

Audited Financial Statements of

School District No. 70 (Alberni)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 70 (Alberni)

June 30, 2020

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School District No. 70 (Alberni)

MANAGEMENT REPORT

Version: 7381-6635-4652

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 70 (Alberni) 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 (Alberni) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, KPMG, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 70 (Alberni) 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 (Alberni)



Signature of the Chairperson of the Board of Education

Sept. 15, 2020

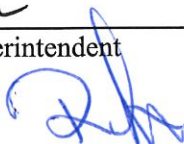
Date Signed



Signature of the Superintendent

Sept 15, 2020

Date Signed



Signature of the Secretary Treasurer

Sept. 16, 2020

Date Signed



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Canada
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INDEPENDENT AUDITORS' REPORT

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

Opinion

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

- the statement of financial position as at June 30, 2020
- 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, 2020 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 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 15, 2020

School District No. 70 (Alberni)

Statement of Financial Position
As at June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	7,741,561	6,807,251
Accounts Receivable		
Due from Province - Ministry of Education	499,364	95,816
Other (Note 3)	130,226	261,566
Total Financial Assets	<u>8,371,151</u>	<u>7,164,633</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	4,683,755	4,393,854
Unearned Revenue (Note 5)	25,250	102,200
Deferred Revenue (Note 6)	2,403,271	2,056,669
Deferred Capital Revenue (Note 7)	67,522,468	66,457,695
Employee Future Benefits (Note 8)	575,509	606,602
Debt (Note 9)	232,192	264,993
Other Liabilities	1,710	
Total Liabilities	<u>75,444,155</u>	<u>73,882,013</u>
Net Debt	<u>(67,073,004)</u>	<u>(66,717,380)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 10)	81,181,208	80,683,966
Restricted Assets (Endowments) (Note 11)	30,000	30,000
Prepaid Expenses	70,693	175,428
Total Non-Financial Assets	<u>81,281,901</u>	<u>80,889,394</u>
Accumulated Surplus (Deficit) (Note 13)	<u>14,208,897</u>	<u>14,172,014</u>

Contractual Obligations (Note 15)

Approved by the Board

Pam Craig

Sept. 15, 2020

Signature of the Chairperson of the Board of Education

Date Signed

Smyth

Sept 15, 2020

Signature of the Superintendent

Date Signed

[Handwritten Signature]

Sept. 16, 2020

Signature of the Secretary Treasurer

Date Signed

School District No. 70 (Alberni)

Statement 2

Statement of Operations
Year Ended June 30, 2020

	2020 Budget (Note 16)	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	42,048,732	41,224,432	40,346,880
Other	87,500	63,200	90,300
Tuition	108,713	105,083	65,700
Other Revenue	4,274,820	4,968,781	4,516,065
Rentals and Leases	11,655	89,905	94,361
Investment Income	37,982	36,502	60,365
Amortization of Deferred Capital Revenue	2,370,044	2,368,683	2,335,900
Total Revenue	48,939,446	48,856,586	47,509,571
Expenses (Note 17)			
Instruction	37,396,305	36,790,360	36,399,764
District Administration	2,159,316	2,125,489	2,110,713
Operations and Maintenance	7,970,879	8,005,330	7,653,880
Transportation and Housing	2,196,168	1,889,871	1,876,077
Debt Services	9,200	8,653	10,028
Total Expense	49,731,868	48,819,703	48,050,462
Surplus (Deficit) for the year	(792,422)	36,883	(540,891)
Accumulated Surplus (Deficit) from Operations, beginning of year		14,172,014	14,712,905
Accumulated Surplus (Deficit) from Operations, end of year		14,208,897	14,172,014

School District No. 70 (Alberni)

Statement of Changes in Net Debt Year Ended June 30, 2020

	2020 Budget (Note 16)	2020 Actual	2019 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(792,422)</u>	<u>36,883</u>	<u>(540,891)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,754,531)	(3,650,508)	(2,431,879)
Amortization of Tangible Capital Assets	3,153,266	3,153,266	3,079,380
Total Effect of change in Tangible Capital Assets	<u>398,735</u>	<u>(497,242)</u>	<u>647,501</u>
Acquisition of Prepaid Expenses			(58,125)
Use of Prepaid Expenses		104,735	
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>104,735</u>	<u>(58,125)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(393,687)</u>	<u>(355,624)</u>	<u>48,485</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(355,624)</u>	<u>48,485</u>
Net Debt, beginning of year		<u>(66,717,380)</u>	<u>(66,765,865)</u>
Net Debt, end of year		<u>(67,073,004)</u>	<u>(66,717,380)</u>

