

Audited Financial Statements of

School District No. 57 (Prince George)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 57 (Prince George)

June 30, 2020

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School District No. 57 (Prince George)

MANAGEMENT REPORT

Version: 4246-3500-1518

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 57 (Prince George) 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. 57 (Prince George) (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 LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 57 (Prince George) 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. 57 (Prince George)

Original signed by Tim Bennett, Board Chair September 30, 2020

Signature of the Chairperson of the Board of Education Date Signed

Original signed by Anita Richardson, Superintendent September 30, 2020

Signature of the Superintendent Date Signed

Original signed by Darleen Patterson, Secretary Treasurer September 30, 2020

Signature of the Secretary Treasurer Date Signed



KPMG LLP
177 Victoria Street, Suite 400
Prince George BC V2L 5R8
Canada
Telephone (250) 563-7151
Fax (250) 563-5693

INDEPENDENT AUDITORS' REPORT

To the Board of Education of the School District No. 57 (Prince George)
To the Minister of Education, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 57 (Prince George) (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 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Prince George, Canada
September 29, 2020

School District No. 57 (Prince George)

Statement 1

Statement of Financial Position

As at June 30, 2020

	2020 Actual	2019 Actual (Recast - Note 21)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	21,534,519	22,098,741
Accounts Receivable		
Due from Province - Ministry of Education	2,709,121	6,224,632
Due from First Nations	-	147,017
Other (Note 3)	794,941	854,661
Portfolio Investments (Note 4)	4,516,017	5,613,601
Total Financial Assets	29,554,598	34,938,652
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	5,734,113	5,568,764
Unearned Revenue	273,580	100,750
Deferred Revenue (Note 6)	2,622,996	2,570,025
Deferred Capital Revenue (Note 7)	110,315,765	96,531,284
Employee Future Benefits (Note 8)	2,339,487	2,322,695
Other Liabilities (Note 10)	12,443,810	11,318,030
Total Liabilities	133,729,751	118,411,548
Net Debt	(104,175,153)	(83,472,896)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	144,423,622	128,015,047
Prepaid Expenses	326,426	295,917
Total Non-Financial Assets	144,750,048	128,310,964
Accumulated Surplus (Deficit)	40,574,895	44,838,068

Contractual Obligations (Note 14)

Contractual Rights (Note 15)

Contingent Liabilities (Note 16)

Approved by the Board

Original signed by Tim Bennett, Board Chair

September 30, 2020

Signature of the Chairperson of the Board of Education

Date Signed

Original signed by Anita Richardson, Superintendent

September 30, 2020

Signature of the Superintendent

Date Signed

Original signed by Darleen Patterson, Secretary Treasurer

September 30, 2020

Signature of the Secretary Treasurer

Date Signed

School District No. 57 (Prince George)

Statement of Operations
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Recast - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	157,374,613	159,681,608	152,031,310
Other		77,082	34,143
Tuition	69,000	69,000	104,500
Other Revenue	4,994,143	4,984,344	6,054,248
Rentals and Leases	750,000	622,455	799,707
Investment Income	607,000	409,044	638,336
Amortization of Deferred Capital Revenue	3,480,687	3,480,695	3,506,528
Total Revenue	<u>167,275,443</u>	<u>169,324,228</u>	<u>163,168,772</u>
Expenses			
Instruction	134,166,088	132,652,048	128,948,854
District Administration	7,286,652	7,991,709	6,550,059
Operations and Maintenance	28,401,746	29,670,850	27,331,627
Transportation and Housing	4,374,204	3,272,794	4,014,093
Total Expense	<u>174,228,690</u>	<u>173,587,401</u>	<u>166,844,633</u>
Surplus (Deficit) for the year	<u>(6,953,247)</u>	<u>(4,263,173)</u>	<u>(3,675,861)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		44,838,068	48,513,929
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>40,574,895</u></u>	<u>44,838,068</u>

School District No. 57 (Prince George)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Recast - Note 21)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(6,953,247)</u>	<u>(4,263,173)</u>	<u>(3,675,861)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(4,069,598)	(21,796,261)	(18,583,908)
Amortization of Tangible Capital Assets	5,387,686	5,387,686	5,263,373
Total Effect of change in Tangible Capital Assets	<u>1,318,088</u>	<u>(16,408,575)</u>	<u>(13,320,535)</u>
Acquisition of Prepaid Expenses		(326,426)	(295,917)
Use of Prepaid Expenses		295,917	182,749
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(30,509)</u>	<u>(113,168)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(5,635,159)</u>	<u>(20,702,257)</u>	<u>(17,109,564)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(20,702,257)</u>	<u>(17,109,564)</u>
Net Debt, beginning of year		<u>(83,472,896)</u>	<u>(66,363,332)</u>
Net Debt, end of year		<u>(104,175,153)</u>	<u>(83,472,896)</u>

School District No. 57 (Prince George)

