

Audited Financial Statements of

School District No. 69 (Qualicum)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 69 (Qualicum)

June 30, 2020

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School District No. 69 (Qualicum)

MANAGEMENT REPORT

Version: 8427-7681-5699

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 69 (Qualicum) 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.

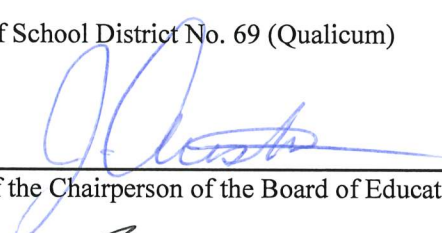
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 69 (Qualicum) (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.

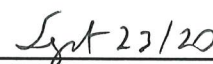
The external auditors, McGorman MacLean, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 69 (Qualicum) 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. 69 (Qualicum)


Signature of the Chairperson of the Board of Education


Date Signed


Signature of the Superintendent


Date Signed


Signature of the Secretary Treasurer


Date Signed

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 69 (Qualicum), and
To the Minister of Education, Province of British Columbia

Opinion

We have audited the accompanying consolidated financial statements of School District No. 69 (Qualicum), which comprise the statement of financial position as at June 30, 2020 and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of School District No. 69 (Qualicum) as at June 30, 2020, and the results of its operations, changes in net financial assets and cash flows for the year then ended 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 of 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 report. We are independent of the School District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget 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 School District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the School District or to cease operations, or has no realistic alternative but to do so.

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 School District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

McGorman Maclean
CHARTERED PROFESSIONAL ACCOUNTANTS


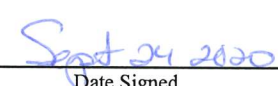

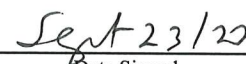
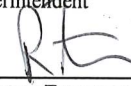
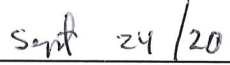
Parksville, Canada
September 22, 2020

School District No. 69 (Qualicum)

Statement of Financial Position

As at June 30, 2020

Statement 1

	2020 Actual \$	2019 Actual \$
Financial Assets		
Cash and Cash Equivalents	14,007,248	15,044,284
Accounts Receivable		
Due from Province - Ministry of Education	737,438	30,397
Other (Note 3)	211,672	259,797
Total Financial Assets	14,956,358	15,334,478
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	4,379,136	3,688,742
Unearned Revenue (Note 5)	503,858	2,351,524
Deferred Revenue (Note 6)	616,953	661,998
Deferred Capital Revenue (Note 7)	46,277,020	45,400,489
Employee Future Benefits (Note 8)	5,839,669	5,771,990
Total Liabilities	57,616,636	57,874,743
Net Debt	(42,660,278)	(42,540,265)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	62,465,265	62,426,020
Prepaid Expenses	100,075	92,785
Total Non-Financial Assets	62,565,340	62,518,805
Accumulated Surplus (Deficit)	19,905,062	19,978,540
Contractual Obligations (Note 10)		
Contractual Rights (Note 11)		
Approved by the Board		
Signature of the Chairperson of the Board of Education		 Date Signed
Signature of the Superintendent		 Date Signed
Signature of the Secretary Treasurer		 Date Signed

School District No. 69 (Qualicum)

Statement 2

Statement of Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	50,062,121	50,781,724	48,169,100
Other	120,000	191,878	193,822
Tuition	4,100,000	3,829,455	4,005,703
Other Revenue	1,490,000	1,247,328	1,467,436
Rentals and Leases	650,000	653,214	699,144
Investment Income	310,000	236,041	309,610
Amortization of Deferred Capital Revenue	2,345,074	2,345,075	2,277,437
Total Revenue	<u>59,077,195</u>	<u>59,284,715</u>	<u>57,122,252</u>
Expenses			
Instruction	46,136,365	45,877,751	44,571,904
District Administration	2,313,650	2,398,481	2,340,102
Operations and Maintenance	8,819,717	9,335,586	8,784,227
Transportation and Housing	2,024,551	1,746,375	1,911,501
Total Expense	<u>59,294,283</u>	<u>59,358,193</u>	<u>57,607,734</u>
Surplus (Deficit) for the year	<u>(217,088)</u>	<u>(73,478)</u>	<u>(485,482)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		19,978,540	20,464,022
Accumulated Surplus (Deficit) from Operations, end of year		<u>19,905,062</u>	<u>19,978,540</u>