School District No. 70 (Alberni)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	36,883	(540,891)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(272,208)	(183,574)
Prepaid Expenses	104,735	(58,125)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	291,610	252,338
Unearned Revenue	(76,950)	29,200
Deferred Revenue	346,602	161,232
Employee Future Benefits	(31,093)	(68,403)
Amortization of Tangible Capital Assets	3,153,266	3,079,380
Amortization of Deferred Capital Revenue	(2,368,683)	(2,335,900)
Total Operating Transactions	<u>1,184,162</u>	<u>335,257</u>
Capital Transactions		
Tangible Capital Assets Purchased	(1,488,664)	(2,431,879)
Tangible Capital Assets -WIP Purchased	(2,161,844)	
Total Capital Transactions	<u>(3,650,508)</u>	<u>(2,431,879)</u>
Financing Transactions		
Loan Payments	(32,800)	(32,304)
Capital Revenue Received	3,433,456	2,090,022
Total Financing Transactions	<u>3,400,656</u>	<u>2,057,718</u>
Net Increase (Decrease) in Cash and Cash Equivalents	934,310	(38,904)
Cash and Cash Equivalents, beginning of year	<u>6,807,251</u>	<u>6,846,155</u>
Cash and Cash Equivalents, end of year	<u>7,741,561</u>	<u>6,807,251</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>7,741,561</u>	<u>6,807,251</u>
	<u>7,741,561</u>	<u>6,807,251</u>

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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 (Alberni)", and operates as "School District No. 70 (Alberni)." 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. School District No. 70 (Alberni) is exempt from federal and provincial corporate income taxes.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1 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

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.

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.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

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 cash equivalents 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 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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 (EARS�) 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 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

h) Liability for Contaminated Sites

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 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.
- 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 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

j) Prepaid Expenses

Payments for insurance, subscriptions, membership and maintenance contracts for use within the 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. 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 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 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.

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 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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 requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, 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>2020</u>	<u>2019</u>
Due from Federal Government	\$ 54,802	\$ 54,198
Other	75,424	207,368
	<u>\$ 130,226</u>	<u>\$ 261,566</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2020</u>	<u>2019</u>
Trade payables	\$ 1,106,415	\$ 840,575
Salaries and benefits payable	2,930,297	3,008,170
Accrued vacation pay	647,043	545,109
	<u>\$ 4,683,755</u>	<u>\$ 4,393,854</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>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 102,200	\$ 73,000
Changes for the year:		
Increase:		
Tuition fees collected	25,250	102,200
Decrease:		
Tuition fees recognized	105,083	65,700
Refund given (recovery)	(2,883)	7,300
	<u>102,200</u>	<u>73,000</u>
Net changes for the year	<u>(76,950)</u>	<u>29,200</u>
Balance, end of year	<u>\$ 25,250</u>	<u>\$ 102,200</u>

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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.

	2020	2019
Balance, beginning of year	\$ 2,056,669	\$ 1,895,437
Changes for the year:		
Increase:		
Provincial grants	4,955,922	5,087,237
Other revenue	1,263,455	1,323,042
	6,219,377	6,410,279
Decrease:		
Allocated to revenue	5,791,363	6,249,047
Recovered	81,412	-
	5,872,775	6,249,047
Net changes for the year	346,602	161,232
Balance, end of year	\$2,403,271	\$ 2,056,669

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 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.

	2020	2019
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$66,373,366	\$ 66,619,244
Increases:		
Capital additions	1,271,612	2,090,022
Decreases:		
Amortization	(2,368,683)	(2,335,900)
Net change for the year	(1,097,071)	(245,878)
Balance, end of year	65,276,295	66,373,366
Work in progress		
Balance, beginning of year	-	-
Increases:		
Transfer from unspent deferred capital revenue	2,161,844	-
Net change for the year	2,161,844	-
Balance, end of year	2,161,844	-
Unspent deferred capital revenue		
Balance, beginning of year	84,329	84,329
Increases:		
Provincial Grants - Ministry of Education	3,433,456	2,071,883
Provincial Grants - Other	-	18,139
Decreases:		
Transfer to deferred capital revenue subject to amortization:		
Capital additions	(1,271,612)	(2,090,022)
Transfer to work in progress	(2,161,844)	-
Net change for the year	-	-
Balance, end of year	84,329	84,329
Total deferred capital revenue balance, end of year	\$67,522,468	\$ 66,457,695

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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.