Statement of Cash Flows
Year Ended June 30, 2020

	2020 Actual	2019 Actual (Recast - Note 21)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(4,263,173)	(3,675,861)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	3,722,248	(5,239,701)
Prepaid Expenses	(30,509)	(113,168)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	165,349	1,005,661
Unearned Revenue	172,830	(31,010)
Deferred Revenue	52,971	196,924
Employee Future Benefits	16,792	73,995
Other Liabilities	1,125,780	1,044,074
Amortization of Tangible Capital Assets	5,387,686	5,263,373
Amortization of Deferred Capital Revenue	(3,480,695)	(3,506,528)
Recognition of Deferred Capital Revenue Spent on Sites	(87,171)	(36,023)
Deferred Contributions in Support of Maintenance	(3,522,400)	(2,641,649)
Total Operating Transactions	<u>(740,292)</u>	<u>(7,659,913)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(6,051,961)	(3,548,893)
Tangible Capital Assets -WIP Purchased	(15,744,300)	(15,035,015)
Total Capital Transactions	<u>(21,796,261)</u>	<u>(18,583,908)</u>
Financing Transactions		
Capital Revenue Received	20,874,747	17,694,234
Total Financing Transactions	<u>20,874,747</u>	<u>17,694,234</u>
Investing Transactions		
Investments in Portfolio Investments	1,097,584	7,257
Total Investing Transactions	<u>1,097,584</u>	<u>7,257</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(564,222)</u>	<u>(8,542,330)</u>
Cash and Cash Equivalents, beginning of year	<u>22,098,741</u>	<u>30,641,071</u>
Cash and Cash Equivalents, end of year	<u>21,534,519</u>	<u>22,098,741</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	20,232,974	22,098,741
Cash Equivalents	1,301,545	
	<u>21,534,519</u>	<u>22,098,741</u>

**SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1 AUTHORITY AND PURPOSE

School District No. 57 (Prince George) ("the School District"), established on April 15, 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. 57 (Prince George)", and operates as "School District No. 57 (Prince George)". 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. 57 (Prince George) 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 and may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the District is not practicable at this time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of *the Budget Transparency and Accountability Act of the Province of British Columbia* supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. This Section 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 that all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors prepare their financial statements in accordance with Canadian public sector accounting standards.

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

**SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of Accounting (*continued*)

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

	June 30, 2020	June 30, 2019
Decrease in Annual Surplus	\$ 812,937	\$ 124,767
Increase in Accumulated Surplus	\$ 77,679,971	\$ 79,639,790
Decrease in Deferred Contributions	\$ 77,679,971	\$ 79,639,790

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) Portfolio Investments

The School District has investments in guaranteed investment certificates and term deposits that have a maturity date of greater than 3 months at the time of acquisition. GICs and term deposits not quoted in an active market are reported at cost or amortized cost.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net re-measurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the statement of re-measurement gains and losses. The loss is not reversed if there is a subsequent increase in value.

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

d) Portfolio Investments *(continued)*

Detailed information regarding portfolio investments is disclosed in note 4.

e) Unearned Revenue

Unearned revenue includes 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.

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 (m).

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.

g) Employee Future Benefits

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

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

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

g) Employee Future Benefits *(continued)*

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 by employer. The costs are expensed as incurred.

h) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- contamination exceeds the environmental standard;
- the School district:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

i) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement
- or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

i) Tangible Capital Assets *(continued)*

- 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 & Equipment	10 years
Computer Hardware & Software	5 years

j) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

k) Prepaid Expenses

Prepaid insurance and prepaid courses, seminars and travel are included as a prepaid expense and stated at acquisition cost and are charged to expenses over the periods expected to benefit from it.

l) 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 12 – Interfund Transfers and Note 19 – Internally Restricted Surplus)

m) 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.

**SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

m) Revenue Recognition *(continued)*

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

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

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

n) Expenditures

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

Categories of Salaries

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

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

n) Expenditures *(continued)*

Allocation of Costs

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

o) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, long term debt and other liabilities.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition and amortization 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 are recognized in the statement of re-measurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of re-measurement 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 re-measurement 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.

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

o) Financial Instruments *(continued)*

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

p) 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, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates

q) 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 for the year beginning July 1, 2022. A liability will be recognized when, as at the financial reporting date:

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

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

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

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

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

**SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2020**

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

q) Future Changes in Accounting Policies *(continued)*

Revenue from transactions with no performance obligations should be recognized when a school district:

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

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2020		2019
Due from Federal Government	\$ 161,715	\$	369,400
Due from City of Prince George	-		56,379
Due from School District No. 93	274,062		-
Due from Schools Protection Program	53,467		80,029
Trade and Other	264,661		312,181
Accrued Interest	41,036		36,672
	\$ 794,941	\$	854,661

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 4 PORTFOLIO INVESTMENTS

Investments at cost:	2020	2019
Guaranteed Investment Certificates		
o March 29, 2021, interest at 2.50%	504,000	504,000
o June 1, 2020, interest at 2.80%	\$ -	\$ 100,000
o June 1, 2020, interest at 2.80%	-	100,000
Term deposits	-	-
o September 7, 2019, interest at 2.05%	-	100,000
o December 14, 2019, interest at 1.36%	-	12,012
o March 1, 2020, interest at 3.00%	-	1,277,989
o June 8, 2020, interest at 2.70%	-	719,600
o June 8, 2020, interest at 2.60%	-	700,000
o September 9, 2020, interest at 1.50%	100,000	-
o December 16, 2020, interest at 1.06%	12,011	-
o June 8, 2021, interest at 2.50%	700,000	700,000
o June 8, 2022, interest at 2.40%	700,006	700,000
o June 8, 2023, interest at 2.75%	700,000	700,000
o June 17, 2023, interest at 1.70%	200,000	-
o June 8, 2024, interest at 2.00%	800,000	-
o June 8, 2025, interest at 1.70%	800,000	-
	\$ 4,516,017	\$ 5,613,601

No impairment has been identified by management and no investments were reclassified between the cost and fair value categories during the year.

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2020	2019
Trade payables	\$ 2,662,405	\$ 3,547,376
Accrued payables	482,529	503,580
Contract holdbacks	2,573,339	1,500,388
Other	15,840	17,420
	<u>\$ 5,734,113</u>	<u>\$ 5,568,764</u>

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
Deferred revenue, beginning of year	\$ 2,570,025	\$ 2,373,101
Add:		
Provincial grants	14,230,350	13,865,776
Other	2,897,854	3,729,182
Investment income	24,445	23,466
	<u>19,722,674</u>	<u>19,991,525</u>
Less:		
Allocated to revenue	(16,937,503)	(17,382,670)
Recovered	(162,175)	(38,830)
	<u>\$ 2,622,996</u>	<u>\$ 2,570,025</u>

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.