School District No. 69 (Qualicum)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(217,088)</u>	<u>(73,478)</u>	<u>(485,482)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,475,325)	(2,698,607)	(2,207,399)
Amortization of Tangible Capital Assets	2,659,362	2,659,362	2,594,309
Total Effect of change in Tangible Capital Assets	<u>184,037</u>	<u>(39,245)</u>	<u>386,910</u>
Acquisition of Prepaid Expenses		(100,075)	(92,785)
Use of Prepaid Expenses		92,785	38,240
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(7,290)</u>	<u>(54,545)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(33,051)</u>	<u>(120,013)</u>	<u>(153,117)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(120,013)</u>	<u>(153,117)</u>
Net Debt, beginning of year		<u>(42,540,265)</u>	<u>(42,387,148)</u>
Net Debt, end of year		<u><u>(42,660,278)</u></u>	<u><u>(42,540,265)</u></u>

School District No. 69 (Qualicum)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2020

	2020 Actual \$	2019 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	(73,478)	(485,482)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(658,916)	(26,070)
Prepaid Expenses	(45,048)	(54,545)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	728,152	299,598
Unearned Revenue	(1,847,666)	57,897
Deferred Revenue	(45,045)	86,377
Employee Future Benefits	67,679	56,466
Amortization of Tangible Capital Assets	2,659,362	2,594,309
Amortization of Deferred Capital Revenue	(2,345,075)	(2,277,437)
Services and Supplies purchased with Bylaw Capital	(651,913)	(662,571)
Services and Supplies purchased with Other Provincial Capital	(45,487)	(24,197)
Total Operating Transactions	(2,257,435)	(435,655)
Capital Transactions		
Tangible Capital Assets Purchased	(2,698,607)	(2,207,399)
Total Capital Transactions	(2,698,607)	(2,207,399)
Financing Transactions		
Capital Revenue Received	3,919,006	2,480,537
Total Financing Transactions	3,919,006	2,480,537
Net Increase (Decrease) in Cash and Cash Equivalents	(1,037,036)	(162,517)
Cash and Cash Equivalents, beginning of year	15,044,284	15,206,801
Cash and Cash Equivalents, end of year	14,007,248	15,044,284
Cash and Cash Equivalents, end of year, is made up of:		
Cash	14,007,248	15,044,284
	14,007,248	15,044,284

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 1 AUTHORITY AND PURPOSE

The School District, established in 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 69 (Qualicum)" and operates as "School District No. 69 (Qualicum)." 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. 69 (Qualicum) 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

The financial statements of the School District 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*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(e) and 2(j).

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

As noted in Notes 2(e) and 2(j), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of tangible capital assets into revenue on the same basis as the related amortization expense.

As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require 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

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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.

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

Year ended June 30, 2019 - decrease in annual surplus by \$483,668

June 30, 2019 - increase in accumulated surplus and decrease in deferred contributions by \$45,400,489

Year ended June 30, 2020 - increase in annual surplus by \$876,531

June 30, 2020 - increase in accumulated surplus and decrease in deferred contributions by \$46,277,020

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) Unearned Revenue

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

e) Deferred Revenue and Deferred Capital Revenue

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

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. See Note 2(a) for the impact of this policy on these financial statements.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Employee Future Benefits

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

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

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSLS) of active employees covered under the plan.

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

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

g) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts directly related to acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Tangible Capital Assets (continued)

- Estimated useful life is as follows:

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

h) Prepaid Expenses

Amounts for maintenance contracts and other services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

i) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 15 - Accumulated Surplus).

j) Revenue Recognition

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

Contributions received or where eligibility criteria have been met, are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District 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.
- 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.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Revenue Recognition (continued)

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

Revenue related to fees or services received in advance of the fee being earned or the service 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.

k) Expenditures

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

Categories of Salaries

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

Allocation of Costs

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

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) 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 and accounts payable and accrued liabilities.