	2020	2019
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation - April 1	\$781,601	\$ 742,026
Service Cost	38,423	44,099
Interest Cost	18,881	20,117
Benefit Payments	(127,090)	(145,913)
Actuarial Loss	8,432	121,272
Accrued Benefit Obligation - March 31	\$ 720,247	\$ 781,601
 Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	720,247	\$ 781,601
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	720,247	781,601
Employer Contributions After Measurement Date	(29,540)	(47,745)
Benefits Expense After Measurement Date	14,106	14,326
Unamortized Net Actuarial Loss	(129,304)	(141,580)
Accrued Benefit Liability - June 30	\$ 575,509	\$ 606,602
 Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$ 606,601	\$ 675,005
Net Expense for Fiscal Year	77,794	69,570
Employer Contributions	(108,886)	(137,973)
Accrued Benefit Liability - June 30	\$ 575,509	\$ 606,602

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

	2020	2019
Components of Net Benefit Expense		
Service Cost	\$ 38,936	\$ 42,680
Interest Cost	18,150	19,808
Amortization of Net Actuarial Loss	20,708	7,082
Net Benefit Expense	\$77,794	\$ 69,570
 Assumptions		
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	8.9	8.9

NOTE 9 DEBT

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

	Approval Date	Year Borrowed	Interest Rate	Term	Amount Borrowed	Amount Paid	2020 Balance	2019 Balance
Demand	1998	1998	Prime rate	Demand	144,605	91,889	52,716	70,791
Term	2010	2010, (2015 renewal)	3.25%	5 years	124,259	34,521	89,738	97,101
Term	2010	2010 (2015 renewal)	3.20%	5 years	124,259	34,521	89,738	97,101
					393,123	160,931	232,192	264,993

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

2021	31,008
2022	31,985
2023	31,518
2024	8,032
Thereafter	129,649
	\$ 232,192

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 10 TANGIBLE CAPITAL ASSETS

Cost:	Balance at July 1, 2019	Additions	Disposals	Balance at June 30, 2020
Sites	\$ 2,558,638	-	-	2,558,638
Buildings	117,469,187	1,079,220	-	118,548,407
Buildings – work in progress	-	2,161,844	-	2,161,844
Furniture and Equipment	2,242,208	79,224	(38,170)	2,283,262
Vehicles	774,650	181,795	(59,361)	897,084
Computer Software	-	-	-	-
Computer Hardware	1,045,549	148,425	(97,992)	1,095,982
Total	\$ 124,090,232	3,650,508	(195,523)	127,545,217

Accumulated Amortization:	Balance at July 1, 2019	Additions	Disposals	Balance at June 30, 2020
Sites	\$ -	-	-	-
Buildings	41,587,778	2,642,470	-	44,230,248
Furniture and Equipment	1,094,750	224,221	(38,170)	1,280,801
Vehicles	366,731	77,465	(59,361)	384,835
Computer Software	-	-	-	-
Computer Hardware	357,007	209,110	(97,992)	468,125
Total	\$ 43,406,266	3,153,266	(195,523)	46,364,009

Net Book Value:

	2020	2019
Sites	\$ 2,558,638	\$ 2,558,638
Buildings	74,318,159	75,881,409
Buildings – work in progress	2,161,844	-
Furniture and Equipment	1,002,461	1,147,458
Vehicles	512,249	407,919
Computer Software	-	-
Computer Hardware	627,857	688,542
Total	\$81,181,208	80,683,966

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 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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	-	997	(997)	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, 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 million 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 million funding surplus for basic pension benefits on a going concern basis.

The School District paid \$3,549,931 (2019: \$3,542,963) for employer contributions to the plans in the year ended June 30, 2020.

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. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 13 ACCUMULATED SURPLUS

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

	2020	2019
Invested in tangible capital assets	\$ 13,541,877	\$ 14,076,607
Operating surplus	636,920	26,967
Special purpose surplus	30,000	30,000
Local capital surplus	100	38,440
	\$ 14,208,897	\$ 14,172,014

Inter-fund transfers between the operating, special purpose and capital funds for the year ended June 30, 2020, were as follows:

- Transfer from operating fund to capital fund: \$176,178 for the acquisition of tangible capital assets.
- Transfer from special purpose fund to capital fund: \$40,874 for the acquisition of tangible capital assets.
- Transfer from operating fund to local capital fund: \$1,364 for future tangible capital assets acquisitions.