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 7 DEFERRED CAPITAL REVENUE *(continued)*

	2020	2019
Unspent deferred capital revenue, beginning of year	\$ 1,183,857	\$ 1,251,246
Add:		
Provincial grants	20,863,881	17,665,950
Other income	6,777	25,000
Investment income	4,089	3,284
	<u>22,058,604</u>	<u>18,945,480</u>
Less:		
Transferred to deferred capital revenue - capital additions	(2,322,947)	(1,019,311)
Transferred to deferred capital revenue - work in progress	(15,744,300)	(14,064,640)
Transferred to revenue - site purchases	(87,171)	(36,023)
Deferred contribution in support of maintenance	(3,522,400)	(2,641,649)
Unspent deferred capital revenue, end of year	<u>381,786</u>	<u>1,183,857</u>
Deferred capital revenue, beginning of year	\$ 78,455,933	\$ 80,943,150
Transferred from deferred revenue - capital additions	2,322,947	1,019,311
Amortization of deferred capital revenue	(3,480,695)	(3,506,528)
Deferred capital revenue, end of year	<u>77,298,185</u>	<u>78,455,933</u>
Work in progress, beginning of year	16,891,494	2,826,854
Transferred from deferred revenue - work in progress	15,744,300	14,064,640
Work in progress, end of year	<u>32,635,794</u>	<u>16,891,494</u>
Total deferred capital revenue, end of year	<u>\$ 110,315,765</u>	<u>\$ 96,531,284</u>

NOTE 8 EMPLOYEE FUTURE BENEFITS

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

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 8 EMPLOYEE FUTURE BENEFITS *(continued)*

	2020	2019
Reconciliation of accrued benefit obligation		
Accrued benefit obligation - April 1	\$ 2,061,451	\$ 1,933,339
Service cost	162,378	150,653
Interest cost	52,602	54,422
Benefit payments	(189,196)	(110,491)
Actuarial loss (gain)	(12,249)	33,528
Accrued benefit obligation - March 31	<u>\$ 2,074,986</u>	<u>\$ 2,061,451</u>

	2020	2019
Reconciliation of funded status at end of fiscal year		
Accrued benefit obligation - March 31	\$ 2,074,986	\$ 2,061,451
Market value of plan assets - March 31	-	-
Funded status - deficit	(2,074,986)	(2,061,451)
Employer contributions after measurement date	20,532	15,886
Benefits expense after measurement date	(54,872)	(53,745)
Unamortized net actuarial loss (gain)	(230,161)	(223,385)
Accrued benefit liability - June 30	<u>\$ (2,339,487)</u>	<u>\$ (2,322,695)</u>

	2020	2019
Reconciliation of change in accrued benefit liability		
Accrued benefit liability - July 1	\$ 2,322,695	\$ 2,248,700
Net expense for fiscal period	210,634	198,915
Employer contributions	(193,842)	(124,920)
Accrued benefit liability - June 30	<u>\$ 2,339,487</u>	<u>\$ 2,322,695</u>

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	10.6	10.6

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 9 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusted 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 \$12,056,130 for employer contributions to the plans for the year ended June 30, 2020 (2019: \$11,945,621).

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. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 10 OTHER LIABILITIES

	2020		2019	
Payroll	\$	2,573,707	\$	2,671,296
Accrued vacation		1,594,616		1,006,103
Teacher summer savings plan		5,121,213		4,567,945
Other		3,154,274		3,072,686
	\$	12,443,810	\$	11,318,030

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:	2020		2019	
Sites	\$	17,062,557	\$	16,975,386
Buildings		86,217,363		86,676,311
Buildings - WIP (work in progress)		33,606,169		17,861,869
Furniture & equipment		3,735,425		3,351,284
Computer hardware		3,802,108		3,150,197
Total	\$	144,423,622	\$	128,015,047

June 30, 2020

Cost:	Opening	Additions	Disposals	Total 2020
Sites	\$ 16,975,386	\$ 87,171	\$ -	\$ 17,062,557
Buildings	199,716,011	3,379,550	-	203,095,561
Buildings - WIP	17,861,869	15,744,300	-	33,606,169
Furniture & equipment	5,835,557	967,697	818,109	5,985,145
Computer hardware	4,828,155	1,617,543	560,726	5,884,972
Total	\$ 245,216,978	\$ 21,796,261	\$ 1,378,835	\$ 265,634,404

Accumulated Amortization:	Opening	Amortization	Disposals	Total 2020
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	113,039,700	3,838,498	-	116,878,198
Furniture & equipment	2,484,273	583,556	818,109	2,249,720
Computer hardware	1,677,958	965,632	560,726	2,082,864
Total	\$ 117,201,931	\$ 5,387,686	\$ 1,378,835	\$ 121,210,782

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 11 TANGIBLE CAPITAL ASSETS *(continued)*

June 30, 2019

Cost:	Opening	Additions	Disposals	Total 2019
Sites	\$ 16,884,691	\$ 90,695	\$ -	\$ 16,975,386
Buildings	198,365,185	1,350,826	-	199,716,011
Buildings - WIP	2,826,854	15,035,015	-	17,861,869
Furniture & equipment	6,223,525	951,561	1,339,529	5,835,557
Computer hardware	4,415,480	1,155,811	743,136	4,828,155
Total	\$ 228,715,735	\$ 18,583,908	\$ 2,082,665	\$ 245,216,978

Accumulated Amortization:	Opening	Amortization	Disposals	Total 2019
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	109,186,120	3,853,580	-	113,039,700
Furniture & equipment	3,297,106	526,696	1,339,529	2,484,273
Computer hardware	1,537,997	883,097	743,136	1,677,958
Total	\$ 114,021,223	\$ 5,263,373	\$ 2,082,665	\$ 117,201,931

Buildings – work in progress having a value of \$33,606,169 (2019: \$17,861,869) have not been amortized. Amortization of these assets will commence when the asset is put into service.