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

All financial assets, except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

m) 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. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

n) Future Changes in Accounting Policies

PS 3280 Asset Retirement Obligations, issued August 2018, establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2021. A liability will be recognized when, as at the financial reporting date:

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

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

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

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Future Changes in Accounting Policies (continued)

PS 3400 Revenue, issued November 2018, establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the School District satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when a School District:

- Has the authority to claim or retain an inflow of economic resources; and
- Identifies a past transaction or event that gives rise to an asset.

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2020	2019
Due from Federal Government	\$ 65,120	\$ 67,400
Mount Arrowsmith Teachers Association	18,587	55,286
CUPE Local 3570	18,373	32,721
Thomas Bus	55,476	-
Parksville Civic & Tech Centre	-	24,635
Other	54,116	79,755
	<u>\$ 211,672</u>	<u>\$ 259,797</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2020	2019
Trades payable	\$ 766,557	\$ 572,518
Salaries and benefits payable	2,768,031	2,209,543
Accrued vacation pay	234,302	195,399
Employer health tax payable	440,357	254,465
Other	169,889	456,817
	<u>\$ 4,379,136</u>	<u>\$ 3,688,742</u>

NOTE 5 UNEARNED REVENUE

	2020	2019
Tuition fees	<u>\$ 503,858</u>	<u>\$ 2,351,524</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)
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 the Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

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 the Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred revenue is included in Schedule 4C and 4D.

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	\$ 6,299,743	\$ 5,796,487
Service Cost	432,388	425,783
Interest Cost	160,284	162,908
Benefit Payments	(548,592)	(551,984)
Increase in Obligation due to Plan Amendment	-	5,719
Actuarial Loss	40,822	460,830
Accrued Benefit Obligation – March 31	<u>\$ 6,384,645</u>	<u>\$ 6,299,743</u>

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 6,384,645	\$ 6,299,743
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(6,384,645)	(6,299,743)
Employer Contributions After Measurement Date	247,192	177,535
Benefits Expense After Measurement Date	(151,025)	(148,168)
Unamortized Net Actuarial Loss	448,809	498,387
Accrued Benefit Liability – June 30	<u>\$ (5,839,669)</u>	<u>\$ (5,771,990)</u>

Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 5,771,990	\$ 5,715,524
Net expense for fiscal year	685,928	642,736
Employer Contributions	(618,249)	(586,271)
Accrued Benefit Liability – June 30	<u>\$ 5,839,669</u>	<u>\$ 5,771,990</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 8 EMPLOYEE FUTURE BENEFITS (continued)

Components of Net Benefit Expense

Service Cost	\$ 438,632	\$ 427,434
Interest Cost	156,897	162,252
Immediate Recognition of Plan Amendment	-	5,719
Amortization of Net Actuarial Loss	90,399	47,331
Net Benefit Expense	\$ 685,928	\$ 642,736

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

	2020	2019
Discount Rate – April 1	2.50%	2.75%
Discount Rate – March 31	2.25%	2.50%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.7	10.7

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value:

	June 30, 2020	June 30, 2019
Sites	\$ 11,929,778	\$ 11,929,778
Buildings	47,023,836	47,648,526
Furniture and Equipment	651,753	454,747
Vehicles	2,842,061	2,363,921
Computer Hardware	17,837	29,048
Total	\$ 62,465,265	\$ 62,426,020

June 30, 2020

Cost:	Opening Balance	Additions	Disposals	Transfers (WIP)	Total 2020
Sites	\$ 11,929,778	\$ -	\$ -	\$ -	\$ 11,929,778
Buildings	103,788,335	1,595,247	-	-	105,383,582
Furniture and Equipment	860,206	283,026	12,674	-	1,130,558
Vehicles	3,421,937	820,334	157,462	-	4,084,809
Computer Hardware	56,058	-	26,326	-	29,732
Total	\$ 120,056,314	\$ 2,698,607	\$ 196,462	\$ -	\$ 122,558,459

Accumulated Amortization:	Opening Balance	Additions	Disposals	Total 2020
Buildings	\$ 56,139,809	\$ 2,219,937	\$ -	\$ 58,359,746
Furniture and Equipment	405,459	86,020	12,674	478,805
Vehicles	1,058,016	342,194	157,462	1,242,748
Computer Hardware	27,010	11,211	26,326	11,895
Total	\$ 57,630,294	\$ 2,659,362	\$ 196,462	\$ 60,093,194