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

Internally restricted for future budget deficiencies	\$636,920
Unrestricted Operating Surplus	-
Total available for future operations	\$636,920

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 contract for transportation services. Total estimated costs related to the contract are expected to be \$440,000 in 2021. Total estimated costs related to construction management services for capital projects are \$864,000.

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, 2020, 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 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 16 BUDGET FIGURES

The budget figures data presented in these financial statements is based upon the 2020 amended annual budget adopted by the Board on February 11, 2020. The chart following reconciles the originally approved annual budget bylaw approved June 11, 2019 to the amended annual budget bylaw reported in these financial statements.

	2020 Amended Annual Budget	2020 Annual Budget
Revenues		
Provincial Grants		
Ministry of Education	\$42,048,732	\$ 40,275,753
Other	87,500	70,000
Other Revenue	108,713	94,900
Tuition	4,274,820	4,406,663
Rentals and Leases	11,655	50,000
Investment Income	37,982	30,000
Amortization of Deferred Capital Revenue	2,370,044	2,333,341
Gain (loss) on Disposal of Tangible Capital Assets	-	-
Total Revenue	48,939,446	47,260,657
Expenses		
Instruction	37,396,305	36,536,545
District Administration	2,159,316	2,179,180
Operations and Maintenance	7,970,879	7,488,554
Transportation and Housing	2,196,168	1,809,523
Debt Services	9,200	9,357
Total Expense	49,731,868	48,023,159
Net Expense	(792,422)	(762,502)
Budgeted Allocation of Surplus	-	-
Budgeted Deficit for the year	(792,422)	(762,502)

NOTE 17 EXPENSE BY OBJECT

	2020	2019
Salaries and benefits	\$39,100,278	\$ 38,149,004
Services and supplies	6,557,506	6,812,050
Interest expense	8,653	10,028
Amortization	3,153,266	3,079,380
	\$48,819,703	\$ 48,050,462

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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.

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 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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 2019 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 (Alberni)

Schedule I (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	26,967	30,000	14,115,047	14,172,014	14,712,905
Changes for the year					
Surplus (Deficit) for the year	787,495	40,874	(791,486)	36,883	(540,891)
Interfund Transfers	(176,178)	(40,874)	217,052	-	-
Tangible Capital Assets Purchased	(1,364)	-	1,364	-	-
Local Capital	609,953	-	(573,070)	36,883	(540,891)
Net Changes for the year					
Accumulated Surplus (Deficit), end of year - Statement 2	636,920	30,000	13,541,977	14,208,897	14,172,014

School District No. 70 (Alberni)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget (Note 16) \$	2020 Actual \$	2019 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	37,087,191	36,689,192	35,362,939
Other	47,500	63,200	90,300
Tuition	108,713	105,083	65,700
Other Revenue	3,049,820	3,710,908	3,249,259
Rentals and Leases	11,655	89,905	94,361
Investment Income	37,982	36,502	60,365
Total Revenue	<u>40,342,861</u>	<u>40,694,790</u>	<u>38,922,924</u>
Expenses			
Instruction	31,627,915	31,463,031	30,444,684
District Administration	2,130,708	2,099,066	2,082,340
Operations and Maintenance	5,411,501	5,258,122	5,138,731
Transportation and Housing	1,172,737	1,087,076	1,100,074
Total Expense	<u>40,342,861</u>	<u>39,907,295</u>	<u>38,765,829</u>
Operating Surplus (Deficit) for the year	-	<u>787,495</u>	<u>157,095</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(176,178)	(288,035)
Local Capital		(1,364)	
Total Net Transfers	-	<u>(177,542)</u>	<u>(288,035)</u>
Total Operating Surplus (Deficit), for the year	-	<u>609,953</u>	<u>(130,940)</u>
Operating Surplus (Deficit), beginning of year		26,967	157,907
Operating Surplus (Deficit), end of year		<u>636,920</u>	<u>26,967</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		636,920	26,967
Total Operating Surplus (Deficit), end of year		<u>636,920</u>	<u>26,967</u>

School District No. 70 (Alberni)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source
Year Ended June 30, 2020