NOTE 12 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2019, were as follows:

- A transfer in the amount of \$44,999 (2019 - \$108,625) was made from Special Purpose Funds to the Capital Fund for the purchase of capital assets.
- A transfer in the amount of \$3,545,610 (2019 - \$2,880,309) was made from the Operating Fund to the Capital Fund for the purchase of capital assets.

NOTE 13 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. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 14 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

	2021	2022	2023	2024	2025
Student Transportation Contract	\$ 3,950,000	\$ 4,000,000	\$ 4,100,000	\$ 4,150,000	\$ 4,250,000
Kelly Road Construction	7,788,154	-	-	-	-
	<u>\$ 11,738,154</u>	<u>\$ 4,000,000</u>	<u>\$ 4,100,000</u>	<u>\$ 4,150,000</u>	<u>\$ 4,250,000</u>

NOTE 15 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 contracts entered into for shared use agreements and property rentals and leases. The following table summarizes the contractual rights of the School District for future assets:

	2021	2022	2023	2024	2025
Shared use agreement	\$ 252,500	\$ 267,500	\$ 277,750	\$ 283,300	\$ 289,000
Lease revenue	480,000	480,000	480,000	480,000	480,000
	<u>\$ 732,500</u>	<u>\$ 747,500</u>	<u>\$ 757,750</u>	<u>\$ 763,300</u>	<u>\$ 769,000</u>

NOTE 16 CONTINGENT LIABILITIES

The nature of the School District’s activities is 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.

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate or fair value can be made. As at June 30, 2020, the amounts and timing of any such liabilities are not reasonably determinable.

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 25, 2020. Reconciliation to the original approved budget is presented below:

	Original Approved Budget	Amendments	Amended Approved Budget
Revenue:			
Ministry of Education Provincial Grants	\$ 156,109,802	\$ 1,264,811	\$ 157,374,613
Tuition	-	69,000	69,000
Other revenue	4,122,797	871,346	4,994,143
Rentals and leases	750,000	-	750,000
Investment income	542,000	65,000	607,000
Amortization of deferred capital revenue	3,506,524	(25,837)	3,480,687
	<u>165,031,123</u>	<u>2,244,320</u>	<u>167,275,443</u>
Expenses:			
Instruction	129,497,186	4,668,902	134,166,088
District administration	7,194,068	92,584	7,286,652
Operations and maintenance	27,590,776	810,970	28,401,746
Transportation and housing	4,503,013	(128,809)	4,374,204
	<u>168,785,043</u>	<u>5,443,647</u>	<u>174,228,690</u>
Annual deficiency	(3,753,920)	(3,199,327)	(6,953,247)
Budgeted allocation of surplus	5,926,193	3,199,653	9,125,846
Budgeted annual surplus for the year	<u>\$ 2,172,273</u>	<u>\$ 326</u>	<u>\$ 2,172,599</u>
Comprised of:			
Operating fund surplus	\$ -	\$ -	\$ -
Special purpose fund surplus	-	-	-
Capital fund surplus	2,172,273	326	2,172,599
Budgeted annual surplus for the year	<u>\$ 2,172,273</u>	<u>\$ 326</u>	<u>\$ 2,172,599</u>

**SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 18 EXPENSE BY OBJECT

	2020	2019
Salaries and benefits	\$ 142,648,786	\$ 134,602,417
Services and supplies	25,550,929	26,978,843
Amortization	5,387,686	5,263,373
	<u>\$ 173,587,401</u>	<u>\$ 166,844,633</u>

NOTE 19 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted by Board due to:	2020	2019
<u>Operations Spanning the School Year</u>		
School surpluses	\$ 927,553	\$ 2,740,682
Future years' operating budgets	420,054	2,228,346
Technology, equipment and capital projects	3,144,041	4,166,637
Department and program surpluses	208,041	710,177
<u>Nature of Constraints on the Funds</u>		
Ministry of Education		
Education Plan	-	211,149
Indigenous Education	473,053	25,000
Repurposed NGN funding - infrastructure	-	293,791
Recreation trusts and other funds	375,724	322,118
<u>Anticipated Unusual Expenses Identified</u>		
WIFI Refresh project	-	700,000
Building Stronger Schools	350,000	350,000
Portables	179,534	330,000
Asbestos Removal / Site remediation	-	150,000
Total Available for Future Operations	<u>\$ 6,078,000</u>	<u>\$ 12,227,900</u>

NOTE 20 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. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 21 PRIOR PERIOD ADJUSTMENT

The prior year's financial information has been recast to reflect the correction of an immaterial error in the allocation of expenditures between the special purpose fund and the operating fund. As originally reported, \$115,767 of operating instruction salary and benefits expenses were reported in the special purpose fund in error. The comparative year's financial information has been recast to reflect the correct fund allocation of instruction expenses, resulting in an increase in special purpose fund deferred revenue and a decrease in accumulated surplus as follows:

	Previously Reported	Adjustment	Recast
<u>Statement of Financial Position</u>			
Deferred revenue	\$ 2,454,258	\$ 115,767	\$ 2,570,025
Accumulated surplus	44,953,835	(115,767)	44,838,068
<u>Statement of Operations</u>			
Revenue - Provincial Grants, Ministry of Education	152,147,077	(115,767)	152,031,310
<u>Statement of Changes in Net Financial Assets (Debt)</u>			
Surplus (deficit) for the year	(3,560,094)	(115,767)	(3,675,861)
(Increase) decrease in net financial assets (debt)	(16,993,797)	(115,767)	(17,109,564)
Net financial assets (debt), end of year	(83,357,129)	(115,767)	(83,472,896)
<u>Statement of Cash Flows</u>			
Surplus (deficit) for the year	(3,560,094)	(115,767)	(3,675,861)
Increase in deferred revenue	\$ 81,157	115,767	\$ 196,924

NOTE 22 RISK MANAGEMENT

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

a) Credit risk:

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

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most amounts receivable are due from the Province and 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 guaranteed investment certificates, term deposits and bonds.

**SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

b) Market risk:

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

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.
- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in guaranteed investment certificates, term deposits and bonds that have a maturity date of no more than 5 years.

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.

School District No. 57 (Prince George)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2020

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual (Recast - Note 21)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	12,112,133		32,725,935	44,838,068	48,513,929
Changes for the year					
Surplus (Deficit) for the year	(2,488,523)	44,999	(1,819,649)	(4,263,173)	(3,675,861)
Interfund Transfers					
Tangible Capital Assets Purchased	(1,379,686)	(44,999)	1,424,685	-	
Local Capital	(2,165,924)		2,165,924	-	
Net Changes for the year	(6,034,133)	-	1,770,960	(4,263,173)	(3,675,861)
Accumulated Surplus (Deficit), end of year - Statement 2	6,078,000	-	34,496,895	40,574,895	44,838,068

School District No. 57 (Prince George)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Recast - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	140,424,750	142,115,486	135,739,486
Tuition	69,000	69,000	104,500
Other Revenue	1,846,148	2,104,919	2,343,339
Rentals and Leases	750,000	622,455	799,707
Investment Income	575,000	384,428	610,900
Total Revenue	143,664,898	145,296,288	139,597,932
Expenses			
Instruction	117,433,023	116,527,077	112,454,292
District Administration	7,179,652	7,891,393	6,437,793
Operations and Maintenance	19,734,267	20,093,547	18,759,388
Transportation and Housing	4,374,204	3,272,794	4,014,093
Total Expense	148,721,146	147,784,811	141,665,566
Operating Surplus (Deficit) for the year	(5,056,248)	(2,488,523)	(2,067,634)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	9,125,846		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(2,518,791)	(1,379,686)	
Local Capital	(1,550,807)	(2,165,924)	(2,880,309)
Total Net Transfers	(4,069,598)	(3,545,610)	(2,880,309)
Total Operating Surplus (Deficit), for the year	-	(6,034,133)	(4,947,943)
Operating Surplus (Deficit), beginning of year		12,112,133	17,060,076
Operating Surplus (Deficit), end of year		6,078,000	12,112,133
Operating Surplus (Deficit), end of year			
Internally Restricted		6,078,000	12,112,133
Total Operating Surplus (Deficit), end of year		6,078,000	12,112,133

School District No. 57 (Prince George)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Recast - Note 21)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	135,824,077	135,961,749	132,275,912
ISC/LEA Recovery	(329,375)	(464,480)	(316,652)
Other Ministry of Education Grants			
Pay Equity	2,271,692	2,271,692	2,197,408
Funding for Graduated Adults		116,352	90,987
Transportation Supplement	687,663	687,663	687,663
Economic Stability Dividend			149,250
Carbon Tax Grant	135,000	155,406	155,406
Employer Health Tax Grant	1,100,223	1,100,223	334,336
Strategic Priorities - Mental Health Grant			31,000
Support Staff Benefits Grant	103,983	131,842	103,983
Support Staff Wage Increase Funding	586,472	586,472	
Teachers' Labour Settlement Funding		1,546,842	
FSA & Monitored Marking	15,693	15,693	15,693
Mental Health	26,500		
Other	2,822	6,032	14,500
Total Provincial Grants - Ministry of Education	140,424,750	142,115,486	135,739,486
Tuition			
International and Out of Province Students	69,000	69,000	104,500
Total Tuition	69,000	69,000	104,500
Other Revenues			
Other School District/Education Authorities	320,000	274,062	322,788
Funding from First Nations	329,375	464,480	316,652
Miscellaneous			
Administration Fees	107,000	100,316	113,163
Cafeteria Revenue	90,000	85,929	116,161
Group Life Refund			325,383
Industry Training Authority	258,000	217,700	224,400
Miscellaneous	621,773	825,734	790,251
Municipal Purchasing Group Mastercard Rebate	20,000	36,698	34,541
Northern Development Initiative Trust - Trades Training	100,000	100,000	100,000
Total Other Revenue	1,846,148	2,104,919	2,343,339
Rentals and Leases	750,000	622,455	799,707
Investment Income	575,000	384,428	610,900
Total Operating Revenue	143,664,898	145,296,288	139,597,932

School District No. 57 (Prince George)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Recast - Note 21)
	\$	\$	\$
Salaries			
Teachers	56,237,775	57,420,502	53,535,380
Principals and Vice Principals	9,242,558	9,340,782	8,316,365
Educational Assistants	15,579,908	15,465,393	14,135,159
Support Staff	11,931,732	12,122,987	11,534,007
Other Professionals	7,052,869	7,319,697	6,792,229
Substitutes	4,139,109	3,291,700	4,831,361
Total Salaries	104,183,951	104,961,061	99,144,501
Employee Benefits	23,629,030	24,859,444	23,024,906
Total Salaries and Benefits	127,812,981	129,820,505	122,169,407
Services and Supplies			
Services	4,833,354	4,375,824	4,246,079
Student Transportation	4,290,790	3,138,418	4,017,802
Professional Development and Travel	1,572,626	1,227,108	1,374,897
Rentals and Leases	479,221	442,003	448,257
Dues and Fees	77,403	75,533	85,571
Insurance	315,972	321,132	273,597
Supplies	6,318,638	5,404,549	6,175,425
Utilities	3,020,161	2,979,739	2,874,531
Total Services and Supplies	20,908,165	17,964,306	19,496,159
Total Operating Expense	148,721,146	147,784,811	141,665,566