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 9 TANGIBLE CAPITAL ASSETS (continued)

June 30, 2019

Cost:	Opening Balance	Additions	Disposals	Transfers (WIP)	Total 2019
Sites	\$ 11,929,778	\$ -	\$ -	\$ -	\$ 11,929,778
Buildings	102,098,402	1,689,933	-	-	103,788,335
Furniture and Equipment	877,949	13,903	31,646	-	860,206
Vehicles	3,031,733	503,563	113,359	-	3,421,937
Computer Hardware	95,109	-	39,051	-	56,058
Total	\$ 118,032,971	\$ 2,207,399	\$ 184,056	\$ -	\$120,056,314

Accumulated Amortization:	Opening Balance	Additions	Disposals	Total 2019
Buildings	\$ 53,955,490	\$ 2,184,319	\$ -	\$ 56,139,809
Furniture and Equipment	349,310	87,795	31,646	405,459
Vehicles	868,202	303,173	113,359	1,058,016
Computer Hardware	47,039	19,022	39,051	27,010
Total	\$ 55,220,041	\$ 2,594,309	\$ 184,056	\$ 57,630,294

NOTE 10 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The School District, in conducting its usual business activities, is involved in legal claims and litigation. In the event any unsettled claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

NOTE 11 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The School District's contractual rights arise because of contracts entered into for the rental of facilities. The following summarizes the contractual rights of the School District for future assets:

	2021	2022	2023	2024
Future rental revenue	\$ 556,214	\$ 326,791	\$ 139,771	\$ 139,771

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 "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 at December 31, 2018, the Municipal Pension Plan has about 205,000 active members, including approximately 26,000 from School Districts.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 12 EMPLOYEE PENSION PLANS (continued)

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 \$3,933,885 for employer contributions to these plans in the year ended June 30, 2020 (2019 - \$4,016,589).

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 Plan.

NOTE 13 ASSET RETIREMENT OBLIGATION

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

NOTE 14 EXPENSE BY OBJECT

	2020	2019
Salaries and benefits	\$ 48,277,968	\$ 45,667,549
Services and supplies	8,420,863	9,345,877
Amortization	2,659,362	2,594,309
	<u>\$ 59,358,193</u>	<u>\$ 57,607,734</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 15 ACCUMULATED SURPLUS

Accumulated surplus consists of:

	2020	2019
Invested in tangible capital assets	\$ 17,425,551	\$ 17,232,902
Local capital surplus	486,263	761,336
Total capital surplus	17,911,814	17,994,238
Operating surplus	1,993,248	1,984,302
	<u>\$ 19,905,062</u>	<u>\$ 19,978,540</u>

Interfund transfers between the operating, special projects and capital funds for the year ended June 30, 2020, were as follows:

- Tangible capital assets were purchased with Operating funds (\$252,874)

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

	2020	2019
School budgets	\$ 110,051	\$ 49,248
Capital maintenance	361,493	410,000
Educational programs	27,500	91,350
Photocopier and printer program	-	250,000
Energy projects	200,000	100,000
Budgeted allocation of surplus	300,000	83,077
	999,044	983,675
Contingency reserve	994,204	1,000,627
Internally restricted	1,993,248	1,984,302
Unrestricted operating surplus	-	-
Total operating surplus	<u>\$ 1,993,248</u>	<u>\$ 1,984,302</u>

NOTE 16 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.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 17 BUDGET FIGURES

The budget figures included in the financial statements are not audited. The budget figures presented in these financial statements are based upon the 2019/20 amended annual budget adopted by the Board on February 25, 2020. The following chart compares the original annual budget bylaw approved April 23, 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	\$ 52,407,195	\$ 50,586,351
Other Provincial Revenues	120,000	101,450
Tuition	4,100,000	4,100,000
Other Revenue	1,490,000	1,520,000
Rentals and Leases	650,000	650,000
Investment Income	310,000	300,000
Total Revenue	<u>59,077,195</u>	<u>57,257,801</u>
Expenses		
Instruction	46,136,365	44,769,402
District Administration	2,313,650	2,162,686
Operations and Maintenance	8,819,717	8,492,802
Transportation and Housing	2,024,551	2,067,841
Total Expenses	<u>59,294,283</u>	<u>57,492,731</u>
Net Expenses	(217,088)	(234,930)
Budgeted Allocation of Surplus	341,350	335,746
Budgeted Surplus for the year	<u>\$ 124,262</u>	<u>\$ 100,816</u>

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.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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 and cash equivalents, amounts receivable and investments.