	2020 Budget (Note 16)	2020 Actual	2019 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	38,870,783	38,596,521	37,383,708
ISC/LEA Recovery	(3,049,317)	(3,598,125)	(3,049,317)
Other Ministry of Education Grants			
Pay Equity	595,220	595,220	595,220
Funding for Graduated Adults	11,934	32,818	18,491
Transportation Supplement	71,717	71,717	71,717
Economic Stability Dividend			42,805
Carbon Tax Grant	20,000	27,074	27,074
Employer Health Tax Grant	305,859	305,859	92,944
Strategic Priorities - Mental Health Grant			35,000
Support Staff Benefits Grant	31,692	31,692	25,404
BCTEA - LEA Capacity Building Grant			61,640
Support Staff Wage Increase Funding	189,086	189,086	
Teachers' Labour Settlement Funding		421,624	
FSA Exam Allocations	8,187	8,187	8,187
SRG3 Assessment Grant			9,066
Shoulder Tapper Grant			5,000
Other Grants	32,030	7,519	36,000
Total Provincial Grants - Ministry of Education	37,087,191	36,689,192	35,362,939
Provincial Grants - Other	47,500	63,200	90,300
Tuition			
International and Out of Province Students	108,713	105,083	65,700
Total Tuition	108,713	105,083	65,700
Other Revenues			
Funding from First Nations	3,049,317	3,690,478	3,216,105
Miscellaneous		13,552	
Administration Fees		6,878	33,154
Other	503		
Total Other Revenue	3,049,820	3,710,908	3,249,259
Rentals and Leases	11,655	89,905	94,361
Investment Income	37,982	36,502	60,365
Total Operating Revenue	40,342,861	40,694,790	38,922,924

School District No. 70 (Alberni)Schedule of Operating Expense by Object
Year Ended June 30, 2020

Schedule 2B (Unaudited)

	2020 Budget (Note 16)	2020 Actual	2019 Actual
	\$	\$	\$
Salaries			
Teachers	16,203,369	16,635,498	15,912,654
Principals and Vice Principals	2,937,020	2,915,624	2,754,549
Educational Assistants	2,693,639	2,632,010	2,283,335
Support Staff	4,101,940	4,173,734	3,870,518
Other Professionals	1,139,284	1,201,114	1,180,331
Substitutes	1,500,000	1,110,581	1,565,044
Total Salaries	28,575,252	28,668,561	27,566,431
Employee Benefits	6,499,786	6,710,595	6,293,246
Total Salaries and Benefits	35,075,038	35,379,156	33,859,677
Services and Supplies			
Services	1,553,464	1,438,626	1,446,808
Student Transportation	416,649	367,188	388,043
Professional Development and Travel	352,533	288,669	328,329
Rentals and Leases	132,518	155,377	123,420
Dues and Fees	129,832	100,423	120,918
Insurance	86,081	100,365	80,171
Supplies	1,741,134	1,303,587	1,621,594
Utilities	855,612	773,904	796,869
Total Services and Supplies	5,267,823	4,528,139	4,906,152
Total Operating Expense	40,342,861	39,907,295	38,765,829

School District No. 70 (Alberni)

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	14,241,766	868,374	29,183	337,874		607,934	16,085,131
1.03 Career Programs	166,078			23,966			166,078
1.07 Library Services	138,008			119,697			161,974
1.08 Counseling	308,843			7,901		168,343	428,540
1.10 Special Education	1,110,008	158,786	2,569,501		23,244		4,037,783
1.30 English Language Learning	139,103		33,326	40,029			139,103
1.31 Indigenous Education	531,692	294,730		414,341		53,257	899,777
1.41 School Administration		1,518,729			71,936		2,058,263
1.62 International and Out of Province Students							-
1.64 Other							-
Total Function 1	16,635,498	2,840,619	2,632,010	943,808	95,180	829,534	23,976,649
4 District Administration							
4.11 Educational Administration		75,005		8,158	386,094		469,257
4.40 School District Governance				257,739	98,958		98,958
4.41 Business Administration					513,802		771,541
Total Function 4	-	75,005	-	265,897	998,854	-	1,339,756
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					107,080		107,080
5.50 Maintenance Operations				2,410,320		281,047	2,691,367
5.52 Maintenance of Grounds				126,133			126,133
5.56 Utilities							-
Total Function 5	-	-	-	2,536,453	107,080	281,047	2,924,580
7 Transportation and Housing							
7.70 Student Transportation				427,576			427,576
7.73 Housing							-
Total Function 7	-	-	-	427,576	-	-	427,576
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	16,635,498	2,915,624	2,632,010	4,173,734	1,201,114	1,110,581	28,668,561