School District No. 57 (Prince George)

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	45,732,988	351,931	168,426	65,175		2,253,647	48,572,167
1.03 Career Programs	837,788	79,014	28,852	41,837		1,054	988,545
1.07 Library Services	1,039,655	125,573		484,980		67,193	1,717,401
1.08 Counselling	2,056,779	25,649				43,806	2,126,234
1.10 Special Education	5,286,142	147,159	12,654,188	134,025	1,671,176	130,848	20,023,538
1.30 English Language Learning	1,391,123					20,325	1,411,448
1.31 Indigenous Education	173,999	151,994	2,588,365	38,871	868,110	6,704	3,828,043
1.41 School Administration		7,893,607		2,997,998	381,061	546,992	11,819,658
1.60 Summer School	41,582					2,053	43,635
1.62 International and Out of Province Students							-
1.64 Other	127,462		25,562	78,060	12,907	10,006	253,997
Total Function 1	56,687,518	8,774,927	15,465,393	3,840,946	2,933,254	3,082,628	90,784,666
4 District Administration							
4.11 Educational Administration	732,984	405,016		201,868	1,510,985	76,637	2,927,490
4.40 School District Governance					134,729		134,729
4.41 Business Administration		136,179		798,348	1,156,122	18,683	2,109,332
Total Function 4	732,984	541,195	-	1,000,216	2,801,836	95,320	5,171,551
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				93,307	736,573		829,880
5.50 Maintenance Operations				6,426,850	839,269	82,710	7,348,829
5.52 Maintenance of Grounds				667,748		31,042	698,790
5.56 Utilities							-
Total Function 5	-	-	-	7,187,905	1,575,842	113,752	8,877,499
7 Transportation and Housing							
7.41 Transportation and Housing Administration		24,660		87,813	8,765		121,238
7.70 Student Transportation				6,107			6,107
7.73 Housing							-
Total Function 7	-	24,660	-	93,920	8,765	-	127,345
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	57,420,502	9,340,782	15,465,393	12,122,987	7,319,697	3,291,700	104,961,061

School District No. 57 (Prince George)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual (Recast - Note 21)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	48,572,167	11,263,243	59,835,410	2,957,130	62,792,540	63,634,776	62,604,271
1.03 Career Programs	988,545	215,818	1,204,363	324,259	1,528,622	1,469,119	1,338,153
1.07 Library Services	1,717,401	400,695	2,118,096	196,219	2,314,315	2,209,338	2,204,926
1.08 Counselling	2,126,234	464,968	2,591,202	1,193	2,592,395	2,203,391	1,887,082
1.10 Special Education	20,023,538	5,139,195	25,162,733	316,366	25,479,099	25,346,537	23,435,972
1.30 English Language Learning	1,411,448	308,832	1,720,280	4,034	1,724,314	1,725,400	1,310,487
1.31 Indigenous Education	3,828,043	937,961	4,766,004	340,371	5,106,375	5,418,000	4,742,433
1.41 School Administration	11,819,658	2,075,631	13,895,289	301,630	14,196,919	14,424,398	14,121,223
1.60 Summer School	43,635	8,386	52,021	1,142	53,163	53,959	49,281
1.62 International and Out of Province Students	-	-	-	-	-	-	10,022
1.64 Other	253,997	58,002	311,999	427,336	739,335	948,105	750,442
Total Function 1	90,784,666	20,872,731	111,657,397	4,869,680	116,527,077	117,433,023	112,454,292
4 District Administration							
4.11 Educational Administration	2,927,490	635,671	3,563,161	806,628	4,369,789	4,013,577	3,134,521
4.40 School District Governance	134,729	6,802	141,531	192,461	333,992	289,806	278,137
4.41 Business Administration	2,109,332	540,385	2,649,717	537,895	3,187,612	2,876,269	3,025,135
Total Function 4	5,171,551	1,182,858	6,354,409	1,536,984	7,891,393	7,179,652	6,437,793
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	829,880	195,282	1,025,162	386,322	1,411,484	1,393,779	1,280,063
5.50 Maintenance Operations	7,348,829	2,403,927	9,752,756	3,663,654	13,416,410	13,059,912	12,320,189
5.52 Maintenance of Grounds	698,790	168,208	866,998	1,112,398	1,979,396	1,751,415	1,871,430
5.56 Utilities	-	-	-	3,286,257	3,286,257	3,529,161	3,287,706
Total Function 5	8,877,499	2,767,417	11,644,916	8,448,631	20,093,547	19,734,267	18,759,388
7 Transportation and Housing							
7.41 Transportation and Housing Administration	121,238	34,996	156,234	4,232	160,466	184,866	149,835
7.70 Student Transportation	6,107	1,442	7,549	3,104,779	3,112,328	4,187,338	3,861,691
7.73 Housing	-	-	-	-	-	2,000	2,567
Total Function 7	127,345	36,438	163,783	3,109,011	3,272,794	4,374,204	4,014,093
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	104,961,061	24,859,444	129,820,505	17,964,306	147,784,811	148,721,146	141,665,566

School District No. 57 (Prince George)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Recast - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	14,337,287	14,043,722	13,650,175
Other Revenue	3,147,995	2,869,336	3,709,029
Investment Income	22,000	24,445	23,466
Total Revenue	<u>17,507,282</u>	<u>16,937,503</u>	<u>17,382,670</u>
Expenses			
Instruction	16,733,065	16,124,971	16,494,562
District Administration	107,000	100,316	112,266
Operations and Maintenance	667,217	667,217	667,217
Total Expense	<u>17,507,282</u>	<u>16,892,504</u>	<u>17,274,045</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>44,999</u>	<u>108,625</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(44,999)	(108,625)
Total Net Transfers	<u>-</u>	<u>(44,999)</u>	<u>(108,625)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 57 (Prince George)