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in the Central Deposit Program with the Ministry of Finance.

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 foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in the Central Deposit Program with the Ministry of Finance.

c) Liquidity risk:

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2019 related to credit, market or liquidity risks.

School District No. 69 (Qualicum)
Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2020

Schedule 1

	Operating Fund \$	Special Purpose Fund \$	Capital Fund \$	2020 Actual \$	2019 Actual \$
Accumulated Surplus (Deficit), beginning of year	1,984,302		17,994,238	19,978,540	20,464,022
Changes for the year					
Surplus (Deficit) for the year	261,820				
Interfund Transfers			(335,298)	(73,478)	(485,482)
Tangible Capital Assets Purchased	(252,874)		252,874	-	
Net Changes for the year	8,946	-	(82,424)	(73,478)	(485,482)
Accumulated Surplus (Deficit), end of year - Statement 2	1,993,248	-	17,911,814	19,905,062	19,978,540

School District No. 69 (Qualicum)

Schedule of Operating Operations

Year Ended June 30, 2020

Schedule 2

	2020 Budget \$	2020 Actual \$	2019 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	44,919,321	45,475,829	42,964,166
Other	120,000	146,391	169,625
Tuition	4,100,000	3,829,455	4,005,703
Other Revenue	140,000	152,848	159,387
Rentals and Leases	650,000	653,214	699,144
Investment Income	290,000	222,467	287,405
Total Revenue	50,219,321	50,480,204	48,285,430
Expenses			
Instruction	40,294,522	40,328,635	38,920,838
District Administration	2,313,650	2,398,481	2,340,102
Operations and Maintenance	5,853,203	6,087,087	5,464,837
Transportation and Housing	1,680,746	1,404,181	1,608,328
Total Expense	50,142,121	50,218,384	48,334,105
Operating Surplus (Deficit) for the year	77,200	261,820	(48,675)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	341,350		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(418,550)	(252,874)	(100,677)
Total Net Transfers	(418,550)	(252,874)	(100,677)
Total Operating Surplus (Deficit), for the year	-	8,946	(149,352)
Operating Surplus (Deficit), beginning of year		1,984,302	2,133,654
Operating Surplus (Deficit), end of year		1,993,248	1,984,302
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 15)		1,993,248	1,984,302
Total Operating Surplus (Deficit), end of year		1,993,248	1,984,302

School District No. 69 (Qualicum)

Schedule 2A

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	42,851,790	42,927,094	41,283,872
Other Ministry of Education Grants			
Pay Equity	936,176	936,176	936,176
Funding for Graduated Adults	8,352	13,423	9,687
Transportation Supplement	426,341	426,341	426,341
Economic Stability Dividend			46,945
Carbon Tax Grant	60,000	58,640	58,640
Employer Health Tax Grant	357,774	357,774	108,720
Strategic Priorities - Mental Health Grant			35,000
Support Staff Benefits Grant	46,702	46,702	37,312
BCTEA - LEA Capacity Building Grant			6,850
Support Staff Wage Increase Funding	222,073	222,073	
Teachers' Labour Settlement Funding		477,493	
FSA Monitoring	10,113	8,187	8,187
Shoulder Tappers			5,000
SRG3 Assessments			1,436
Early Learning Framework		1,926	
Total Provincial Grants - Ministry of Education	44,919,321	45,475,829	42,964,166
Provincial Grants - Other	120,000	146,391	169,625
Tuition			
International and Out of Province Students	4,100,000	3,829,455	4,005,703
Total Tuition	4,100,000	3,829,455	4,005,703
Other Revenues			
Miscellaneous			
Transportation Revenue	50,000	50,666	60,184
Miscellaneous	90,000	92,593	90,598
Pcard Dividend		9,589	8,605
Total Other Revenue	140,000	152,848	159,387
Rentals and Leases	650,000	653,214	699,144
Investment Income	290,000	222,467	287,405
Total Operating Revenue	50,219,321	50,480,204	48,285,430