School District No. 70 (Alberni)

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	2020	2019
					Actual	Budget (Note 16)	Actual
1 Instruction							
1.02 Regular Instruction	16,085,131	3,898,597	19,983,728	764,332	20,748,060	20,302,568	20,089,418
1.03 Career Programs	166,078	37,054	203,132	97,007	300,139	323,553	310,730
1.07 Library Services	161,974	39,158	201,132	10,553	211,685	223,406	217,048
1.08 Counselling	428,540	102,989	531,529	342	531,871	654,834	636,324
1.10 Special Education	4,037,783	980,613	5,018,396	129,901	5,148,297	5,284,601	4,851,160
1.30 English Language Learning	139,103	32,611	171,714	166	171,880	228,628	223,908
1.31 Indigenous Education	899,777	194,294	1,094,071	742,056	1,836,127	1,860,506	1,498,459
1.41 School Administration	2,058,263	437,614	2,495,877	3,067	2,498,944	2,574,021	2,442,746
1.62 International and Out of Province Students	-	-	-	16,028	16,028	12,798	11,891
1.64 Other	-	-	-	-	-	163,000	163,000
Total Function 1	23,976,649	5,722,930	29,699,579	1,763,452	31,463,031	31,627,915	30,444,684
4 District Administration							
4.11 Educational Administration	469,257	96,544	565,801	66,743	632,544	429,874	434,067
4.40 School District Governance	98,958	5,122	104,080	48,029	152,109	208,995	201,331
4.41 Business Administration	771,541	160,964	932,505	381,908	1,314,413	1,491,839	1,446,942
Total Function 4	1,339,756	262,630	1,602,386	496,680	2,099,066	2,130,708	2,082,340
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	107,080	21,347	128,427	4,671	133,098	128,080	130,786
5.50 Maintenance Operations	2,691,367	578,761	3,270,128	874,286	4,144,414	4,172,120	3,972,224
5.52 Maintenance of Grounds	126,133	27,857	153,990	52,716	206,706	253,670	238,852
5.56 Utilities	-	-	-	773,904	773,904	857,631	796,869
Total Function 5	2,924,580	627,965	3,552,545	1,705,577	5,258,122	5,411,501	5,138,731
7 Transportation and Housing							
7.70 Student Transportation	427,576	97,070	524,646	529,470	1,054,116	1,163,320	1,091,324
7.73 Housing	-	-	-	32,960	32,960	9,417	8,750
Total Function 7	427,576	97,070	524,646	562,430	1,087,076	1,172,737	1,100,074
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	28,668,561	6,710,595	35,379,156	4,528,139	39,907,295	40,342,861	38,765,829

School District No. 70 (Alberni)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations
Year Ended June 30, 2020

	2020 Budget (Note 16) \$	2020 Actual \$	2019 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	4,961,541	4,535,240	4,983,941
Other	40,000		
Other Revenue	1,225,000	1,256,123	1,265,106
Total Revenue	<u>6,226,541</u>	<u>5,791,363</u>	<u>6,249,047</u>
Expenses			
Instruction	5,768,390	5,327,329	5,955,080
District Administration	28,608	26,423	28,373
Operations and Maintenance	208,907	396,737	211,772
Transportation and Housing	220,636		
Total Expense	<u>6,226,541</u>	<u>5,750,489</u>	<u>6,195,225</u>
Special Purpose Surplus (Deficit) for the year	-	40,874	53,822
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(40,874)	(53,822)
Total Net Transfers	-	(40,874)	(53,822)
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		30,000	30,000
Special Purpose Surplus (Deficit), end of year		<u>30,000</u>	<u>30,000</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		30,000	30,000
Total Special Purpose Surplus (Deficit), end of year		<u>30,000</u>	<u>30,000</u>

School District No. 70 (Alberni)