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		105,292	804,661	1,368,635		11,788	33,023	10,109	
Prior period adjustment									
Deferred Revenue, beginning of year, as restated	-	105,292	804,661	1,368,635	-	11,788	33,023	10,109	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	667,217	511,318			321,581	79,373	163,625	2,107,315	443,572
Other			42,681	2,797,505					
Investment Income			22,995	1,450					
	667,217	511,318	65,676	2,798,955	321,581	79,373	163,625	2,107,315	443,572
Less: Allocated to Revenue	667,217	529,270	30,736	2,806,876	321,011	65,740	142,803	1,958,877	443,572
Recovered									
Deferred Revenue, end of year	-	87,340	839,601	1,360,714	570	25,421	53,845	158,547	-
Revenues									
Provincial Grants - Ministry of Education	667,217	529,270			321,011	65,740	142,803	1,958,877	443,572
Other Revenue			7,741	2,805,426					
Investment Income			22,995	1,450					
	667,217	529,270	30,736	2,806,876	321,011	65,740	142,803	1,958,877	443,572
Expenses									
Salaries									
Teachers		52,331					24,922	26,256	
Educational Assistants		371,498			215,176		37,158	320,877	
Support Staff	70,726							183,700	100,860
Other Professionals	61,198				18,767	43,789		805,200	72,646
Substitutes					6,780		2,590		177,155
	131,924	423,829	-	-	240,723	43,789	64,670	1,336,033	350,661
Employee Benefits	16,597	105,441			61,682	11,651	12,428	313,085	75,282
Services and Supplies	518,696		30,736	2,788,864	18,606	10,300	65,705	309,759	17,629
	667,217	529,270	30,736	2,788,864	321,011	65,740	142,803	1,958,877	443,572
Net Revenue (Expense) before Interfund Transfers	-	-	-	18,012	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased				(18,012)					
	-	-	-	(18,012)	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 57 (Prince George)

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

	Classroom Enhancement Fund - Staffing	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	PRP Regional Hospital	PRP Two Wolves Centre	PRP FASD Outreach	PRP Camp Trapping	FASD - Other
Deferred Revenue, beginning of year	\$ 46,408	\$	\$	\$	\$ 15,084	\$ 14,946	\$ 34,478	\$ 6,861	\$ 2,973
Prior period adjustment	115,767								
Deferred Revenue, beginning of year, as restated	162,175	-	-	-	15,084	14,946	34,478	6,861	2,973
Add: Restricted Grants									
Provincial Grants - Ministry of Education	8,471,770	9,080	26,500	74,723	335,312	287,190	589,402	142,372	
Other									1,600
Investment Income									
	8,471,770	9,080	26,500	74,723	335,312	287,190	589,402	142,372	1,600
Less: Allocated to Revenue	8,471,770	1,415	26,500	16,955	335,503	302,136	619,861	141,092	101
Recovered	162,175								
Deferred Revenue, end of year	-	7,665	-	57,768	14,893	-	4,019	8,141	4,472
Revenues									
Provincial Grants - Ministry of Education	8,471,770	1,415	26,500	16,955	335,503	302,136	619,861	141,092	
Other Revenue									101
Investment Income									
	8,471,770	1,415	26,500	16,955	335,503	302,136	619,861	141,092	101
Expenses									
Salaries									
Teachers	6,864,508				206,996	214,044	303,764	90,778	
Educational Assistants		1,158			27,599				
Support Staff						8,294	17,118	9,220	
Other Professionals							62,596		
Substitutes			10,255	2,720		10,949	127		
	6,864,508	1,158	10,255	2,720	234,595	233,287	383,605	99,998	-
Employee Benefits	1,607,262	257	503	612	53,386	40,531	86,471	21,338	
Services and Supplies			15,742		39,369	28,318	149,785	14,545	101
	8,471,770	1,415	26,500	3,332	327,350	302,136	619,861	135,881	101
Net Revenue (Expense) before Interfund Transfers	-	-	-	13,623	8,153	-	-	5,211	-
Interfund Transfers									
Tangible Capital Assets Purchased				(13,623)	(8,153)			(5,211)	
	-	-	-	(13,623)	(8,153)	-	-	(5,211)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 57 (Prince George)

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

	Community LINK - Other	TOTAL
	\$	\$
Deferred Revenue, beginning of year		2,454,258
Prior period adjustment		115,767
Deferred Revenue, beginning of year, as restated	-	<u>2,570,025</u>
Add: Restricted Grants		
Provincial Grants - Ministry of Education		14,230,350
Other	56,068	2,897,854
Investment Income		24,445
	56,068	17,152,649
Less: Allocated to Revenue	56,068	16,937,503
Recovered		162,175
Deferred Revenue, end of year	-	<u><u>2,622,996</u></u>
Revenues		
Provincial Grants - Ministry of Education		14,043,722
Other Revenue	56,068	2,869,336
Investment Income		24,445
	56,068	16,937,503
Expenses		
Salaries		
Teachers		7,783,599
Educational Assistants		973,466
Support Staff		389,918
Other Professionals		1,064,196
Substitutes		210,576
	-	10,421,755
Employee Benefits		2,406,526
Services and Supplies	56,068	4,064,223
	56,068	16,892,504
Net Revenue (Expense) before Interfund Transfers	-	<u>44,999</u>
Interfund Transfers		
Tangible Capital Assets Purchased		(44,999)
	-	(44,999)
Net Revenue (Expense)	-	<u><u>-</u></u>