School District No. 69 (Qualicum)

Schedule 2B

Schedule of Operating Expense by Object

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Salaries			
Teachers	18,470,644	19,318,832	18,349,632
Principals and Vice Principals	3,241,128	3,297,303	2,979,831
Educational Assistants	3,826,735	3,786,620	3,256,262
Support Staff	5,147,352	5,250,800	4,732,464
Other Professionals	1,761,336	1,767,748	1,713,084
Substitutes	1,574,898	1,440,897	1,812,702
Total Salaries	34,022,093	34,862,200	32,843,975
Employee Benefits	9,062,921	8,979,756	8,529,200
Total Salaries and Benefits	43,085,014	43,841,956	41,373,175
Services and Supplies			
Services	3,044,630	2,639,084	3,183,414
Student Transportation	1,000		
Professional Development and Travel	579,085	410,577	503,771
Rentals and Leases	5,000	3,235	10,553
Dues and Fees	71,000	69,879	74,419
Insurance	164,000	139,686	149,560
Supplies	2,176,392	2,231,575	2,140,818
Utilities	1,016,000	882,392	898,395
Total Services and Supplies	7,057,107	6,376,428	6,960,930
Total Operating Expense	50,142,121	50,218,384	48,334,105

SCHOOL DISTRICT NO. 69 (Qualicum)
 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	16,117,094	676,538		21,166		862,310	17,677,108
1.03 Career Programs	162,970			40,467		1,847	205,284
1.07 Library Services	603,666	32,550		237,554		5,564	879,334
1.08 Counselling	811,014						811,014
1.10 Special Education	1,275,010	214,720	3,520,129	48,302	64,747	229,056	5,351,964
1.30 English Language Learning	65,398						65,398
1.31 Indigenous Education	77,740	117,893	266,491				462,124
1.41 School Administration		2,000,838		1,014,572		34,150	3,049,560
1.62 International and Out of Province Students		254,764		77,191	185,649		723,544
1.64 Other	205,940				35,501		35,501
Total Function 1	19,318,832	3,297,303	3,786,620	1,439,252	285,897	1,132,927	29,260,831
4 District Administration							
4.11 Educational Administration					514,497		514,497
4.40 School District Governance					115,478		115,478
4.41 Business Administration				373,135	585,002		958,137
Total Function 4	-	-	-	373,135	1,214,977	-	1,588,112
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					207,706		207,706
5.50 Maintenance Operations				54,171			54,171
5.52 Maintenance of Grounds				2,444,597		227,607	2,672,204
5.56 Utilities				169,933		2,233	172,166
Total Function 5	-	-	-	2,668,701	207,706	229,840	3,106,247
7 Transportation and Housing							
7.41 Transportation and Housing Administration					59,168		59,168
7.70 Student Transportation				53,864			53,864
7.73 Housing				715,848		78,130	793,978
Total Function 7	-	-	-	769,712	59,168	78,130	907,010
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	19,318,832	3,297,303	3,786,620	5,250,800	1,767,748	1,440,897	34,862,200

School District No. 69 (Qualicum)