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	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		8,543	924	420,261	5,135	1,217,008	44		
Add: Restricted Grants									
Provincial Grants - Ministry of Education	211,772	142,343				842,854	128,632	29,054	114,247
Other									
Less: Allocated to Revenue Recovered	211,772	142,343				842,854	128,632	29,054	114,247
Deferred Revenue, end of year	-	50,204	924	389,456	5,135	1,125,192	-	-	-
Revenues									
Provincial Grants - Ministry of Education	211,772	100,682		39,700		934,670	128,676	29,054	114,247
Other Revenue	211,772	100,682		39,700		934,670	128,676	29,054	114,247
Expenses									
Salaries									
Teachers									
Principals and Vice Principals									
Educational Assistants									
Other Professionals		78,842					101,766		19,041
Employee Benefits		78,842					101,766		19,041
Services and Supplies	211,772	21,840		39,700		934,670	26,910	29,054	3,808
Net Revenue (Expense) before Interfund Transfers	211,772	100,682		39,700		934,670	128,676	29,054	73,373
Interfund Transfers									
Tangible Capital Assets Purchased									(40,874)
Net Revenue (Expense)									(40,874)
Additional Expenses funded by, and reported in, the Operating Fund									17,272

School District No. 70 (Alberni)

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	NON Strong Start	School Meals Program
Deferred Revenue, beginning of year	\$ 19,569	\$ 61,843	\$ -	\$ -	\$ -	\$ -	\$ 117,746	\$ 95,860
Add: Restricted Grants								
Provincial Grants - Ministry of Education	920,426	134,431	2,280,911	530,019	220,636	30,000	192,624	61,938
Other	920,426	134,431	2,280,911	530,019	220,636	30,000	192,624	61,938
Less: Allocated to Revenue Recovered	877,789	131,073	2,280,911	530,019	-	26,592	106,782	4,843
Deferred Revenue, end of year	42,637	3,358	-	-	30,500	3,408	203,588	152,955
Revenues								
Provincial Grants - Ministry of Education	877,789	131,073	2,280,911	530,019	-	26,592	106,782	4,843
Other Revenue	877,789	131,073	2,280,911	530,019	-	26,592	106,782	4,843
Expenses								
Salaries								
Teachers								
Principals and Vice Principals								
Educational Assistants								
Other Professionals	354,260	84,517	1,843,011	431,612	-	-	-	-
Employee Benefits	354,260	23,949	1,843,011	431,612	-	-	-	-
Services and Supplies	84,395	22,607	437,900	98,407	-	26,592	106,782	4,843
Net Revenue (Expense) before Interfund Transfers	439,134	877,789	131,073	530,019	-	26,592	106,782	4,843
Interfund Transfers	-	-	-	-	-	-	-	-
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund			59,631	13,245				

School District No. 70 (Alberni)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2020

	Early Years Centre	Learning Lab (Early Years)	PRP Kwakwaka	TOTAL
	\$	\$	\$	\$
Deferred Revenue, beginning of year	81,672	2,802	25,262	2,056,669
Add: Restricted Grants				
Provincial Grants - Ministry of Education	113,210	43,934	182,951	4,955,922
Other	113,210	43,934	182,951	1,263,455
Less: Allocated to Revenue	152,834	17,294	104,425	6,219,377
Recovered	152,834	17,294	104,425	5,791,363
Deferred Revenue, end of year	42,048	29,442	103,788	81,412
Revenues				
Provincial Grants - Ministry of Education	152,834	17,294	104,425	4,535,240
Other Revenue	152,834	17,294	104,425	1,256,123
Expenses				
Salaries				
Teachers			15,995	2,290,618
Principals and Vice Principals			4,364	107,922
Educational Assistants			50,920	484,022
Other Professionals			71,279	125,715
Employee Benefits	152,834	17,294	16,978	712,845
Services and Supplies	152,834	17,294	104,425	2,029,367
Net Revenue (Expense) before Interfund Transfers	-	-	-	5,750,489
Interfund Transfers				40,874
Tangible Capital Assets Purchased				(40,874)
Net Revenue (Expense)	-	-	-	(40,874)
Additional Expenses funded by, and reported in, the Operating Fund				90,148

School District No. 70 (Alberni)

Schedule 4 (Unaudited)