School District No. 57 (Prince George)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

	2020	2020 Actual			2019
	Budget	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Recast - Note 21)
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	2,612,576	3,522,400		3,522,400	2,641,649
Other		77,082		77,082	34,143
Other Revenue		10,089		10,089	1,880
Investment Income	10,000		171	171	3,970
Amortization of Deferred Capital Revenue	3,480,687	3,480,695		3,480,695	3,506,528
Total Revenue	6,103,263	7,090,266	171	7,090,437	6,188,170
Expenses					
Operations and Maintenance	2,612,576	3,522,400		3,522,400	2,641,649
Amortization of Tangible Capital Assets					
Operations and Maintenance	5,387,686	5,387,686		5,387,686	5,263,373
Total Expense	8,000,262	8,910,086	-	8,910,086	7,905,022
Capital Surplus (Deficit) for the year	(1,896,999)	(1,819,820)	171	(1,819,649)	(1,716,852)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	2,518,791	1,424,685		1,424,685	108,625
Local Capital	1,550,807		2,165,924	2,165,924	2,880,309
Total Net Transfers	4,069,598	1,424,685	2,165,924	3,590,609	2,988,934
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		2,217,158	(2,217,158)	-	
Total Other Adjustments to Fund Balances		2,217,158	(2,217,158)	-	
Total Capital Surplus (Deficit) for the year	2,172,599	1,822,023	(51,063)	1,770,960	1,272,082
Capital Surplus (Deficit), beginning of year		32,674,872	51,063	32,725,935	31,453,853
Capital Surplus (Deficit), end of year		34,496,895	-	34,496,895	32,725,935

School District No. 57 (Prince George)

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	16,975,386	199,716,011	5,835,557			4,828,155	227,355,109
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	77,082	2,124,407	182,580				2,384,069
Deferred Capital Revenue - Other	10,089		15,960				26,049
Operating Fund		89,441	755,534			534,711	1,379,686
Special Purpose Funds		18,012	13,623			13,364	44,999
Local Capital		1,147,690				1,069,468	2,217,158
	87,171	3,379,550	967,697	-	-	1,617,543	6,051,961
Decrease:							
Deemed Disposals			818,109			560,726	1,378,835
	-	-	818,109	-	-	560,726	1,378,835
Cost, end of year	17,062,557	203,095,561	5,985,145	-	-	5,884,972	232,028,235
Work in Progress, end of year		33,606,169					33,606,169
Cost and Work in Progress, end of year	17,062,557	236,701,730	5,985,145	-	-	5,884,972	265,634,404
Accumulated Amortization, beginning of year		113,039,700	2,484,273			1,677,958	117,201,931
Changes for the Year							
Increase: Amortization for the Year		3,838,498	583,556			965,632	5,387,686
Decrease:							
Deemed Disposals			818,109			560,726	1,378,835
			818,109	-	-	560,726	1,378,835
Accumulated Amortization, end of year		116,878,198	2,249,720	-	-	2,082,864	121,210,782
Tangible Capital Assets - Net	17,062,557	119,823,532	3,735,425	-	-	3,802,108	144,423,622

School District No. 57 (Prince George)

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	17,861,869				17,861,869
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	15,744,300				15,744,300
	15,744,300	-	-	-	15,744,300
Net Changes for the Year	15,744,300	-	-	-	15,744,300
Work in Progress, end of year	33,606,169	-	-	-	33,606,169

School District No. 57 (Prince George)

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	\$ 72,326,662	\$ 2,890,077	\$ 3,239,194	\$ 78,455,933
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,306,987	11,255	4,705	2,322,947
	<u>2,306,987</u>	<u>11,255</u>	<u>4,705</u>	<u>2,322,947</u>
Decrease:				
Amortization of Deferred Capital Revenue	3,275,078	102,021	103,596	3,480,695
	<u>3,275,078</u>	<u>102,021</u>	<u>103,596</u>	<u>3,480,695</u>
Net Changes for the Year	<u>(968,091)</u>	<u>(90,766)</u>	<u>(98,891)</u>	<u>(1,157,748)</u>
Deferred Capital Revenue, end of year	<u>71,358,571</u>	<u>2,799,311</u>	<u>3,140,303</u>	<u>77,298,185</u>
Work in Progress, beginning of year	16,861,869	29,625		16,891,494
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	15,744,300			15,744,300
	<u>15,744,300</u>	<u>-</u>	<u>-</u>	<u>15,744,300</u>
Net Changes for the Year	<u>15,744,300</u>	<u>-</u>	<u>-</u>	<u>15,744,300</u>
Work in Progress, end of year	<u>32,606,169</u>	<u>29,625</u>	<u>-</u>	<u>32,635,794</u>
Total Deferred Capital Revenue, end of year	<u>103,964,740</u>	<u>2,828,936</u>	<u>3,140,303</u>	<u>109,933,979</u>

School District No. 57 (Prince George)

Schedule 4D (Unaudited)

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	\$ 960,099	\$ -	\$ 90,488	\$ -	\$ 133,270	\$ 1,183,857
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	20,863,881					20,863,881
Other					6,777	6,777
Investment Income	1,785				2,304	4,089
	20,865,666	-	-	-	9,081	20,874,747
Decrease:						
Transferred to DCR - Capital Additions	2,306,987		11,255		4,705	2,322,947
Transferred to DCR - Work in Progress	15,744,300					15,744,300
Transferred to Revenue - Site Purchases	77,082				10,089	87,171
Deferred Contribution in Support of Maintenance Expenses	3,522,400					3,522,400
	21,650,769	-	11,255	-	14,794	21,676,818
Net Changes for the Year	(785,103)	-	(11,255)	-	(5,713)	(802,071)
Balance, end of year	174,996	-	79,233	-	127,557	381,786