Schedule 2C

Operating Expense by Function, Program and Object
Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	17,677,108	4,604,041	22,281,149	899,791	23,180,940	22,675,706	21,976,140
1.03 Career Programs	205,284	52,583	257,867	421,646	679,513	703,629	839,704
1.07 Library Services	879,334	237,398	1,116,732	22,952	1,139,684	1,135,564	1,097,285
1.08 Counselling	811,014	209,717	1,020,731		1,020,731	1,015,065	899,872
1.10 Special Education	5,351,964	1,556,703	6,908,667	58,715	6,967,382	7,030,187	6,760,634
1.30 English Language Learning	65,398	18,853	84,251		84,251	80,877	79,271
1.31 Indigenous Education	462,124	124,774	586,898	100,402	687,300	692,825	565,872
1.41 School Administration	3,049,560	745,144	3,794,704	52,859	3,847,563	3,784,775	3,680,377
1.62 International and Out of Province Students	723,544	187,115	910,659	1,765,451	2,676,110	3,128,722	2,977,106
1.64 Other	35,501	9,660	45,161		45,161	47,172	44,577
Total Function 1	29,260,831	7,745,988	37,006,819	3,321,816	40,328,635	40,294,522	38,920,838
4 District Administration							
4.11 Educational Administration	514,497	59,404	573,901	116,732	690,633	745,092	689,033
4.40 School District Governance	115,478	9,770	125,248	72,364	197,612	209,080	231,806
4.41 Business Administration	958,137	221,650	1,179,787	330,449	1,510,236	1,359,478	1,419,263
Total Function 4	1,588,112	290,824	1,878,936	519,545	2,398,481	2,313,650	2,340,102
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration							
5.50 Maintenance Operations	261,877	68,726	330,603	184,473	515,076	565,561	604,040
5.52 Maintenance of Grounds	2,672,204	583,407	3,255,611	1,018,674	4,274,285	3,831,975	3,533,359
5.56 Utilities	172,166	42,960	215,126	104,680	319,806	319,667	300,735
Total Function 5	3,106,247	695,093	3,801,340	2,285,747	6,087,087	5,833,203	5,464,837
7 Transportation and Housing							
7.41 Transportation and Housing Administration							
7.70 Student Transportation	113,032	21,282	134,314	858	135,172	163,605	135,374
7.73 Housing	793,978	226,569	1,020,547	229,705	1,250,252	1,499,141	1,465,154
Total Function 7	907,010	247,851	1,154,861	18,757	1,404,181	1,680,746	1,608,328
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	34,862,200	8,979,756	43,841,956	6,376,428	50,218,384	50,142,121	48,334,105

School District No. 69 (Qualicum)

Schedule 3

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	4,692,800	4,653,982	4,542,363
Other Revenue	1,350,000	1,094,480	1,308,049
Total Revenue	<u>6,042,800</u>	<u>5,748,462</u>	<u>5,850,412</u>
Expenses			
Instruction	5,841,843	5,549,116	5,651,066
Operations and Maintenance	199,346	199,346	199,346
Transportation and Housing	1,611		
Total Expense	<u>6,042,800</u>	<u>5,748,462</u>	<u>5,850,412</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

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

	Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community	LINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
Deferred Revenue, beginning of year	\$ -	\$ -	\$ 647,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add: Restricted Grants										
Provincial Grants - Ministry of Education	199,346	157,126		96,474	19,892	104,267	375,902	448,742	3,169,927	
Other										
Less: Allocated to Revenue	199,346	157,126	1,022,648	96,474	19,892	104,267	375,902	448,742	3,169,927	
Deferred Revenue, end of year	199,346	157,126	1,094,480	96,474	19,892	87,303	375,902	448,742	3,169,927	
Revenues			575,191	-	-	16,964	-	-	-	-
Provincial Grants - Ministry of Education	199,346	157,126		96,474	19,892	87,303	375,902	448,742	3,169,927	
Other Revenue			1,094,480							
Expenses			1,094,480	96,474	19,892	87,303	375,902	448,742	3,169,927	
Salaries										
Teachers										
Principals and Vice Principals						41,795				2,482,910
Educational Assistants						9,055	38,141	199,916		
Support Staff	146,944	123,721					225,769	153,243		
Employee Benefits	146,944	123,721	-	-	-	50,850	263,910	353,159	2,482,910	
Services and Supplies	39,675	33,405				13,730	61,768	95,583	687,017	
	12,727		1,094,480	96,474	19,892	22,723	50,224			
	199,346	157,126	1,094,480	96,474	19,892	87,303	375,902	448,742	3,169,927	
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-	-

	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	14,975	-	-	-	661,998
Add: Restricted Grants					
Provincial Grants - Ministry of Education	68,365	1,611	30,500	8,617	4,680,769
Other					1,022,648
Less: Allocated to Revenue	68,365	1,611	30,500	8,617	5,703,417
Deferred Revenue, end of year	83,340	-	13,922	2,008	5,748,462
	-	1,611	16,578	6,609	616,953
Revenues					
Provincial Grants - Ministry of Education	83,340	-	13,922	2,008	4,653,982
Other Revenue					1,094,480
Expenses	83,340	-	13,922	2,008	5,748,462
Salaries					
Teachers	83,340				2,608,045
Principals and Vice Principals					47,196
Educational Assistants					549,406
Support Staff					300,187
Employee Benefits	83,340	-	-	-	3,504,834
Services and Supplies			13,922	2,008	931,178
	83,340	-	13,922	2,008	1,312,450
					5,748,462
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-
Interfund Transfers					
	-	-	-	-	-
	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-