Schedule of Capital Operations
Year Ended June 30, 2020

	2020	2020 Actual			2019
	Budget (Note 16)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Other Revenue			1,750	1,750	1,700
Amortization of Deferred Capital Revenue	2,370,044	2,368,683		2,368,683	2,335,900
Total Revenue	<u>2,370,044</u>	<u>2,368,683</u>	<u>1,750</u>	<u>2,370,433</u>	<u>2,337,600</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,350,471	2,350,471		2,350,471	2,303,377
Transportation and Housing	802,795	802,795		802,795	776,003
Debt Services					
Capital Loan Interest	9,200		8,653	8,653	10,028
Total Expense	<u>3,162,466</u>	<u>3,153,266</u>	<u>8,653</u>	<u>3,161,919</u>	<u>3,089,408</u>
Capital Surplus (Deficit) for the year	<u>(792,422)</u>	<u>(784,583)</u>	<u>(6,903)</u>	<u>(791,486)</u>	<u>(751,808)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		217,052		217,052	341,857
Local Capital			1,364	1,364	
Total Net Transfers	<u>-</u>	<u>217,052</u>	<u>1,364</u>	<u>218,416</u>	<u>341,857</u>
Other Adjustments to Fund Balances					
Principal Payment					
Capital Loan		32,801	(32,801)	-	
Total Other Adjustments to Fund Balances		<u>32,801</u>	<u>(32,801)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(792,422)</u>	<u>(534,730)</u>	<u>(38,340)</u>	<u>(573,070)</u>	<u>(409,951)</u>
Capital Surplus (Deficit), beginning of year		<u>14,076,607</u>	<u>38,440</u>	<u>14,115,047</u>	<u>14,524,998</u>
Capital Surplus (Deficit), end of year		<u>13,541,877</u>	<u>100</u>	<u>13,541,977</u>	<u>14,115,047</u>

School District No. 70 (Alberni)

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	2,558,638	117,469,187	2,242,208	774,650	-	1,045,549	124,090,232
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,079,220	1,234	175,311		15,847	1,271,612
Operating Fund			77,990	6,484		91,704	176,178
Special Purpose Funds						40,874	40,874
	-	1,079,220	79,224	181,795	-	148,425	1,488,664
Decrease:							
Deemed Disposals	-	-	38,170	59,361	-	97,992	195,523
Cost, end of year	2,558,638	118,548,407	2,283,262	897,084	-	1,095,982	125,383,373
Work in Progress, end of year		2,161,844					2,161,844
Cost and Work in Progress, end of year	2,558,638	120,710,251	2,283,262	897,084	-	1,095,982	127,545,217
Accumulated Amortization, beginning of year		41,587,778	1,094,750	366,731		357,007	43,406,266
Changes for the Year		2,642,470	224,221	77,465		209,110	3,153,266
Increase: Amortization for the Year							
Decrease:							
Deemed Disposals			38,170	59,361		97,992	195,523
Accumulated Amortization, end of year							
			38,170	59,361		97,992	195,523
			44,230,248	1,280,801		468,125	46,364,009
Tangible Capital Assets - Net	2,558,638	76,480,003	1,002,461	512,249	-	627,857	81,181,208

School District No. 70 (Alberni)

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					-
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	2,161,844				2,161,844
	2,161,844	-	-	-	2,161,844
Net Changes for the Year	2,161,844	-	-	-	2,161,844
Work in Progress, end of year	2,161,844	-	-	-	2,161,844

School District No. 70 (Alberni)

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	64,804,499	1,410,497	158,370	66,373,366
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,271,612			1,271,612
	1,271,612	-	-	1,271,612
Decrease:				
Amortization of Deferred Capital Revenue	2,309,163	52,740	6,780	2,368,683
	2,309,163	52,740	6,780	2,368,683
Net Changes for the Year	(1,037,551)	(52,740)	(6,780)	(1,097,071)
Deferred Capital Revenue, end of year	63,766,948	1,357,757	151,590	65,276,295
Work in Progress, beginning of year				-
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	2,161,844			2,161,844
	2,161,844	-	-	2,161,844
Net Changes for the Year	2,161,844	-	-	2,161,844
Work in Progress, end of year	2,161,844	-	-	2,161,844
Total Deferred Capital Revenue, end of year	65,928,792	1,357,757	151,590	67,438,139

School District No. 70 (Alberni)

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		84,329				84,329
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	3,433,456	-	-	-	-	3,433,456
Decrease:						
Transferred to DCR - Capital Additions	1,271,612	-	-	-	-	1,271,612
Transferred to DCR - Work in Progress	2,161,844	-	-	-	-	2,161,844
	3,433,456	-	-	-	-	3,433,456
Net Changes for the Year	-	-	-	-	-	-
Balance, end of year	-	84,329	-	-	-	84,329