,240	125,967	-	125,967	218,416
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(103,557)	103,557	-	
Tangible Capital Assets Purchased from Local Capital		26,550	(26,550)	-	
Principal Payment					
Capital Loan		33,493	(33,493)	-	
Total Other Adjustments to Fund Balances		(43,514)	43,514	-	
Total Capital Surplus (Deficit) for the year	(756,830)	(604,182)	37,134	(567,048)	(573,070)
Capital Surplus (Deficit), beginning of year		13,541,877	100	13,541,977	14,115,047
Capital Surplus (Deficit), end of year		12,937,695	37,234	12,974,929	13,541,977

School District No. 70 (Pacific Rim)

Tangible Capital Assets
Year Ended June 30, 2021

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,558,638	118,548,407	2,283,262	897,084	-	1,095,982	125,383,373
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,782,529	125,000				1,907,529
Operating Fund			28,485			71,284	99,769
Special Purpose Funds				26,198			26,198
Local Capital				26,550			26,550
Local Proceeds		1,782,529	153,485	190,160		97,482	163,610
Decrease:							
Deemed Disposals			117,249			191,435	308,684
Accumulated Amortization, beginning of year							308,684
Cost, end of year	2,558,638	120,330,936	2,319,498	1,087,244		1,002,029	127,298,345
Work in Progress, end of year		17,096,400	66,171				17,162,571
Cost and Work in Progress, end of year	2,558,638	137,427,336	2,385,669	1,087,244		1,002,029	144,460,916
Accumulated Amortization, beginning of year		44,230,248	1,280,801	384,835		468,125	46,364,009
Changes for the Year							
Increase: Amortization for the Year		2,658,331	228,326	89,708		219,196	3,195,561
Decrease:							
Deemed Disposals			117,249			191,435	308,684
Accumulated Amortization, end of year							308,684
Accumulated Amortization, end of year		46,888,579	1,391,878	474,543		495,886	49,250,886
Tangible Capital Assets - Net	2,558,638	90,538,757	993,791	612,701		506,143	95,210,030

School District No. 70 (Pacific Rim)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress
Year Ended June 30, 2021

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	2,161,844				2,161,844
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	14,845,640				14,845,640
Deferred Capital Revenue - Other	88,916	66,171			155,087
	14,934,556	66,171	-	-	15,000,727
Net Changes for the Year	14,934,556	66,171	-	-	15,000,727
Work in Progress, end of year	17,096,400	66,171	-	-	17,162,571

School District No. 70 (Pacific Rim)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2021

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	63,766,948	1,357,757	151,590	65,276,295
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,907,529			1,907,529
	1,907,529	-	-	1,907,529
Decrease:				
Amortization of Deferred Capital Revenue	2,345,848	52,741	6,780	2,405,369
	2,345,848	52,741	6,780	2,405,369
Net Changes for the Year	(438,319)	(52,741)	(6,780)	(497,840)
Deferred Capital Revenue, end of year	63,328,629	1,305,016	144,810	64,778,455
Work in Progress, beginning of year	2,161,844			2,161,844
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	14,845,640	88,916	66,171	15,000,727
	14,845,640	88,916	66,171	15,000,727
Net Changes for the Year	14,845,640	88,916	66,171	15,000,727
Work in Progress, end of year	17,007,484	88,916	66,171	17,162,571
Total Deferred Capital Revenue, end of year	80,336,113	1,393,932	210,981	81,941,026

School District No. 70 (Pacific Rim)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2021

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		84,329				84,329
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	16,939,431					16,939,431
Provincial Grants - Other			842,678			842,678
Other					66,171	66,171
Decrease:						
Transferred to DCR - Capital Additions	1,907,529					1,907,529
Transferred to DCR - Work in Progress	14,845,640				66,171	15,000,727
	16,753,169				66,171	16,908,256
Net Changes for the Year	186,262		753,762			940,024
Balance, end of year	186,262	84,329	753,762			1,024,353