School District No. 69 (Qualicum)

Schedule 4

Schedule of Capital Operations

Year Ended June 30, 2020

	2020	2020 Actual			2019
	Budget	Invested in Tangible	Local	Fund	Actual
	\$	Capital Assets	Capital	Balance	\$
Revenues					
Provincial Grants					
Ministry of Education	450,000	651,913		651,913	662,571
Other		45,487		45,487	24,197
Investment Income	20,000		13,574	13,574	22,205
Amortization of Deferred Capital Revenue	2,345,074	2,345,075		2,345,075	2,277,437
Total Revenue	2,815,074	3,042,475	13,574	3,056,049	2,986,410
Expenses					
Operations and Maintenance	450,000	697,400	34,585	731,985	828,908
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,317,168	2,317,168		2,317,168	2,291,136
Transportation and Housing	342,194	342,194		342,194	303,173
Total Expense	3,109,362	3,356,762	34,585	3,391,347	3,423,217
Capital Surplus (Deficit) for the year	(294,288)	(314,287)	(21,011)	(335,298)	(436,807)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	418,550	252,874		252,874	100,677
Total Net Transfers	418,550	252,874	-	252,874	100,677
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		254,062	(254,062)	-	
Total Other Adjustments to Fund Balances		254,062	(254,062)	-	
Total Capital Surplus (Deficit) for the year	124,262	192,649	(275,073)	(82,424)	(336,130)
Capital Surplus (Deficit), beginning of year		17,232,902	761,336	17,994,238	18,330,368
Capital Surplus (Deficit), end of year		17,425,551	486,263	17,911,814	17,994,238

School District No. 69 (Qualicum)

Tangible Capital Assets

Year Ended June 30, 2020

Schedule 4A

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	11,929,778	103,788,335	860,206	3,421,937	-	56,058	120,056,314
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,329,288	105,000	757,383			2,191,671
Operating Fund		11,897	178,026	62,951			252,874
Local Capital		254,062					254,062
Decrease:							
Deemed Disposals	-	1,595,247	283,026	820,334	-	-	2,698,607
Cost, end of year							
Work in Progress, end of year	-	-	12,674	157,462	-	26,326	196,462
Cost and Work in Progress, end of year	11,929,778	105,383,582	1,130,558	4,084,809	-	29,732	122,558,459
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		56,139,809	405,459	1,058,016		27,010	57,630,294
Decrease:							
Deemed Disposals		2,219,937	86,020	342,194		11,211	2,659,362
Accumulated Amortization, end of year							
			12,674	157,462		26,326	196,462
		-	12,674	157,462	-	26,326	196,462
		58,359,746	478,805	1,242,748	-	11,895	60,093,194
Tangible Capital Assets - Net	11,929,778	47,023,836	651,753	2,842,061	-	17,837	62,465,265

School District No. 69 (Qualicum)

Schedule 4C

Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	44,095,136	987,013	64,010	45,146,159
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,191,671			2,191,671
	2,191,671	-	-	2,191,671
Decrease:				
Amortization of Deferred Capital Revenue	2,298,775	36,714	9,586	2,345,075
	2,298,775	36,714	9,586	2,345,075
Net Changes for the Year	(107,104)	(36,714)	(9,586)	(153,404)
Deferred Capital Revenue, end of year	43,988,032	950,299	54,424	44,992,755
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	43,988,032	950,299	54,424	44,992,755

School District No. 69 (Qualicum)

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	44,534		9,531	200,265		254,330
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,799,050		1,103,700			2,799,050
Provincial Grants - Other			11,850	4,406		1,103,700
Investment Income						16,256
Decrease:						
Transferred to DCR - Capital Additions	2,191,671					2,191,671
Purchase of Services and Supplies	651,913		45,487			697,400
	2,843,584		45,487			2,889,071
Net Changes for the Year	(44,534)		1,070,063	4,406		1,029,935
Balance, end of year	-		1,079,594	204,671		1,284,265